Market Pulse
July 2024 | Vol. 6, Issue 7

Market Pulse

A monthly review of Indian economy and markets

Market Pulse

Volume 6, Issue 7

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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NSE

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Market Pulse

Published by Economic Policy and Research, National Stock Exchange of India Ltd.
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Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai 400 051 INDIA

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NSE at a glance

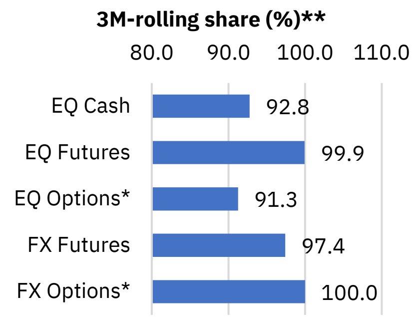
NSE's positioning and reach

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 June 30th, 2024

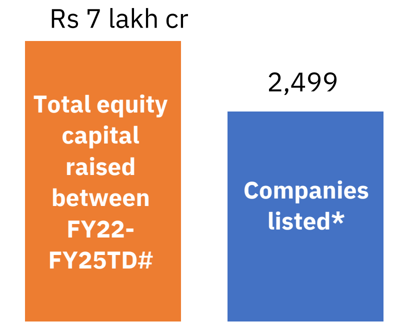
Reach

1305	Trading members
99.85%+	Pin codes covered
9.7 Crore	Unique registered PANs
US$88.1bn	Global passive AUM tracking Nifty indices*
US$5.2trn	Market cap (As of June 2024)

* Includes domestic and global AUM. As of June 30th, 2024

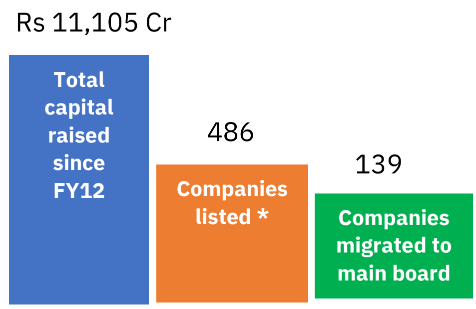
NSE's contribution to the economy

Catalyst for capital formation

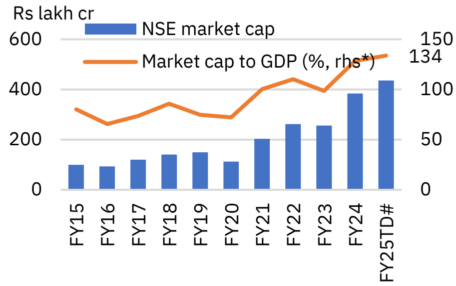


* Data is as of June 30th, 2024
# The data does not include business trust

Dedicated MSME platform



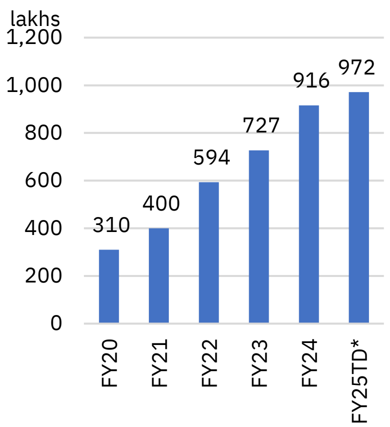
Market capitalization



* Market cap to GDP is based on 3M avg. market cap and nominal GDP for FY24. # As of June 30th, 2024

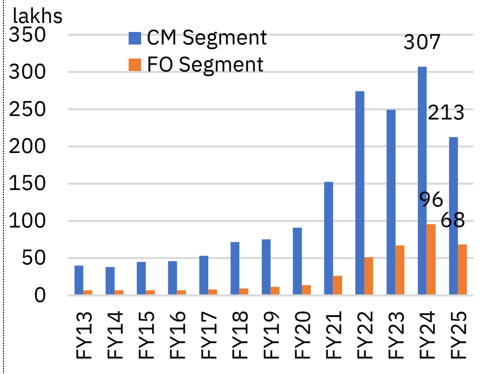
Investor growth

Unique investor base



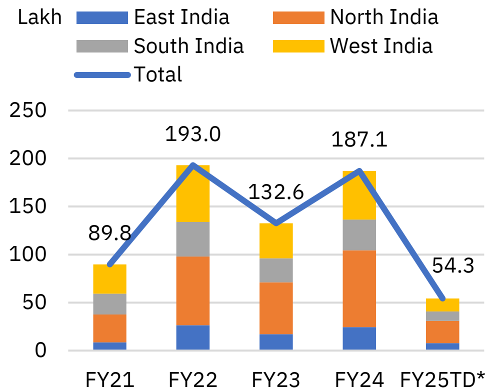
* As of June 30th, 2024

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 June 30th, 2024

New investor registrations



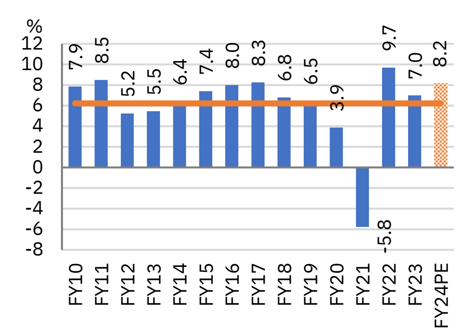
Top five states (UP, MH, WB, GJ, RJ) accounted for ~48% of new investor registrations in FY25TD.

NSE continues to have global dominance in Equity Index Options segment with a 98% global share in terms of contracts traded in June 2024. NSE reached the top spot in CM segment second time after February with 86 crore trades in June 2024.

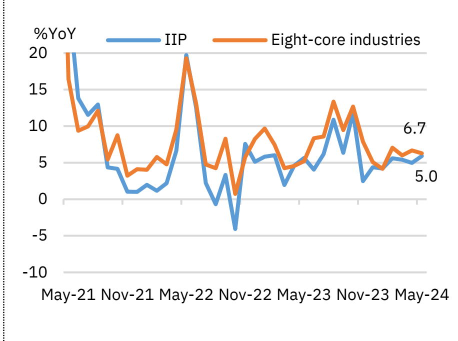
Key macro charts

Growth outlook robust

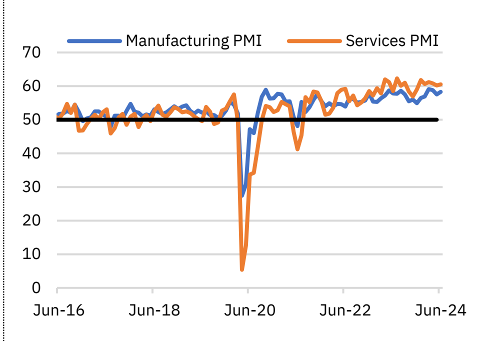
Annual GDP growth



Industrial activity remains steady

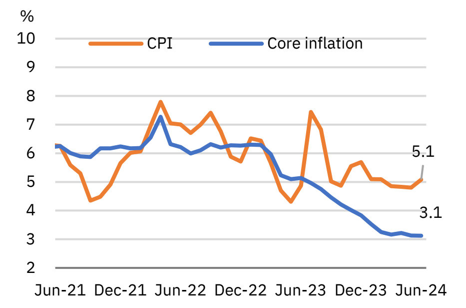


PMI in the expansion zone

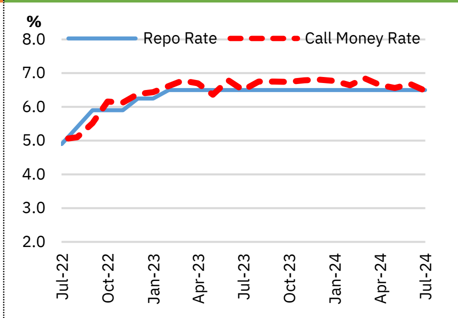


Inflation easing; policy to stay on hold for now

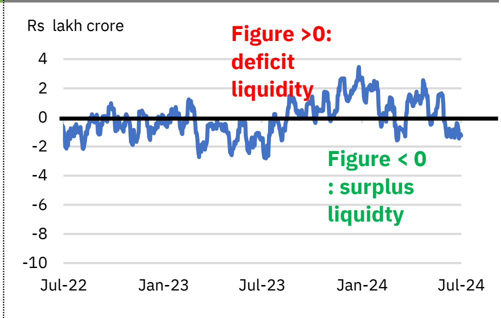
Inflation inches above 5%



Call money rate aligned with repo

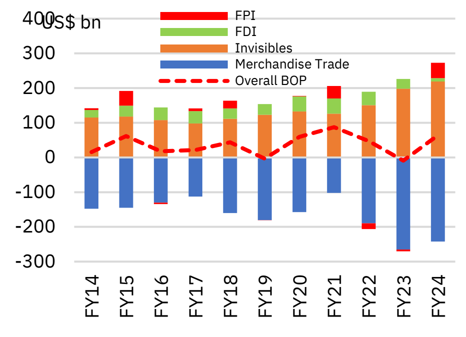


Liquidity conditions tightening

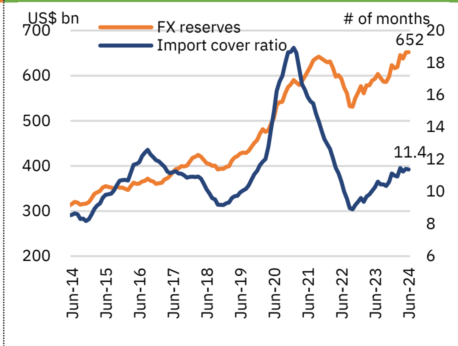


External situation comfortable; rupee stable

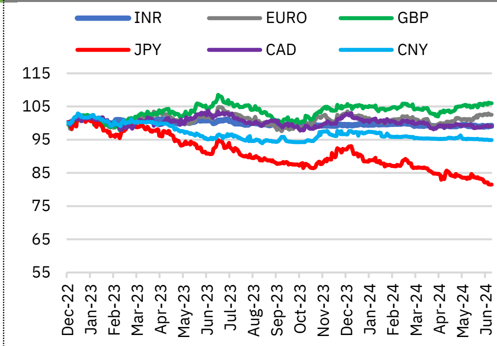
Overall BOP



Forex reserves



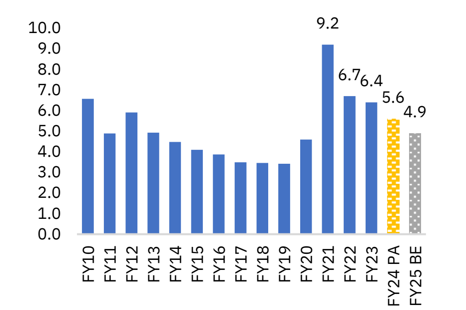
Rupee volatility contained



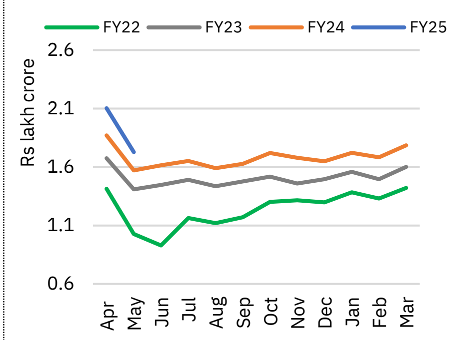
Fiscal prudence but with higher capex

Fiscal consolidation underway

Fiscal Deficit trend (%GDP)

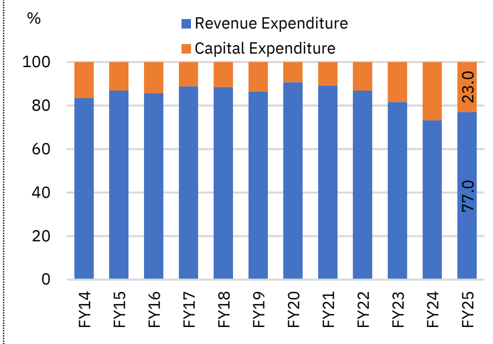


GST collections robust



Note: Data for June'24 is not available

Share of capex rising



Key market charts

Performance across asset classes

Equity

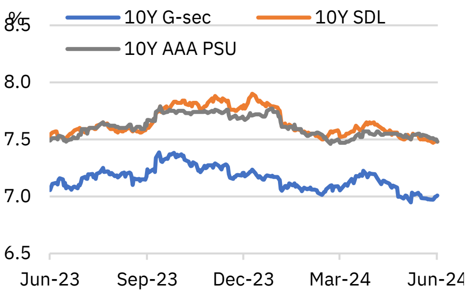
Returns of key equity indices (%)

Indices	1M	6M	12M
Nifty 50	**6.6**	**10.5**	**25.1**
Nifty 50 USD	**6.7**	**10.3**	**24.5**
MSCI World	1.9	10.8	18.4
MSCI EM	3.6	6.1	9.8
S&P 500	3.5	14.5	22.7
Euro Stoxx 50	-1.8	8.2	11.3
FTSE 100	-1.3	5.6	8.4

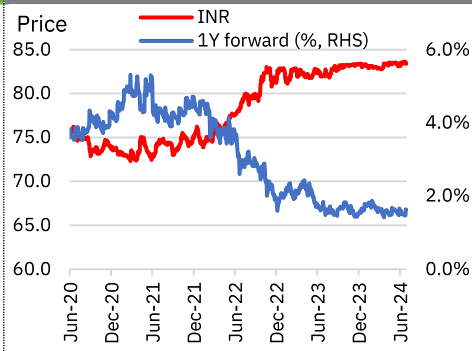
* As on June 30th, 2024

Fixed income

Movement in 10-year yields

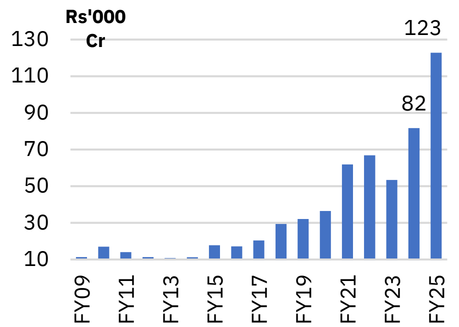


Currency



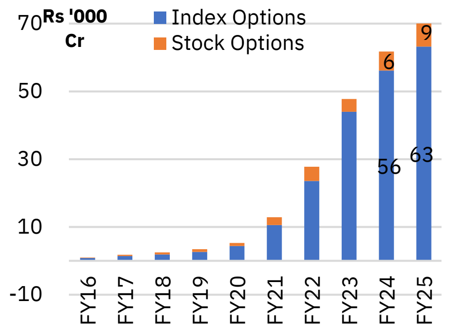
Segment-wise turnover trend

ADT in NSE's CM segment



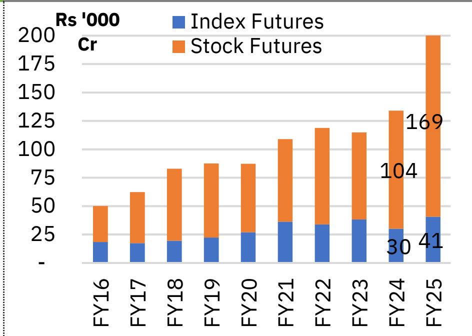
*Data for FY25 is as of June 30th, 2024

ADT in Equity options (premium)



* Data for FY25 is as of June 30th, 2024

ADT in Equity futures



* Data for FY25 is as of June 30tht, 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	764	5%	336	4%	2,228	9%
DIIs	1,733	12%	7	0%	1,884	7%
FIs	2,208	15%	907	10%	6,303	25%
Individuals	5,211	35%	2,989	34%	4,931	19%
Others	645	4%	291	3%	1,321	5%
Prop	4,427	30%	4,249	48%	8,870	35%

Based on premium turnover. Data for FY25 is as of June 30th, 2024

Average open interest

Instruments	Jun'24		May'24	
	Contracts ('000)	Value (Rs crore)	Contracts ('000)	Value (Rs crore)
Index Futures*	826	52,155	808	46,825
Stock Futures	5,030	3,86,033	5,240	3,67,565
Index Options*	18,704	12,20,509	18,132	10,86,125
Stock Options	3,665	2,89,131	3,915	2,81,145

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	3,201.0
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	2,30,329
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	91,876
In US$bn													
FIIs	24.4	20.1	16.1	3.2	3.2	7.5	-4.6	14.4	23.0	3.8	-16.5	20.7	0.4
DIIs	-10.6	-12.8	-4.8	10.4	5.2	14.0	16.0	6.0	-4.8	12.6	35.7	22.0	27.7
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	11.0

* As of June 30th, 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

Citius, Altius, Fortius!

Long has been the wait, with disappointments more than once, but markets globally seem to be anticipating easier rates again, with the ECB's June act to be followed by others over the next few months, including the Fed, as the chequered flag becomes faintly visible in the last lap in the war on inflation. The global economy is finally cooling, especially in the developed economies. The IMF's July update points to a 3.2% growth globally for 2024, with 2.6% for the US, in line with 3.3% and 2.5% seen last year. The Indian and Chinese economies are expected to contribute nearly half of the incremental growth this year, even as the downward trajectory is expected to continue for China. The soft-landing central banks have been hoping for might finally come around. To be sure, rate expectations, may not even be in the same direction—the Bank of Japan raised rates after decades of easing, as inflation remains above target for a prolonged period of two years.

Beyond the growth-inflation trade-off, global markets have seen an attempted assassination and a change in the presidential nomination in the US. The wars in Ukraine and Gaza continue, and there were elections in the UK and France. Amidst all this, global DM equities have returned double-digits (11%) this year, higher than EMs' 4.7%. A combination of continued political stability with better-than-expected corporate earnings, and strong economic performance underlined by the Union Budget have led the Indian markets in the June-July period, touching all-time highs in July. Foreign portfolio investors joined the party after a hiatus of two months, with US$7.2bn after May. DIIs were there for a while, maintaining their buying spree for 11 months in a row. Markets were up 6.6% in June, followed by another 3.4% in July (till the 26th). Reflecting the Olympic spirits, it's *Citius, Altius, Fortius* for the markets thus far!

Elsewhere in the global markets, Emerging market equities outperformed their developed market counterparts in June, led by Taiwan and India. The MSCI EM Index ended the month with a return of 3.6% but sold off in July (YTD: +4.7%; As of July 26th, 2024). Global debt, on the other hand, witnessed a rally in June, and further in July, aided by rate cut by the European Central Bank and easing inflation in the US that cemented rate cut expectations from the US Fed. The US 10-year sovereign yield softened by about 30bps in June and July thus far to 4.2% (As of July 26th), while that in the EU softened by a marginally lower 24bps to 2.4%.

On the macro front, In India, the economy is strong with significant growth in the industrial sector and a robust expansion in both manufacturing and services PMI. The financial sector is resilient, showing substantial growth in bank credit, driven mainly by personal loans and services. The RBI's Financial Stability Report indicates a consolidation in the financial sector with better asset quality and strong profitability. India's trade deficit has decreased due to a greater fall in imports compared to exports. However, rising inflation, particularly in food prices, poses a significant concern. Retail inflation hit a four-month high at 5.1%, while wholesale inflation rose to a 16-month peak of 3.4%, driven by higher vegetable and pulse prices. The recent improvement in the monsoon may help moderate inflation in future quarters, but the Monetary Policy Committee might maintain its current policy stance to observe inflation trends, considering persistent inflation risks.

The Union Budget, our Story of the Month, outlines a strategic roadmap for *'Viksit Bharat'*, aiming to stimulate India's economic landscape while maintaining a commitment to fiscal consolidation. India's gross fiscal deficit to GDP is projected to moderate further to 4.9% of GDP and is likely to be sub-4.5% from FY26. This budgetary approach is complemented by the Economic Survey released a day prior, which projects India's GDP growth at 6.5-7% in FY25 and provides a six-pronged approach to sustainably achieve a 7% growth in the medium term.

Market activity has remained on a high, starting with the primary markets with 15 new equity listings, 10 of which were on NSE EMERGE. Our monthly marking of total unique investors at NSE inches close to the 10-crore mark, with 9.7 crore as of June 30th (vs. 7.6 crore in June'23). The overall number of demat accounts between these investors is over 16.2 crore across the two depositories. Average Daily Turnover in the cash markets crossed Rs 150,000 crore for the second time in June, with 1.53 crore participants in over 1.97 crore accounts at an average Rs33,300 per trade.

This month we provide additional insights into the by-now known skewness in the markets. It is known that nearly 89% of the investors in the cash market contributed to 2.6% of the turnover. Conversely, a mere 0.3% of the investors traded over Rs10 crore, are responsible for ~77% of the monthly turnover. Despite their overwhelming numbers, Individuals constitute a mere 15% of this category, while being over 95% in all others.

The fiscal year thus far has seen a 50% jump in ADT at Rs1,22,000 crore, vs. Rs81,721 crore in FY24. The 50% jump dwarfs the 16.5% increase in the options market over the same period. Records were broken on Election Results day (June 4th), with the cash segment turnover at Rs 2,71,245 crore and 8.85 crore trades. The sharp rise in trading in June led to the NSE vaulting to the top spot among global equity exchanges—the second time after February—with over 86 crore trades.

On the indirect side of the market, Net SIP inflows to the crossed Rs21,000 crore, another record. The overall AUM in the Mutual Fund industry crossed Rs 61 lakh crore, with ~14% in passive funds. The passive share in pure equity is higher at 21% of the total equity AUM of Rs 34.3 lakh crore AUM.

Our Insights section has three papers summarised by the CBS team at IIM Ahmedabad. The first paper analyses the different types of nudges and the effectiveness of different kinds of framing in eliciting behavioural change, particularly in the case of lying and finds no effects from different variations. The second paper interestingly examines varied stock market reaction to social media and news coverage and found that high social media coverage predicts increased return volatility and trading activity, while high news media coverage predicts the opposite. The last paper in the NSE-CBS series focuses upon the decision-making process of individuals after forced fund liquidations for different ranges of ambiguities and finds that high ambiguity causes portfolio inertia and decreased risk-taking by individuals.

While on research, a recent paper in the RBI Bulletin on household financial wealth has many interesting findings, especially on equity ownership, a theme explored deeply in earlier editions of the Pulse, and our Ownership Tracker. The RBI paper finds total financial assets with households to be 135% of GDP in Mar'23; accounting for liabilities, the net financial assets of households amount to 97% of GDP. 18% of this wealth is from equity-related assets, up from 11% in March 2012.

The Summer Olympics are on and while the top positions in the league table are likely to be usual suspects, there is a distinct energy and yearning for a medal winner from our country too. Manu Bhaker's two medals would be hopefully followed by many more, as a resurgent India needs to be punch by its weight, in sports, in the global economy and other for a beyond.

Comments and suggestions welcome!

Tirthankar Patnaik

Chief Economist

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Story of the month

Union Budget 2024-25: Roadmap to *Viksit Bharat*

The Union Budget FY25 strategically aims to boost India's economic landscape, focusing on job creation, fiscal consolidation, and infrastructure development. It reflects the government's resolve to build a resilient economy capable of withstanding global challenges. It envisages nine priorities for the pursuit of 'Viksit Bharat' to generate ample opportunities for all. One of the standout features of the budget is its robust emphasis on creating employment opportunities by involving the private sector. There have been improvements in the taxation system, offering relief to the common man in the form of wider and lower tax slabs, coupled with higher deductions for the new tax regime. The Budget also proposed significant changes in capital gains taxation, aiming for rationalization and simplification.

The sustained focus on fiscal consolidation has continued in this budget with the fiscal deficit pegged at 4.9% of GDP, 20 bps lower than the interim budget estimates and 70 bps lower than FY24PA. The Government remains on track to reduce the fiscal deficit to GDP ratio to sub-4.5% by FY26 with prospective fiscal trajectory ensuring downward trend in debt/GDP ratio. The tax collections projected have been realistic, credible and in line with the nominal GDP growth of 10.5%. Since the interim budget estimates, there has been a noticeable jump in non-tax revenues, bolstered by the RBI dividend, while the capital expenditure has been retained at the same level. Capital expenditure at Rs 11.1 lakh crore in FY25BE at 3.4% of GDP is the highest in 26 years, implying a strong 27% CAGR in the last five years and a strong focus on housing, roads, railways, defense and solar. A lower-than-expected cut in gross market borrowings (Rs 14 lakh crore) has resulted in inching up of the 10-year bond yield on the Budget Day. 98% of the fiscal deficit is being funded by market borrowings (72%) and small savings fund (26%). The FY 2024-25 budget lays down a robust blueprint for India's future economic direction and through these measures, it ensures long-term growth and resilience.

- **Credible fiscal math…:** Nominal GDP growth has been reasonably assumed at 10.5% for FY25 (Rs326 lakh crore). Gross tax collections are expected to grow at a conservative 10.8%, marginally higher than the nominal GDP growth, with direct and indirect tax receipts budgeted to grow by 12.3% and 8.8% respectively. The buoyancy in direct tax collections is a consequence of stronger-than-expected corporate profitability, increased monitoring and compliance, higher wage growth and strengthening formalization. Net tax collections are budgeted to grow by 11.2% (vs. 10.9% in FY24PA) while the state's share in taxes is budgeted to be at 32.5%, in line with the FY24PA. There has been a discernible jump in non-tax revenues (35.8%), bolstered by the dividend and profit from the RBI and PSUs, which is also significantly different from the FY25IBE. The total expenditure is pegged at Rs 48.2 lakh crore, 8.5% higher than the FY24PA, led by a capex push (unchanged from FY25IBE), while the revenue expenditure is contained to some extent. That said, the total budget size is budgeted at 14.8%, a five year low. Notably, the capex as a share of GDP at 3.4% is the highest in 26 years and as a share of total expenditure at 23.3% is the highest in 30 years. The share of interest payments to total expenditure is at a six-year high while the subsidy outgo is budgeted to decline by 2.8% to a five year low. Overall, fiscal math looks reasonable, and credible, and is premised on transparent and cleaner accounting as was the case with the last few budgets.

- **…With continued focus on improving transparency:** The Government has continued to focus on bringing transparency in finances by reducing reliance on off balance sheet items such as IEBR (Internal and Extra Budgetary Resources). Total capital spending (Includes budgetary capex, grants to states and IEBR) stands at Rs 18.7 lakh crore for FY25BE, up 18.5% YoY, led by a 17.1% jump in budgetary capex and 28.7% higher grants-in-aid to create capital assets. After declining for four consecutive years, the capex through IEBR is budgeted to increase significantly by 13% in FY25(BE), while remaining much lower than the pre-pandemic level. The share of capex through IEBR has declined for the seventh consecutive year to 24.9% in FY25BE, signaling continued efforts by the Government to take over part of the capital spending done by CPSEs in the wake of their stretched balance sheets.

- **Nine Budget priorities for the pursuit of 'Viksit Bharat':** This budget envisages sustained efforts on nine priorities — productivity in agriculture, employment & skilling, inclusive human resource development and social justice, manufacturing & services, urban development, energy security, infrastructure development, innovation, R&D and next generation reforms — to generate ample opportunities for all. The Budget strategically aims to boost India's economic landscape, focusing on job creation, fiscal consolidation and infrastructure development. One of the standout features of the budget is its robust emphasis on creating employment opportunities via the employment linked incentive schemes. It actively encourages the involvement of the private sector in conjunction with governmental efforts to enhance job prospects.

- **Budget financing:** Gross market borrowing for FY25 is pegged at Rs 14 lakh crore, down 5.5% over FY24PA. At the same time, net market borrowings are expected to be marginally lower at Rs 11.6 lakh crore, accounting for almost 72% of the fiscal deficit. In comparison to the interim budget, the cut in market borrowings has been lower than expected, owing to which the 10-year bond market yield inched up on the Budget Day. Despite a fall in the fiscal deficit, the reliance on market borrowings to fund the fiscal deficit has marginally increased. The funding via small savings at Rs 4.2 lakh crore, accounts for nearly one-fourth of the fiscal deficit. The funding via short term borrowings has declined by ~Rs 1 lakh crore, which is likely to have a positive impact on short-term yields.

- **Fiscal strategy:** The sustained focus on fiscal consolidation continued in this budget with the fiscal deficit (as a % of GDP) budgeted at 4.9% of GDP, 20 bps lower than the FY25IBE and 70 bps lower than FY24PA.The Government remains on track to reduce the fiscal deficit to GDP ratio to sub-4.5% by FY26. The fiscal trajectory further would also include a downward trend in the debt/GDP ratio. There have been some modest changes observed in the personal income tax, capital gain taxation and reduction in customs duty in this Budget. Continuation of the 50-year interest free loans for another year, with a higher allocation, will allow greater autonomy to state charting a growth roadmap. The focus has remained on empowerment over entitlement to reduce poverty and foster sustainable and inclusive development. The Government has continued its focus on transparency, efficiency and accountability over the last several years.

- **Tinkering with direct and indirect taxes:** There have been some changes in both direct and indirect tax. The tax slabs in the new tax regime have been revised and there has been an increase in the standard deduction from Rs 50,000 to Rs 75,000. On account of the tweaks, an individual having an income of Rs 20 lakhs can make a tax saving of Rs 17,500 (0.9% of the taxable income). The changes in tax slabs in the new tax regime is to accommodate taxpayers who follow the new tax regime (currently: 2/3rd taxpayers follow the new tax regime). With effective from July 23rd, 2024, the short-term capital gain tax (STCG) has been hiked from 15% to 20%. The long-term capital gain (LTCG) has been hiked from 10% to 12.5% on all financial and non-financial assets, accompanied with an enhancement in exemption limit from Rs 1 lakh to Rs 1.25 lakh. Additionally, the benefit of indexation on long term capital has been abolished. There has been an increase in STT on sale of options in securities (from 0.0625% to 0.1%) and on sale of futures in securities (from 0.0125% to 0.02%) with effect from October 1st, 2024. The customs duty on mobile phones and components has been increased to 20% while customs duty on gold and silver has been reduced to 6%.

- **Market implications:** A pro-growth budget with strengthened focus on capex and welfare without compromising on fiscal prudence, sustained transparency, have been taken well by equity markets. The Nifty 50 Index ended the Budget Day broadly unchanged after declining sharply post the announcement on capital gains taxation and increase in STT. Since then, the Nifty50 has rallied and gained by 1.5% in the next three trading sessions, with the equity markets cheering continued policy measures, fiscal prudence and reliable projections. The fall in fiscal deficit, pivot towards lower policy rates and Idia's inclusion in the JP Morgan Emerging Market Bond Index, bodes well for domestic bond markets.

Figure 1: Annual fiscal deficit trend (% GDP)

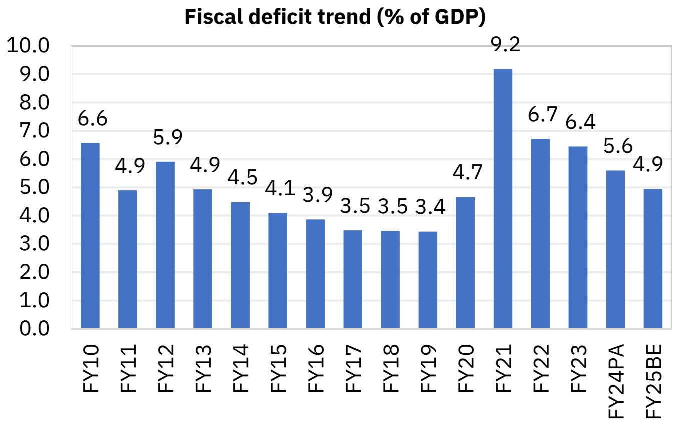


Table 1: A quick glance at the Centre's fiscal balances

Rs lakh crore	FY24PA	%YoY	FY25BE	%YoY
Net tax revenues	23.3	10.9	25.8	11.0
Non-tax revenues	4.0	40.8	5.5	35.8
Non-debt cap receipts	0.6	-16.3	0.8	29.0
Total receipts	**27.9**	**13.6**	**32.1**	**15.0**
Revenue Expenditure	34.9	1.2	37.1	6.2
Capital Expenditure	9.5	28.2	11.1	17.1
Total expenditure	**44.4**	**5.9**	**48.2**	**8.5**
Fiscal deficit	**16.5**	**-4.8**	**16.1**	**-2.4**
% GDP	**5.6**		**4.9**	

Source: Budget Documents, NSE EPR. BE: Budget Estimates; IBE: Interim Budget Estimates, RE: Revised Estimates; PA= Provisional Actuals

Table 2: A snapshot of Government finances in 2024-25

Items (Rs lakh crore)	FY23	FY23 (% YoY)	FY24RE	FY24RE (% YoY)	FY24PA	FY24PA (% YoY)	FY25BE	FY25BE over FY24PA (% YoY)
Central govt. net tax revenue	**21.0**	**16.2**	**23.2**	**10.8**	**23.3**	**10.9**	**25.8**	**11.0**
Gross tax revenues	**30.5**	**12.7**	**34.4**	**12.5**	**34.6**	**13.4**	**38.4**	**10.8**
Of which:								
Direct Tax	**16.6**	**18.1**	**19.5**	**17.2**	**19.7**	**18.4**	**22.1**	**12.3**
Corporation tax	8.3	16.0	9.2	11.7	9.1	10.3	10.2	12.0
Income tax	8.3	19.7	10.2	22.7	10.4	25.4	11.9	13.6
Indirect Tax	**13.9**	**6.9**	**14.9**	**7.0**	**15.0**	**7.6**	**16.3**	**8.8**
Goods and service tax	8.5	21.6	9.6	12.7	9.6	12.7	10.6	11.0
Custom Duties	2.1	6.8	2.2	2.5	2.3	9.2	2.4	2.0
Excise Duties	3.2	(19.2)	3.0	(4.8)	3.1	(4.3)	3.2	4.5
States Share	(9.5)	5.6	(11.0)	16.5	(11.3)	19.1	(12.5)	10.4
Transferred to NCCD	(0.1)	30.5	(0.1)	10.0	(0.1)	9.7	(0.1)	7.8
Non-Tax Revenue	2.9	**(21.8)**	**3.8**	**31.7**	**4.0**	**40.8**	**5.5**	**35.8**

Items (Rs lakh crore)	FY23	FY23 (% YoY)	FY24RE	FY24RE (% YoY)	FY24PA	FY24PA (% YoY)	FY25BE	FY25BE over FY24PA (% YoY)
Dividends and profits	1.0	(37.8)	1.5	54.5	1.7	70.6	2.9	69.6
Central govt. revenue receipts	**23.8**	**9.8**	**27.0**	**13.3**	**27.3**	**14.5**	**31.3**	**14.7**
Non-Debt Capital Receipts	0.7	83.4	0.6	(22.4)	0.6	(16.3)	0.8	29.0
Divestment proceeds	0.5	214.5	0.3	(34.8)	0.3	(28.0)	0.5	51.0
Total Receipts	**24.6**	**11.1**	**27.6**	**12.2**	**27.9**	**13.6**	**32.1**	**15.0**
Revenue Expenditure	34.5	7.9	35.4	2.5	34.9	1.2	37.1	6.2
Interest Payments	9.3	15.3	10.6	13.7	10.6	14.6	11.6	9.3
Subsidy outgo	5.8	14.7	4.4	(23.8)	4.4	(23.8)	4.3	(2.8)
Capital Expenditure	7.4	24.8	9.5	28.4	9.5	28.2	11.1	17.1
Total Expenditure	**41.9**	**10.5**	**44.9**	**7.1**	**44.4**	**5.9**	**48.2**	**8.5**
Fiscal Deficit	**(17.4)**	**9.7**	**(17.3)**	**(0.2)**	**(16.5)**	**(4.8)**	**(16.1)**	**(2.4)**
Fiscal Deficit/GDP	**(6.4)**		**(5.8)**		**(5.6)**		**(4.9)**	

Source: Budget Documents, NSE EPR. BE – Budget Estimate, RE – Revised Estimate, PA– Provisional Actuals. Growth in FY25BE figures are on provisional actuals for FY24 (FY24PA)

Table 3: Fiscal math (% of GDP)

Items (% of GDP)	FY23	FY24BE	FY24RE	FY24PA	FY25BE
Central govt. net tax revenue	**7.8**	**7.7**	**7.8**	**7.9**	**7.9**
Gross tax revenues	**11.3**	**11.1**	**11.6**	**11.7**	**11.8**
Of which:					
Direct Tax	**6.2**	**6.0**	**6.6**	**6.7**	**6.8**
Corporation tax	3.1	3.1	3.1	3.1	3.1
Income tax	3.1	3.0	3.4	3.5	3.6
Indirect Tax	**5.2**	**5.1**	**5.0**	**5.1**	**5.0**
Goods and service tax	3.2	3.2	3.2	3.2	3.3
Custom Duties	0.8	0.8	0.7	0.8	0.7
Excise Duties	1.2	1.1	1.0	1.0	1.0
States Share	-3.5	-3.4	-3.7	-3.8	-3.8
Transferred to NCCD	0.0	0.0	0.0	0.0	0.0
Non-Tax Revenue	**1.1**	**1.0**	**1.3**	**1.4**	**1.7**
Dividends and profits	0.4	0.3	0.5	0.6	0.9
Central govt. revenue receipts	**8.8**	**8.7**	**9.1**	**9.2**	**9.6**
Non-Debt Capital Receipts	0.3	0.3	0.2	0.2	0.2
Divestment proceeds	0.2	0.2	0.1	0.1	0.2
Total Receipts	**9.1**	**9.0**	**9.3**	**9.4**	**9.8**
Revenue Expenditure	12.8	11.6	11.9	11.8	11.4
Interest Payments	3.4	3.6	3.6	3.6	3.6
Subsidy outgo	2.1	1.3	1.5	1.5	1.3
Capital Expenditure	2.7	3.3	3.2	3.2	3.4
Total Expenditure	**15.6**	**14.9**	**15.1**	**15.0**	**14.8**
Fiscal Deficit	**6.4**	**5.9**	**5.8**	**5.6**	**4.9**

Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; PA: Provisional Actuals.

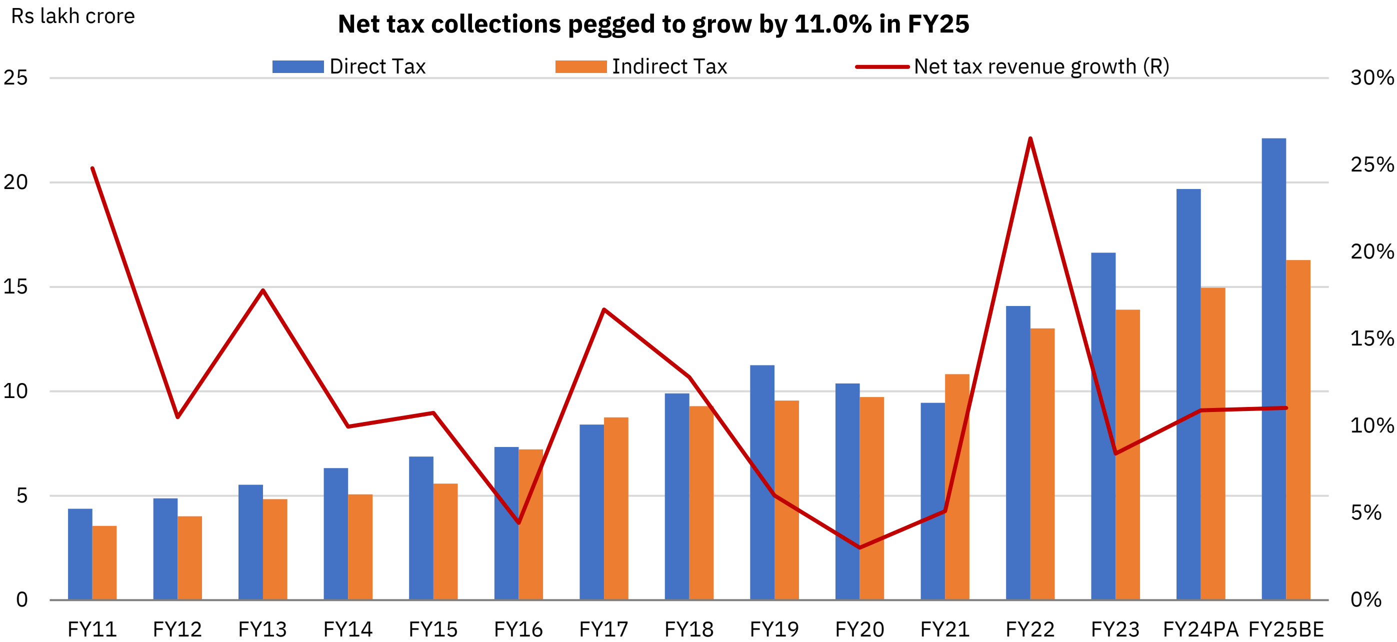
Revenue receipts:

- **Realistic tax collections targets set for FY25:** The Centre's tax collections are pegged at Rs 38.4 lakh crore in FY25BE, 10.8% higher than FY24PA, led by robust direct tax collections (+12.3%) and sustained growth in GST collections (+11%). A recent trend observed in the last three years and continued in this Budget is to display conservatism in budgeting for tax collections and surpassing the budgeted number. The growth in taxes budgeted for FY25 is realistic and is in line with the nominal GDP growth of 10.5% with a tax buoyancy ratio of 1. There haven't been significant changes in tax collections since the interim budget, barring personal income tax (+2.7%) and customs (+2.8%).

  The tax to GDP ratio is projected at 11.8%, the highest since FY08 (12.1%). In fact, direct tax to GDP ratio is pegged at 6.8% in FY25BE — the highest since 1980s, supported by a direct tax buoyancy of 1.2 as against indirect tax to GDP ratio of ~5% with a buoyancy of 0.8. The meaningful improvement in direct tax collections (10-year CAGR: +12.4%) can be ascribed to simplification of tax filing procedures, increased monitoring and compliance, strengthening formalization in the economy, stronger-than-expected corporate profitability and better personal income levels. In fact, the surge in personal income tax collections (CAGR: +17.1% since pre-pandemic level) is meaningfully higher than corporate tax collections (CAGR: 7.4%).

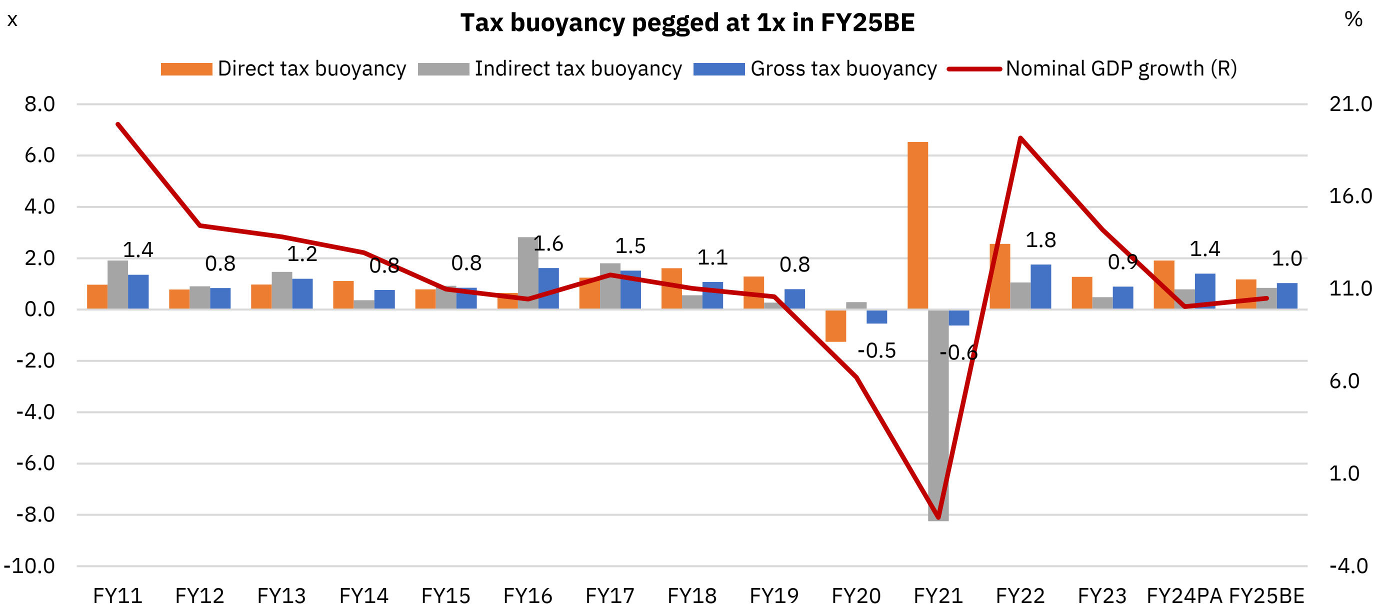
On the other hand, indirect tax collections are projected to grow by 8.8% as the gains in GST collections (+11%) are likely to be partially offset by muted growth in customs (+2%) and excise (+4.5%). The potential improvement in overall consumption on the back of a resilient economy, coupled with higher compliance is likely to buoy GST collections. Conversely, the tepid growth in customs, the slowest since the COVID-19 pandemic can be partially attributed to recent custom duty cuts. Net tax collections are budgeted to grow strongly by 11%, in line with the previous year, thanks to improved gross tax collections and decline in the growth of tax devolution (10.4%; four-year low). The devolution of taxes to the states (as a % of gross tax collections) is pegged at 32.5%, which is meaningfully higher than a decade ago (27.1% in FY15) but is still lower than the pre-pandemic level of 36.6% in FY19.

Figure 2: Trend of tax collections



Source: Budget Documents, NSE EPR. BE: Budget Estimates; PA: Provisional Actuals

Figure 3: Tax buoyancy vs. nominal GDP growth



Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates, PA: Provisional Actuals

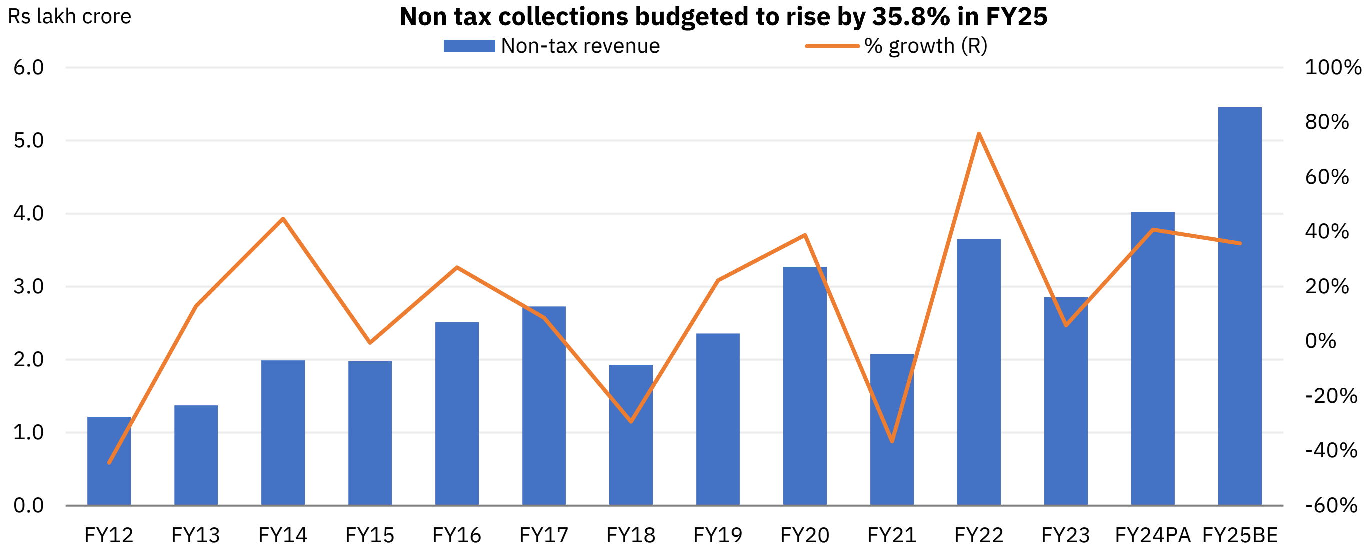
Table 4: Tax revenue assumptions seem realistic and achievable

	FY23		FY24RE			FY24PA		FY25IBE		FY25BE		
	Rs lakh crore	% YoY	Rs lakh crore	% YoY	% chg. from BE	Rs lakh crore	% YoY	Rs lakh crore	% YOY (over FY24PA)	Rs lakh crore	% YoY (over FY24PA)	% chg. from FY25IBE
Direct Tax	16.6	18.1%	19.5	17.2%	6.9%	19.7	18.4%	22.0	11.9%	22.1	12.3%	0.4%
Corporation tax	8.3	16.0%	9.2	11.7%	0.0%	9.1	10.3%	10.4	14.5%	10.2	12.0%	-2.2%
Income tax	8.3	19.7%	10.2	22.7%	13.5%	10.4	25.4%	11.6	10.7%	11.9	13.6%	2.7%
Indirect Tax	14.0	7.2%	14.9	7.0%	-3.0%	15.0	7.6%	16.3	8.8%	16.3	8.8%	0.1%
GST	8.5	21.6%	9.6	12.7%	0.0%	9.6	12.7%	10.7	11.6%	10.6	11.0%	-0.5%
Customs	2.1	6.8%	2.2	2.5%	-6.2%	2.3	9.2%	2.3	-0.8%	2.4	2.0%	2.8%
Union excise duty	3.2	-19.2%	3.0	-4.8%	-10.4%	3.1	-4.3%	3.2	4.4%	3.2	4.5%	0.1%
Gross tax collections	30.6	12.7%	34.4	12.5%	2.2%	34.6	13.4%	38.3	10.6%	38.4	10.8%	0.2%
Net tax collections	21.0	16.2%	23.2	10.8%	10.8%	23.3	10.9%	26.0	11.8%	25.8	11.0%	-0.7%

Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; PA: Provisional Actuals; IBE: Interim Budget Estimates

- **Non-tax revenue collections bolstered by higher RBI surplus transfer:** Non-tax revenues in FY25BE are budgeted to grow by 35.8% compared to FY24PA (36.5% higher than the IBE), primarily due to a higher surplus transfer from the RBI (Rs 2.1 lakh crore as per RBI's annual report). Dividends and profits from the RBI and public sector enterprises are budgeted to grow by 69.6%, with a robust performance of public sector banks also boosting the dividends to the government. The share of non-tax revenues in revenue receipts is budgeted at 17.4% in FY25BE, the highest in the last five years. Telecom receipts are budgeted at Rs 1.2 lakh crore (+28.6%), courtesy higher license fees which was partially offset by a tepid response to the recently organized 5G spectrum sale.

Figure 5: Trend of non-tax collections



Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; PA: Provisional Actuals

Table 4: Non-tax revenues in FY25BE

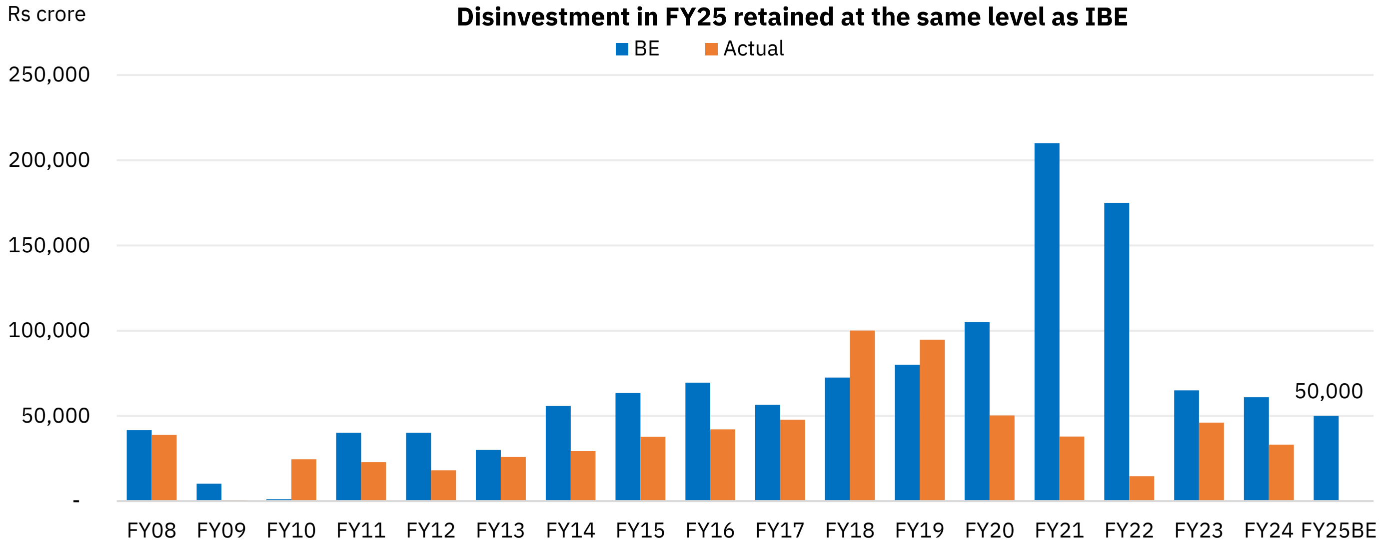
Rs crore	FY23	FY23 (% YoY)	FY24RE	FY24RE (% YoY)	FY24PA	% YoY	FY25IBE	% YOY (over FY24PA)	FY25BE	FY25BE over FY24PA (% YoY)
Non-tax revenue	**2,85,420**	**-21.8%**	**3,75,795**	**31.7%**	**4,01,888**	**40.8%**	**3,99,701**	**6.4%**	**5,45, 701**	**35.8%**
Interest receipt	27,852	27.3%	31,778	14.1%	38,297	37.5%	33,107	4.2%	38,224	-0.2%
Dividends and profits	99,913	-37.8%	1,54,407	54.5%	1,70,444	70.6%	1,50,000	-2.9%	2,89,134	69.6%
Other non-tax revenue	1,57,655	-13.7%	1,89,610	20.3%	1,93,147	22.5%	2,16,594	14.2%	2,18,343	13.0%

Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; PA: Provisional Actuals; IBE: Interim Budget Estimates

- **Disinvestment target for FY25 unchanged at Rs 50,000 crore:** Disinvestment proceeds were retained at the same level as the IBE and are budgeted to be 51% higher than FY24PA. The provisional actuals came in at Rs 33,122 crore, marginally higher than Rs 30,000 crore in FY24RE but almost half of the budget estimate (Rs 61,000 crore). This is the fifth consecutive year in which the Government has missed the disinvestment target. In fact, 11 out of the last 26 years have seen the Government missing its disinvestment targets.

  As per news sources, the government is shifting from pure disinvestment to holistic capital management, which includes performance enhancement of listed CPSEs and calibrated disinvestment strategy. As per the DIPAM secretary, the disinvestment of IDBI Bank is likely to be completed in FY25 with the RBI in an advanced stage of giving clearance.

Figure 6: Annual trend of disinvestment proceeds



Source: Budget Documents, NSE EPR. BE: Budget Estimates, Disinvestment for FY24 are provisional actuals

Table 5: Key disinvestments in FY24 (Apr-Mar'24)

Name	% of Govt. stake sold	Method	Receipts (Rs cr)	Govt. stake post disinvestment
Others (Remittance from SUUTI)	0.0	OTHERS	1810.3	0.0
Hindustan Aeronautics Ltd.	0.01	EMP OFS	9.3	71.6
Coal India Ltd.	3.0	OFS	4,185.3	63.1
Coal India Ltd.	0.0003	EMP OFS	0.4	63.1
Rail Vikas Nigam Ltd.	5.4	OFS	1,365.6	72.8
SJVN Ltd.	4.9	OFS	1,348.5	55.0
SJVN Ltd.	0.0	EMP OFS	0.8	55.0
HDFC Ltd.	6.6	OFS	1,050.0	75.2
IREDA Ltd.	10.0	IPO (OFS portion of 10%)	858.4	75.0
Ircon International Ltd.	8.0	OFS	1,191.1	65.2
Ircon International Ltd.	0.0	EMP OFS	2.1	65.2
NHPC LTD.	3.5	OFS	2,452.6	67.5
Total			**16,507.3**	

Source: Department of Investment and Public Asset Management, NSE EPR.

Expenditure:

- **Overall budget size marginally higher than the interim budget:** The total expenditure is pegged at Rs 48.2 lakh crore in FY25BE, 8.5% higher than FY24PA and marginally higher than the interim budget estimates. This has been on account of revenue expenditure even as the capital expenditure was retained at the same level as the IBE. Notwithstanding the increase in the overall expenditure (five-year CAGR: 12.4%), the total expenditure (as a % of GDP) is pegged at 14.8%, which is at a five-year low.

- **Revenue expenditure to remain contained in FY25BE:** Government's sustained focus on expenditure rationalization after the COVID-induced spike in FY20 is visible this year as well, with revenue expenditure growth pegged at a modest 6.2% in FY25. This translates into a four-year CAGR of a mere 4.7%. Interest payments at Rs 11.6 lakh crore account for nearly one-fourth of the overall budget size (23.5%; six-year high) and are expected to witness a moderation in growth to 9.3% in FY25. Following a steep 23.8% drop in the provisional actuals for FY24, total subsidy outgo is expected to moderate further by 2.8% to a five-year low in FY25BE, leading to its share in overall expenditure falling to a 23-year low of 8.9%. There has been a broad-based decline in subsidies with the sharpest fall seen in fertilizers (-13.5%), followed by a marginal fall in food subsidies (-3.1%). Food subsidy is 62% lower than the peak seen during the COVID-19 pandemic (following the announcement of the PM Garib Kalyan Yojana). Food and fertilizer subsidy, which cumulatively account for almost 86% of the total subsidy outgo, have been retained at the same level as the IBE. The fall in fertilizer subsidy has been primarily due to a fall in input prices, supporting a drop in production cost.

  Social spending on schemes has been broadly intact with the allocation on centrally sponsored schemes (revenue expenditure only) higher by 9.9% (vs. 5.3% in FY24RE) while allocation on central sector schemes is budgeted to be higher by 5.1%. Some of the popular social schemes like MGNREGA (Rs 86,000 crore) and PM-Kisan (Rs 60,000 crore) did not witness a change in allocation. PM-Awas Yojana received an allocation of Rs 84.7 ('000 crore), ~56% higher than the previous year, with a focus to drive affordable housing in both rural and urban areas. The total allocation under this scheme is likely to be around Rs 2.2 lakh crore in the next five years, amplifying the gains in the housing segment, potentially having backward and forward linkages. New schemes which were introduced in this Budget are an employment linked incentive scheme (Rs 10,000 crore), price stabilization fund (Rs 10,000 crore) and internship scheme (Rs 2,000 crore).

- **Capex spending remained at the same level as IBE of Rs 11.1 lakh crore:** The Budget clearly reflects the Government's strong intent on reviving growth via higher Centre-led capex. Total capex in FY25 is budgeted at Rs 11.1 lakh crore, unchanged from the IBE and up 17.1% YoY and 27% annualized over the last five-year period. Further, the share of capex to overall expenditure at 23% in FY25 is the highest in 30 years, indicating a steady improvement in the quality of expenditure. Notably, the capex to GDP ratio at 3.4% in FY25BE is the highest in 26 years. Roads continued to remain the focus area, receiving the highest outlay of Rs.2.7 lakh crore, marginally up by 2.9%YoY. The capex remained skewed towards Roads and Railways constituting ~47% of the budgeted capex. The total capex spending includes a 50-year interest-free loan to the states, budgeted at Rs 1.5 lakh crores, 42.1% higher than the revised estimate, to enable them to catalyze overall investments in the economy. Excluding loans & advances, the Centre's capital outlay is budgeted to grow at 16.7% in FY25.

  The Government has continued to focus on bringing transparency in finances by reducing reliance on off balance sheet items such as IEBR. The share of IEBR in the Centre's overall capital outlay declined for the seventh consecutive year to 24.9% in FY25BE, much below 53.8%, a decade ago. Including grants to states towards creation of capital assets, effective capital expenditure is budgeted to grow by 19.9% in FY25 over FY24RE.

- **Housing, renewables and labor recorded sizeable growth in allocation:** The total outlay (including IEBR) under housing and urban affairs (+45.4%), renewables (+70.6%) and labor & employment (+79.9%) increased significantly, reflecting a thrust towards energy transition, affordable housing, coupled with addressing employment challenges in the country.

Figure 7: Revenue expenditure trend

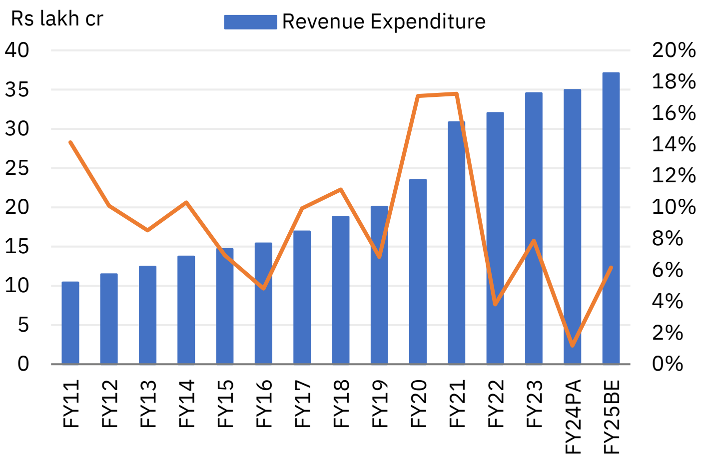
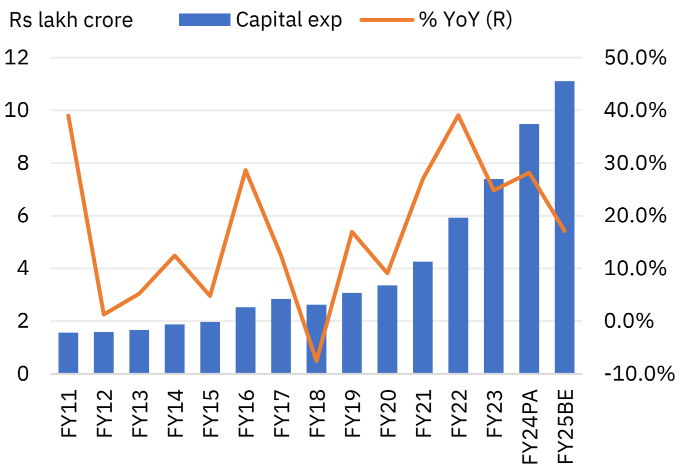


Figure 8: Capital expenditure trend



Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; PA: Provisional Actuals

Figure 9: Total expenditure trend

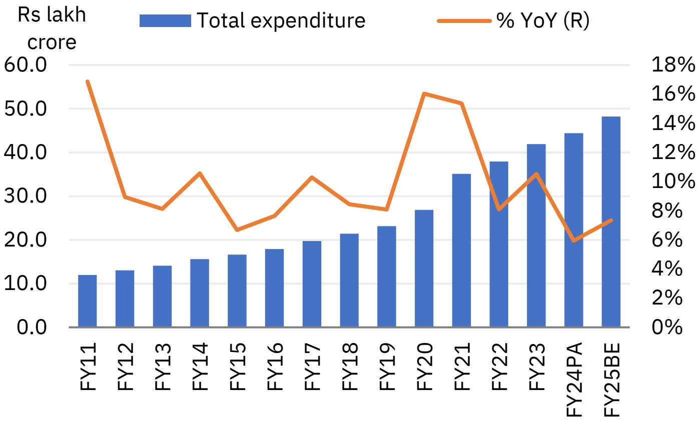
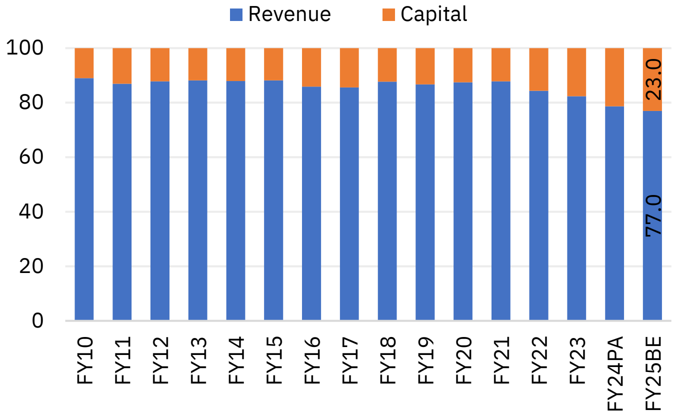


Figure 10: Expenditure mix



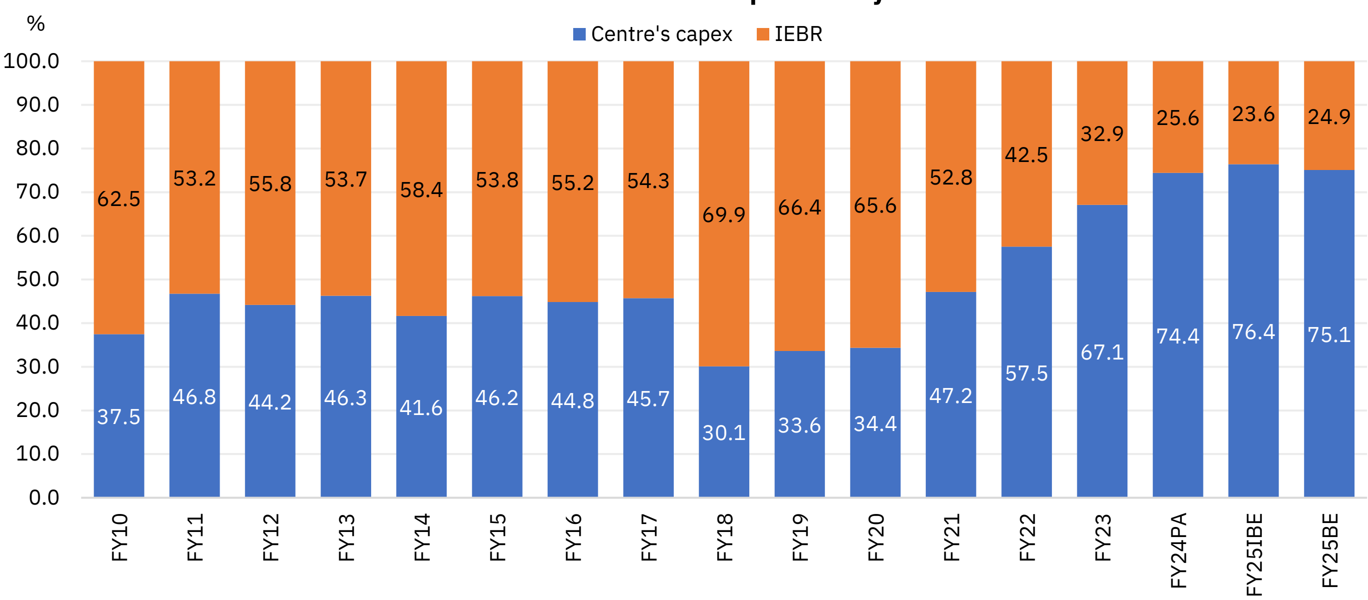
Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; PA: Provisional Actuals.

Table 6: Centre's total capital outlay

Rs crore	FY23	FY24RE	FY24PA	FY25IBE	FY25BE
1. Budgetary capex	**7,400**	**9,502**	**9,485**	**11,111**	**11,111**
% YoY	*24.8%*	*28.4%*	*28.2%*	*16.9%*	*17.1%*
2. Grant to states	3,063	3,212	3,037	3,856	3,908
% YoY	*26.2%*	*4.9%*	*-0.8%*	*20.0%*	*28.7%*
3. Effective capex (1 + 2)	**10,463**	**12,714**	**12,522**	**14,967**	**15,019**
% YoY	*25.2%*	*21.5%*	*19.7%*	*17.7%*	*19.9%*
4. IEBR	3,631	3,262	3,262**	3,430	3,686
% YoY	*-17.0%*	*-10.2%*	*-10.2%*	*5.2%*	*13.0%*
5. Total capex (3 + 4)	**14,094**	**15,976**	**15,784**	**18,397**	**18,705**
% YoY	*10.7%*	*13.4%*	*12.0%*	*15.2%*	*18.5%*
6. Centre's capital outlay (1 + 4)	**11,031**	**12,764**	**12,747**	**14,541**	**14,797**
% YoY	*7.1%*	*15.7%*	*15.6%*	*13.9%*	*16.1%*

Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates: IBE: Interim Budget Estimates: PA: Provisional Actuals

Figure 11: Share of Central budgetary support and IEBR in total capital outlay



Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates; IBE: Interim Budget Estimates; PA: Provisional Actuals

Table 7: Department-wise total expenditure including IEBR

(Rs crore)	FY23		FY24RE			FY25BE				
Departments	Revenue	Capital	Revenue	Capital	IEBR	Revenue	Capital	IEBR	Total outlay	%YoY
Food and Public Distribution	2,81,733	2,011	2,21,723	202	22,990	2,12,976	44	27,627	2,40,647	-1.7
Road Transport & Highways	11,104	2,05,986	11,826	2,64,526	0	5,759	2,72,241	0	2,78,000	0.6
Railways	3,154	1,59,256	3,272	2,40,000	20,000	3,393	2,52,000	13,000	2,68,393	1.9
Defense	4,22,202	1,50,896	4,56,118	1,67,771	2,852	4,39,700	1,88,241	3,254	6,31,295	0.7
Rural Development	1,76,837	0	1,71,066	4	0	1,77,562	4	0	1,77,566	3.8
Telecommunications	64,232	54,729	28,260	70,099	15,341	27,419	84,496	9,594	1,21,510	6.9
Power	9,290	23	17,511	124	59,120	19,416	1,087	66,717	87,219	13.6
New and Renewable Energy	7,550	13	7,833	15	21,355	19,083	17	30,715	49,815	70.6
Housing & Urban Affairs	50,432	26,878	42,737	26,533	16,789	53,948	28,628	42,520	1,25,096	45.4
Labour and Employment	14,757	38	12,483	38	0	22,482	50	0	22,531	79.9
Health and Family Welfare	70,258	3,051	74,915	2,709	125	84,045	3,612	59	87,716	12.8
MSMEs	23,135	406	21,543	595	220	21,550	588	240	22,378	0.1
Drinking Water & Sanitation	59,655	0	77,031	2	0	77,389	2	0	77,391	0.5
Others	22,58,793	1,36,738	23,93,921	1,77,628	1,67,401	25,44,680	2,80,101	1,74,906	29,99,687	9.5
Total	**34,53,132**	**7,40,025**	**35,40,239**	**9,50,246**	**3,26,193**	**37,09,401**	**11,11,111**	**3,68,632**	**51,89,144**	**7.7**

Source: Budget Documents, NSE EPR. IEBR = Internal and Extra Budgetary Resources. BE: Budget Estimates; RE: Revised Estimates. *Total outlay is the sum of revenue and capital spending by the Centre and IEBR.

Table 8: Subsidy expenses

Rs crore	FY23	FY23 (% YoY)	FY24PA	FY24PA (% YoY)	FY25IBE	FYIBE (% YoY)	FY25BE	FY25BE (% YoY)
Subsidies	**5,77,916**	**14.7%**	**4,40,612**	**-23.8%**	**4,09,723**	**-7.0%**	**4,28,423**	**-2.7%**
Food	2,72,802	-5.6%	2,11,814	-22.4%	2,05,250	-3.1%	2,05,250	-3.3%
Fertilizers	2,51,339	63.5%	1,89,487	-24.6%	1,64,000	-13.5%	1,64,000	-13.2%
Oil	6,817	99.2%	12,240	79.5%	11,925	-2.6%	11,925	-2.6%
Others	46,957	-18.7%	27,070	-42.4%	28,548	5.5%	47,248	74.5%

Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates, PA: Provisional Actuals

Figure 12: Sector-wise annual subsidy outgo trend

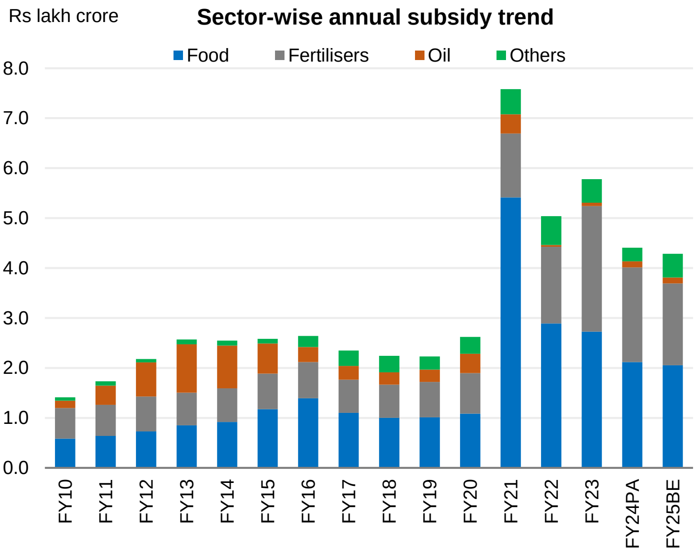
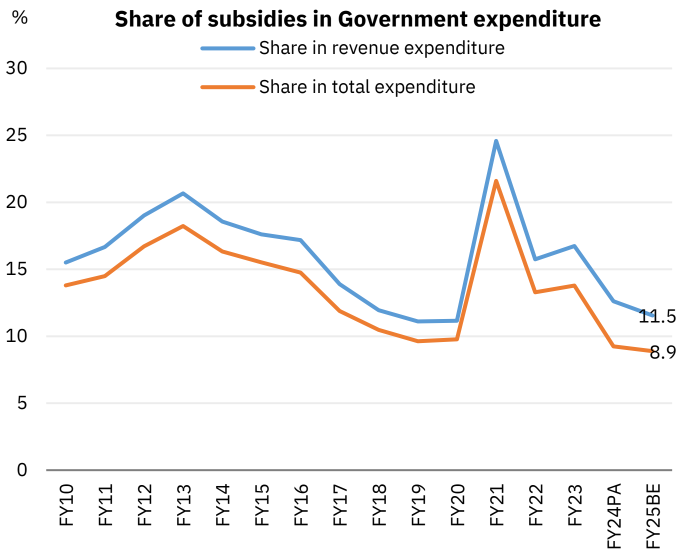


Figure 13: Subsidy share in expenditure



Source: Budget Documents, NSE EPR. BE: Budget Estimates; RE: Revised Estimates: PA: Provisional Actuals.

Figure 14: Spending on MGNREGA (rural employment)

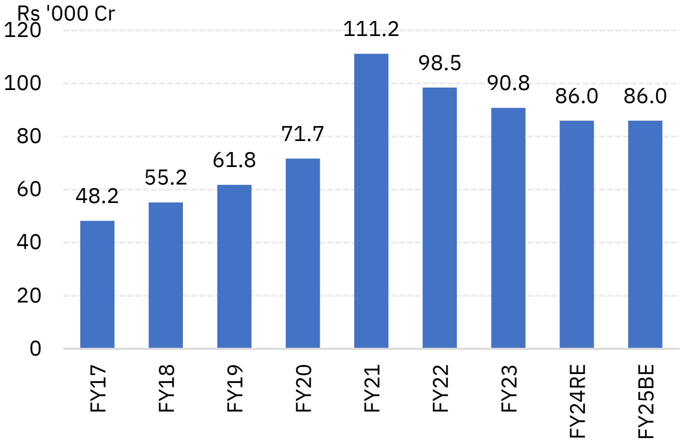
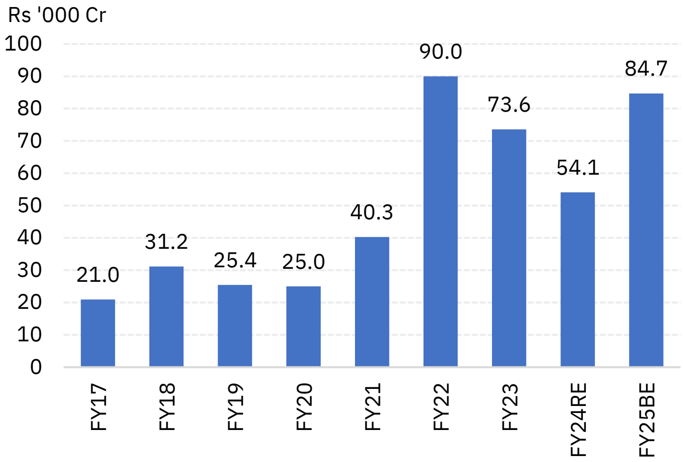


Figure 15: Spending on PMAY (Housing for All)



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

Figure 16: Spending on PMGSY (rural infrastructure)

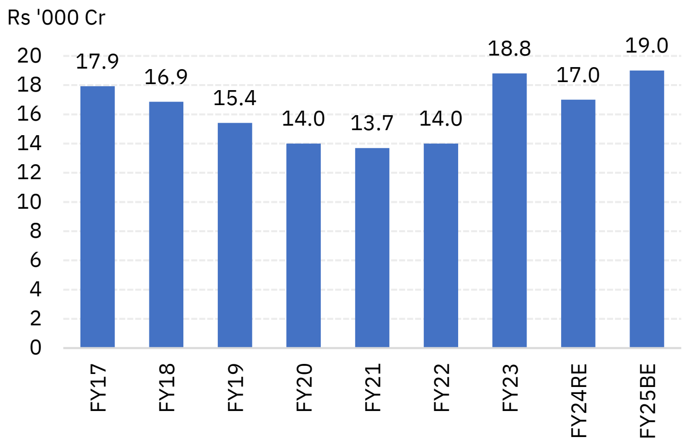
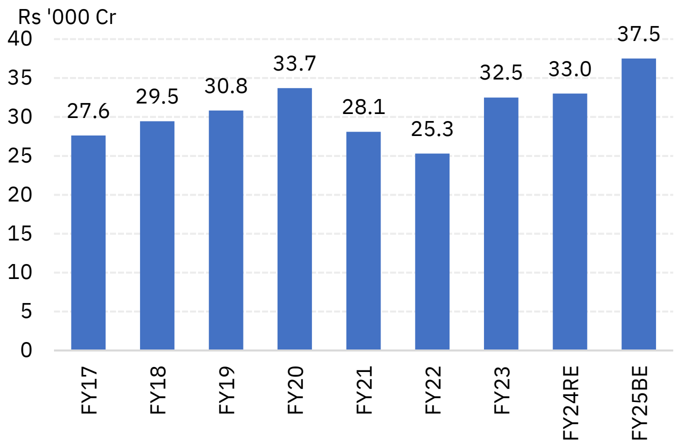


Figure 17: Spending on National Education Mission



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

Figure 18: Spending on Swachh Bharat Mission

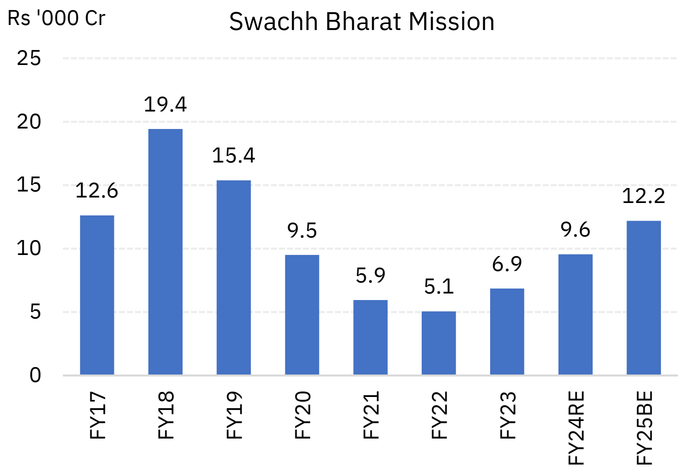
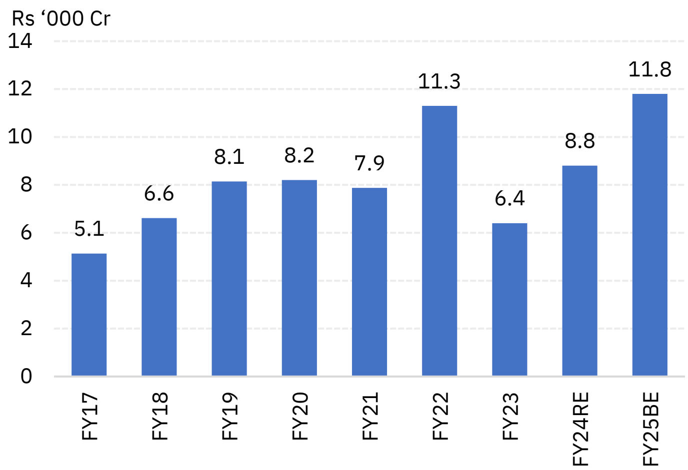


Figure 19: Spending on PMKSY (irrigation)



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

Fiscal management and strategy:

- **FY25 fiscal deficit budgeted at 4.9% of GDP:** The sustained focus on fiscal consolidation continues in this budget with the fiscal deficit (as a % of GDP) budgeted at 4.9% of GDP, 20 bps lower than the FY25IBE and 70 bps lower than

FY24PA. There has been a drop in the fiscal deficit to GDP by 1 pp since the previous budget estimate. This has been primarily on the back of improved tax buoyancy, particularly for direct tax collections, record transfer of dividend by the RBI, and modest increase in revenue expenditure. In relation to the Interim Budget, the decline in fiscal deficit can be attributed to fall in revenue expenditure and higher non-tax revenues (RBI dividend). The fiscal deficit target for FY25 has been lower than market expectations, while assuming a conservative nominal GDP growth projection of 10.5% for FY25. The revenue deficit at Rs 5.8 lakh crore (1.8% of GDP) in FY25 is at its lowest since FY19. The quality of expenditure has continued to improve, with a modest growth in revenue expenditure and continued focus on capex, primarily allocated to roads, railways, housing, defense and solar.

- **Fiscal strategy:** The Union budget has stroked a right balance between capex-led growth and welfare, while ensuring fiscal restraint. The Government remains on track to reduce fiscal deficit to GDP ratio to sub-4.5% by FY26. The fiscal trajectory further would also include a downward trend in the debt/GDP ratio. There have been some modest changes observed in the personal income tax, capital gain taxation and reduction in customs duty in this Budget. Continuation of the 50-year interest free loans for another year, with a higher allocation, will allow greater autonomy to state charting a growth roadmap. The focus has remained on empowerment over entitlement to reduce poverty and foster sustainable and inclusive development. The Government has continued its focus on transparency, efficiency and accountability over the last several years.

Budget financing:

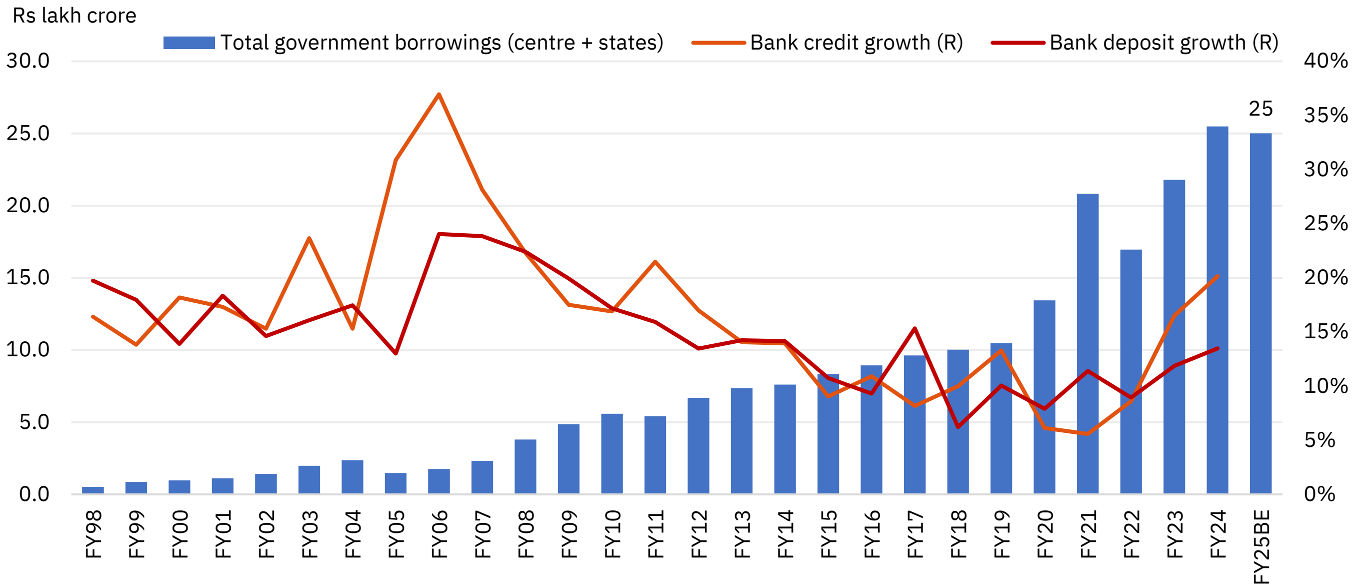
- **Market loans and small savings to fund 98% of the fiscal deficit:** Gross market borrowings are pegged at Rs 14 lakh crore in FY25(BE), lower than market expectations. At the same time, net market borrowings are expected to be marginally lower at Rs 11.6 lakh crore, accounting for almost 72% of the fiscal deficit. Despite a fall in the fiscal deficit, the reliance on market borrowings to fund the fiscal deficit has marginally increased. The funding via small savings at Rs 4.2 lakh crore, accounts for nearly one-fourth of the fiscal deficit.

Table 9: Sources of funding the deficit

Rs lakh crore	FY23	FY24RE	FY24PA	% of total	FY25BE	% of total	% YoY
Gross market borrowings*	14.2	15.4	14.8		14.0		-5.5%
Net market borrowings	11.1	11.8	11.8	71%	11.6	72%	-1.2%
Short-term borrowings	1.1	0.0	0.5	3%	-0.5	-3%	-194.0%
External assistance (net)	0.4	0.2	0.6	3%	0.2	1%	-71.1%
Small savings (net)	4.0	4.7	4.5	27%	4.2	26%	-6.9%
State provident funds (net)	0.1	0.1	0.1	0%	0.1	0%	-1.4%
Draw down of cash balance	-0.0	-0.3	-1.7	-10%	1.4	9%	
Other capital receipts	0.8	0.8	0.8	5%	-0.8	-5%	-197.6%
Total	**17.4**	**17.3**	**16.5**	**100%**	**16.1**	**100%**	**-2.4%**

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

Figure 20: Total borrowings by Centre and states vs. bank credit and deposit growth



Source: Budget Documents, CMIE Economic Outlook, NSE EPR.
Note: State borrowings for FY25 is estimated at Rs 11 lakh crore

Figure 21: Central Government's debt maturity profile

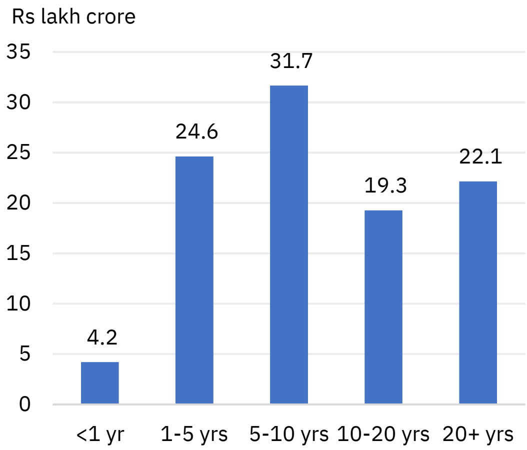
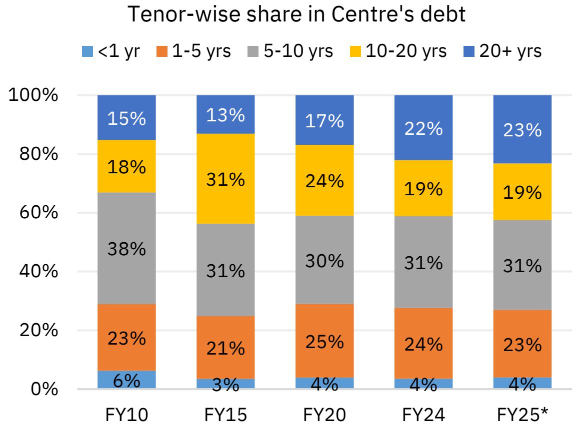


Figure 22: Tenor-wise share in Centre's outstanding debt



Nearly 57.5% of the government debt is maturing over the next 10 years, with the share of maturities in 20+ years bucket rising from 17% in FY20 to 23% now.

Source: Budget Documents, RBI, CMIE, NSE EPR. *Excludes switching of securities. As of July 22nd, 2024.

- **Market implications:** A pro-growth budget with strengthened focus on capex and welfare without compromising on fiscal prudence, sustained transparency, have been taken well by equity markets. The Nifty 50 Index ended the budget day broadly unchanged after declining sharply post the announcement on capital gains taxation and increase in STT. Since then, the Nifty50 has rallied and gained by 1.5% in the next three trading sessions, with the equity markets cheering continued policy measures, fiscal prudence and reliable projections. In comparison to the interim budget, the cut in market borrowings has been lower than expected, owing to which the 10-year bond market yield inched up on the budget Day to 6.97%. Since then, there has been a fall to the extent of 3 bps to end the week at 6.94%. The funding via short term borrowings has declined by ~Rs 1 lakh crore, which is likely to have a positive impact on short-term yields.

Taxation measures

- **Key direct tax measures:** Notable changes on the direct taxation front includes revision in personal income tax slabs, higher standard deduction and NPS contribution. Further, the indexation benefit on long-term capital gains was abolished, with a marginal increase in tax rate charged for both long-term as well as short-term capital gains.

Table 10: Category-wise direct tax measures

Section	Measure
Personal Income Tax	Revised tax slabs under the new tax regime
	Standard deduction for salaried employees increased from Rs 50,000 to Rs 75,000 (Under new tax regime)
	Deduction on family pension for pensioners increased from Rs 15,000 to Rs 25,000 (Under new tax regime)
	NPS contribution increased from 10% to 14% for employees opting for new tax regime
Capital gains taxation	Short term capital gain (STCG) tax hiked from 15% to 20% on specified financial assets (w.e.f. July 23rd, 2024)
	Long term capital gain (LTCG) tax hiked from 10% to 12.5% on all financial and non-financial assets (w.e.f. July 23rd, 2024), accompanied with enhancement in the exemption limit from Rs 1 lakh to Rs 1.25 lakh
	The benefit of indexation on long term capital gain has been abolished (w.e.f. July 23rd, 2024)
Corporate tax	Corporate tax rate on foreign companies reduced from 40% to 35%

Source: Budget documents, NSE EPR

- **Impact of changes in tax slabs and deductions on tax savings:** The changes in tax slabs for the new tax regime, will translate into marginal savings for the taxpayers. For an individual with an income of Rs 20 lakhs and on incorporating the changes in standard deduction (from Rs 50,000 to Rs 75,000), the tax savings is Rs 17,500/- (0.9% of the taxable income. The changes in tax slabs in the new tax regime is to accommodate taxpayers who follow the new tax regime (currently: 2/3rd taxpayers follow the new tax regime)

Table 11: Saving in income tax in the revised tax slabs under the new tax regime (For income of Rs 20 lakhs)

Pre-Budget			Post-Budget		
Tax Slabs (Rs)	**Rate (%)**	**Tax (Rs)**	**Tax Slabs (Rs)**	**Rate (%)**	**Tax (Rs)**
Upto Rs 3 lakh	Nil	0	Upto Rs 3 lakh	Nil	0
Rs 3 lakh - Rs 6 lakh	5	15,000	Rs 3 lakh - Rs 7 lakh	5	20,000
Rs 6 lakh - Rs 9 lakh	10	30,000	Rs 7 lakh - Rs 10 lakh	10	30,000
Rs 9 lakh - Rs 12 lakh	15	45,000	Rs 10 lakh - Rs 12 lakh	15	30,000
Rs 12 lakh - Rs 15 lakh	20	60,000	Rs 12 lakh - Rs 15 lakh	20	60,000
Above Rs 15 lakh	30	1,35,000	Above Rs 15 lakh	30	1,27,500
Total tax		**2,85,000**			**2,67,500**
Total tax saving					**17,500**

Source: NSE EPR

- **Indirect tax measures: Some of the proposed changes in the indirect tax measures include:**
  - Increase in STT on sale of options in securities from 0.0625% to 0.1% (payable on premium turnover) and on sale of futures on securities from 0.0125% to 0.02% (payable on turnover) w.e.f. October 1st, 2024.
  - Leather and textile garments to see reduction in customs duties for raw materials with import duty structure for raw hides, skin and leather to be rationalized
  - Nil BCD on ferrous scrap and nickel cathode and concessional BCD of 2.5% on copper scrap to be continued.

Table 12: Proposed changes in the basic customs duties

Items	Proposed Changes on BCD		
	↑	↓	Exempted
Medicines	-	-	3 more cancer medicines
Mobile phones, Mobile PCBA and charger	-	15% from 20%	-
Gold and Silver	-	6% from 15%	-
Platinum	-	6.4%	-
Shrimp and fish feed	-	5%	-
Critical minerals	-	To be reduced on two minerals	Complete exemption for 25 minerals
Ferro nickel and blister copper	-	-	Exempted
Ammonium Nitrate	10% from 7.5%	-	-
Telecom equipment	15% from 10%	-	-
Methylene diphenyl diisocyanate (MDI)	-	5% from 7.5%	-
PVC flex banners	25% from 10%	-	-

Source: Budget documents, NSE EPR.

Table 13: Key sector-wise announcements and implications from the Union Budget

Sector	Announcements	Implications
Infrastructure, Transportation and Logistics	Purvodaya, for the all-round development of the eastern region of the country covering Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh and development of industrial node at Gaya.	To boost industrial development in Bihar and Andhra Pradesh.
	Setting up of a new 2400 MW power plant at a cost of 21,400 crore in Pirpainti. New airports, medical colleges and sports infrastructure to be constructed in Bihar.	
	Development of road connectivity projects, namely (1) Patna-Purnea Expressway, (2) Buxar Bhagalpur Expressway, (3) Bodhgaya, Rajgir, Vaishali and Darbhanga spurs, and (4) additional 2-lane bridge over river Ganga at Buxar at a total cost of 26,000 crore. Polavaram Irrigation Project in Andhra Pradesh.	To reduce congestion, logistical cost and foster multi-modal connectivity.
	3 crore additional houses under the PM Awas Yojana. Phase IV of PMGSY will be launched to provide all-weather connectivity to 25,000 rural habitations.	To increase access to housing to poor and connectivity to rural areas.
	Development of investment-ready "plug and play" industrial parks with complete infrastructure in or near 100 cities. 12 industrial parks will be sanctioned under the National Industrial Corridor Development Programme.	To boost industrial infrastructure and generate employment.

	A venture capital fund of Rs 1,000 crore will be set up to expand the space economy.	
	Irrigation and flood mitigation programmes to help states like Bihar, Himachal Pradesh, Uttarakhand, Sikkim and Assam.	To reduces losses due to flood and droughts.
Energy	PM Surya Ghar Muft Bijli Yojana (install rooftop solar plants to enable 1 crore households obtain free electricity up to 300 units every month) will be further promoted	To reduce the energy cost for the households
	Pumped storage policy and R&D of small and medium nuclear reactors	To increase electricity storage and production of nuclear energy
	A joint venture between NTPC and BHEL will set up a full scale 800 MW commercial plant using AUSC.	To boost electricity generation in the most efficient way
Technology	An Integrated Technology Platform will be set up for improving the outcomes under the Insolvency and Bankruptcy Code (IBC)	To improve transparency, timely processing and better oversight for all stakeholders
Tourism	Comprehensive development of Vishnupad Temple Corridor, Mahabodhi Temple Corridor and Rajgir	To transform them into world class pilgrim and tourist destinations
	Development of Nalanda as a tourist centre	
Agriculture	Release of 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops.	To promote agriculture sustainability and combat climate change
	Encouragement of natural farming (1 core farmers will be added).	
	10,000 need-based bio-input resource centres will be established.	
	Setup of large-scale cluster for vegetable production near consumption centres.	To increase vegetable production.
	Financial support for setting up a network of Nucleus Breeding Centres for Shrimp Broodstocks through NABARD.	To increase shrimp production and export.
	To achieve atmanirbharta' in pulses and oil seeds, government will encourage production, storage and marketing.	To reduce import of oil seeds and pulses.
	Implementation of Digital public infrastructure (DPI) Digital crop survey in 400 districts. Issuance of Jan Samarth based Kisan credit card in five states.	To reduce land related disputes and increase access to financing.
MSME	Bank credit to MSME's during stress supported through guarantee from a government promoted fund.	To increase survival of viable MSME's and reduce unemployment.
	E-Commerce Export Hubs will be set up in public private-partnership (PPP) mode.	To increase export and profitability of MSME's.
	New assessment model for MSME credit developed by public sector banks.	Better assessment of financial position and performance of MSME's which will increase credit lending and recovery rate.

Source: Budget documents, NSE EPR.

Macroeconomy

Macro round-up

Inflation risk persists in a robust domestic environment

Domestically, the Indian economy exhibited robust conditions, underscored by strong industrial sector growth and healthy expansion in both PMI manufacturing and services. The financial sector reflected resilience as bank credit expanded meaningfully, driven largely by personal loans and services. Furthermore, the RBI's half-yearly Financial Stability Report (FSR) highlights consolidation of the financial sector with improvement in asset quality, strong profitability and capital buffers. On the external front, India's trade deficit narrowed, benefiting from a sharper decline in imports relative to exports. That said, a significant near-term concern is the rising inflationary pressures, particularly in food prices. Retail inflation has reached a four-month high of 5.1%, and wholesale inflation has surged to a 16-month high of 3.4%, mainly due to elevated prices of vegetables and pulses. That said, the recent improvement in southwest monsoon (~3% above normal as of July 28th) could potentially ease inflationary pressures in the coming quarters. With inflation risks persisting above the RBI's target of 4%, albeit some softening expected in Q2FY25 on a high base, there is a likelihood that the Monetary Policy Committee (MPC) may continue with a status quo to monitor inflation trends. Globally, the IMF's latest World Economic Outlook projects global growth at 3.2% for 2024 and 3.3% for 2025, with persistent services inflation complicating the policy normalization process.

Amidst this backdrop on the Indian economy, the Union Budget (covered as a part of the Story of the Month) was released on July 23rd which outlines a strategic roadmap for 'Viksit Bharat', aiming to stimulate India's economic landscape while maintaining a commitment to fiscal consolidation. India's gross fiscal deficit to GDP is projected to moderate further to 4.9% of GDP and is likely to be sub 4.5% from FY26. This budgetary approach is complemented by the Economic Survey released a day prior, which projects India's GDP growth at 6.5-7% in FY25 and provides a six-pronged approach to achieve a 7% growth in the medium term sustainably. This forecast, while conservative compared to the IMF's (7%) and RBI's (7.2%) projections, underscores a cautious optimism amid global uncertainties.

- **Industrial activity accelerates:** IIP growth expanded to a seven-month high of 5.9% YoY in May'24 with strong acceleration in electricity (led by excessive heat conditions) and manufacturing while the mining segment remained steady. There has been a broad-based pick-up within the manufacturing sector as 17 out of 23 industries have registered positive growth. Consumer durables and primary goods have been the key drivers of the IIP as per the use-based classification. On the other hand, capital-intensive segments like construction goods and capital goods exhibited some moderation. Both manufacturing and services PMI inched higher to 58.3 and 60.5 in May'24 respectively, reflecting healthy expansion while continuing to outshine the global counterparts.

- **Merchandise trade deficit narrows:** India's merchandise trade deficit narrowed to US$ 20.9 bn in Jun'24 (vs. US$ 22.3 bn in May'24) as the fall in imports was higher vis-à-vis exports. Merchandise exports stood at a seven-month low of US$ 35.2 bn led by a sharp fall in petroleum exports. Imports grew moderately to US$ 56.2 bn (5% YoY) as gains in oil imports were partially offset by gold and non-oil, non-gold imports. India's overall trade deficit stood at ~US$ 8 bn in June, widened by 14.2% YoY, primarily on account of muted merchandise export growth and higher services payments (nearly 13-year high). India's current account is likely to be contained with foreign exchange reserves at US$ 652 bn as a buffer against any future global risks.

- **Food prices drive overall inflation higher:** Retail inflation (5.1%) and wholesale inflation (3.4%) registered a four-month and 16-month high respectively, primarily led by elevated food inflation (especially vegetables, cereals and pulses). A combination of heatwave like conditions and deficient monsoon in June spurred food inflation. Food inflation is likely to be a remain a near-term challenge for policymakers with the prices of TOP — tomato, onion and potato inching up in July That said, core inflation stood at 3.1% YoY, the lowest in the current series, as inflation in most of the sub-components under the miscellaneous category remains at a multi-year low. With headline inflation expected to remain north of 4% over the next couple of months, albeit with some softening expected in Q2FY25, coupled with a resilient growth outlook, we expect the RBI's MPC to maintain a status quo on rates for now.

- **Fiscal deficit at 3.1% of budgeted numbers during Apr-May'24:** The fiscal deficit for the first two months of FY25 declined to its lowest level since the last 29 years at 3.1% of FY25BE (vs. 11.8% during Apr-May'23) bolstered by RBI's surplus transfer and aided by robust collections in personal income taxes and GST collections. Total expenditure remained broadly unchanged at Rs 6.2 lakh crore as steady growth in revenue expenditure (+4.7% YoY) was offset by a decline in capital expenditure (-14.4% YoY).

- **Bank credit continues to expand driven by personal loans and services:** In May'24, bank credit demonstrated robust growth (19.8% YoY) supported by a broad-based expansion across major segments. Personal loans (28.7% YoY) outperformed all major segments, reflecting a strong consumer-led demand. The bank lending to the NBFC segment widened to a six-month high while the credit offtake to industry was at an 18-month high of 9.4% YoY, reflecting a strong recovery in the industrial segment. On the other hand, deposit growth is comparatively lower (14% YoY), translating into C-D ratio inching up to ~80.

- **Monsoon 3% above normal; uneven across regions:** Until July 28th, the country exhibited an overall excess rainfall of 3% vis-à-vis the long-period average. That said, the overall figure masks significant regional disparities in rainfall distribution with the southern (24%) and central region (17%) experiencing excess rainfall while the north and eastern regions exhibit deficits of more than 15%. The overall sowing activity for the Kharif season has been higher than the previous year by 2.3%. On the other hand, the reservoir levels have been significantly lower than the same period last year.

- **IMF's WEO highlights momentum in economic activity amid sticky inflation:** The IMF expects economic growth to be broadly unchanged in 2024 and 2025 (10 bps upward revision). India's economic growth has been revised higher by 20 bps to 7% in 2024 while China is projected to see an upward revision of 40 bps each in 2024 and 2025. There have been downward revisions for the US (10 bps) in 2024 on account of a sharper than expected slowdown in the first quarter. The IMF points out that services price inflation is persistent and holding up progress on disinflation. Upside risks to inflation have increased, raising the prospect of higher-for-longer interest rates.

- **RBI's FSR highlights GNPA ratio to have declined to 12-year low**: The RBI's half-yearly Financial Stability Report (FSR) highlights further consolidation of the financial sector with improvement in asset quality, robust expansion in credit, strong profitability and capital buffers. The GNPA ratio of all SCBs has fallen to a 12-year low of 2.8% in Mar'24 and is estimated to further improve to 2.5% in

Mar'25 (baseline). The CRAR of all stood at decadal high of 16.8% in Mar'24 while the macro stress test reveals that all SCBs are well-capitalized at 16.1% in Mar'25 (baseline scenario). The asset quality of the NBFCs has improved while the capital buffers significantly remain above the minimum requirements.

- **Economic Survey projects India's GDP growth at 6.5-7% for FY25:** India's Economic Survey 2023-24 emphasizes the resilience demonstrated by the Indian economy and projects India's real GDP growth at 6.5%-7% in FY25, lower than the estimates by RBI (7.2%) and IMF (7%). It underscores a six-pronged approach to maintain a stable economic growth of 7% in the medium term. Notwithstanding the near term domestic and global risks, the Indian economy is poised for a broad-based and inclusive economic growth.

IIP accelerates to a seven-month high in May, core sector growth marginally lower

IIP growth expanded to a seven-month high of 5.9% YoY in May'24 (vs. 5% YoY in Apr'24), supported by strong acceleration in electricity (excessive heat conditions) and manufacturing even as the mining segment remained steady. Under manufacturing, 17 out of 23 industries (cumulative weight: +80%) have recorded positive growth, reflecting a broad-based pick-up. Consumer durables and primary goods have been the key drivers of the IIP as per the use-based classification. On the other hand, capital-intensive segments like construction goods and capital goods exhibited some moderation relative to the previous month, reflecting lower demand amidst elections. All components of the use-based classification have expanded on a sequential basis. In the first two months of FY25, IIP growth has inched up and is robust at 5.4% YoY as against 5.1% in the corresponding period last year. The eight core sector growth decelerated marginally to 6.3% YoY in May (vs. 6.7% in Apr'24) as gains in coal and electricity sectors were outweighed by negative growth in crude oil, fertilizers and cement. Manufacturing and services enterprises remained strong, as reflected by the PMI numbers. Both manufacturing and services PMI inched higher to 58.3 and 60.5 in May'24 respectively (vs. 57.5 and 60.2 in Apr'24 respectively).

- **IIP growth expands to 5.9% in May'24:** IIP growth expanded to 5.9% YoY (vs. 5% YoY in Apr'24). This expansion can be attributed to substantial gains in electricity (13.7% YoY in May vs. 10.2% YoY in Apr) and manufacturing (4.6% YoY in May vs. 3.9% YoY in Apr). IIP expanded sequentially by 4.4% MoM, led by a broad-based expansion: mining (4.3%), manufacturing (3.8%) and electricity (8.2%). Electricity generation expanded to a seven-month high owing to a low-base (0.9% YoY in May'23) and above average temperatures in the country, driving up the usage of air-conditioners. Mining output growth has been steady at 6.6% YoY led by higher coal production to meet the power demand. Under manufacturing, 17 out of 23 industries (cumulative weight: +80%) have recorded positive growth, reflecting a broad-based pick-up. Five manufacturing industries, namely electronic and optical products (20.1% YoY), fabricated metals (12.3% YoY), electrical equipment (14.7% YoY), transport equipment (16.8% YoY) and furniture (23.2% YoY) grew by double digits in May. That said, 11 out of the 23 manufacturing industries, with a cumulative weight of ~49% in the IIP index registered a deceleration in YoY growth in May relative to the previous month: motor vehicles (-5.6 pp), coke and refined petroleum products (-2.9 pp), chemicals (-1.3 pp) and basic metals (-0.6 pp).

- **Healthy expansion in consumer goods:** All use-based components registered growth in May'24 led by consumer durables and primary goods. Consumer durables production improved significantly to a three-month high of 12.3% YoY (vs. 10% in Apr'24), thanks to a low base (1.5% YoY in May'23) and reflecting improving demand in the economy. Primary goods production expanded by 7.3% YoY, its highest pace since Dec'23, supported by a low base (3.6% YoY in May'23). Construction goods growth fell to 6.9% on account of a low base (13% YoY in May'23) and lower spending amidst elections. Capital goods exhibited a subdued growth of 2.5% YoY (vs. 8.1% YoY in May'23) while intermediate goods growth decelerated to 2.5% YoY (vs. 3.2% YoY in Apr'24). The trend in the growth rates of consumer non-durables has been volatile in the last five months, registering a growth of 2.3% YoY in May (vs. -2.5% YoY in Apr'24), despite a significant base (8.9% YoY in May'23) and reflecting a gradual improvement in the rural demand. All components of the use-based classification have expanded on a sequential basis.

- **Core sector growth decelerated but remained robust in May:** The eight core sector growth decelerated marginally to 6.3% YoY in May'24 (vs. 6.7% YoY in Apr'24) as acceleration in coal and electricity was outweighed by contraction in cement, crude oil and fertilizers. Cement production contracted for the second consecutive month, declining by 0.8% YoY—the steepest in the last six months, albeit off a high base (+16% YoY in May'23) and relatively lower infrastructure sector demand amidst the general elections. The impressive growth in electricity at a seven-month high of 12.8% YoY in May (vs. +10.2% YoY Apr'24) was bolstered by higher household demand amidst excessively hot climatic conditions in the country. Fertilizers output contracted on a YoY basis for the fifth month in a row by 1.7% in May, partly ascribed to an unfavourable base (+9.7% YoY in May'23), but expanded by a strong 15.4% MoM, reflecting higher production ahead of the *kharif* sowing season. Steel production growth decelerated by 1.1 pp as compared to the previous month to 7.7% YoY in May, possibly due to moderation in demand from the construction and auto sectors while crude oil production growth fell to a one-year low of -1.1% YoY in May. Barring steel and cement, all the sub-segments of the core sector witnessed a MoM expansion in May.

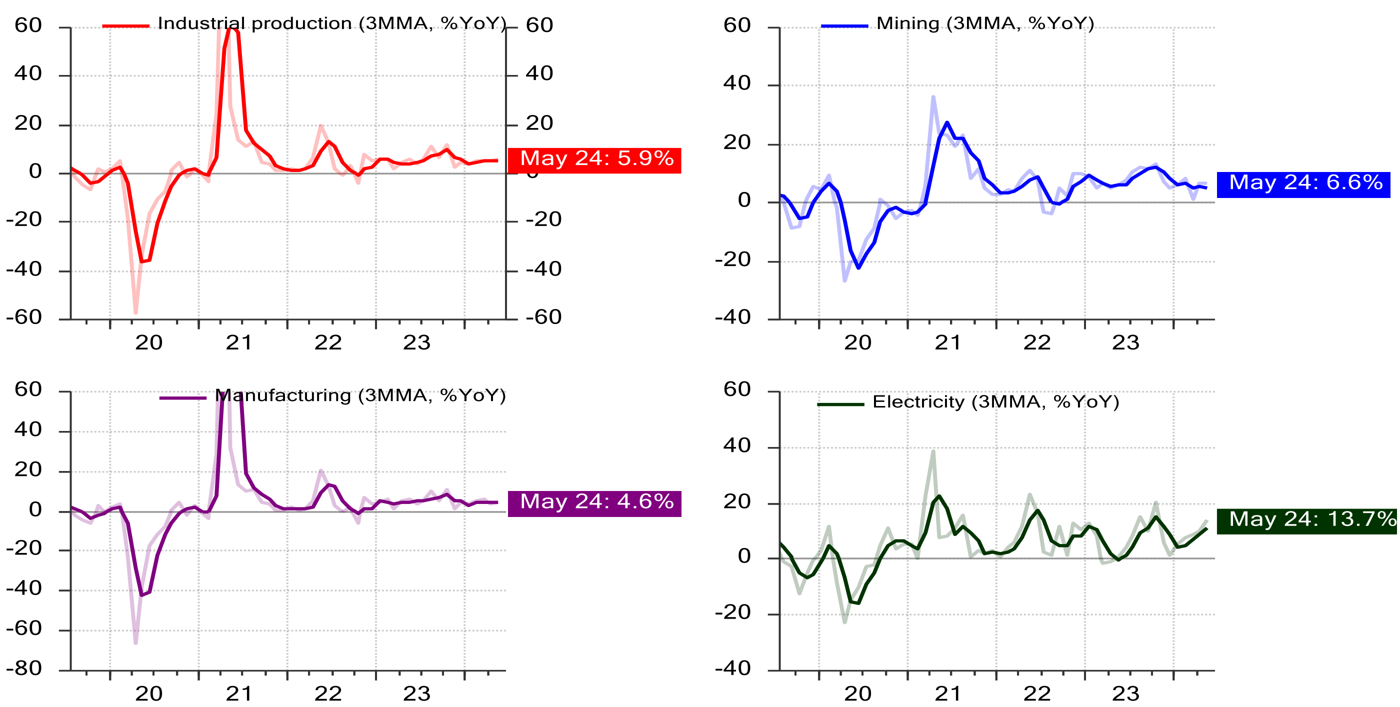
- **Manufacturing and services PMI both depict healthy expansion:** India's Composite PMI improved marginally to 60.9 in Jun'24 (vs. 60.5 in May'24), remaining well within the expansion zone for the 34^{th} consecutive month. India's Manufacturing PMI improved marginally to 58.3 in Jun'24, reflecting marginal growth in new orders and upturn in inventories. Service PMI also inched up to 60.5 in June (vs. 60.2 in May'24), reflecting growth in domestic demand and positive sales development. Importantly, India's Manufacturing PMI continued to outshine its global counterparts (US: 51.6, UK: 50.9, China: 51.8, Eurozone: 45.8, Japan: 50, Indonesia: 50.7).

Table 14: India industrial production for May 2024 (%YoY)

%YoY		Weight (%)	May-24	April-24	May-23	FY25	FY24
	IIP		**5.9**	**5.0**	**3.5**	**5.4**	**5.1**
Sector-based indices	Mining	14.4	6.6	6.8	4.5	6.7	5.8
	Manufacturing	77.6	4.6	3.9	3.1	4.3	5.9
	Electricity	8.0	13.7	10.2	4.8	12.0	-0.1
Use-based Goods	Primary Goods	34	7.3	7.0	3.6	7.2	2.8
	Capital Goods	8.2	2.5	2.7	8.1	2.6	6.3
	Intermediate Goods	17.2	2.5	3.2	3.4	2.8	2.6
	Infra/Construction Goods	12.3	6.9	8.0	13.0	7.4	13.2
	Consumer Goods	28.2	6.3	2.1	5.9	4.2	5.9
	Consumer Durables	12.8	12.3	10.0	1.5	11.2	-0.4
	Consumer non-durables	15.3	2.3	(2.5)	8.9	-0.1	10.2

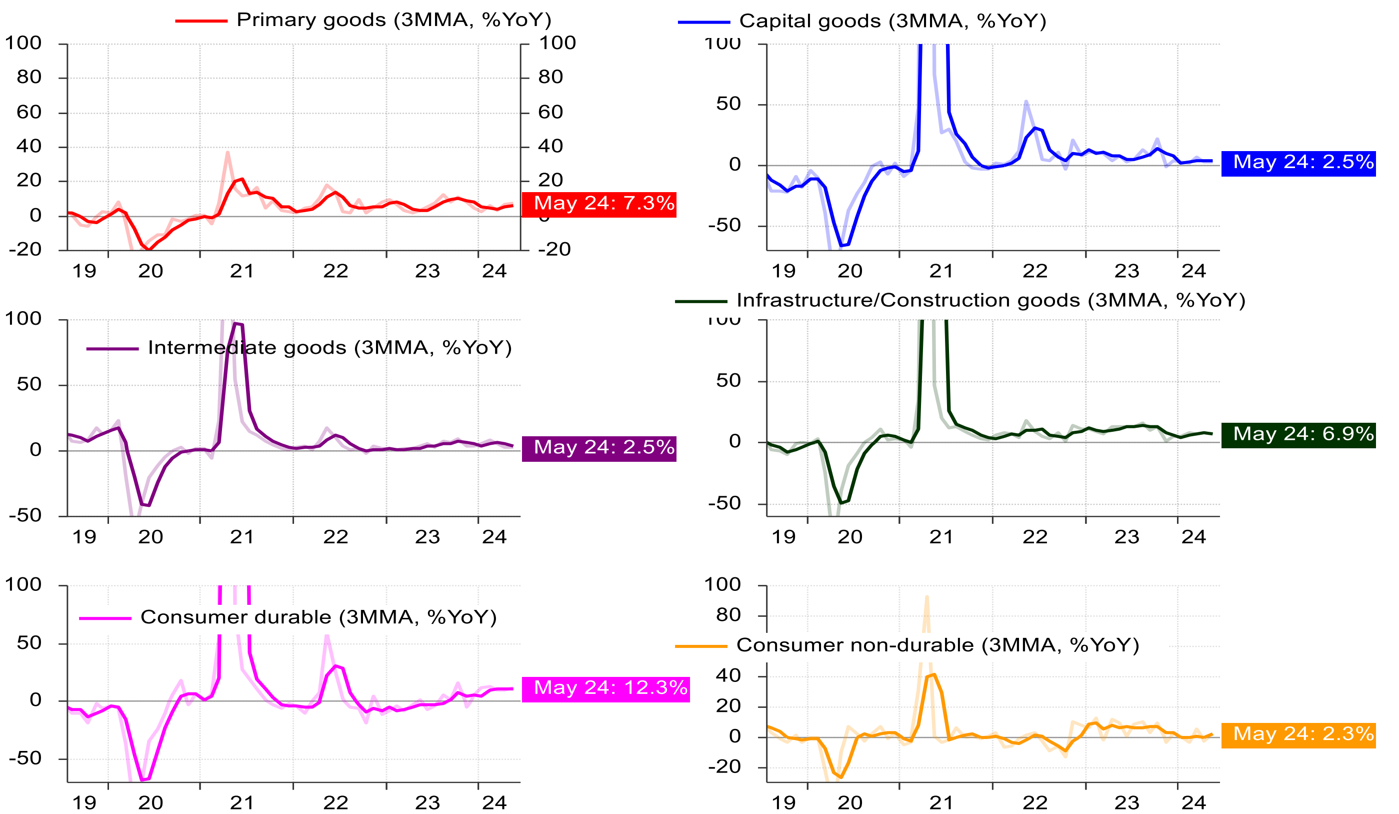
Source: CSO, NSE EPR.

Figure 23: India industrial production (3MMA)



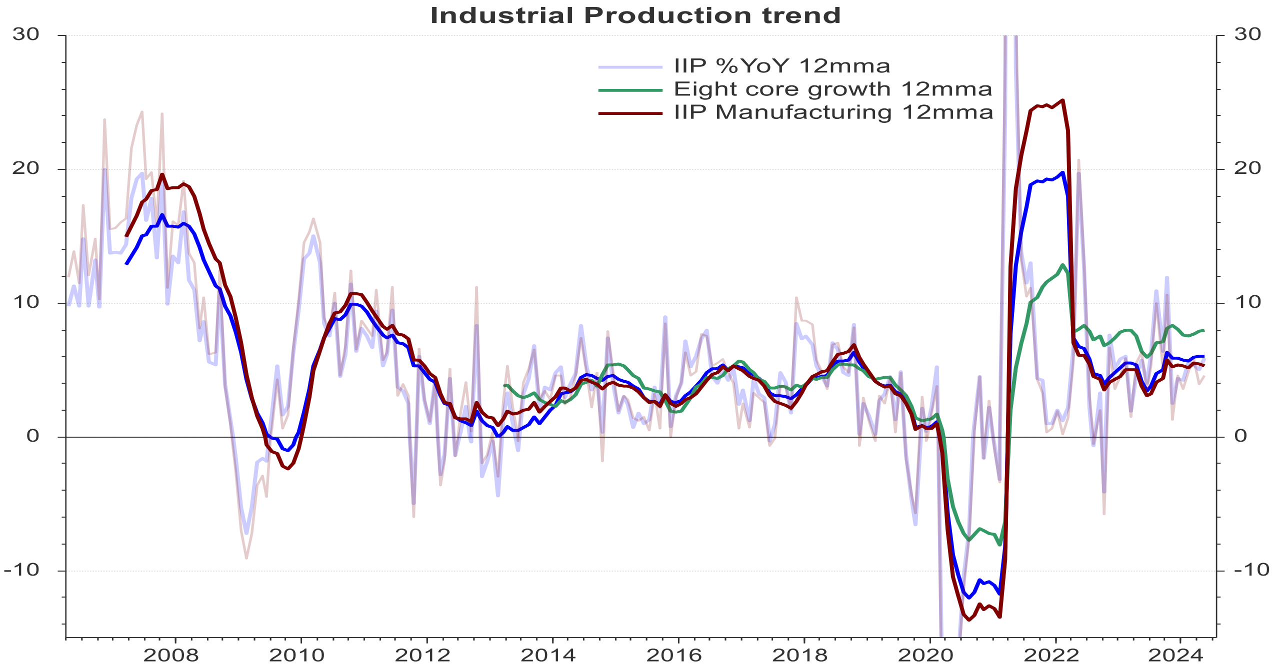
Source: LSEG Datastream, NSE EPR.

Figure 24: India industrial production use-based goods (3MMA)



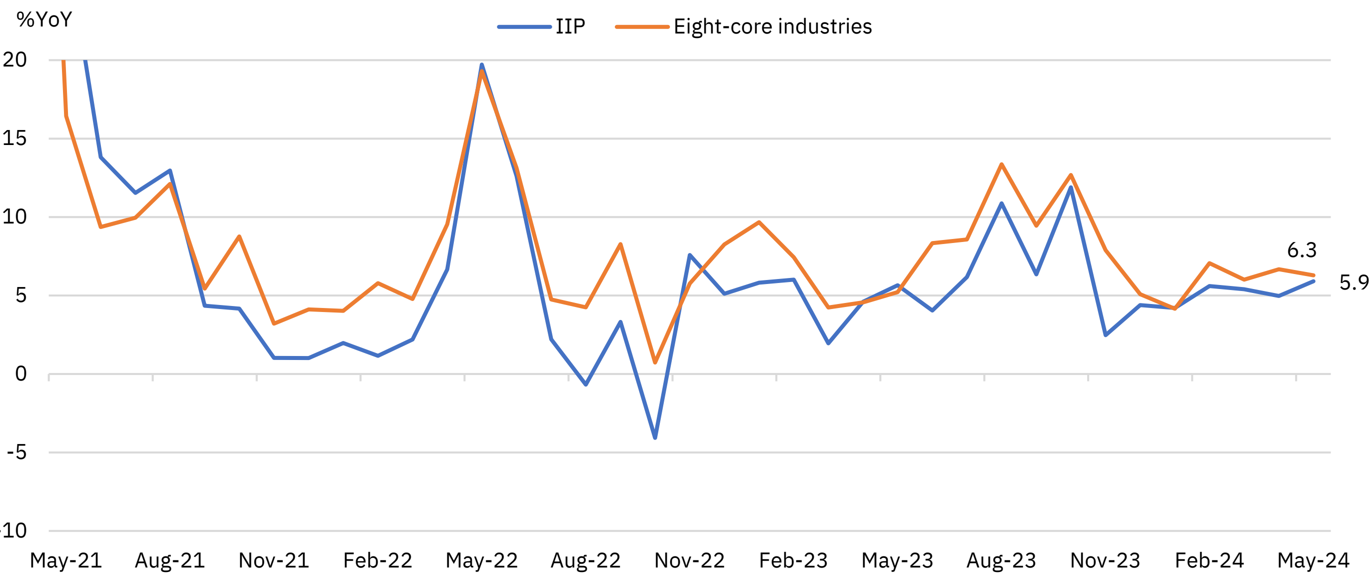
Source: LSEG Datastream, NSE EPR.

Figure 25: Long-term industrial production trend (12MMA)



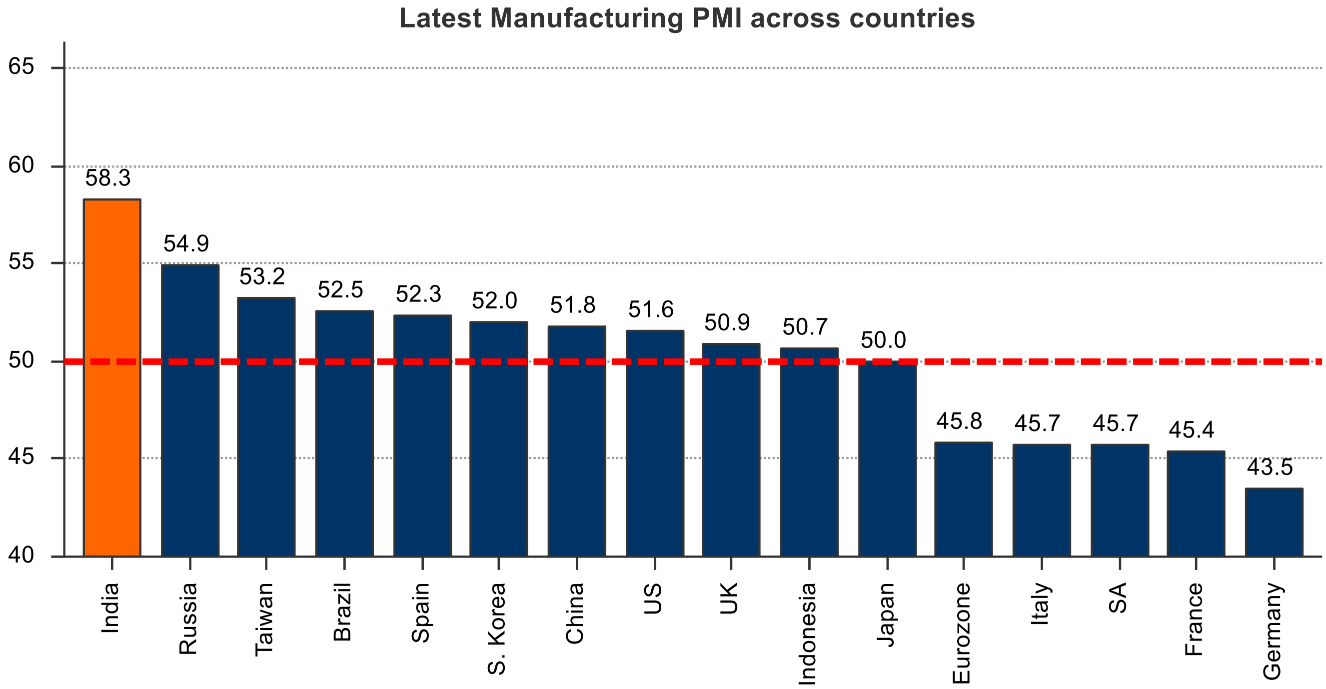
Source: LSEG Datastream, NSE EPR.

Figure 26: Eight core industries growth trend (% YoY)



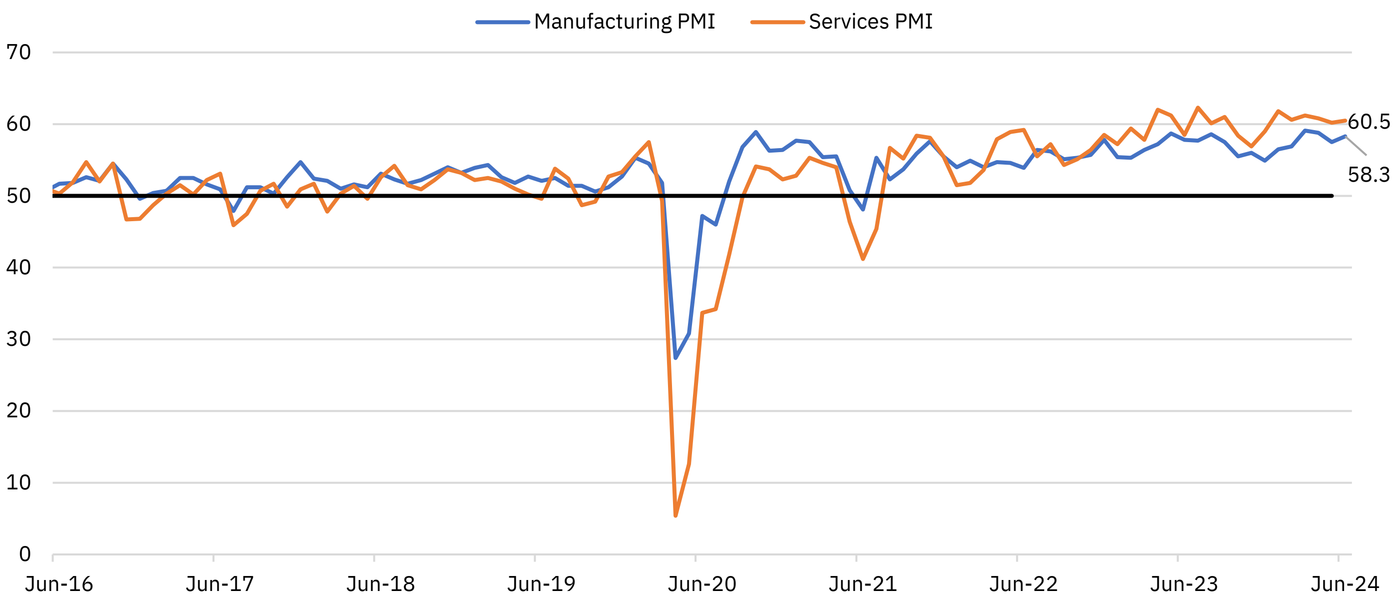
Source: LSEG Datastream, NSE EPR.

Figure 27: Manufacturing PMI across countries



Source: LSEG Datastream, NSE EPR.

Figure 28: India's Manufacturing and Services PMI trend



Source: CMIE Economic Outlook, NSE EPR.

Retail and wholesale inflation accelerates in June

The headline retail inflation accelerated to a four-month high of 5.1% YoY in June'24 (vs. 4.8% in May'24), with the increase primarily led by elevated food inflation (specifically vegetables, cereals and pulses). Food inflation rose to a six-month high of 8.4% YoY, spurred by a combination of heatwave like conditions and deficit monsoon in June. In the first quarter of FY25, headline retail inflation averaged at 4.9%, nearly 40 bps higher than the RBI's estimate for the quarter. Core inflation stood at 3.1% YoY in June, the lowest in the current series, as inflation in most sub-components under the miscellaneous category remained at multi-year low levels. Rural inflation has outpaced urban inflation for the second consecutive month.

Wholesale inflation inched up further to a 16-month high of 3.4% YoY in June, thanks to a low base and double-digit inflation in the food basket. Inflation in the manufacturing segment at 1.4% YoY has been picking up in the last two months after 14 consecutive months of deflation, led by the firming up of commodity prices (non-ferrous metals). The retail and wholesale headline inflation wedge has moderated to an 18-month low while the food inflation gap has widened meaningfully, posing upside risks of spillovers from wholesale to retail.

Food inflation is likely to be remain a near-term challenge for policymakers with the prices of TOP — tomato, onion and potato inching up in July. This should, however, get some respite from revival in rainfall in July, even as the distribution and recovery of reservoir levels remain crucial. Additionally, the recent telecom tariff rate hikes by almost 20% could drive core inflation higher. That said, a supportive base of the second quarter of the previous fiscal, coupled with normal monsoon, will provide some downside support to the headline retail inflation. The monetary policy will be focused on ensuring a sustained moderation in inflation towards the 4% mark. Ergo, we expect the RBI's MPC to maintain a status quo on rates for now.

- **Retail inflation accelerated to a four-month high in June:** The CPI inflation rose to a four-month high of 5.1% YoY in June'24 (vs. 4.8% in May'24 and 4.9% in June'23), primarily attributed to a spike in food inflation, which scaled a six-month peak. Core inflation is at its nadir (in the current series) while the sustained deflation in the fuel components has partially offset the gains in the food basket. In the first quarter of FY25, CPI inflation came in a 4.9%, 40 bps higher than the RBI's estimate of 4.5% for the quarter. Goods inflation (excluding food and fuel) at 2.6% YoY is at its lowest point in the series while services inflation marginally fell to an 80-month low of 3.6%. Rural inflation (5.7% YoY) outpaced urban inflation (4.4%) for the second consecutive month, thanks to the perceptible and sustained deflation in the urban fuel inflation.

- **Food inflation continues to be a challenge:** Food inflation scaled a six-month high of 8.4% in June (vs. 7.9% in May'24 and 4.7% in June'23) and exhibited a sharp sequential uptick of 2.7 pp MoM. This notable acceleration has been on account of vegetables (29.3% YoY; four-month high), pulses (16.1% YoY) and cereals (8.8% YoY; six-month high). Inflation in the TOP items — tomato (26.4% YoY,48.7% MoM), onion (58.5% YoY, 24.2% MoM), potato (57.6% YoY, 12.2% MoM), coupled with elevated inflation in garlic (78% YoY), have all pushed vegetable inflation to a four-month high of 29.3% YoY. The extreme heat conditions in June, coupled with a delayed and poor onset of the southwest monsoon, dragged production yields of tomatoes lower, while lower *rabi* production of onions have led to an uptick in onion prices. Inflation in fruits scaled a five-month high of 7.2% YoY, thanks to a low base while deflation in oils & fats continued for the 17th consecutive month albeit at a slower pace.

- **Core inflation remained at the series-low level of 3.1%:** Core inflation came in at 3.1% in June, almost at the same level as the previous month and 5.1% in June'23.

Notwithstanding the increase in inflation of personal care to a nine-month high of 8.2%, driven by gains in gold and silver prices, inflation in all other sub-components of the miscellaneous category continued to remain at multi-year lows. Housing inflation inched up marginally to 2.7% YoY (vs. 2.6% in May'24) while inflation in clothing & footwear dropped to a four-year low of 2.7% YoY.

- **WPI inflation accelerated to 16-month high:** The wholesale inflation accelerated to a 16-month high of 3.4% YoY in June'24 (vs. 2.6% YoY in May'24), thanks to a low base effect (-4.2% in June'23) and double-digit inflation in the food articles. Tepid numbers of inflation in the fuel and manufacturing basket partially offset the factors driving inflation higher. That said, inflation in the manufacturing segment at 1.4% YoY, has been picking up in the last two months after 14 consecutive months of deflation. This was the first time in the last ten months when the food basket registered double-digit inflation, led by elevated prices in pulses (21.6% YoY), potato (66.4% YoY), onion (93.4% YoY) and tomato (57.8% YoY). This surge has been primarily led by lower production (for pulses) and climate vagaries (for vegetables). Inflation in non-food articles exhibited a sustained deflation for the 16th consecutive month while inflation in crude petroleum & natural gas spiked to a nine-month high of 12.6% YoY, owing to a low base effect. Within manufacturing, the food product group exhibited a growth of 4.3% YoY, thanks to a low base effect. Inflation in basic metals (1.1% YoY) and chemicals (-1.1% YoY), having a cumulative weight of 16%, has been benign. However, the former has seen a significant sequential growth of 1.9% MoM, driven by prices of non-ferrous metals like aluminum, copper and tin. Out of the 22 sub-components of the manufacturing basket, six have registered negative growth.

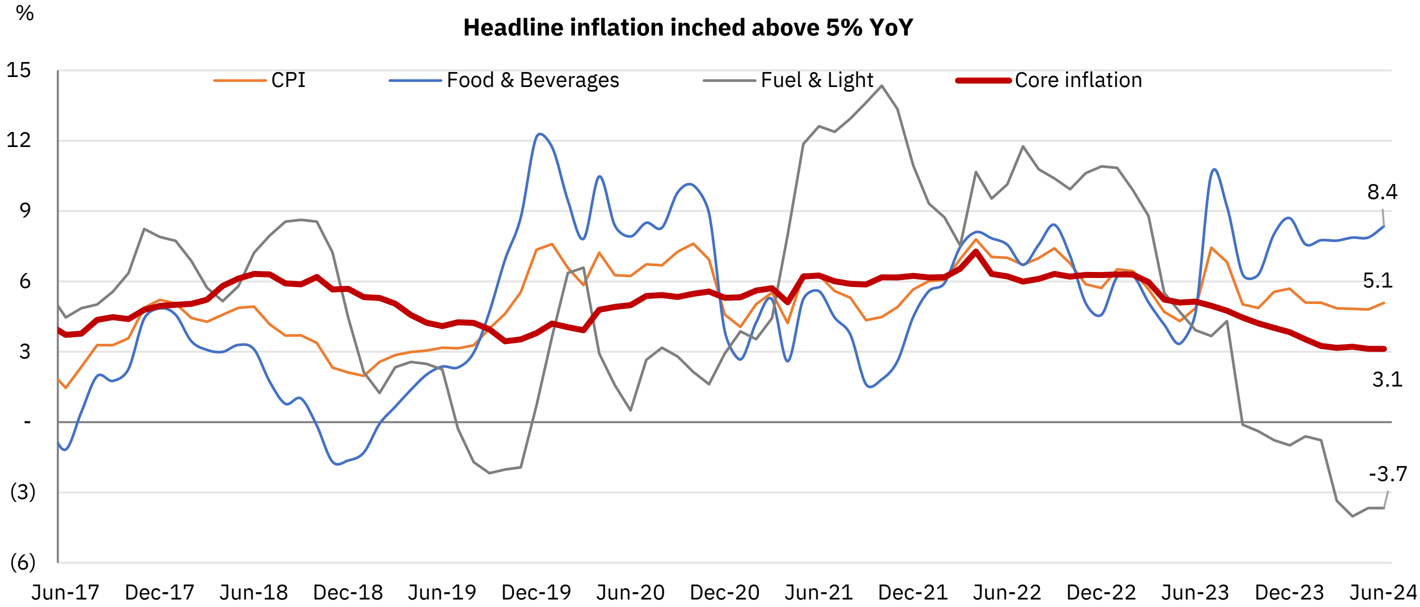
- **A high base effect to soften inflation in Q2FY25**: Notwithstanding the recent uptick in inflation, the headline retail number has been within RBI's flexible inflation target, while the wholesale number continues to remain benign. Food inflation is likely to remain a near-term challenge for policymakers with the prices of TOP — tomato, onion and potato inching up in the first half of July. The inflation trajectory is contingent on the quantum and distribution of rainfall and recovery of reservoir levels. The frequent occurrence of adverse climate events, along with firming up of commodity prices, pose upside risks to headline inflation. Recent telecom tariff rate hikes by almost 20% could drive core inflation higher. That said, a supportive base of the second quarter of the previous fiscal, coupled with normal monsoon, will provide some support to the inflation trajectory. The monetary policy will be focused on ensuring a sustained moderation in inflation towards the 4% mark. Ergo, we expect the RBI's MPC to maintain a status quo on rates for now.

Table 15: Consumer price inflation in June 2024 (%YoY)

%YoY	Weight (%)	Jun-24	May-24	Jun-23	FY25TD	FY24TD
CPI		**5.1**	**4.8**	**4.9**	**4.9**	**4.6**
Food & Beverages	45.9	8.4	7.9	4.7	8.0	4.1
Pan, Tobacco & Intoxicants	2.4	3.1	3.0	3.7	3.0	3.6
Clothing & Footwear[2]	6.5	2.7	2.7	6.1	2.8	6.7
Housing	10.1	2.7	2.6	4.6	2.6	4.8
Fuel & Light	6.8	-3.7	-3.7	3.9	-3.8	4.7
Miscellaneous	28.3	3.4	3.4	5.2	3.5	5.0
Core CPI inflation[1]	**44.9**	**3.1**	**3.1**	**5.1**	**3.2**	**5.2**

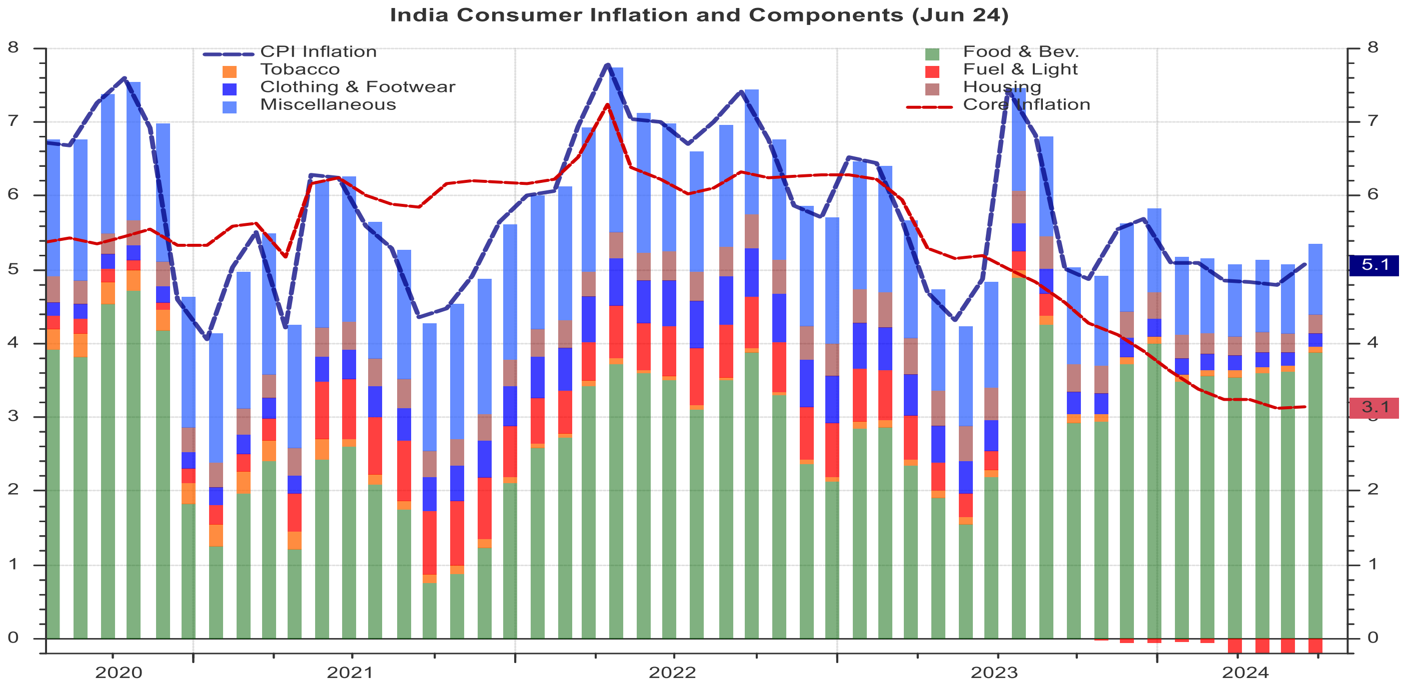
Source: CSO, NSE EPR. NA = Not Available. Note: [1] Headline inflation excluding food & beverages, pan, tobacco & intoxicants and fuel & light.

Figure 29: Headline CPI inflation trend



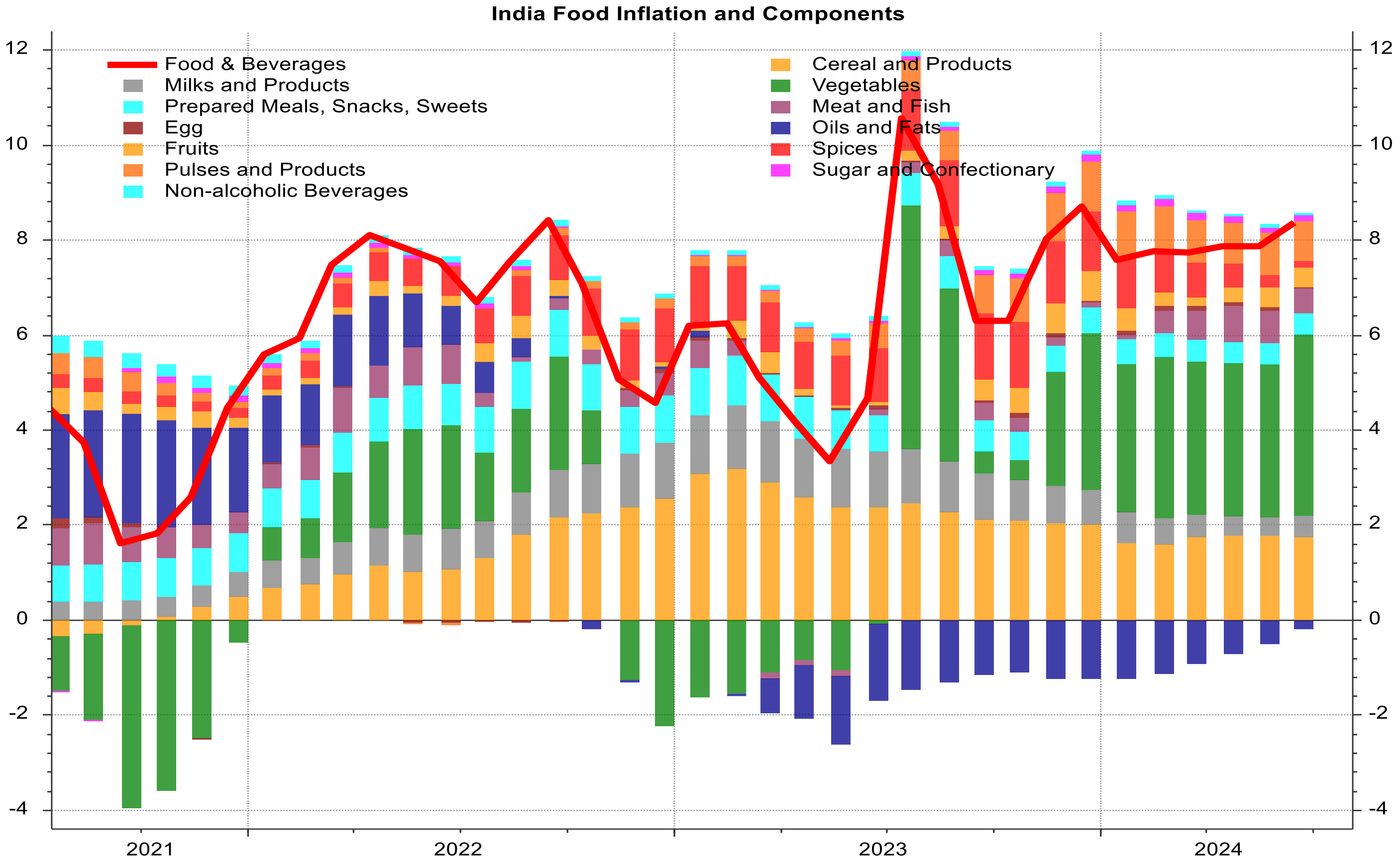
Source: CMIE Economic Outlook, NSE EPR.

Figure 30: Category-wise contribution to India consumer price inflation (CPI)



Source: LSEG Datastream, NSE EPR.

Figure 31: Category-wise contribution to India Food and Beverages inflation (CPI)



Source: LSEG Datastream, NSE EPR.

Figure 32: Trend in retail prices of TOP (Rs/kg)

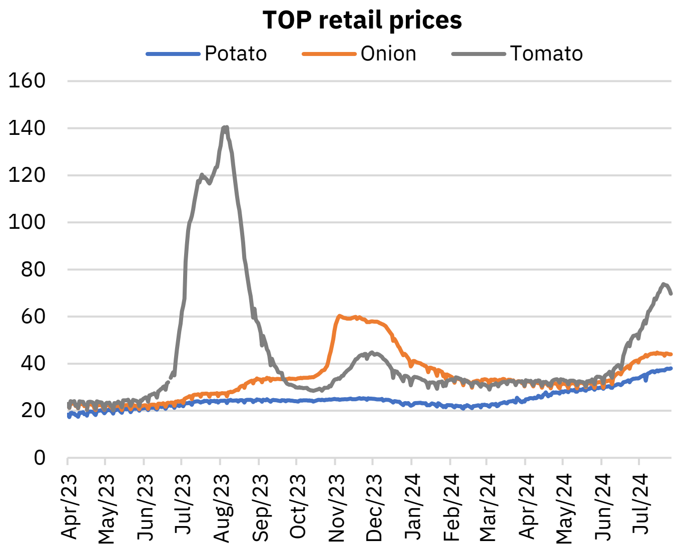
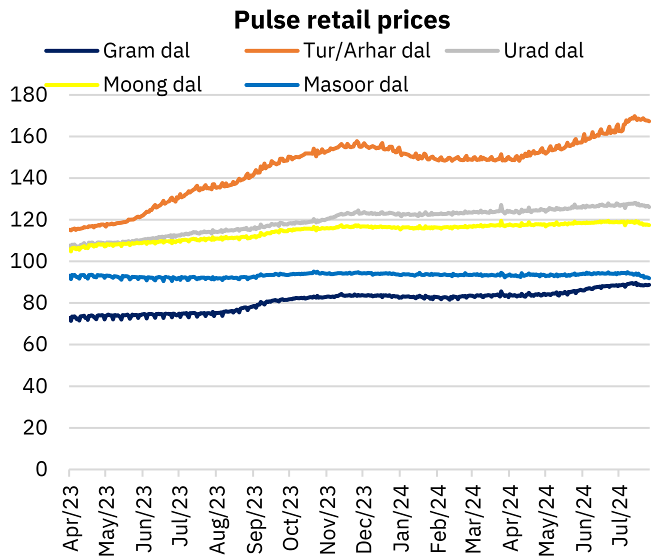


Figure 33: Trend in retail prices of pulses (Rs/kg)



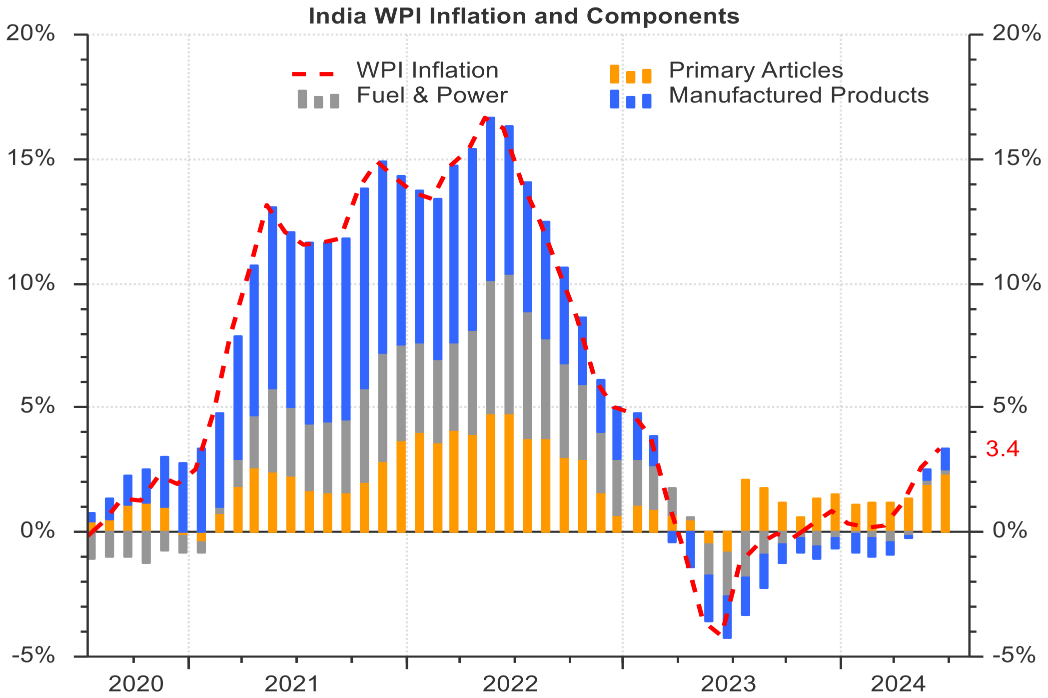
Source: CMIE Economic Outlook. NSE EPR. TOP: Tomato, Onion, Potato.

Table 16: Wholesale price inflation for June 2024 (%YoY)

	Weight (%)	June-24	May-24	June-23	FY25TD	FY24TD
WPI		**3.4**	**2.6**	**-4.2**	**2.4**	**-2.9**
Primary articles	**22.6**	**8.8**	**7.2**	**-3.0**	**7.1**	**-1.0**
Food articles	15.3	10.9	9.8	1.3	9.6	2.3
Non-food articles	4.1	-2.0	-4.0	-9.7	-3.6	-8.6
Minerals	0.8	9.6	4.3	0.5	4.4	3.5
Crude petroleum & natural gas	2.4	12.6	9.8	-21.4	9.0	-11.7
Fuel & power	**13.2**	**1.0**	**1.4**	**-12.5**	**0.5**	**-7.1**
Coal	2.1	-1.3	1.2	5.1	0.0	3.7
Mineral oils	8.0	1.9	2.0	-19.5	1.3	-13.9
Electricity	3.1	0.2	-0.4	1.1	-1.4	10.0
Manufactured products	**64.2**	**1.4**	**0.8**	**-2.8**	**0.7**	**-2.7**
Food group	**24.4**	**8.7**	**7.4**	**-1.3**	**7.4**	**-0.8**

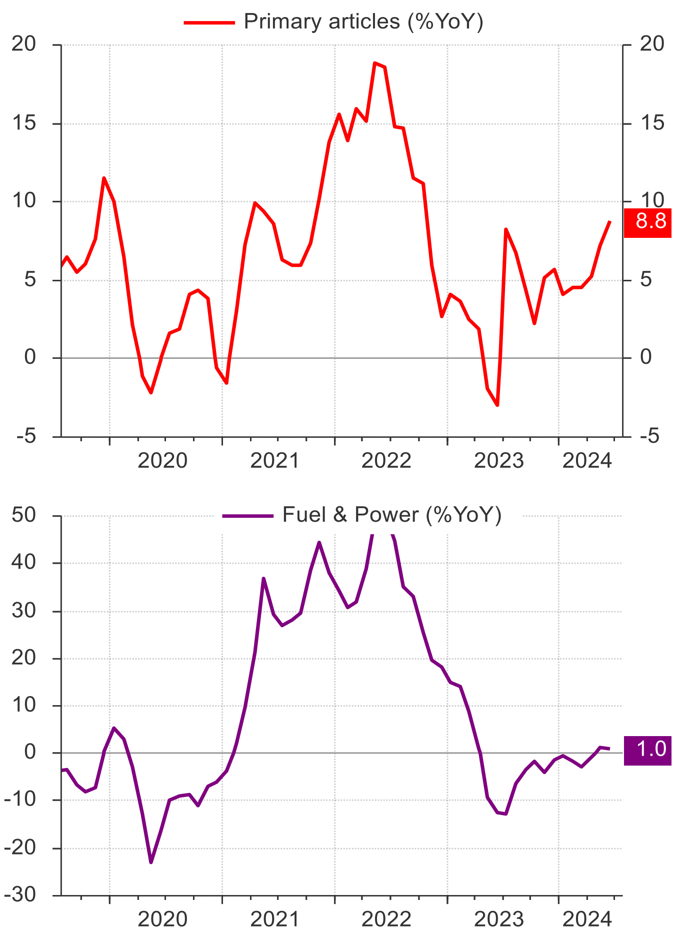
Source: CSO, CMIE Economic Outlook. NSE EPR.

Figure 34: Category-wise contribution to India wholesale price index (WPI)



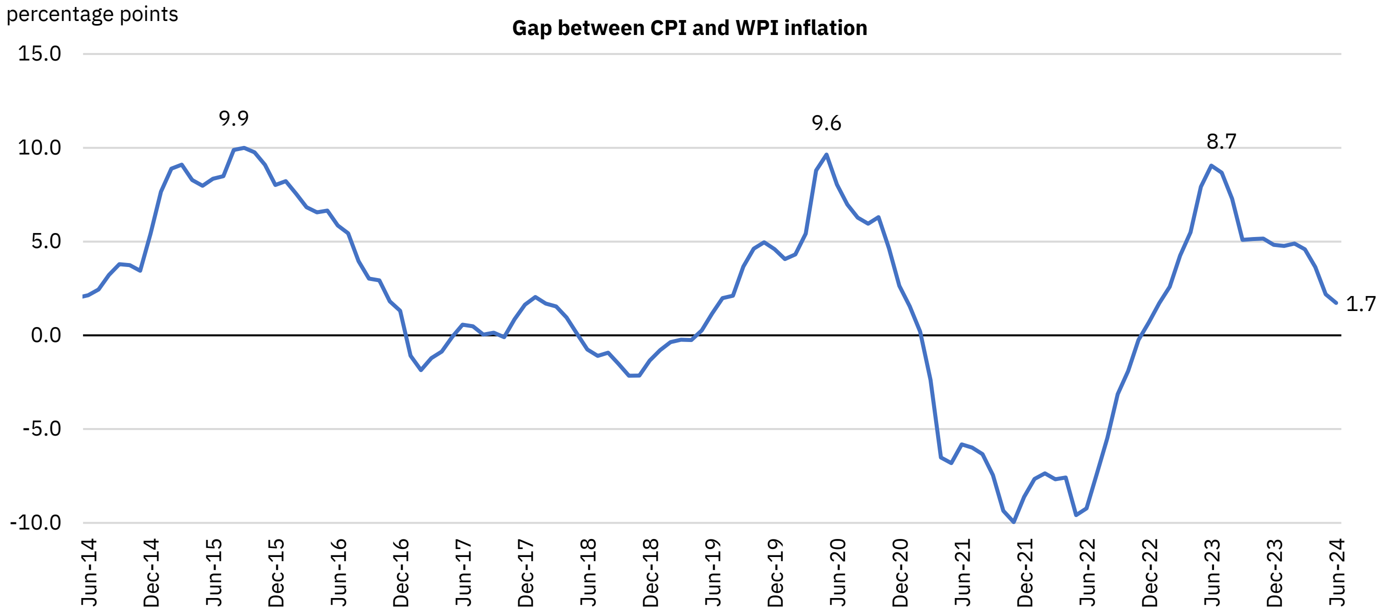
Source: LSEG Datastream, NSE EPR.

Figure 35: India wholesale price inflation (WPI)



Source: LSEG Datastream, NSE EPR.

Figure 36: Gap between retail and wholesale inflation



Source: CMIE Economic Outlook. NSE EPR.

Personal loans and services continue to drive bank credit growth

In May'24, bank credit demonstrated robust growth, expanding at an impressive pace of 19.8% YoY (vs. 19% in April'24 and 15.4% YoY in May'23). This upward trend has been on account of a broad-based expansion across all major sectors. Personal loans outperformed all major segments with a growth of 28.7% YoY, buoyed by housing, vehicle and other personal loans (cumulative share: 28.6% in May'24), reflective of a strong consumer-led demand. The bank lending to the NBFC segment widened to a six-month high of 16% YoY while the credit offtake to industry was at an 18-month high of 9.4% YoY, reflecting a strong recovery in the industrial segment. This growth was primarily led by the micro & small enterprises and medium enterprises (MSMEs) segment, each segment witnessing a strong 15.5% YoY growth. Key contributors to this expansion included the infrastructure, chemical products, and textiles segments. Overall, the sustained growth in bank credit across various sectors highlights a positive economic momentum, driven by strong demand in personal loans, services, agriculture, and industrial sectors, especially MSMEs. This trend is indicative of a healthy credit environment and a promising outlook for continued economic expansion.

- **Strong growth in bank credit:** Bank credit has seen tremendous growth since the past one year, growing from 15.4% YoY in May'23 to 19.8% YoY in May'24, courtesy a broad-based expansion across major segments. Personal loans outperformed all major segments with a growth of 28.7% YoY, led by a strong expansion in the housing sector (38.7% YoY), vehicle loans (17.9% YoY) and other personal loans (19.3% YoY), reflective of strong consumer-led demand. This was followed by robust gains in services (23.2% YoY) and agriculture (21.6% YoY). Within services, strong credit growth is exhibited in trade (17.7% YoY) and NBFCs (16% YoY). Following the recent moderation in credit-offtake to the NBFC segment, pursuant to the increase in risk weights announced in Oct'23, bank credit extended to NBFCs has widened to a six-month high. The credit offtake to industry was at an 18-month high of 9.4% YoY, reflecting a strong recovery in the industrial segment.

- **Industry Credit growth surge:** Industry witnessed an increase in credit growth from 7.4% YoY in Apr'24 to 9.4% YoY in May'24. This has been on account of a meaningful credit offtake in micro & small enterprises and medium enterprises (15.5% YoY each) and robust credit expansion to large enterprises of 7.1%YoY, up from 4.7% YoY last month. Main sectors in the industry that saw the expansion were infrastructure (share 36.1%) at 7.2% YoY, chemical and products (share: 6.9%) at 13.6% YoY, textiles (share 6.9%) at 9.4% YoY and other industries (share 6.9%) at 10.9% YoY. The robust credit off-take to industry can also be juxtaposed with the strength in the industrial production (both IIP and core sector data).

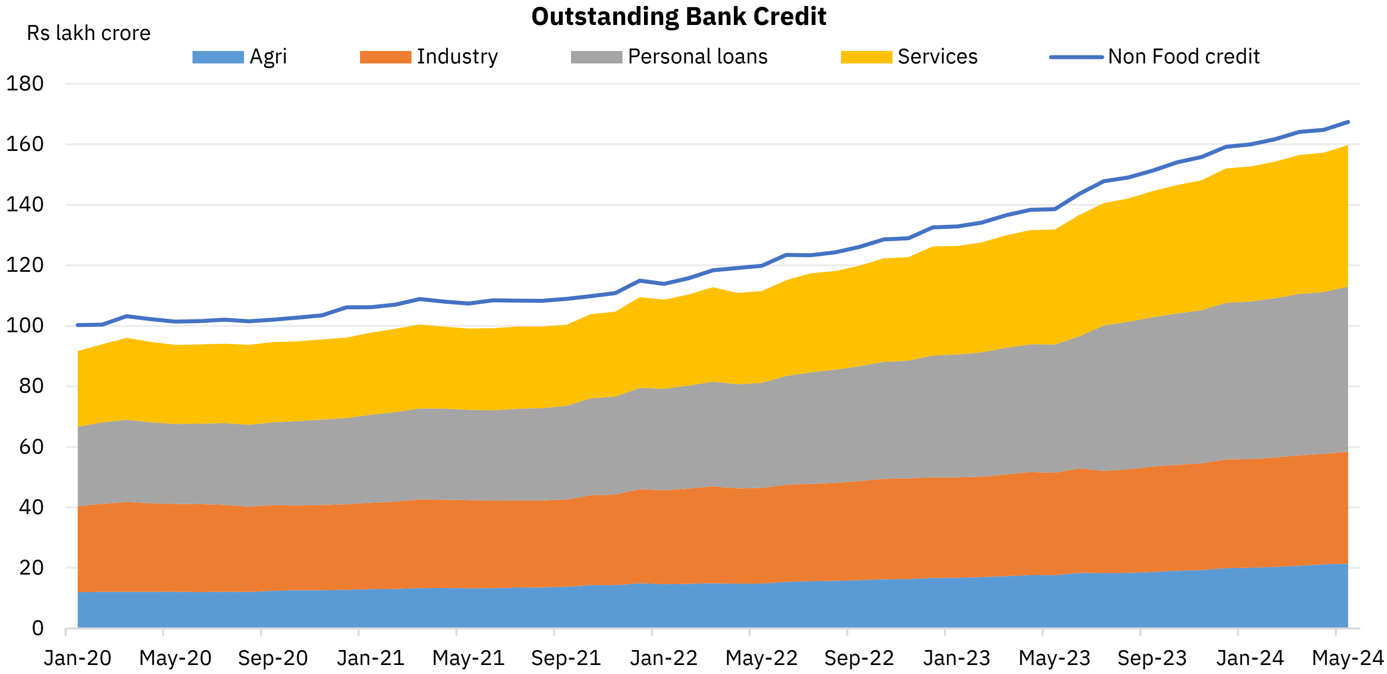
- **Falling share of industry:** Share of Industry in total bank credit has been falling since September'22 and has been offset by the corresponding increasing allocations to personal loans and services. The share of agriculture and allied activities, on the other hand, has remained fairly stable at ~12.5% during this period. This decrease in share of industries can be accorded to lower borrowing by large corporates, partly due to deleveraging — relying more on internal resources — and partly because of corporates' shifting to the bond markets. The personal loans segment has gotten a boost after the HDFC and HDFC Bank merger (effective since July 2023), reflected in the change in share.

- **Priority sector lending boosted by agriculture and housing:** On a year-on-year basis, lending to agriculture (share of ~29%), micro and small enterprises (share 28%), medium enterprises (share 7%), housing (share 10.6%) and weaker sections (share 23.2%) grew significantly by 22.7%, 20% ,17.2%, 22.2% and

25% respectively. Housing saw a large jump in July'23 from 2.3% YoY to 25.4% YoY after the HDFC and HDFC Bank merger. The shares of these sectors have remained fairly stable over the past two years.

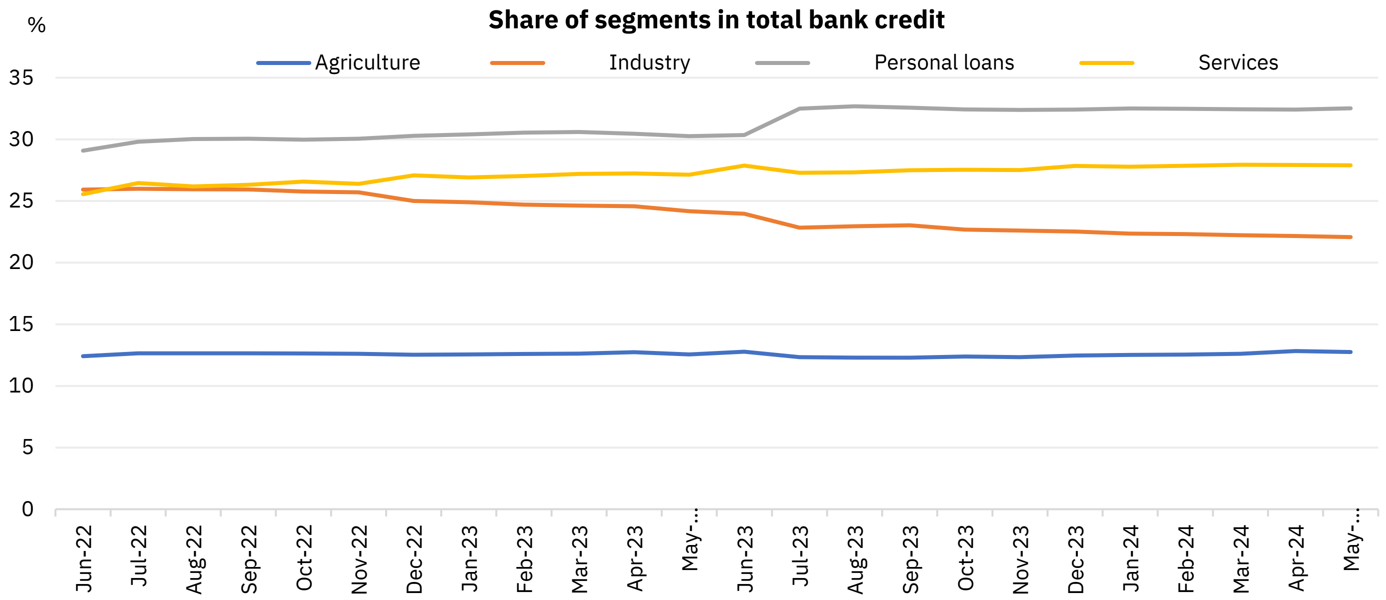
- **C-D ratio on the rise-** Total deposits expanded at a faster pace of 14% YoY in May'24 (vs. 11.4% YoY in May'23). The sizeable outperformance of bank credit relative to the growth in deposits has translated into a rise in the Credit to Deposit ratio (C-D ratio) to 79.6 (vs. 75.6 in May'23). Lower growth in deposits can be ascribed to the tight competition that banks face, not just from each other but also from mutual funds, physical assets like gold and real estate market, as India transforms from a nation of savers to investors.

Figure 37: Outstanding bank credit



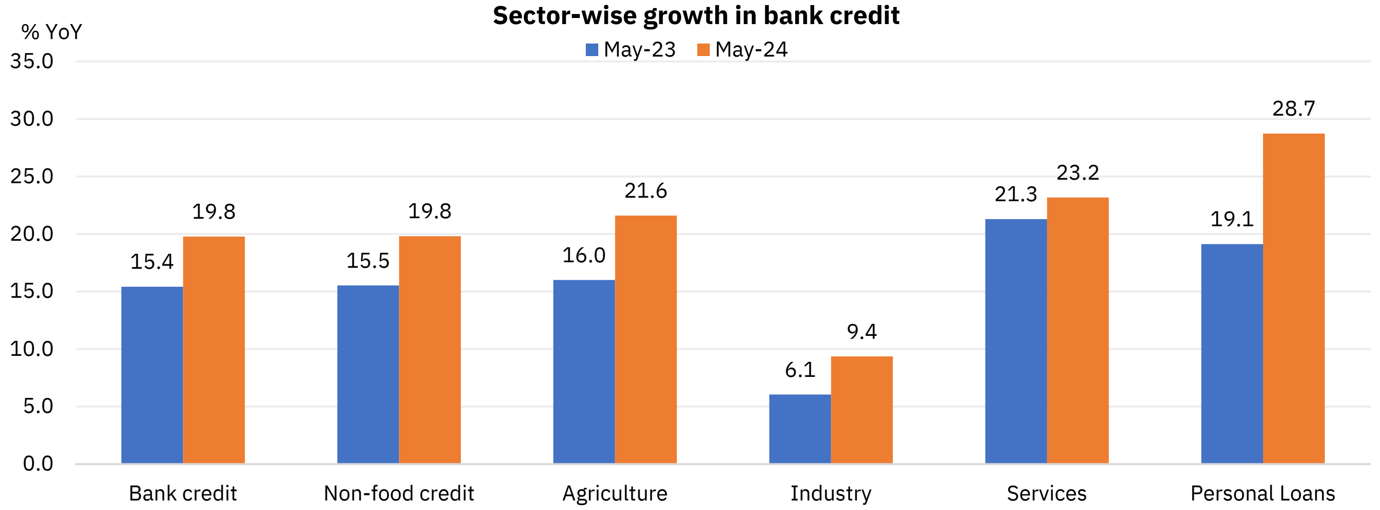
Source: CMIE Economic Outlook, NSE EPR.

Figure 38: Segment-wise share in total bank credit



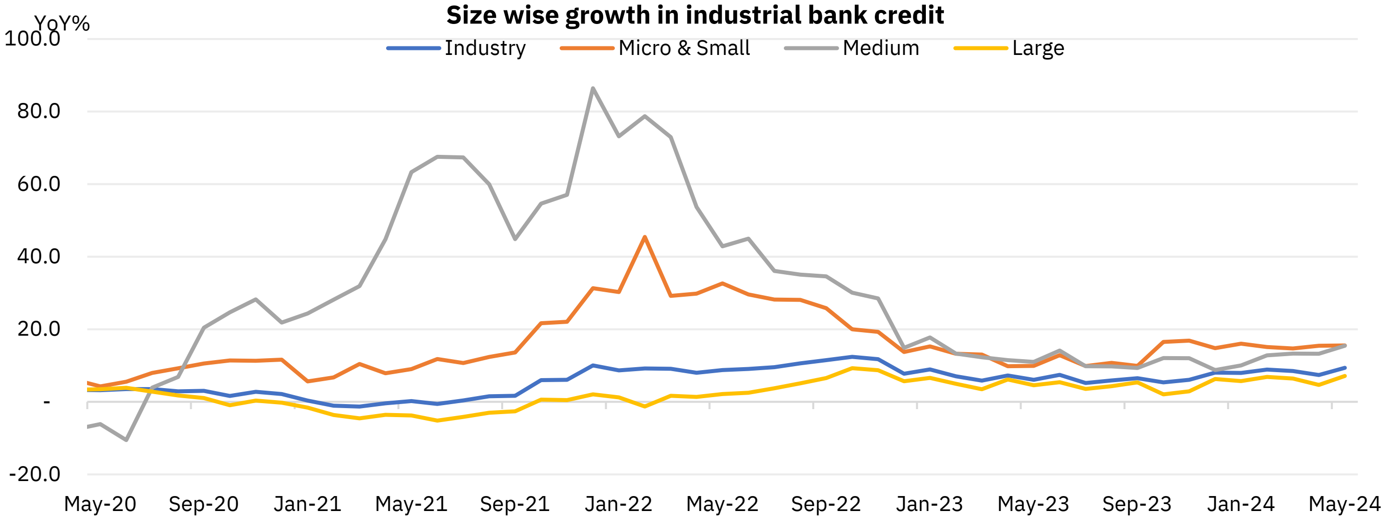
Source: CMIE Economic Outlook, NSE EPR.

Figure 39: Growth in bank credit across key heads



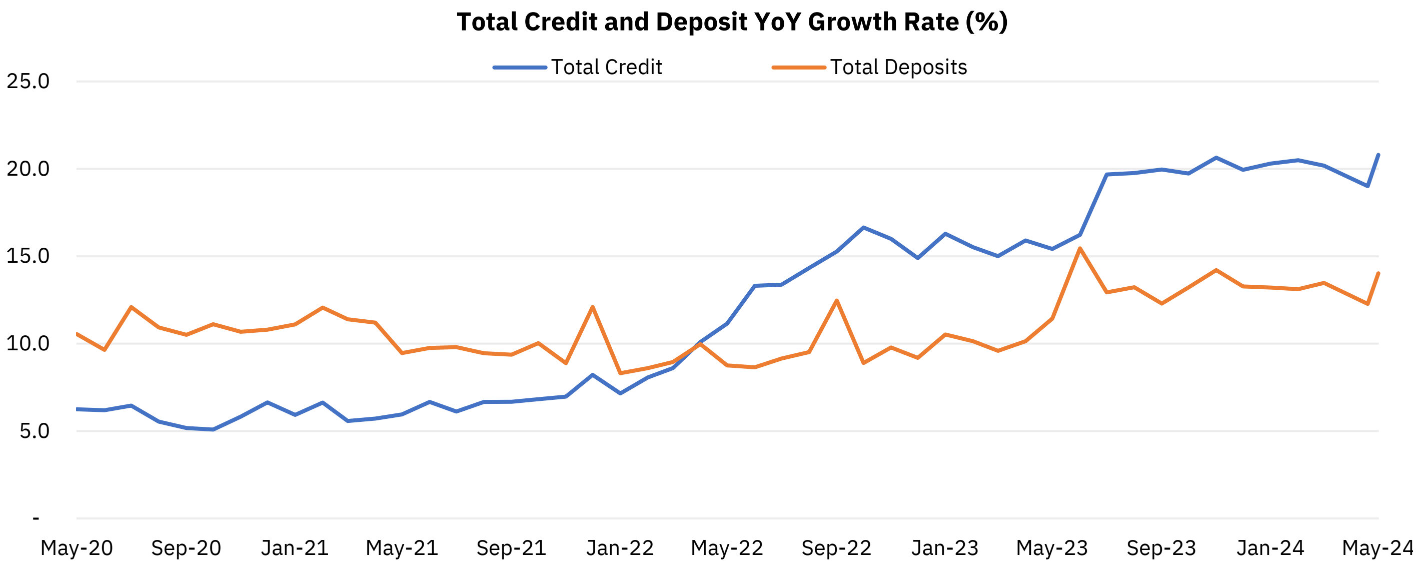
Source: CMIE Economic Outlook, NSE EPR

Figure 40: Growth in bank credit across size



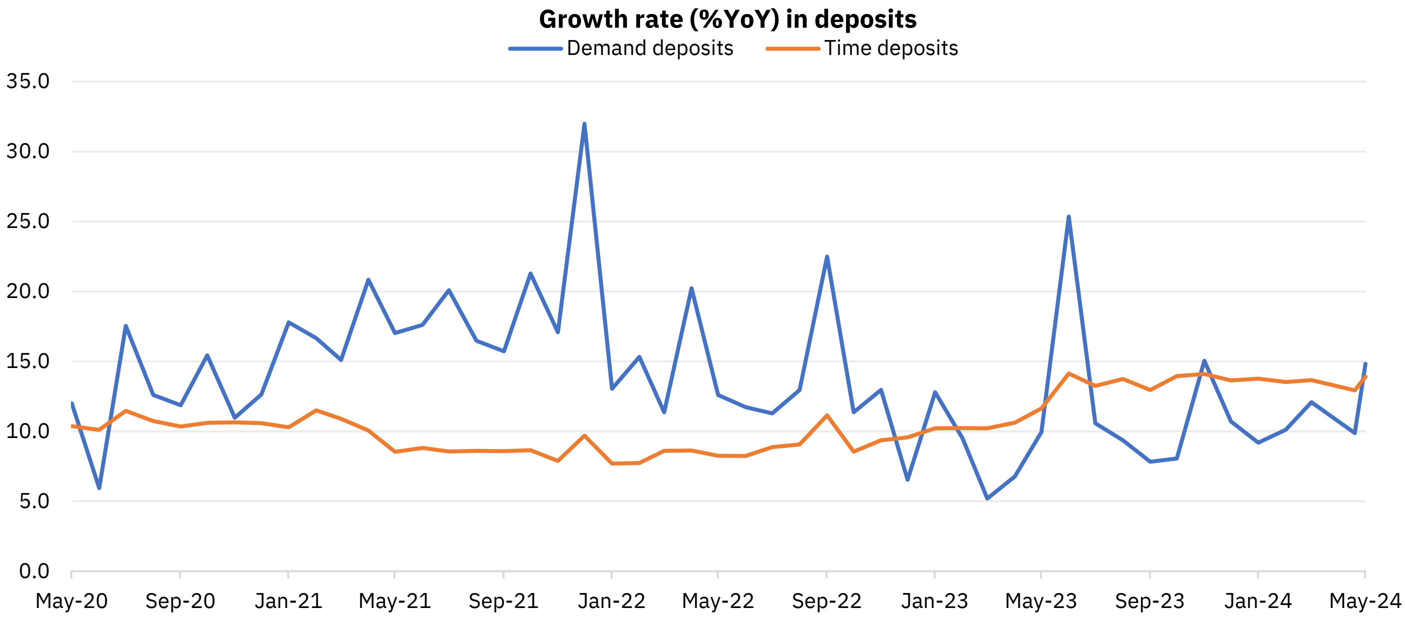
Source: CMIE Economic Outlook, NSE EPR.

Figure 41: Credit and Deposit Growth



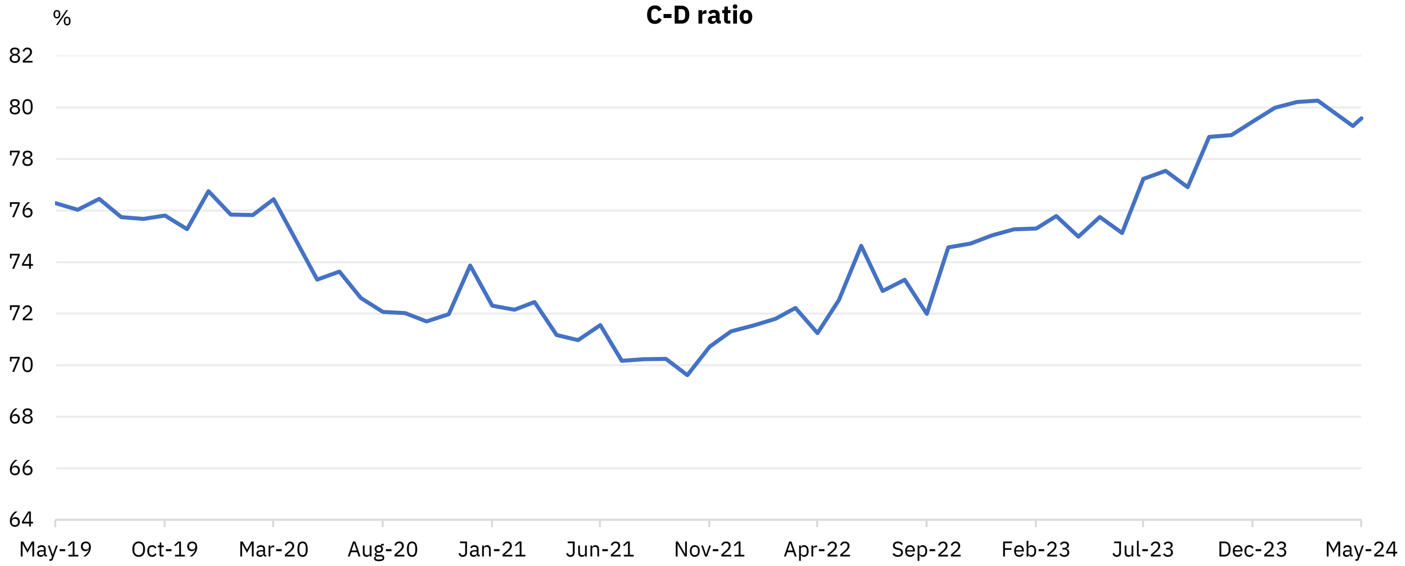
Source: CMIE Economic Outlook, NSE EPR.

Figure 42: Growth in demand and time deposits



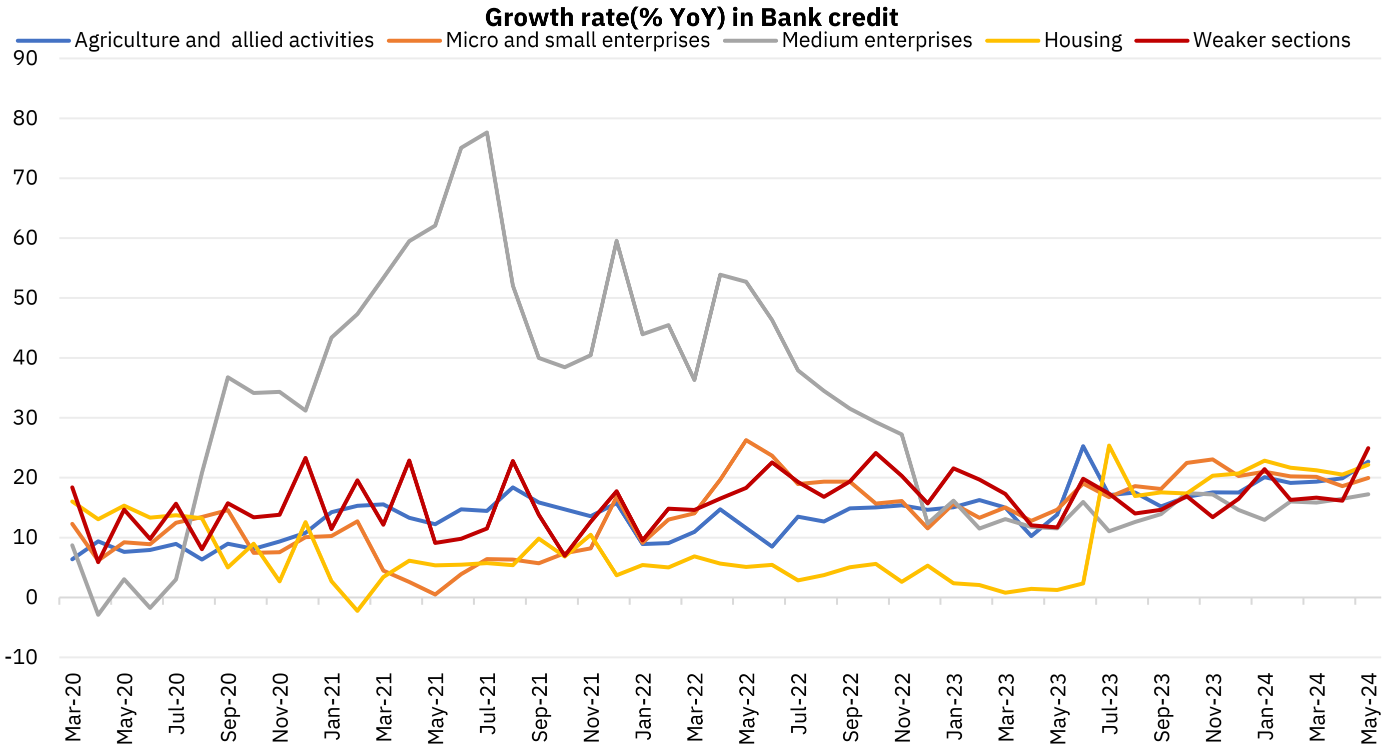
Source: CMIE Economic Outlook, NSE EPR

Figure 43: Credit to deposit ratio



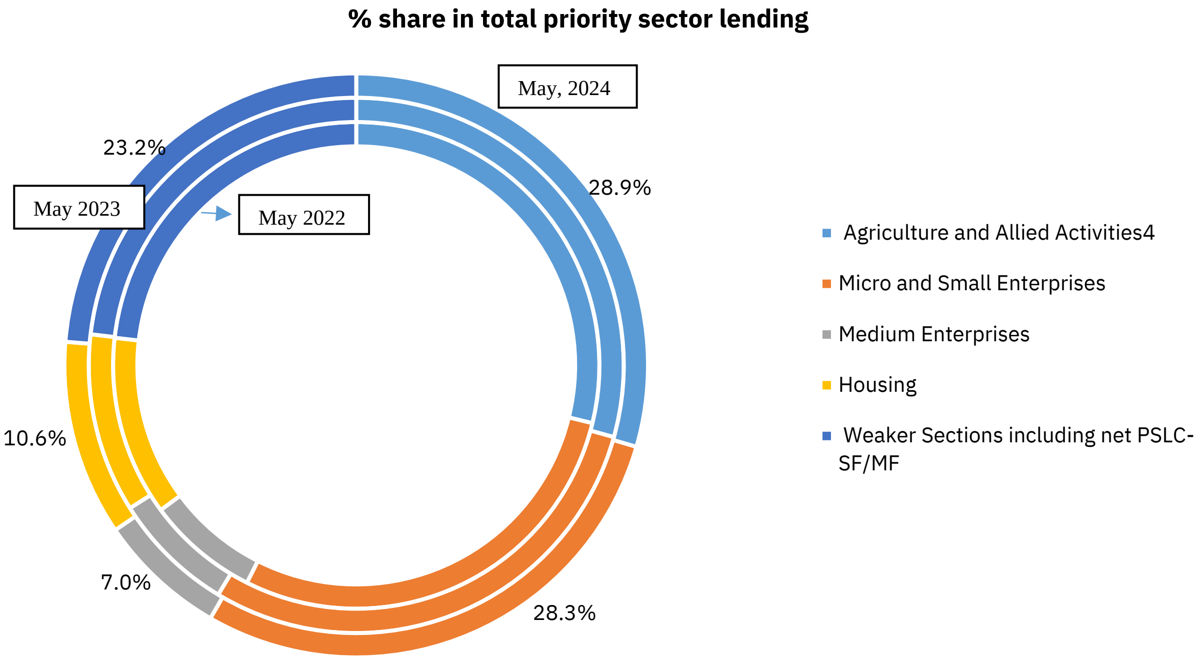
Source: CMIE Economic Outlook, NSE EPR

Figure 44: Growth rate in major priority sectors



Source: CMIE Economic Outlook, NSE EPR.

Figure 45: Share in priority sector lending



Source: CMIE Economic Outlook, NSE EPR.

Trade deficit narrows in June'24; exports at a seven-month low

India's merchandise trade deficit narrowed to US$ 20.9 bn in Jun'24, compared to US$ 22.3 bn in May'24. Though both exports as well as imports witnessed a sequential decline, the fall in imports was higher vis-à-vis exports (in absolute terms). Merchandise exports stood at a seven-month low of US$ 35.2 bn (+2.5% YoY), with muted growth observed in the top five export commodities (+1.9% YoY), led by a double-digit decline in petroleum exports. Imports grew by 5% YoY to US$ 56.2 bn, led by strong growth in oil and non-oil, non-gold imports, partly offset by a steep drop in gold imports. Non-oil, non-gold imports surged by ~6% on a YoY basis, reflecting a fairly stable domestic demand. During the first quarter of this fiscal, the merchandise trade deficit widened to US$ 62.3 bn, 11% higher than the corresponding period last year as import growth (7.6%) has outpaced export growth (5.8%).

The services trade surplus declined to an eleven-month low of US$ 13 bn in June, with service payments recording a 159-month high of US$ 17.3 bn. India's overall trade deficit stood at ~US$ 8 bn in June, widening by 14.2% YoY, primarily on account of muted merchandise export growth and higher services payments. Despite lingering risks, India's current account is likely to remain contained in the near future. India's foreign exchange reserves currently stand at record-high of ~US$ 671 bn as of July 19th, 2024, reflecting sufficient buffers against any future global risks.

- **Merchandise trade deficit narrowed in Jun'24:** India's merchandise trade deficit reduced to US$ 20.9 bn in June (vs. US$ 22.3 bn in May'24) as both imports (-9% MoM) and exports (-10.7% MoM) observed a decline. Merchandise exports stood at a seven-month low of US$ 35.2 bn (2.5% YoY), as the country's top five export items registered a muted growth of 1.9% YoY, led by a meaningful decline in petroleum exports (-18.3% YoY). Imports grew moderately to US$ 56.2 bn (+5% YoY) as strong gains in oil imports and a steady rise in non-oil, non-gold imports were partially offset by a sharp drop in gold imports. In the first quarter of this fiscal, the merchandise trade deficit widened to US$ 62.3 bn, 11% higher than the corresponding period last year as import growth (7.6%) has outpaced export growth (5.8%).

- **Sequential decline in key export commodities:** India's non-oil exports declined by 5% MoM to US$ 29.7 bn, while petroleum exports observed a significant drop of 33% MoM to a three-month low of US$ 5.5 bn. Further, exports of gems & jewellery recorded a substantial fall of 19% MoM and 1.4% YoY. That said, exports of engineering goods expanded by 3% MoM and 17.3% YoY. Electronic goods have displayed a mixed trend, registering a strong growth of 9.5% on a YoY basis, even as it declined by 9% on a sequential basis. India's export growth of 5.8% in Q1FY25 (vs. -14.1% in the corresponding quarter last year) reflects a recovery in global trade despite heightened escalations in the Middle East and elevated shipping costs.

- **Oil trade deficit moderated; non-oil imports broadly stable:** Oil imports declined to a six-month low of US$ 15.1 bn in Jun'24, a sequential decline of ~25% while registering a strong 19.6% YoY growth. A higher absolute fall in imports vis-à-vis exports translated into the oil trade deficit moderating from the record high levels seen in the previous month. On the other hand, gold imports fell by 38.7% YoY to US$ 3.1 bn as demand remained muted due to high prices. Non-oil, non-gold imports stood at US$ 38.1bn, registering a growth of ~6% YoY, indicating a fairly stable domestic demand.

- **Services trade surplus eased to an eleven-month low:** Services payments rose to its highest level since April'11 to US$17.3 bn in June (10.8% YoY) while services receipts stood at US$30.3 bn, 8.9% higher than the corresponding month last fiscal. Net services trade balance fell to an eleven-month low of ~US$ 13 bn, particularly due to a steady increase in service imports. In the first quarter of FY25, the services trade surplus stood at US$ 39.7 bn (13% YoY), as growth in services receipts (12.2% YoY) outpaced services payments (11.5% YoY). India's overall trade deficit stood at ~US$ 8 bn in Jun'24, widened by 14.2% YoY, primarily on account of muted merchandise export growth and higher services payments.

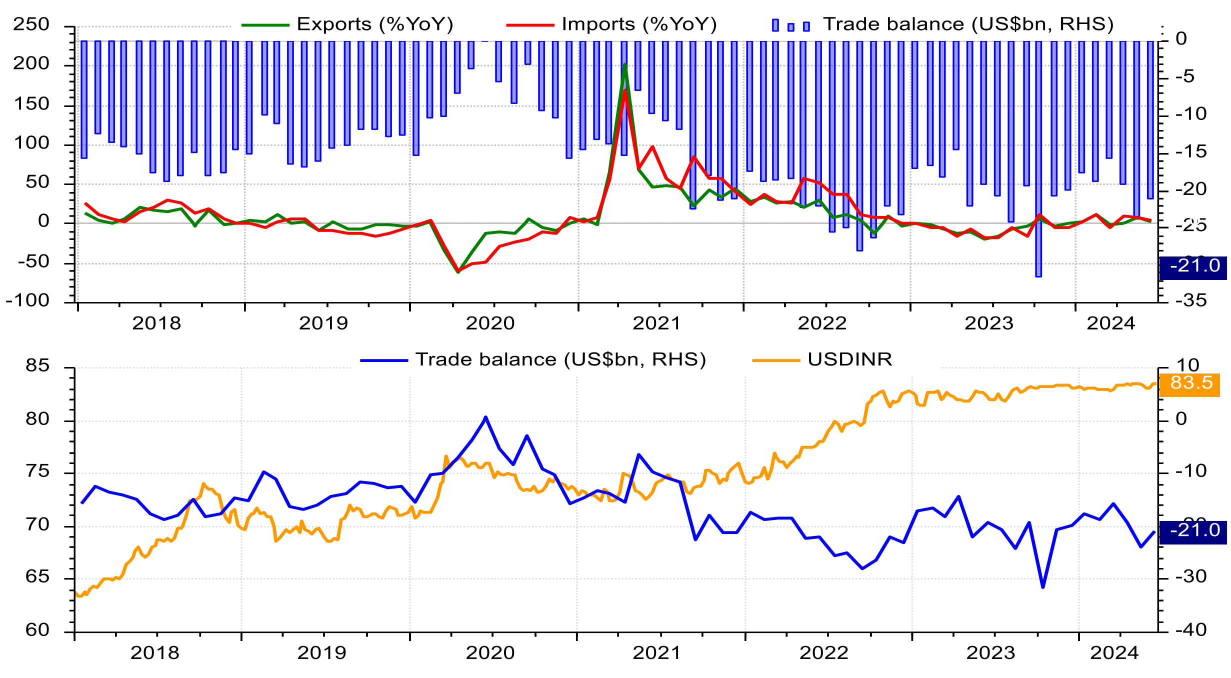
- **India's external position to remain strong amidst continuing uncertainties:** Despite the recent sequential fall, the outlook for merchandise exports looks favorable on account of improvement in global trade activity. Services exports are likely to remain buoyant spurred by global growth momentum. However, elevated shipping costs and uncertainty in the geopolitical landscape are likely to weigh on overall exports. India's import bill is also expected to gain further traction, driven by an improvement in overall domestic consumption. The recent Budget announcement of custom duty cut in gold and silver, coupled with festive and wedding season demand, could bolster imports of these commodities. Notwithstanding the lingering risks to global trade, these factors are likely to contain the current account deficit in the near future.

Table 17: India monthly trade balance for June 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
Jun-24	35.2	2.5	56.2	7.7	15.1	19.6	41.1	0.5	3.1	(38.7)	(21.0)
May-24	39.4	12.8	61.8	10.3	19.9	28.0	41.8	(0.3)	3.3	(9.8)	(22.3)
Jun-23	34.3	(18.8)	53.5	-5.9	12.6	(33.6)	40.9	(9.9)	5.0	82.4	(19.2)
FY25TD	110	5.8	172.2	7.6	51.5	23.1	120.7	2.1	9.5	(1.9)	(62.3)
FY24TD	103.9	(14.1)	160.1	(12.8)	41.9	(21.3)	118.2	(9.3)	9.7	(7.5)	(56.2)

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

Figure 46: India monthly trade balance trend



Source: LSEG Datastream, NSE EPR.

Figure 47: Non-oil, non-gold imports

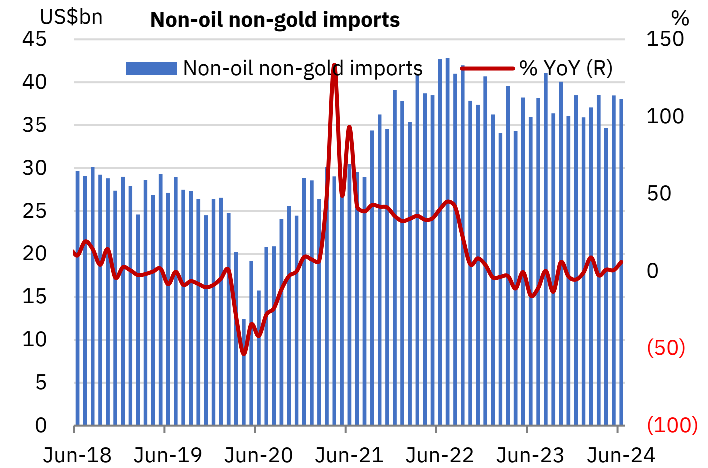
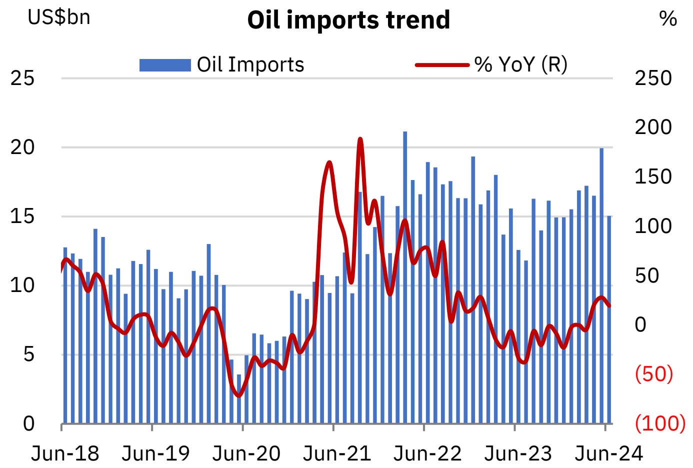
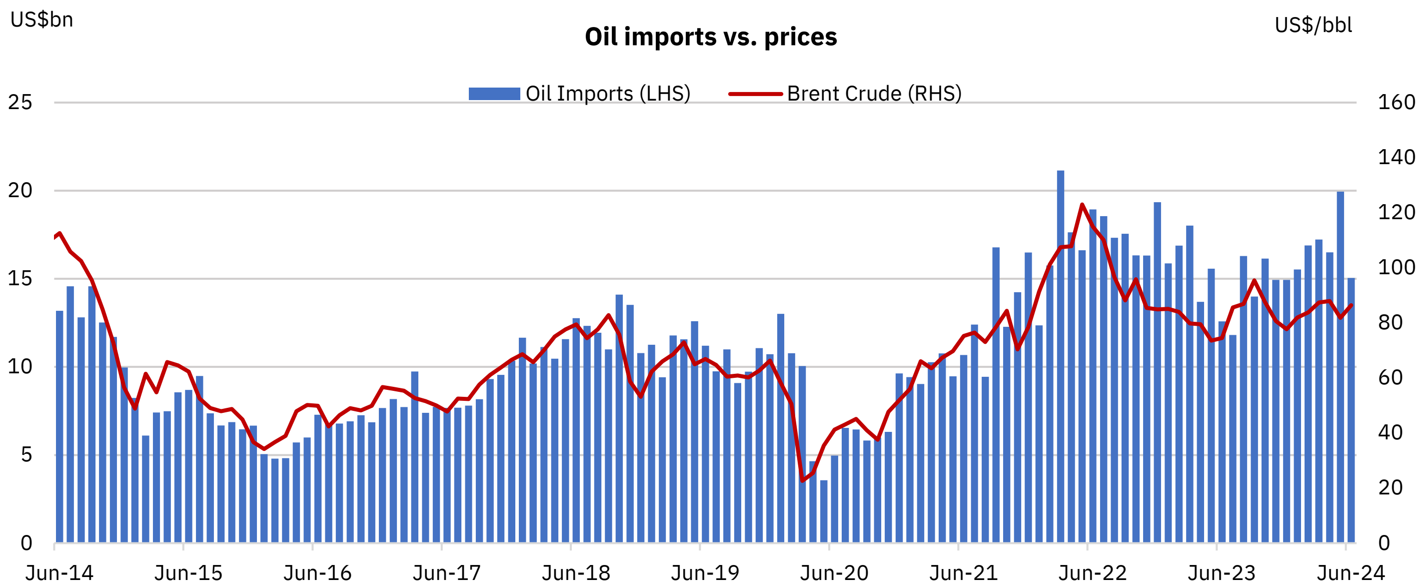


Figure 48: Oil imports trend



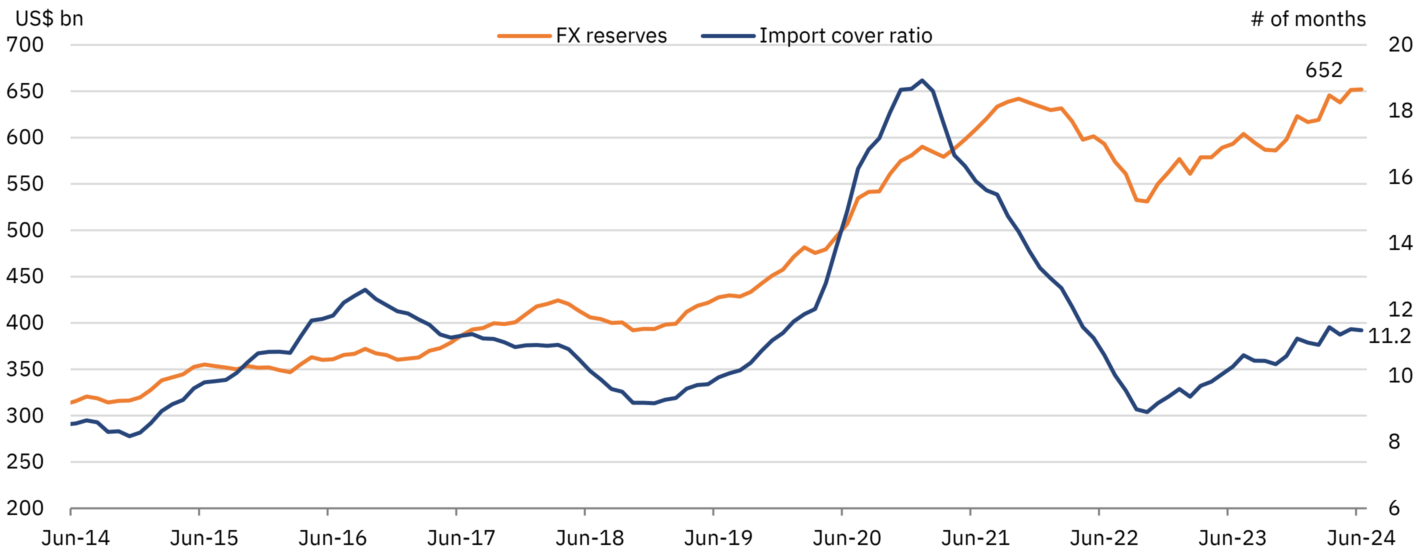
Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR.

Figure 49: Oil imports vs. Brent crude oil prices trend



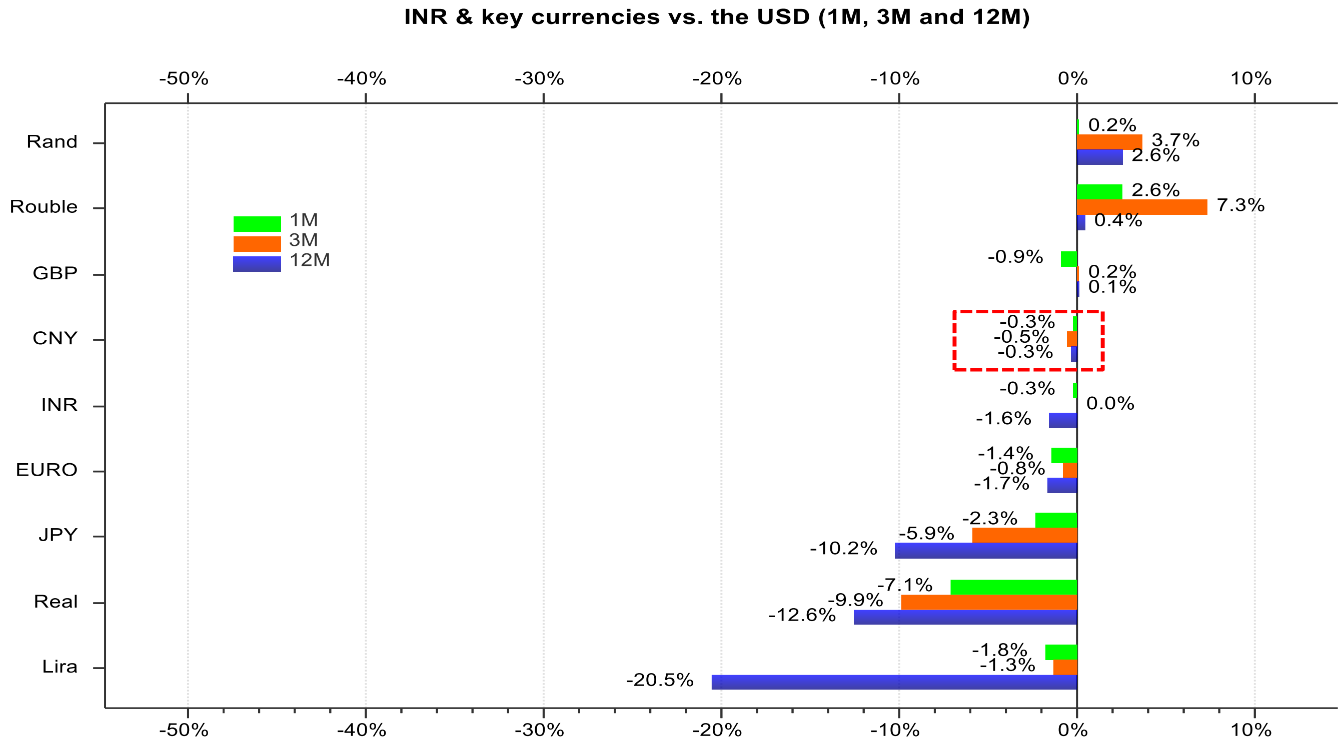
Source: CMIE Economic Outlook, NSE EPR.

Figure 50: Forex reserves and import cover (months)



Source: CMIE Economic Outlook, NSE EPR.

Figure 51: INR vs. other key Asian market currencies



Source: LSEG Datastream, NSE EPR. As of June 30th, 2024.

Union finances: Fiscal deficit in check amid robust receipts

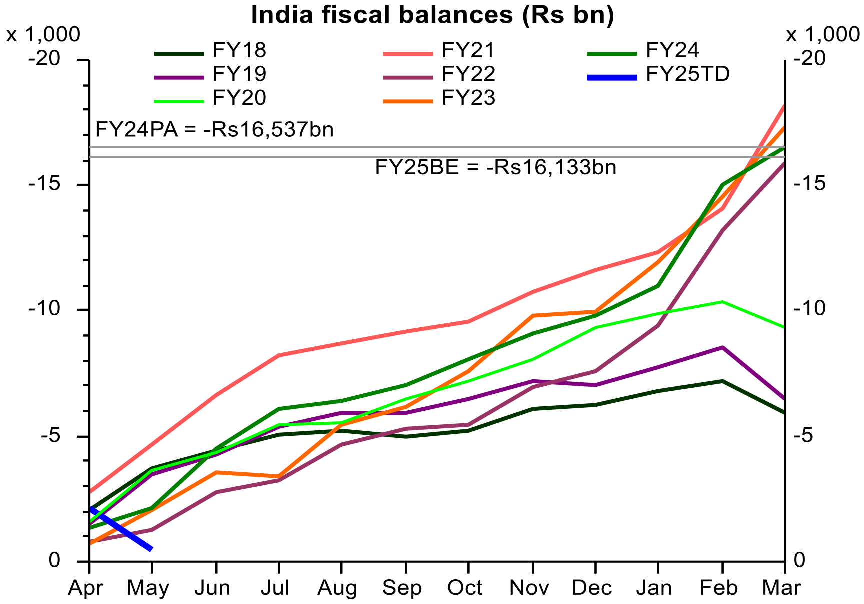
In the first two months of the fiscal, total receipts of the Centre surged by +37.8% YoY on account of continued momentum in personal income tax, GST and non-tax collections, with the latter primarily aided by RBI's surplus transfer of Rs 2.1 lakh crore. On the contrary, total expenditure remained broadly unchanged at Rs 6.2 lakh crore as steady growth in revenue expenditure (+4.7% YoY) was offset by a decline in capital expenditure (-14.4% YoY) amid Model Code of Conduct enforced during elections. In 2MFY25, the Centre's gross fiscal deficit came in at Rs 0.5 lakh crore, a sharp decline of 75.9% YoY, while there was a revenue surplus of Rs 0.9 lakh crore (vs. revenue deficit of Rs 0.5 lakh crore during 2MFY24). The cumulative gross fiscal deficit as a share of the budget deficit for the year stood at 3.1%—the lowest level achieved in the last ~three decades.

- **Robust receipts aided by strong direct and non-tax revenue collections:** The center's total receipts in the first two months of fiscal stood at Rs 5.7 lakh crore (+37.8% YoY), reaching 17.9% of FY25BE in contrast to 14.9% during the same period in the previous fiscal. This has been led by robust personal income tax (+41.6%) and GST collections (+10.5%), both of which cumulatively accounted for ~58% of the gross tax revenues. Direct taxes, which account for around ~57% of the gross tax revenues, grew by 22.7% YoY in the first two months vs. a decline of 4% in the same period of the previous year. Non-tax collections recorded a remarkable growth of 86.9% to Rs 2.5 lakh crore during Apr-May 2024 vs. Rs 1.3 lakh crore in the first two months of the previous fiscal. Dividends and profit proceeds witnessed a staggering growth of 146.4% YoY to Rs 2.2 lakh crore on account of higher-than-expected dividend proceeds from RBI. The surplus transfer from the RBI to the Government was pegged at Rs 2.1 lakh crore, nearly double of the expected amount in the interim budget.

- **Muted capital spending in the run-up to the elections:** In the first two months of the fiscal, the Centre's total revenue expenditure, which accounts for around ~77% of the total expenditure, registered a steady growth of 4.7% to Rs 4.8 lakh crore. Higher interest payments were partially offset by muted growth in other revenue expenditure (+3.1%) and lower subsidy outgo (-1.1%). Interest payments, which account for nearly one-fourth of the current budgetary expenditure, registered a strong growth of 11.9% in 2MFY25 to Rs 1.2 lakh crore (vs Rs 1.1 lakh crore in 2MFY24). Subsidy outgo on major items also witnessed a moderate decline of 1.1% YoY, as meaningfully higher spending on food subsidies (+25.1% YoY) were offset by a significant reduction in fertilizer subsidies (-34.6% YoY), aided by subdued international prices of inputs and increased usage of nano urea. However, capital expenditure declined to Rs 1.4 lakh crore (-14.4% YoY) on the backdrop of constrained spending during Model Code of Conduct in the first two months of the fiscal year.

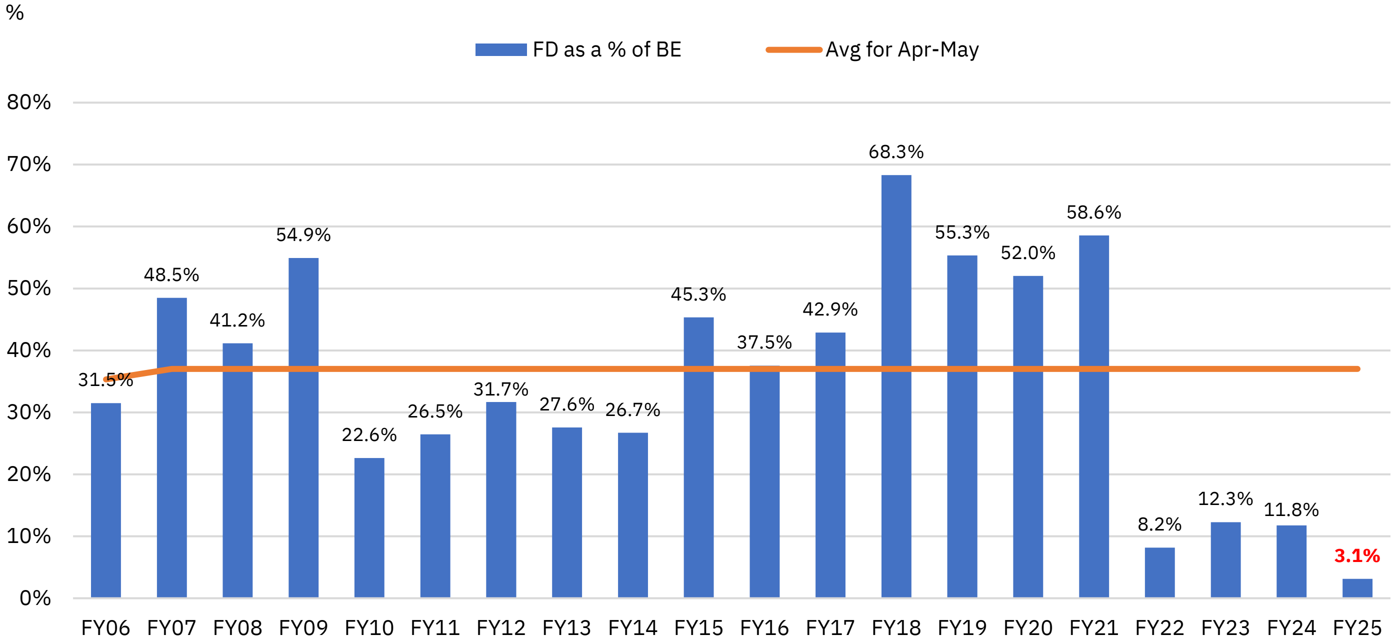
- **Fiscal deficit in check at 3.1% of FY25BE:** The Centre's cumulative fiscal deficit recorded a significant decline of 75.9% YoY to Rs 0.5 lakh crore, reaching 3.1% of FY25BE (vs 12.7% of FY25PA). In contrast to the first two months of the previous fiscal year, the cumulative gross fiscal deficit narrowed by Rs 1.6 lakh crore, amid robust tax collections and profit transfer from the RBI as well as a sharp dop in capex spending. The fiscal deficit for the current year is budgeted at 4.9% of GDP, with the Centre committing to bringing it to sub-4.5% by FY26.

Figure 52: Yearly trend of India's fiscal balances



Source: LSEG Datastream, NSE EPR

Figure 53: Gross fiscal deficit as % of budget targets during April-May



Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 54: Centre's gross fiscal trend (% GDP)

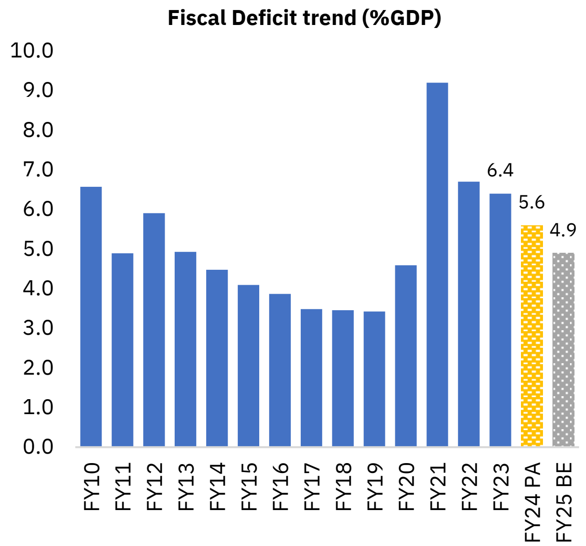
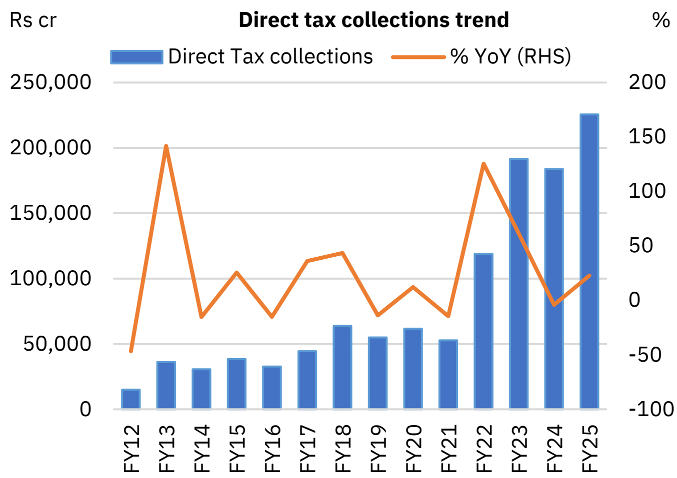


Figure 55: Fiscal Balance Snapshot

Rs crore	FY23 A	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	**2,69,496**	**2,95,357**	**9.6%**	**3,26,369**	**10.5%**
as a % of GDP	**6.4**	**5.6**		**4.9**	

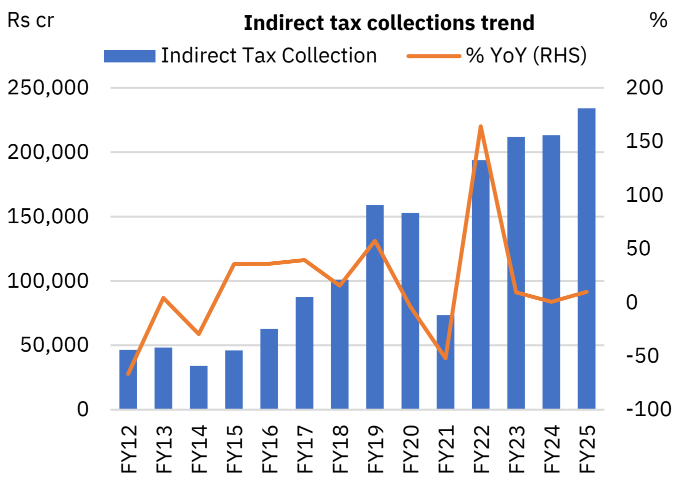
Source: CMIE Economic Outlook, CGA, NSE. BE = Budget Estimates, RE = Revised Estimates, A = Actual. * FY23 actual figures are provisional numbers released by CGA.

Figure 56: Direct tax collections during Apr-May



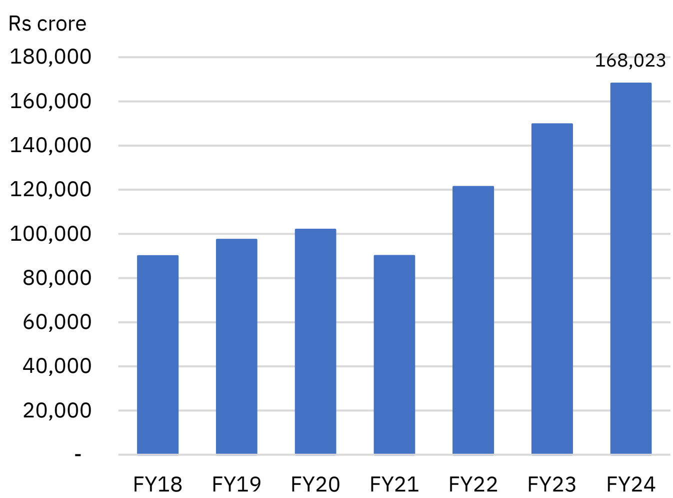
Source: LSEG Datastream, CGA, NSE EPR.

Figure 57: Indirect tax collections during Apr-May



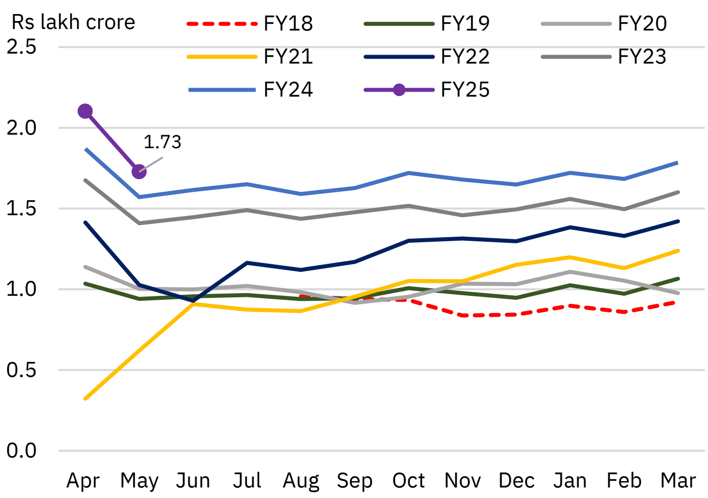
Source: LSEG Datastream, CGA, NSE EPR.

Figure 58: Year average of monthly collections*



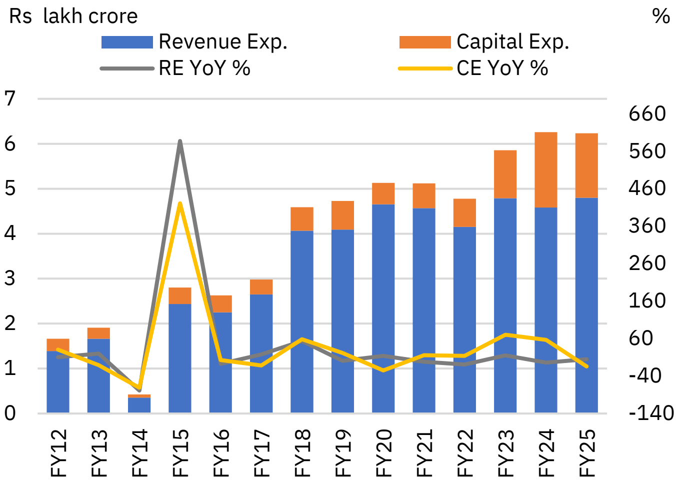
*Note: Data for GST collections data for June 2024 is not available.
Source: CMIE Economic Outlook, CGA, PIB, NSE EPR.

Figure 59: GST collections trend*



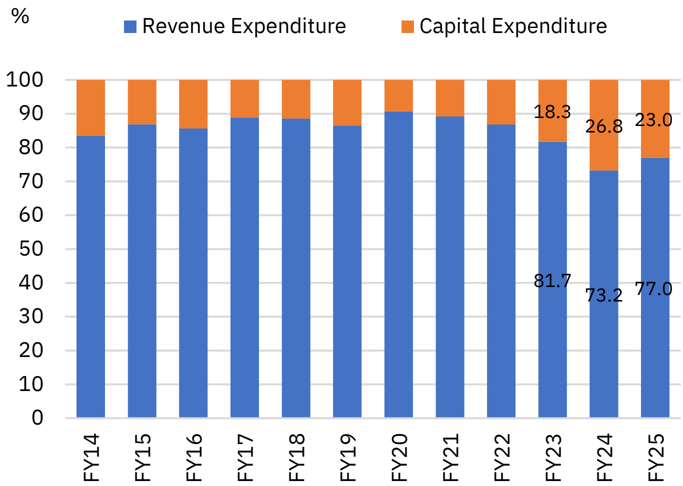
*Note: Data for GST collections for June 2024 is not available.
Source: CMIE Economic Outlook, NSE EPR.

Figure 60: Revenue and capital exp during Apr-May



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

Figure 61: Expenditure mix during Apr-May



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

Table 18: A snapshot of government finances (May'24)

Items (Rs crore)	Apr-May'24	Apr-May'25		Implied Figure (FY25)
	Rs crore	Rs crore	% YoY	Rs crore
Net tax revenues	**2,78,045**	**3,19,036**	**14.7**	**22,64,463**
Gross tax revenues	**3,96,954**	**4,59,629**	**15.8**	**33,80,541**
Of which:				
Direct Tax	**1,83,829**	**2,25,604**	**22.7**	**19,86,396**
Corporation tax	56,531	45,313	-19.8	9,74,687
Income tax	1,27,298	1,80,291	41.6	10,06,709
Indirect Tax	**2,13,125**	**2,34,025**	**9.8**	**13,94,145**
Goods and service tax	1,56,889	1,73,384	10.5	8,88,515
Custom Duties	27,052	28,090	3.8	2,09,655
Excise Duties	25,804	24,317	-5.8	2,94,683
States Share	-1,18,280	-1,39,751	18.2	-11,07,460
Transferred to NCCD	-629	-842	33.9	-8,618
Non-Tax Revenue	**1,34,655**	**2,51,722**	**86.9**	**2,93,979**
Dividends and profits	87,595	2,15,829	146.4	73,305
Other non-tax revenues	47,060	35,893	-23.7	2,20,674
Central govt. revenue receipts	**4,12,700**	**5,70,758**	**38.3**	**25,58,442**
Non-Debt Capital Receipts	2,991	2,087	-30.2	75,913
Recovery of Loans	2,941	2,083	-29.2	25,917
Misc. receipts (inc. divestment)	50	4	-92.0	49,996
Total Receipts	**4,15,691**	**5,72,845**	**37.8**	**26,34,355**
Revenue Expenditure	4,58,189	4,79,835	4.7	32,29,566
Interest Payments	1,10,663	1,23,810	11.9	10,39,130
Major subsidies	55,316	54,688	-1.1	3,73,735
Food	30,805	38,539	25.1	1,66,711
Fertilizer	24,511	16,026	-34.6	1,47,974
Petroleum	0	122		11,803
Other revenue expenditure	2,92,210	3,01,337	3.1	18,16,701
Capital Expenditure	1,67,789	1,43,625	-14.4	9,67,486
Total Expenditure	**6,25,978**	**6,23,460**	**-0.4**	**41,97,052**
Fiscal Deficit	**2,10,287**	**50,615**	**-75.9**	**15,62,697**

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

Table 19: A snapshot of Government finances in 2024-25

Items	FY23A		FY24				FY25	
	Rs lakh crore	% YoY	BE (Rs lakh crore)	PA (Rs lakh crore)	% YoY	% chg. from BE	BE (Rs lakh crore)	% YoY over FY24PA
Central govt. net tax revenue	**20.9**	**16.0**	**23.3**	**23.3**	**11.1**	**-0.2**	**26.1**	**11.0**
Gross tax revenues	**30.5**	**12.6**	**33.6**	**34.6**	**13.6**	**3.1**	**38.4**	**10.8**
Of which:								
Direct Tax	**16.6**	**17.8**	**18.2**	**19.7**	**18.7**	**8.0**	**22**	12.3
Corporation tax	8.3	16.0	9.2	9.1	10.3	-1.3	10.4	12.0
Income tax	8.3	19.7	9	10.5	25.4	16.0	11.6	13.6
Indirect Tax	**13.9**	**6.9**	**15.4**	**15**	**7.6**	**-2.7**	**16.3**	8.8
Goods and service tax	8.5	21.6	9.6	9.6	12.7	0.0	10.7	11.0
Custom Duties	2.1	6.8	2.3	2.3	9.2	0.0	2.3	2.0
Excise Duties	3.2	-19.2	3.4	3.1	-4.3	-9.9	3.2	4.5
States Share	-9.5	5.6	-10.2	-11.3	19.1	10.6	-12.2	10.4
Transferred to NCCD	-0.1	30.5	-0.1	-0.09	9.7	-0.1	-0.1	7.8
Non-Tax Revenue	**2.9**	**-18.0**	**3**	**4**	**40.8**	**33.2**	4	35.8
Dividends and profits	1.0	-37.8	0.9	1.7	70.6	87.3	1.5	69.6
Central govt. revenue receipts	**23.8**	**9.6**	**26.3**	**27.3**	14.7	**3.7**	**30.1**	14.7
Non-Debt Capital Receipts	0.7	83.4	0.8	0.6	-16.3	-16.3	0.8	29.0
Divestment proceeds	0.5	214.5	0.6	0.3	-28.0	-28.0	0.5	51.0
Total Receipts	**24.5**	**10.9**	**27.2**	**27.9**	**13.8**	**3.1**	**30.8**	**15.0**
Revenue Expenditure	**34.5**	**7.9**	**35**	**34.9**	**1.2**	**1.2**	**36.5**	6.2
Interest Payments	9.3	15.3	10.8	10.6	14.6	14.6	11.9	9.3
Subsidy outgo	5.8	14.7	4	4.4	-23.8	-23.8	4.1	-2.8
Capital Expenditure	**7.4**	**24.8**	**10**	**9.5**	**28.2**	**28.2**	**11.1**	17.1
Total Expenditure	**41.9**	**10.5**	**45**	**44.4**	**5.9**	**5.9**	**47.7**	**8.5**
Fiscal Deficit	**17.4**	**10.0**	**-17.9**	**16.5**	**-5.1**	**11.1**	**-16.8**	**-2.4**
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 FY24BE and FY24PA figures are on FY23 actual figures.

Southwest Monsoon Update: 3% above normal rainfall; uneven across regions

The 2024 southwest monsoon season so far has exhibited notable variability in both its progression and distribution. Commencing with an early onset on May 30th, the monsoon initially advanced swiftly before experiencing a slowdown in mid-June. The month of July, however, witnessed a significant resurgence, with most days receiving above normal rainfall. As of July 28th, the country recorded an overall excess rainfall of 3% vis-à-vis the long-period average (LPA). However, this overall figure masks significant regional disparities in rainfall distribution. While the southern peninsula and central India have received above normal rainfall of more than 24% and 17% respectively, other meteorological divisions experienced significant deficits of more than 15%. The sluggishness in northward progression of the monsoon continued in July and has rendered northern and eastern states particularly dry with major deficiency being reported from Manipur (49%), Punjab (44%), Jharkhand (42%), Haryana (40%), Mizoram (35%) and Himachal Pradesh (37%), as of July 28th. In contrast, southern states of Tamil Nadu, Andhra Pradesh, and Maharashtra received excess rainfall of 57%, 46% and 39% respectively. Central states of Madhya Pradesh, Rajasthan and Chhattisgarh experienced rainfall levels nearly equivalent to their LPA, as of July 28th. Nearly 32% of the country (in terms of area) experienced excess rainfall, while 21% of the country has seen a deficit rainfall compared to LPA, as of July 28th. The remaining 47% of the country witnessed normal rainfall.

Despite uneven rainfall distribution, the overall sowing activity for the Kharif season has exceeded last year's levels as of July 26th. The total area sown for all agricultural products has shown a 2.3% YoY increase. Only paddy (-0.2%) and fibers (-6.9%) witnessed a dip in area under cultivation on a YoY basis, while coarse cereals, pulses, sugarcane, and oilseeds witnessed an increase in area under cultivation, as of 26th July. However, uneven rainfall distribution has caused the reservoir levels to remain in deficit at 69.3 bn cubic meters as on July 25th, 2024, 19.4% lower compared to the levels for the corresponding period last year. The delay in the formation of La Nina, a climatic condition that normally enhances monsoon precipitation across the Indian subcontinent, was mainly responsible for this slow progression of the monsoon. Conditions may improve with the formation of La Nina later in August or early September.

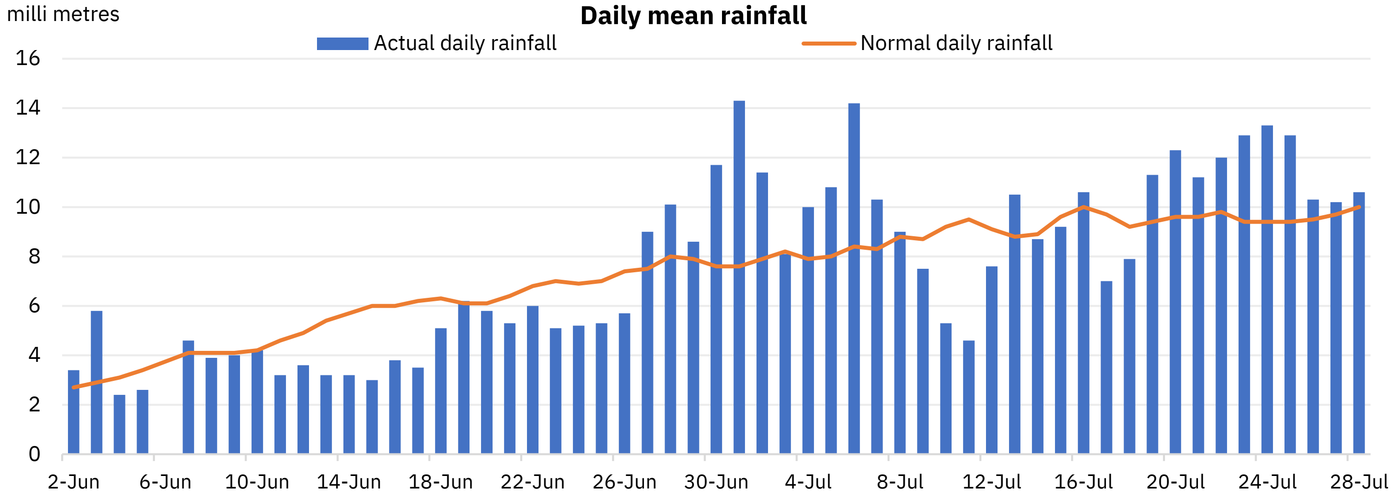
- **Cumulative rainfall activity above normal:** Despite the good revival of overall rainfall levels in July, many northern, eastern and north-eastern states still suffer from deficit rainfall as of July 28th. The cumulative rainfall as of July 28th stands at 3% above the long period average (LPA). Southern India witnessed an excess rainfall of 24% and Central India witnessed an excess rainfall of 17% as of July 28th, while Northwest and East and Northeastern India saw deficits of 16% and 17% respectively. At a subdivision level, 13 subdivisions, accounting for 32% of India's area, recorded excess rainfall, and 8 subdivisions (21% area) received deficient rains. 15 subdivisions (47% area) received normal rainfall in the period 1st June to 28th July 2024. Possible reasons behind this uneven distribution of rainfall are delay in the formation of La Nina conditions and continued sluggishness in the progression of monsoon towards the north. However, southwest monsoon in eastern and northern India may revive after the formation of La Nina conditions, expected in August and early September.

- **Resilient kharif sowing amidst monsoon variability:** The Kharif sowing season has shown good resilience despite initial challenges. As of 26th July, overall sowing activity has surpassed last year's levels, demonstrating a notable 2.3% YoY growth. Coarse cereals (5.0%), pulses (14.1%), sugarcane (1.1%) and oilseeds (3.8%) recorded an uptick compared to the previous year, while paddy (-0.2%) and fibers (-6.9%) moderated this year. Monsoon deficits in June initially delayed sowing operations but farmers demonstrated adaptability by leveraging groundwater and other irrigation facilities to expand the sown area.

- **Reservoir levels remain inadequate:** Current storage as on July 25th, 2024, was 69.3 bn cubic meters, down 19.4% YoY from 85.9 bn cubic meters as of same time last year. This comprises 38.8% of the storage capacity at full reservoir level and is lower than the last 10-year average storage of around 40.4%. Major deficiencies are being reported from Punjab (84%) and Rajasthan (57%). Maharashtra, Gujarat, and Madhya Pradesh, which together constitute 40% of the country's reservoir capacity, also reported substantial deficiencies at 10%, 43% and 39% respectively.

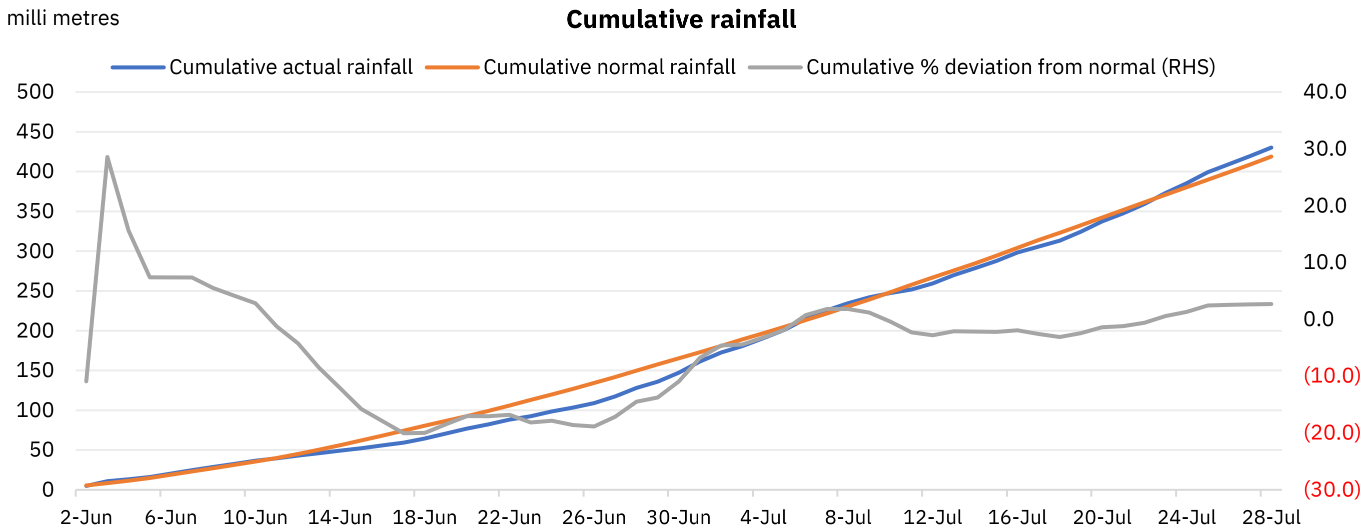
- **Erratic rainfall pattern continues amidst above normal monsoon:** Slow northward progression and uneven distribution of the monsoon have left the northern and eastern India experiencing dry conditions. Normal precipitation in these regions will be crucial for the continuation of Kharif sowing in the coming months and for maintaining stable food prices. Concurrently, reservoir levels remain significantly below 10-year average, raising concerns about water availability for Rabi crops. Formation of La Nina conditions will remain critical for Indian monsoon and overall agriculture in the coming months.

Figure 62: Daily mean rainfall



Source: CMIE Economic Outlook, IMD, NSE EPR.

Figure 63: Cumulative rainfall (Period: June 1st, 2024, to July 28th, 2024)



Source: CMIE Economic Outlook, IMD, NSE EPR.

Table 20: Subdivision-wise distribution of cumulative rainfall

Divisions	Cumulative rainfall (Period: June 1st to July 28th)		
	Actual (mm)	Normal (mm)	% Deviation
East and Northeast India	593.8	716.1	-17%
Northwest India	224.6	266.2	-16%
Central India	539.9	460	17%
South Peninsula	431.0	346.3	24%
Total	**430.2**	**418.9**	**3%**

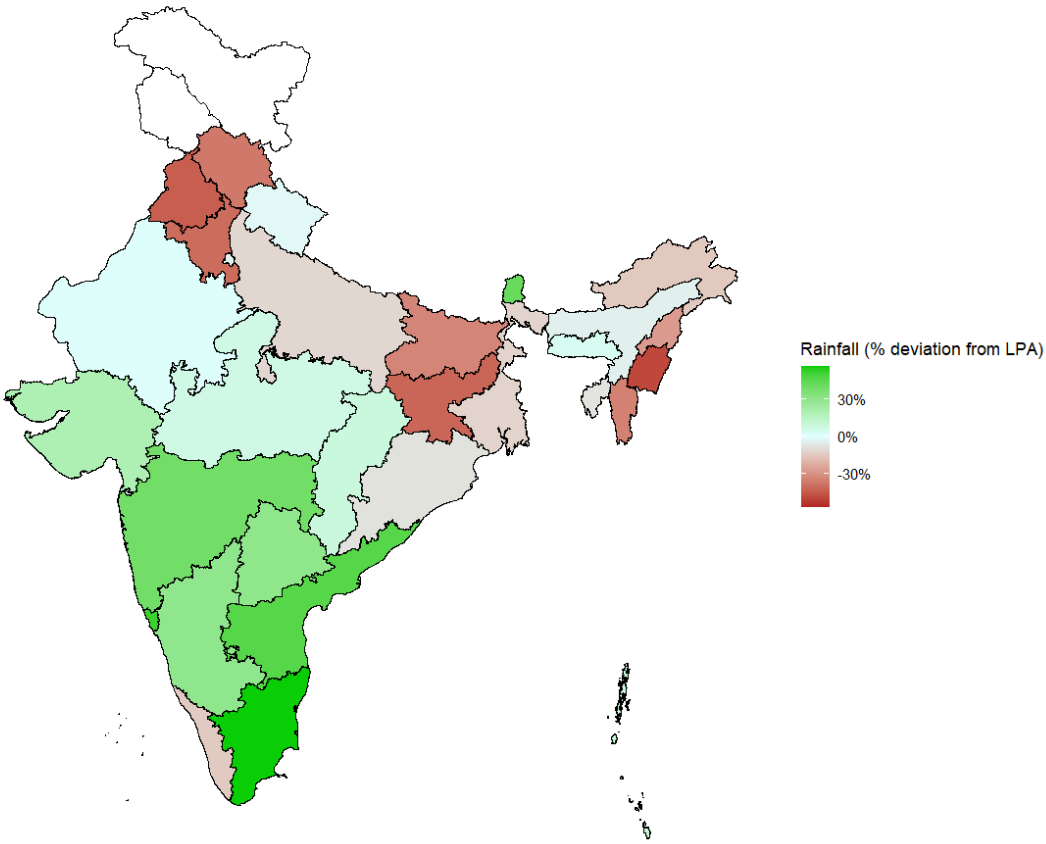
Source: CMIE Economic Outlook, IMD, NSE EPR.

Table 21: Category-wise number of subdivisions and % area (sub-divisional) of the country

Category	Period: June 1st to July 28th	
	No. of subdivisions	% area of the country
Large excess	0	0%
Excess	13	32%
Normal	15	47%
Deficient	8	21%
Large Deficient	0	0%
No rain	0	0%

Source: IMD, NSE EPR.

Figure 64: Deviation of rainfall activity from long period average as on July 28th (in %)



Inter-state deviation of rainfall from the LPA depicts the wide north-south variation with northern states of Punjab, Haryana and Himachal Pradesh experiencing highly deficient rainfalls compared to southern states, which have received excess rainfall, as of July 28th.
Most of the eastern and north-eastern states also face drier conditions.

Source: CMIE States of India, NSE EPR.

Figure 65: Actual sown area as % of normal area sown

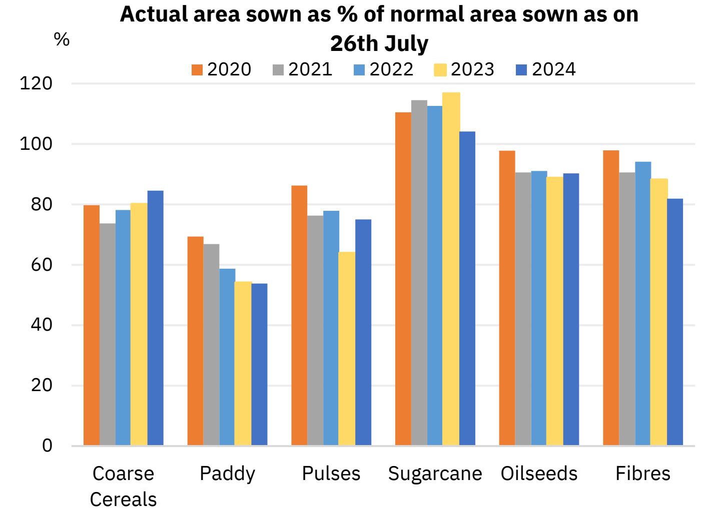
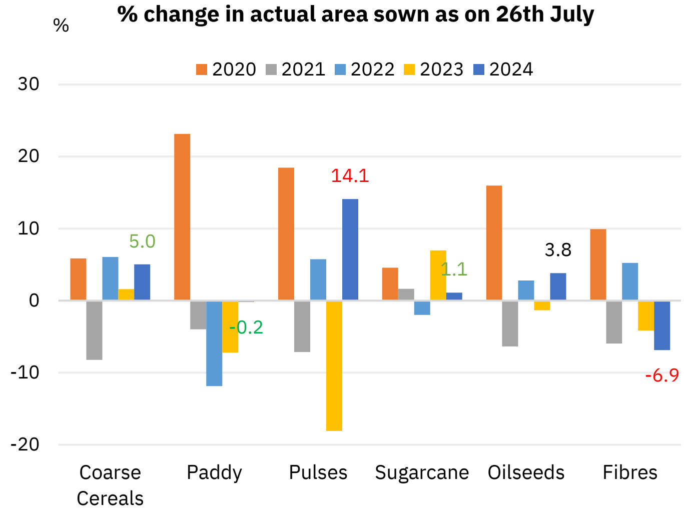
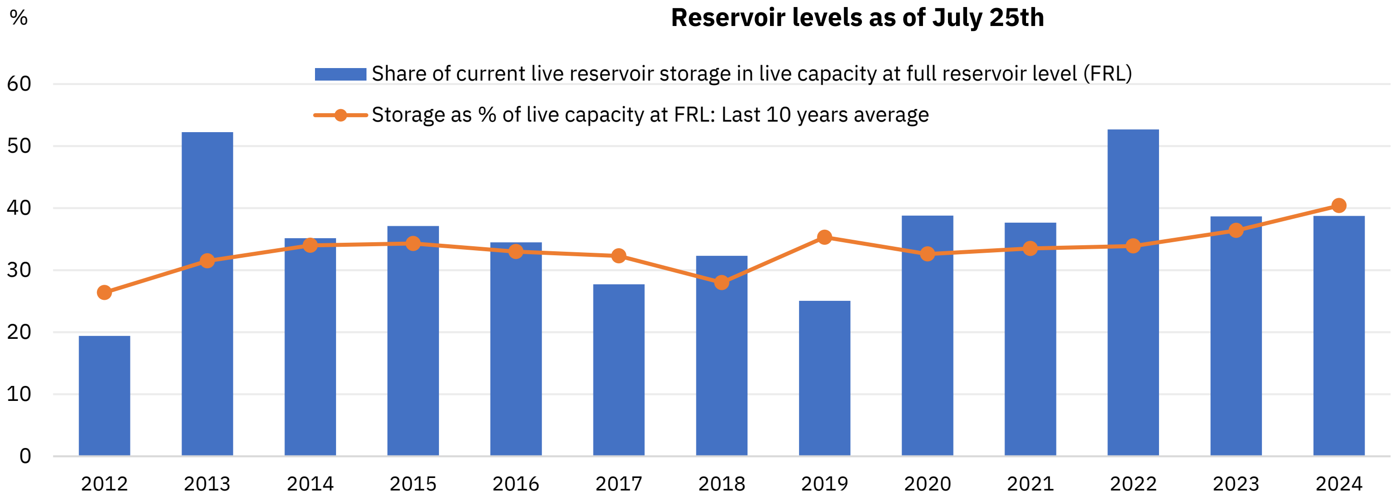


Figure 66: YoY change in actual sown area



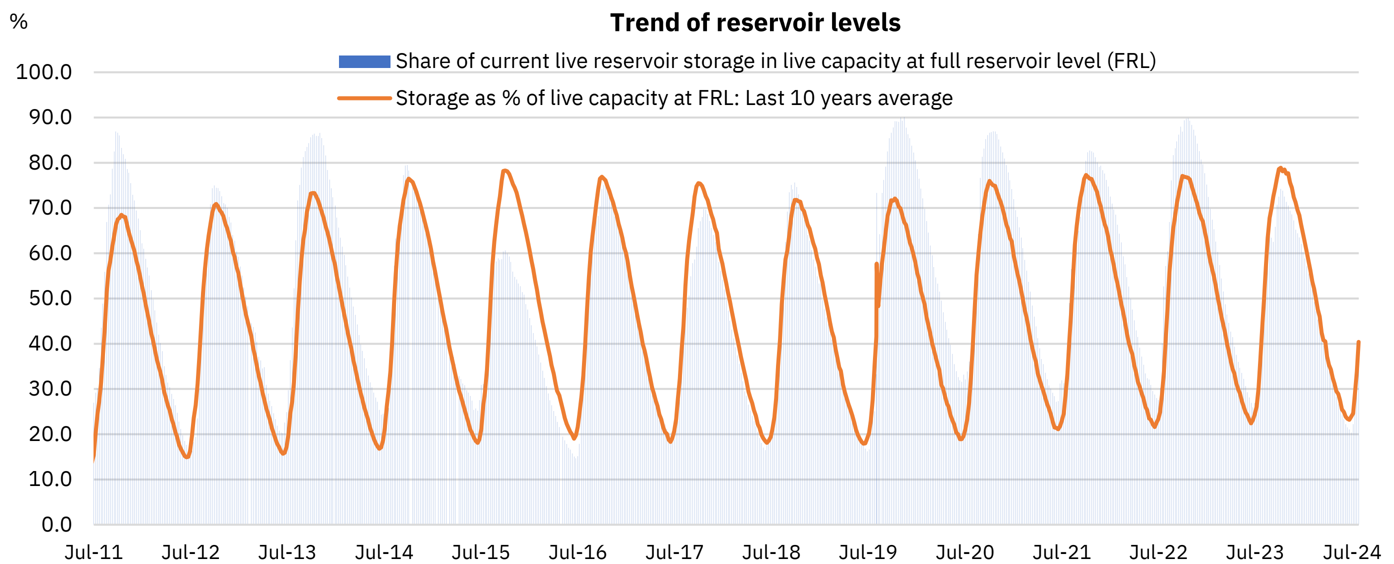
Source: CMIE Economic Outlook, NSE EPR.

Figure 67: Live reservoir storage levels



Source: CMIE Economic Outlook, NSE EPR.

Figure 68: Live reservoir storage levels



Source: CMIE Economic Outlook, NSE EPR.

Economic Survey 2023-24: Key highlights

India's Economic Survey 2023-24 emphasizes the resilience demonstrated by the Indian economy in the face of geopolitical challenges. It projects India's real GDP growth at 6.5%-7% in FY25, lower than the estimates by RBI (7.2%) and IMF (7%). The Survey underscores a six-pronged approach to maintain a stable economic growth of 7% in the medium term. India's inflation has remained benign, closer to the inflation target with limited deviation relative to other countries. At the same time, progressive improvement in the central and state fiscal positions despite expansionary fiscal policy responses is heartening. The net impact of the positive developments across sectors in the domestic economy has served in attaining GDP level in FY24 which is 20% higher than that in FY20. It also captures the changing dynamics of the industrial segment, recovery in the services sector to the pre-pandemic levels and emphasizes infrastructure spending as a linchpin for sustained economic growth. The Survey highlights some near-term risks emerging from slower-than-expected global growth, escalation of geo-political conflicts, heightened financial market volatility and uncertainty in quantum of distribution of rainfall. Overall, the Indian economy is poised for a broad-based and inclusive economic growth.

- **India's economic growth is projected conservatively at 6.5%-7%:** The Indian economy has exhibited a swift recovery post the COVID-19 pandemic, registering a CAGR of 4.6% from FY20 (8.2% in FY24). The economy has navigated a plethora of global challenges, exhibiting a growth of over 7% for a third consecutive year, led by stable consumption demand and improving investment demand. Some of the key drivers of economic growth in FY24 include sustained capital expenditure (5Y CAGR: +25%), healthier corporate and bank balance sheet (GNPA of banks at a 12-year low of 2.8%), robust bank credit off-take (~20% YoY) and strong services exports (3Y CAGR: +18.3%). The Survey projects India's real GDP growth at 6.5%-7% in FY25, marginally lower than the latest estimate by RBI (7.2%) and IMF (7%). Downside risks in the near-term may emerge from slower-than-expected global growth, heightened financial market volatility and escalation in geopolitical tensions. On the domestic side, unfavorable southwest monsoon may further weigh on rural demand.

- **India's GDP level at 20% higher than the pre-pandemic level:** Almost all major economies have attained GDP level at 20% in FY24 compared with the pre-pandemic level (FY20). India and China's economy stood at 20% higher than the pre-pandemic level and is meaningfully higher than major advanced economies like United States (8%), United Kingdom (2%), Germany (1%) as well as emerging economies like Brazil (7%), Indonesia (12%) and Mexico (4%). There have been stark differences across economies, thanks to domestic structural issues, uneven exposure to geopolitical concerns and the lingering impact of monetary policy tightening. The Survey also highlights that the compounded quarterly growth rate (CQGR) post pandemic (Q3FY21 – Q4FY24) for GDP has been higher at 1.9% vs. 1.5% between Q1FY12 – Q4FY20.

- **Medium-term growth is projected at 7% on a sustained basis:** The Survey projects the Indian economy to be the third-largest economy in the world with a medium-term growth projection of 7% on a sustained basis. To ensure an unabated growth trajectory, some of the key policy areas elucidated are about generating productive employment, address the skill-gap, tapping the full potential of the agriculture sector, easing the compliance burden and financing bottlenecks of the MSMEs, managing India's green transition, deepening the corporate bond market, improving the quality of health and tracking inequality. To sustain this resilient growth, a six-pronged growth strategy has been detailed specifically to boost private sector investment (projected investment rate to 35%), expand MSMEs, removing growth impediments in the agriculture sector, securing finances for green transition, bridging the education-employment gap and building state capacity and capability.

- **India's inflation is closer to the target; lowest average deviations:** India's inflation stood at its lowest level since the pandemic at 5.4% in FY24 and RBI has projected it to moderate further to 4.5%in FY25. India has been performing better than the various developed and emerging market economies in relation to its inflation target. India's average inflation during FY21-FY23 exhibited the lowest deviation at 1.8% from its inflation target, just below South Africa (1.3%), but notably lower than the global average (3.2%). Expansion in the production of oilseeds and pulses along with improving the storage and processing facilities of vegetables are a few recommendations in the Survey to manage the inflation volatility.

- **State government finances have meaningfully improved:** Preliminary estimates of 23 states show that gross fiscal deficit has registered a decline from 3.9% in FY21 to 2.8% in FY24, while it is still higher than the pre-pandemic level (2.5% in FY20). The quality of the spending by state governments has also improved with a sharp focus on capex, pursuant to the incentive from the Centre as well. In line with the fall in the fiscal deficit, the outstanding liabilities of these states have also moderated to 27.5% of GDP in FY24, remaining marginally higher than FY20 (25.8%).

- **Remarkable improvement in financial inclusion supported by DPI:** The presence of a robust Digital Public Infrastructure (DPI) has contributed significantly to financial inclusion, making India the fastest growing fintech market in the world. India has made commendable progress in its financial inclusion goals over the past ten years. The number of adults (age: 15+) with an account in a formal financial institution rose to 77% in 2021 (vs. 35% in 2011). The gender gap in financial inclusion has been eliminated as both adult male and female account for 78% of their respective population. Interestingly, the percentage share of the population (above 25 years), saving and borrowing from a financial institution has been low at around 13% in 2021. 35% of the adult population have either made or received a digital payment in 2021 (vs. 22% in 2014). India's DPI (digital public infrastructure) is an example of a salubrious mix of public good with enough room for the private sector to thrive.

- **India's market capitalization at 124% of GDP in December'2023:** India's market capitalization has improved significantly in the last five years to 124% of GDP in Dec'23 (vs. 77% in Dec'19), being the fifth largest in the world. This is far higher than the other emerging market economies like China (61%) and Brazil (44%). The Survey, however, highlights the need to strike a note of caution. It also points out the significant jump in retail investors over the last few years, calling for careful consideration.

- **Industrial segments have seen significant realignment of output share:** Sectors like chemicals, pharmaceuticals, transport equipment, steel have gained in strength while textiles, food products, beverages and petroleum products have lost their relative strength. On similar lines, the export-import balance has also varied. Major net exporters include steel, pharmaceuticals and automobiles while import dependence is seen in coal, capital goods and chemicals. The Production Linked Incentive (PLI) Scheme has attracted significant investments (~Rs 1.3 lakh crore), boosted production/sales (Rs 10.8 lakh crore), expanded exports (Rs 4 lakh crore) and generated jobs (over 8.5 lakh).

- **Services sector has almost recovered to the pre-pandemic level:** The contribution of the services sector to the overall GVA at 54.7% in FY24 has increased significantly in the last decade (50.6% in FY14). After declining to 52.3% in FY21 during Covid, the share has jumped back, closer to the pre-pandemic peak of 54.8% in FY20. Out of the total active companies (16.9 lakh) as of March 2024, services sector accounts for 65%. Within services, business services accounts for 28%, followed by trading (13%). India's growing reputation for Global Capability Centres (GCCs) have also bolstered software and business services exports. The number of GCCs have surged from ~1,000 centres in FY15 to 2,740 centres in FY23. Revenues from India's GCC were at USD$ 46 bn, exhibiting a CAGR of 11.4% during the last eight years.

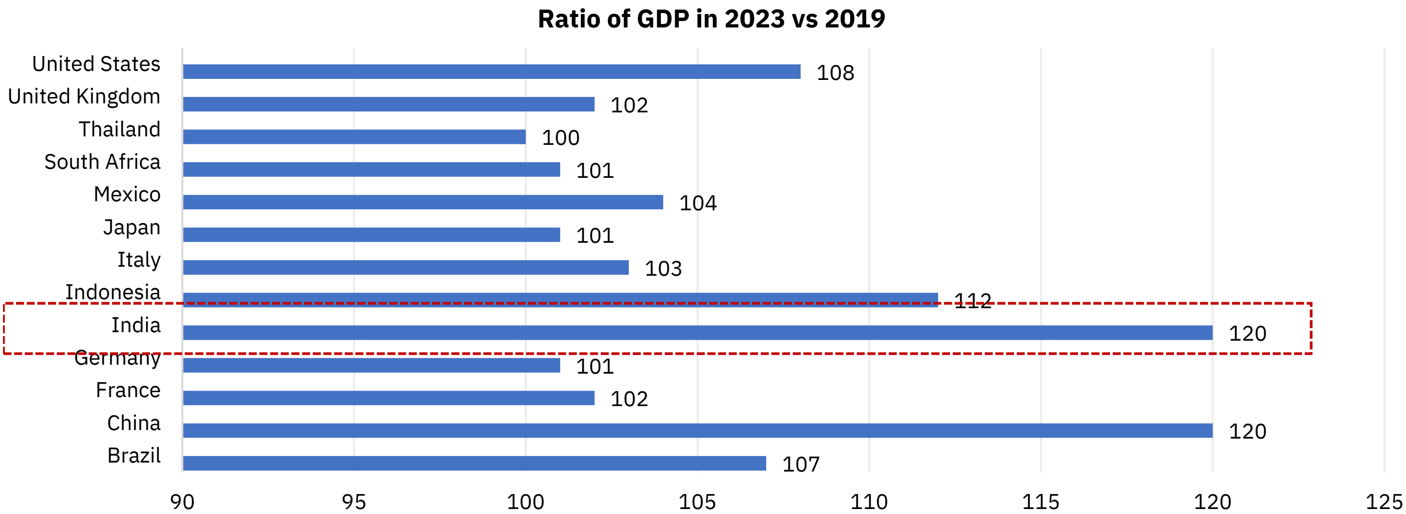
- **Infrastructure spending a linchpin for potential economic growth:** The burgeoning public investments over the last five years, facilitated through measures like National Infrastructure Pipeline and PM-Gati Shakti, have meaningfully improved project execution and boosted economic growth. The resource mobilization by infrastructure sectors through debt and equity issuances in the capital market was over Rs 1 lakh crore during FY24, the highest in the last four years. Funding raised via REITs and InvITs have notably eased the constraints on long-term finances required for infrastructure investments.

Figure 69: India's GDP growth forecast by major institutions for FY25

Institution	Growth forecast for FY25
Economic Survey	6.5-7%
RBI	7.2%
IMF	7%
Asian Development Bank	7%
United Nations	6.9%

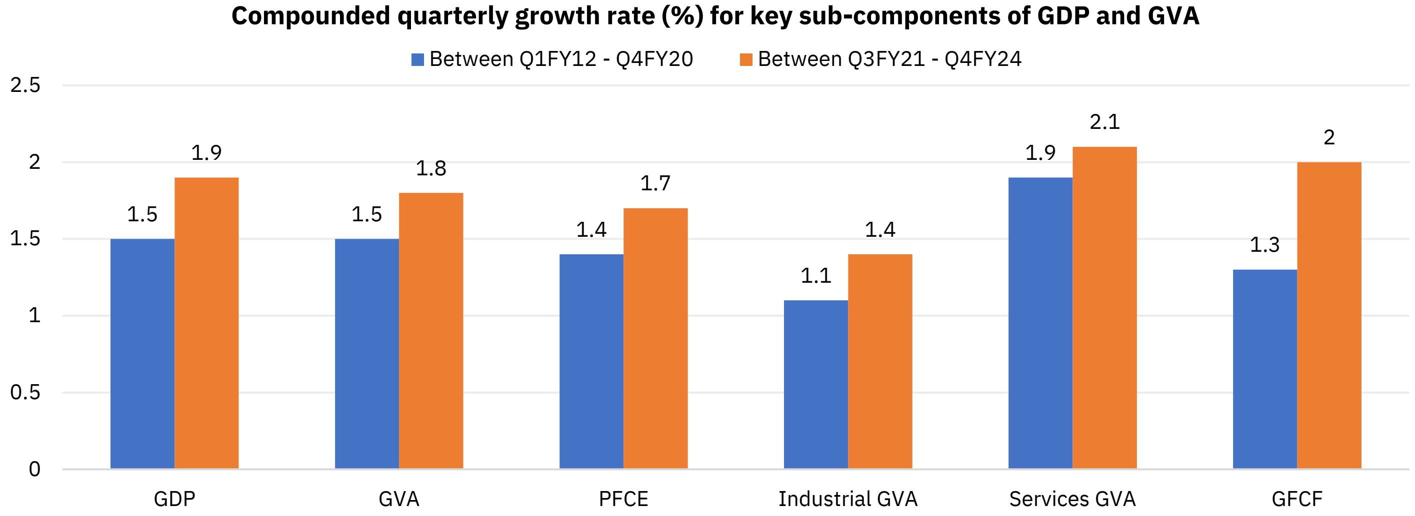
Source: Economic Survey, NSE EPR.

Figure 70: Global comparison of constant GDP in 2023 vis-à-vis 2019



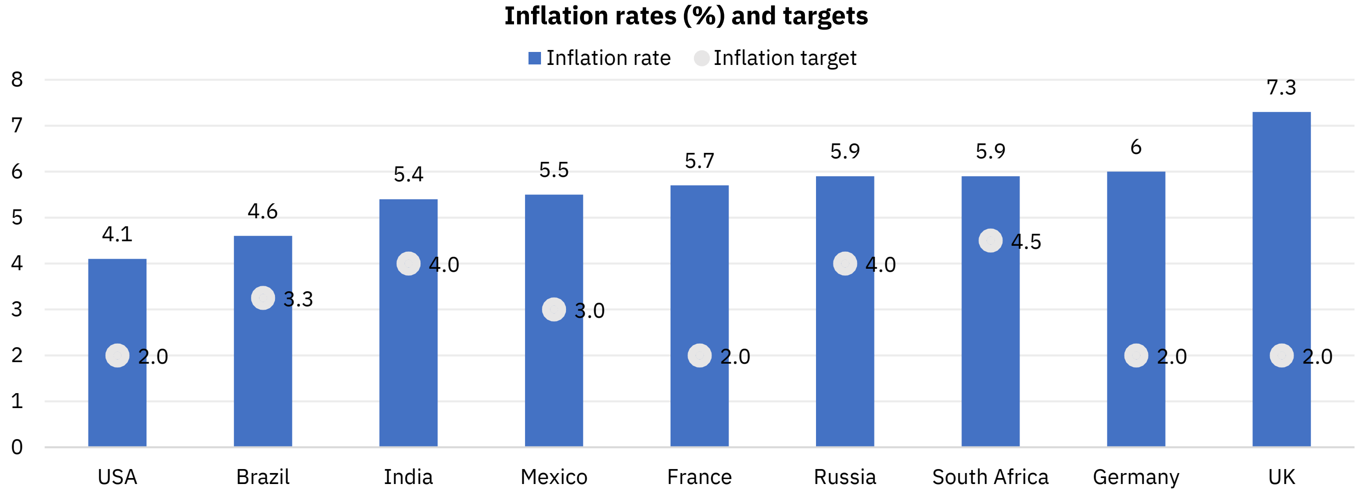
Source: Economic Survey, NSE EPR.

Figure 71: Compounded quarterly growth rate for India's GDP and GVA



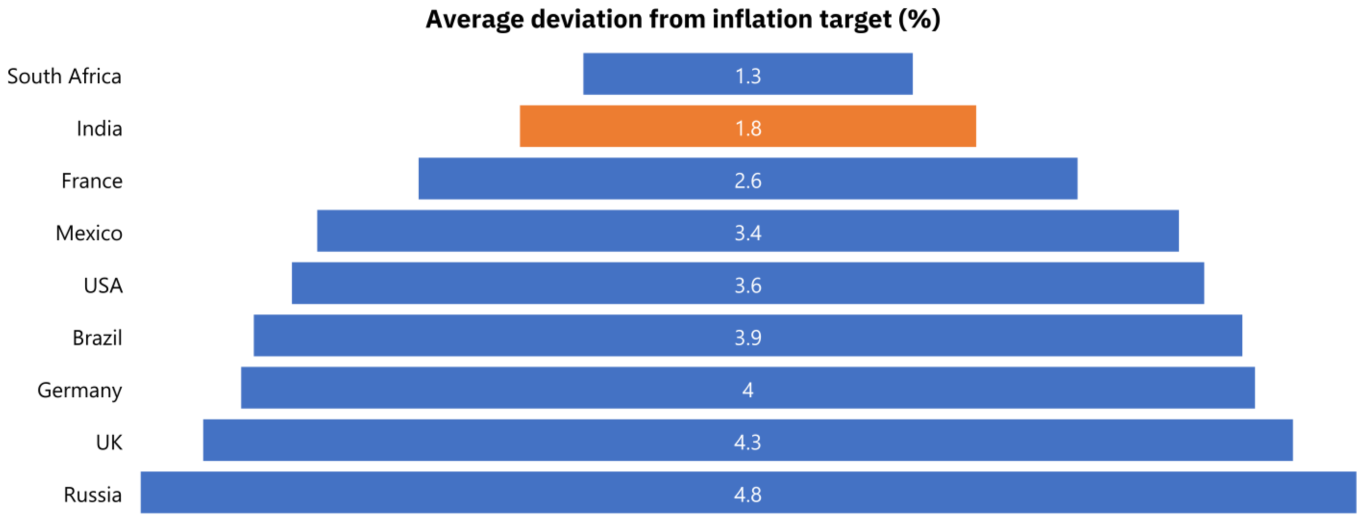
Source: Economic Survey, NSE EPR.

Figure 72: Global comparison of headline inflation rate vis-à-vis inflation target



Source: Economic Survey, NSE EPR.

Figure 73: Average deviation of headline inflation from the target



Source: Economic Survey, NSE EPR

Figure 74: Gross fiscal deficit at the state-level (23 states)

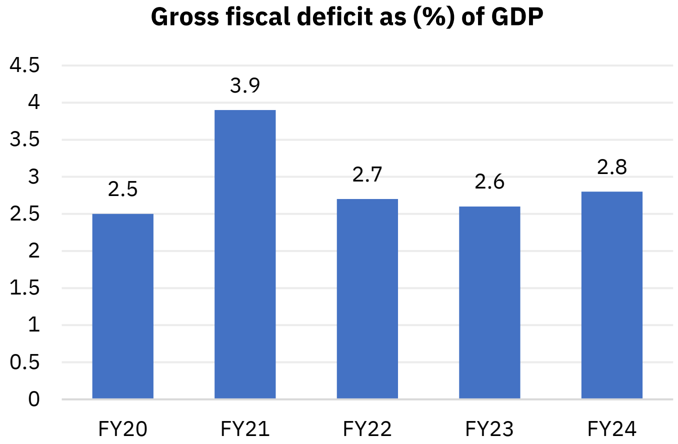
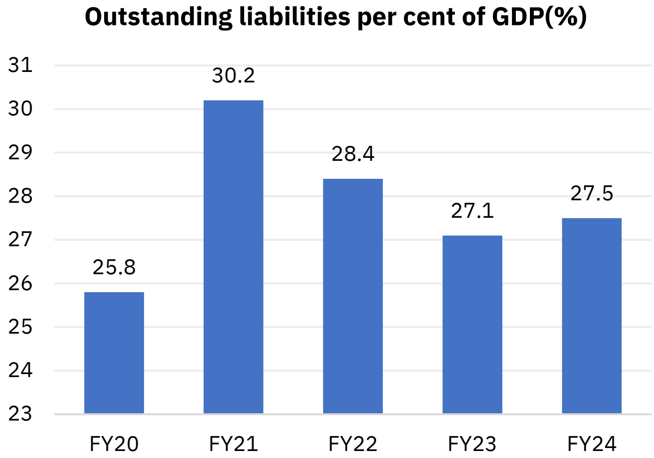
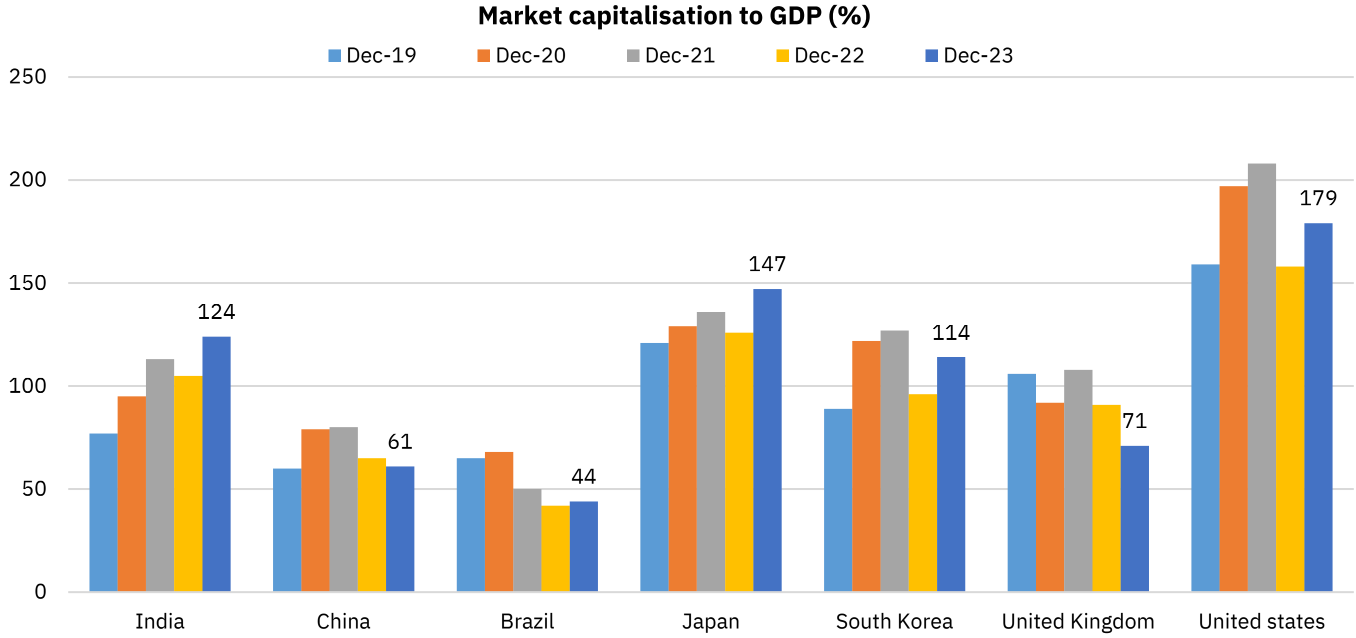


Figure 75: Outstanding liabilities at the state-level (23 states)



Source: Economic Survey, NSE EPR

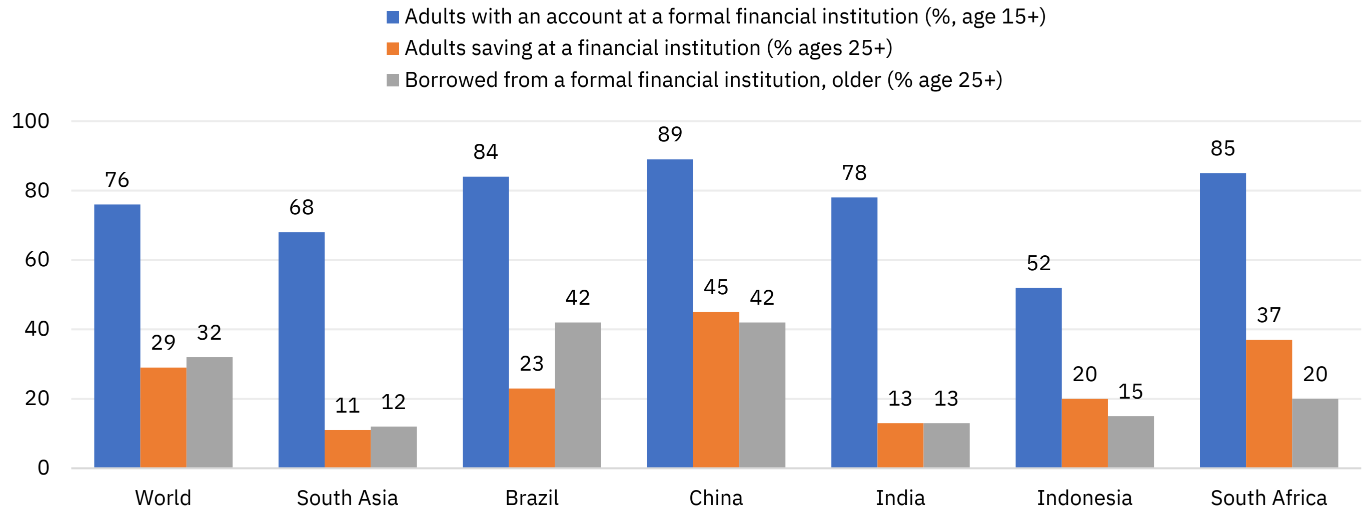
Figure 76: Market capitalization to GDP ratio during the last five years



Source: Economic Survey, NSE EPR.

Figure 77: Cross-country comparison of financial inclusion and financial education parameters

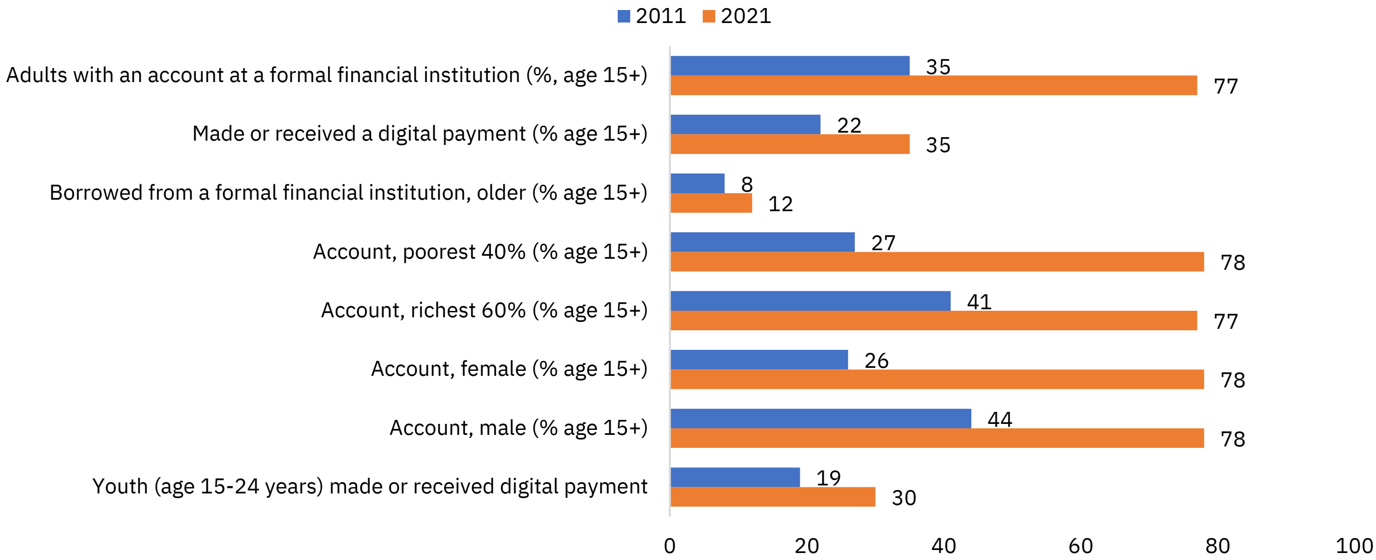
Financial inclusion parameters: percentage share of the population



Source: Economic Survey, NSE EPR.

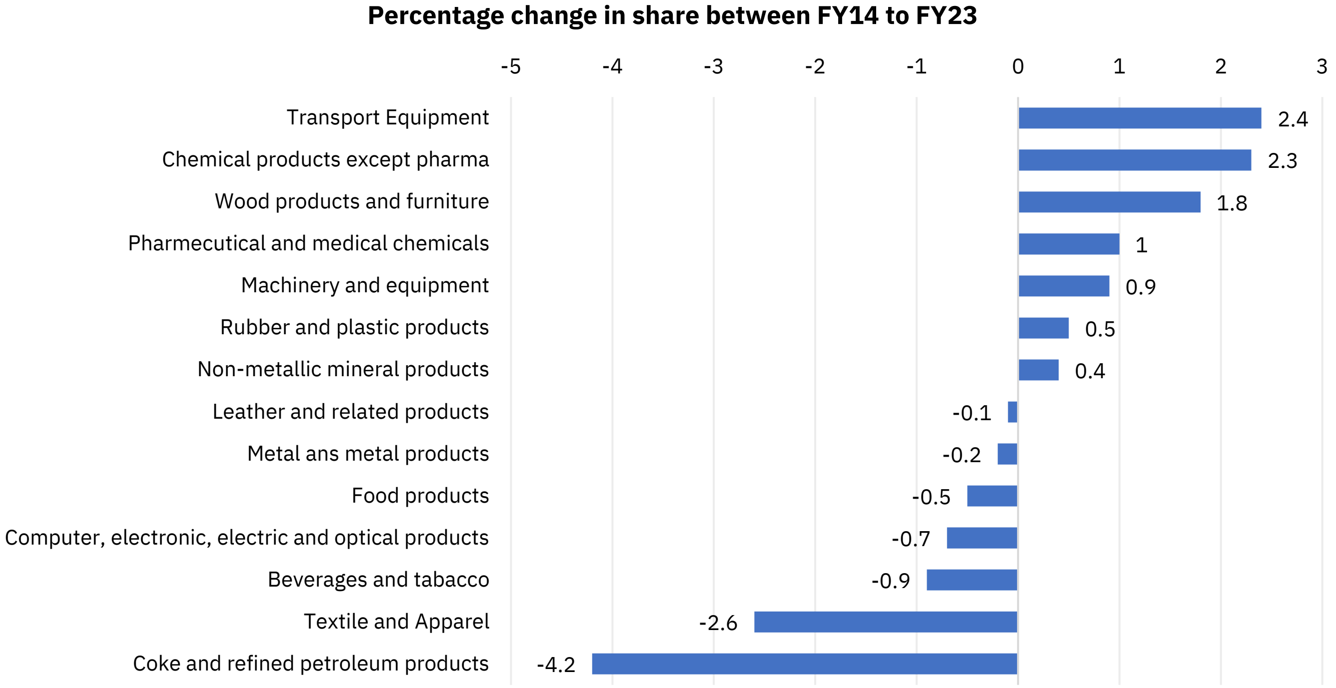
Figure 78: India's performance across indicators of financial inclusion and education

India's financial inclusion parameters



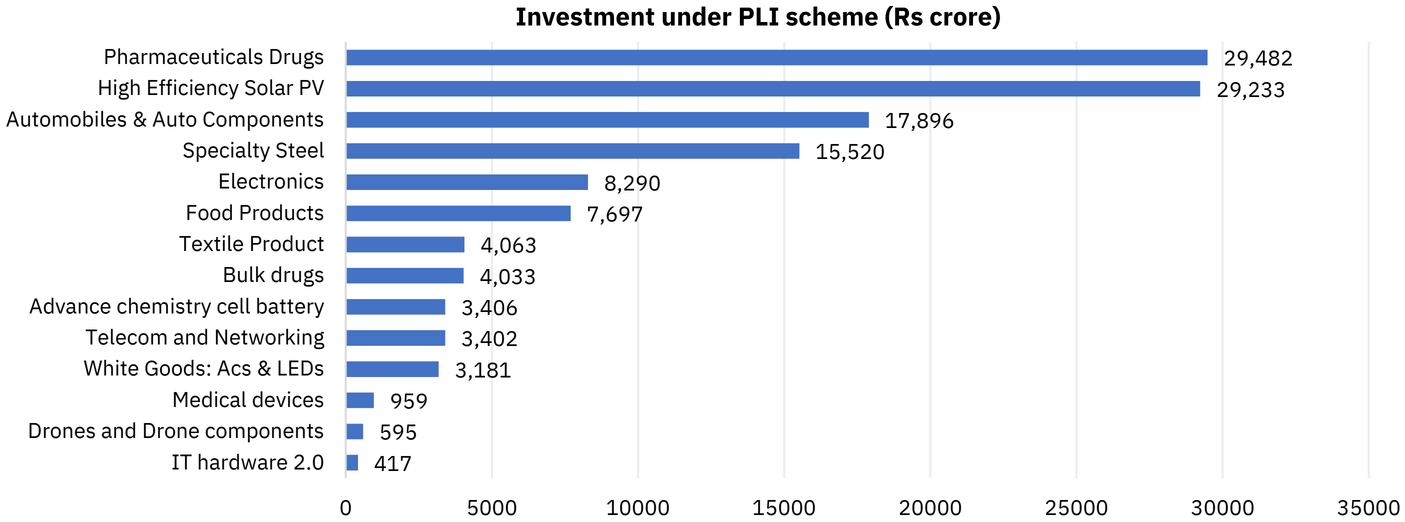
Source: Economic Survey, NSE EPR

Figure 79: Changes in the share of manufactured products GVA in total GVA



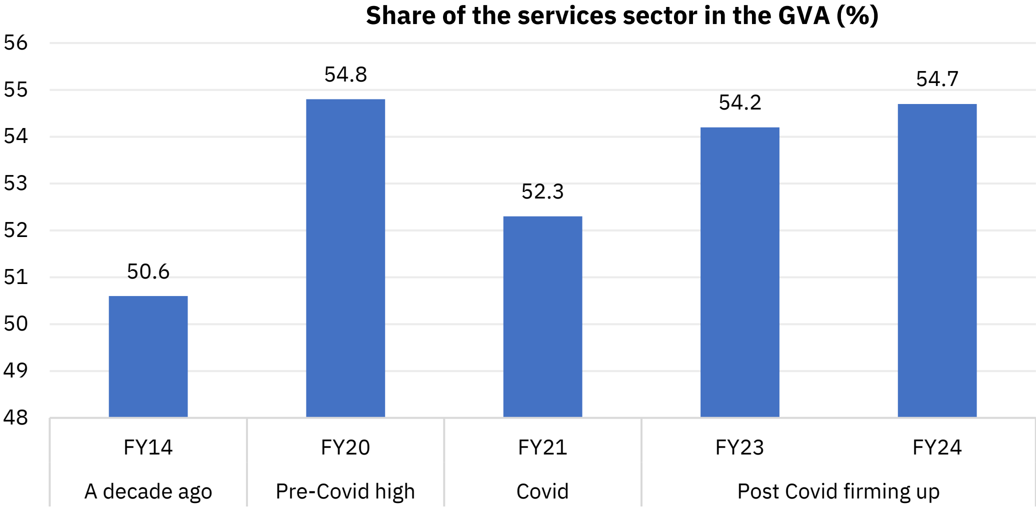
Source: Economic Survey, NSE EPR.

Figure 80: Investment under the PLI scheme



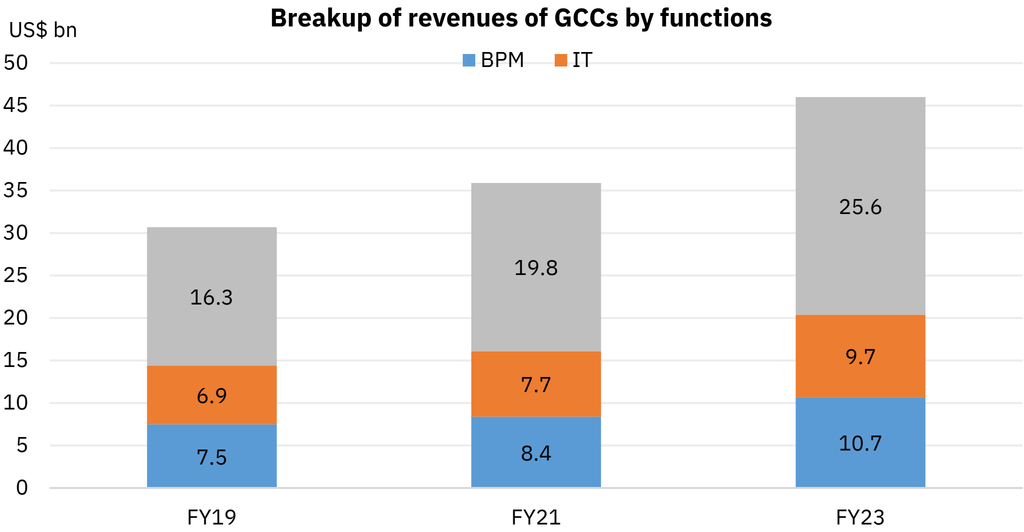
Source: Economic Survey, NSE EPR

Figure 81: Changes in share of the services sector in the GVA



Source: Economic Survey, NSE EPR.

Figure 82: Revenues of GCCs across various functions



Source: Economic Survey, NSE EPR.

Figure 83: Funding of infrastructure sectors through equity issuances

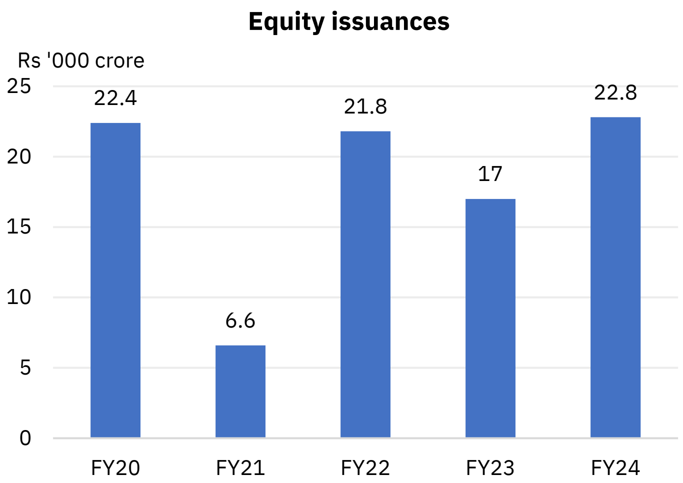
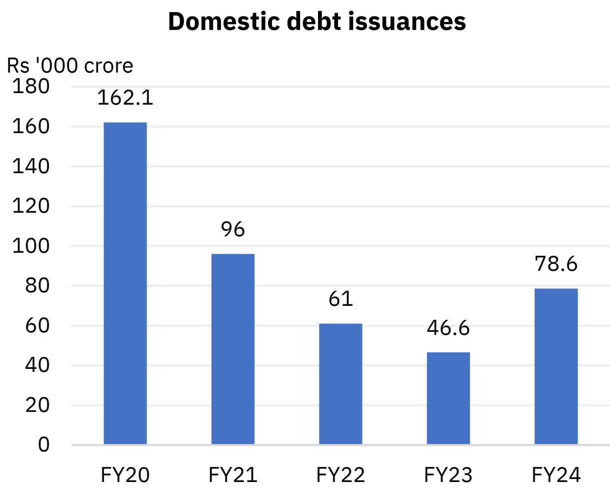


Figure 84: Funding of infrastructure sectors through debt issuances



Source: Economic Survey, NSE EPR

RBI Financial Stability Report: GNPA ratio at a 12-year low

The RBI's half-yearly Financial Stability Report (FSR)[1] released in June 2024 highlights further consolidation of the financial sector with improvement in asset quality, robust expansion in credit, strong profitability and capital buffers. The credit-offtake has been primarily led by personal loans and services while deposit mobilization by Scheduled Commercial Banks (SCBs), which have been bolstered by accretion to term deposits. The recent regulatory prescription of higher risk weights towards certain categories of lending has had a minimal impact on such loans. The Gross Non-Performing Assets (GNPA) ratio of all SCBs has fallen to a 12-year low of 2.8% in Mar'24 and based on the baseline stress test scenario is estimated to further improve to 2.5% in Mar'25. Sector-wise analysis reveals that the GNPA ratio has seen a broad-based improvement with exceptions observed in some sub-sectors like gems & jewellery (6.7%), construction (6.5%) and food processing (5.5%). The Capital Risk-Weighted Asset Ratio (CRAR) of all stood at decadal high of 16.8% in Mar'24 with an increase in Public Sector Banks (PSBs) being partly off-set by decrease in Private Banks (PVBs) and Foreign Banks (FBs). The macro stress test reveals that all SCBs are well-capitalized and capable of absorbing macroeconomic shocks even without further capital infusion. The baseline scenario assessment shows CRAR to fall to 16.1% in Mar'25. Under a severe stress scenario, all banks would be able to meet the regulatory capital requirement (9%) over a one-year horizon, reflective of sustained resilience in the banking sector. The asset quality of the NBFC sector has improved marginally to 4% in Mar'24 and the one-year ahead GNPA ratio is expected to fall further to 3.5% in the baseline stress test scenario. That said, CRAR of the NBFCs has fallen marginally to 26.6% in Mar'24, but remains well-above the minimum requirement of 15%. The Systemic Risk Survey (SRS) in May 2024 reveals that all major risk groups are now categorized as "medium risk" and the Indian economy is poised to display steady growth and be a significant contributor to global growth.

- **Indian financial system remains robust and resilient:** The Indian financial system has navigated a challenging global environment and has showcased remarkable resilience, amidst heightened volatility, financial stability risks, stretched asset valuations and elevated global debt levels. The banking system has witnessed sustained improvement in asset quality and capital adequacy amid robust bank credit off-take. As of Mar'24, bank credit growth at 19.2% YoY has continued to outpace bank deposit growth at 13.5% YoY. The accretion in deposits can be ascribed to increased transmission of monetary policy while the announcement of higher risk weights for certain categories has had a sobering impact on bank credit expansion.

Bank credit growth stood at 19.2% in March 2024.

- **At 2.8%, GNPA at a 12-year low:** The asset quality of the banking sector has exhibited sustained improvement. The GNPA ratio for all SCBs fell to a 12-year low of 2.8% in Mar'24 (vs. 3.2% in Sep'23) and the NNPA ratio stood at a record low of 0.6% in Mar'24 (vs. 0.8% in Sep'23). There has been a broad-based decline across the bank groups with the PSBs registering a significant decline of 76 bps. That said, the GNPA ratio of the PSBs is the highest among the bank groups at 3.7%, followed by PVBs (1.8%) and FBs (1.2%). On a sectoral basis, although the GNPA ratio has been relatively higher for the agriculture sector (6.2%), it has witnessed a persistent improvement. The GNPA ratio for industry (3.5%), services (2.7%) and personal loans (1.2%) continues to be benign with a sustained fall. The GNPA ratio in all categories of personal loans has reduced across bank groups. There has also been a broad-based improvement across all categories of industry, barring vehicles and transport equipment). Though the value of write-offs moderated during FY24, the write-off to GNPA ratio remained broadly unchanged as the jump witnessed in FBs was offset by the fall seen in private banks. Macro stress test reveals that the GNPA for all SCBs is likely to improve to 2.5% in Mar'25 under the baseline scenario, 2.8% under medium-stress and 3.4% under severe stress.

RBI's macro stress tests point to GNPA ratio falling from 2.8 % in Mar'24 to 2.5% in Mar'25 under the baseline scenario.

[1] Please refer to the detailed report here

- **..with capital positions at decadal high:** The Indian banks are well capitalized with the Capital to Risk-Weighted Asset Ratio (CRAR) and Common Equity Tier 1 capital ratio (CET1) of SCBs at 16.8% and 13.9% respectively in Mar'24. At the bank group level, the CRAR of PVBs and FBs marginally fell, thanks to the increase in risk weights under regulatory requirements. The CET1 capital ratio has inched closer to its peak with the share of CET1 in total capital exhibiting a sustained improvement. Under the baseline scenario, the CRAR of 46 major banks is projected to fall to 16.1% by Mar'25, 70 bps lower than the current level. This is likely to fall to 14.4% in the medium stress scenario and 13% in the severe stress scenario by Mar'25. There is no SCB, which would breach the minimum capital requirement of 9% over the one year ahead horizon.

CRAR of 46 major banks is expected to decline from 16.8% in Mar'24 to 16.1% by Mar'25 under the baseline scenario.

- **Asset quality of NBFC sector improved while capital adequacy moderated:** The GNPA ratio of the NBFC sector fell to 4% as of Mar'24, its lowest level since Mar'15, with the improvement recorded across major sectors. The NNPA ratio fell further to 1.1% in Mar'24 (vs. 1.6% in Mar'23), thanks to higher provision coverage ratio and fall in GNPA. The capital adequacy of the NBFCs has remained healthy and well above the minimum requirement (15%)— CRAR stood at 26.6% in Mar'24, albeit marginally lower than 27.5% in Mar'23. Notwithstanding the moderation in credit growth, especially in the second half of FY24, NBFCs have maintained robust credit growth led by personal loans (30.2% YoY), services (18.7% YoY) and industry (17.6%). System level stress tests assessments reveal that the GNPA ratio is estimated to fall to 3.5% and CRAR to 21.7% in Mar'25. Eight NBFCs out of a sample of 163 are projected to witness a fall in CRAR below the minimum requirement (15%)

Asset quality of the NBFC sector improved to 4% in Mar'24 and based on the baseline scenario, it is projected to decline to 3.5% in Mar'25.

- **Systemic Risk Survey (SRS)[2] revealed all major risks in "medium" category:** The latest assessment of the Systemic Risk Survey (SRS) in May 2024 reveals that all major risk groups in the "medium" risk category. Respondents have expressed a moderation in macroeconomic risks, risks from global spillovers, foreign exchange risks and liquidity risks while risks emanating from equity price volatility are perceived to be "high". Nearly 90% of the respondents expect better or similar prospects for the Indian banking sector over a one-year horizon. Some of the key risks assessed by the participants include geopolitical risks, tightening of global financial conditions coupled with capital outflows and exchange rate pressures. Amidst an uncertain and challenging global setup, the Indian economy is poised to display steady growth and be a significant contributor to global growth.

All major risks to domestic financial stability has been categorized as "medium risk".

[2] The RBI's bi-annual systemic risk survey captures the qualitative perceptions of market participants and other stakeholders on key sources of systemic risk to the Indian financial system emanating from both global and domestic macro-financial developments.

Figure 85: YoY credit growth trend—distribution by bank groups

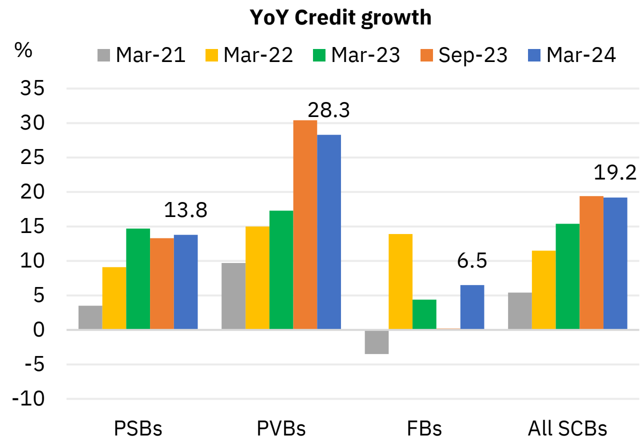
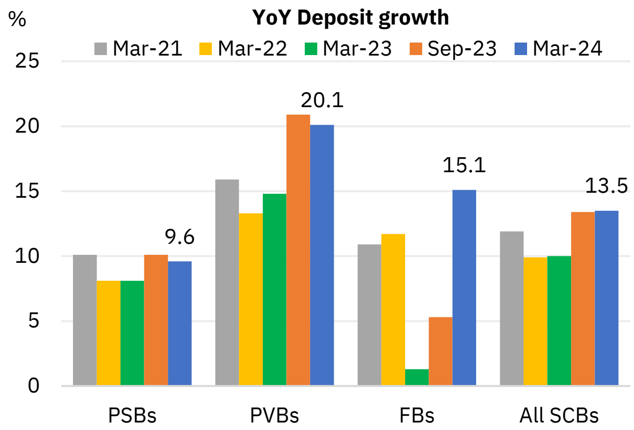
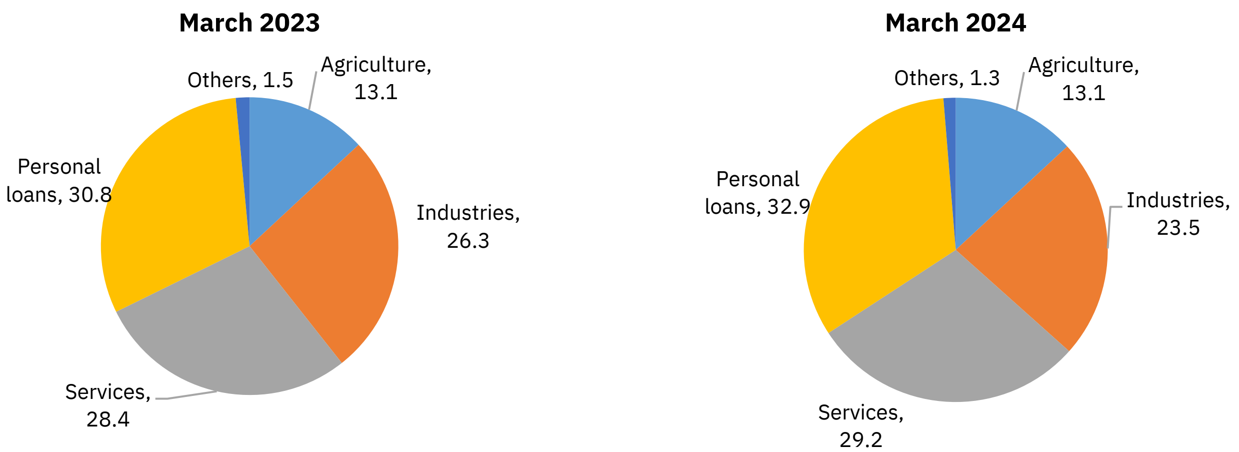


Figure 86: YoY deposit growth trend—distribution by bank groups



Source: RBI Financial Stability Report, NSE EPR. PSBs = Public Sector Banks, PVBs = Private Sector Banks, FBs = Foreign Banks

Figure 87: Sectoral share in credit by SCBs in economics sector



Source: RBI Financial Stability Report, NSE EPR

Figure 88: GNPA Ratio of SCBs—distribution by bank groups

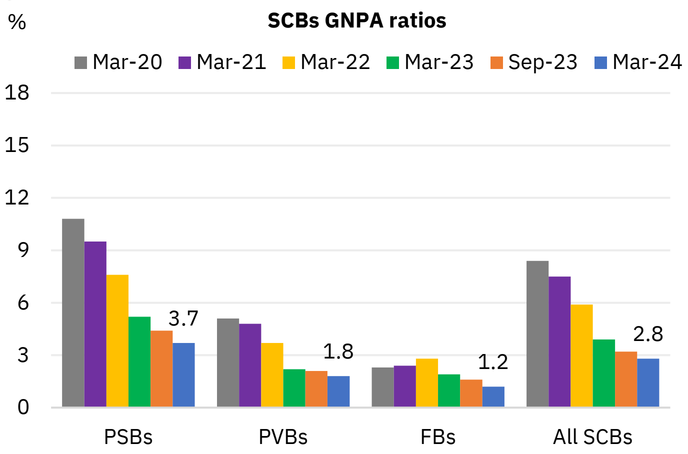
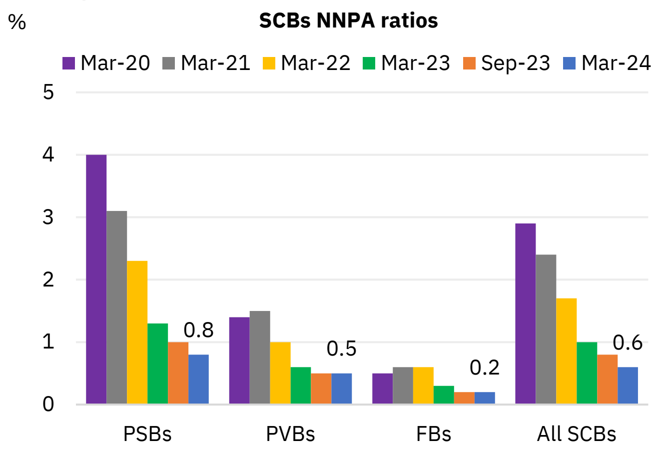


Figure 89: NNPA Ratio of SCBs—distribution by bank groups



Source: RBI Financial Stability Report, NSE. PSBs = Public Sector Banks, PVBs = Private Sector Banks, FBs = Foreign Banks

Figure 90: Provisioning coverage ratio by bank groups

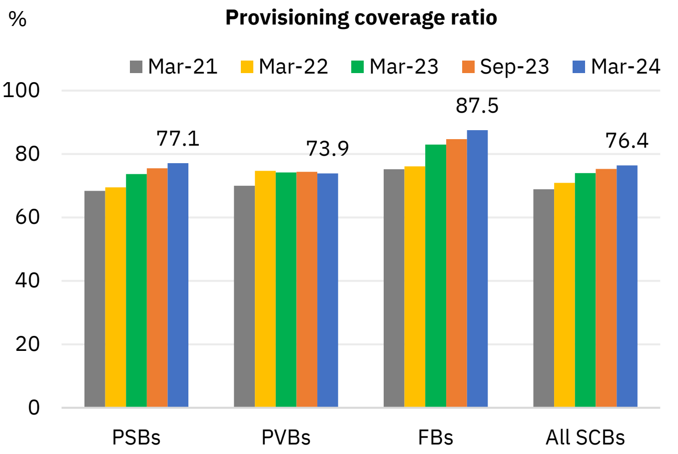
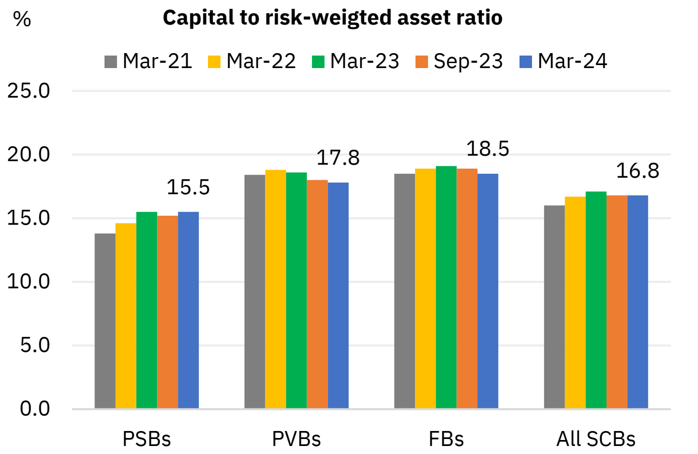


Figure 91: Capital to risk-weighted asset ratio by bank groups



Source: RBI Financial Stability Report, NSE EPR. PSBs = Public Sector Banks, PVBs = Private Sector Banks, FBs = Foreign Banks

Figure 92: Asset quality trend of NBFCs

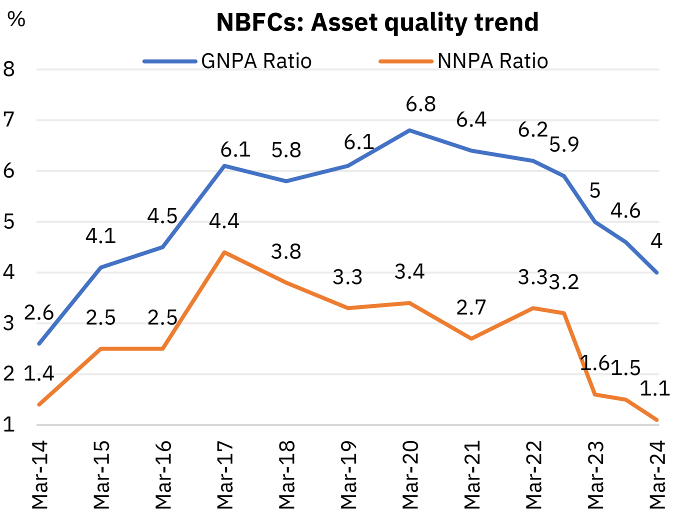
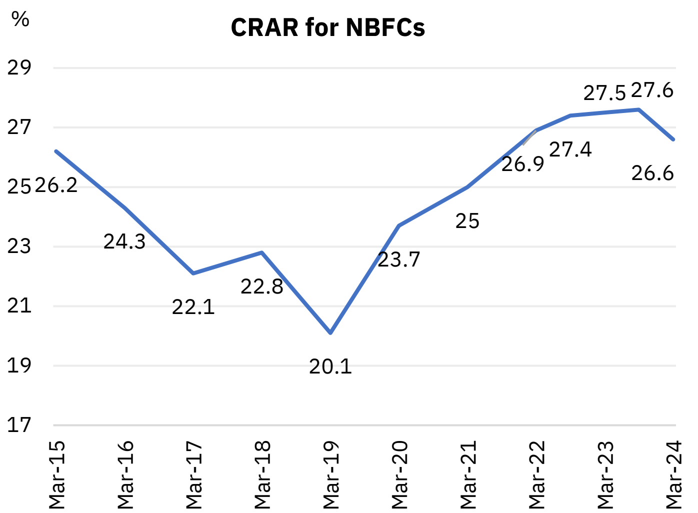
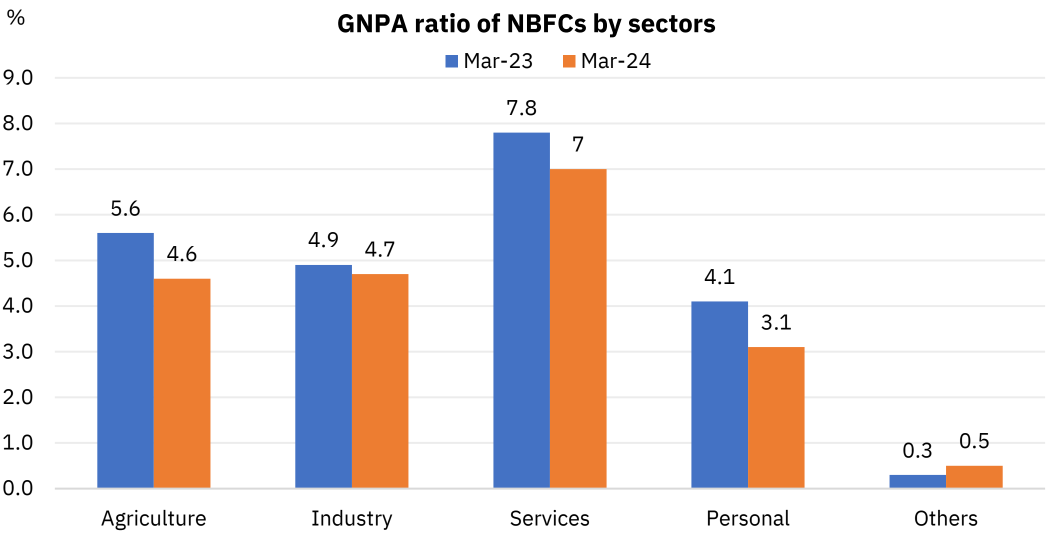


Figure 93: CRAR for NBFCs



Source: RBI Financial Stability Report, NSE EPR.

Figure 94: GNPA ratio of NBFCs by sectors



Source: RBI Financial Stability Report, NSE EPR.

Global macro snippets: IMF expects global growth to remain stable

The IMF's World Economic Outlook (WEO) update released in July'24 emphasised on the global economic landscape that is currently characterized by a narrowing output divergence among varied economies. Although growth projections for 2024 and 2025 remain broadly unchanged, the first quarter of 2024 saw lower-than-expected performance in major economies like Japan and the United States, leading to moderated growth outlook for these economies. On the other hand, growth projections for emerging markets — China and India are expected to improve meaningfully. The persistence in inflation remains a critical issue, with the pace of inflation being inhibited by higher-than-expected inflation in service sector. This suggests that underlying inflationary trends are still robust, posing challenges for monetary policymakers, especially in emerging markets where high interest rate differentials and currency depreciation risks are prevalent.

Amid high inflation uncertainties, central banks have become somewhat cautious about the pace of policy easing compared with their stance at the end of the first quarter. Overall, financial conditions remain supportive, aided by strong corporate valuations. As per Asian Development Outlook (ADO), steady growth is observed in Asian economies, particularly supported by strong export performance in East Asia. Overall, the global economy faces stable growth prospects, sticky inflation, and stable but cautious financial conditions. While Asia's growth remains robust, the interplay of these factors suggests a nuanced and complex economic trajectory moving forward.

- **Narrowing output divergence across economies...:** The IMF's global growth projections for the year 2024 and 2025 remained broadly unchanged from that in WEO Apr'24, at 3.2% and 3.3%, respectively. The first quarter growth numbers were better than expected in many countries, while Japan and United States faced sharper than expected economic downturn. As a result, growth is expected to converge in advance economies, while the growth in emerging markets is revised upwards to perform better supported by buoyant activity in China and India. With this, global growth is projected to stay steady with the possibility of narrowing output divergence across economies.

- **...followed by stickiness in disinflation...:** The report also highlighted that the pace of disinflation is slowing down, primarily attributed to persistent inflationary pressures in the services sector across the globe. While headline inflation has shown signs of moderation, the services industry continues to experience rising costs, with higher commodity prices. This sector-specific inflation is undermining broader disinflationary trends and poses challenges for monetary policymakers aiming to stabilize prices. Central banks in emerging economies remain cautious of rates cuts pertaining to the risks of interest rate differentials and depreciation of domestic currency against US dollar.

- **Accommodative financial conditions:** Persistently high inflation uncertainties have led central banks in advanced economies to adopt a more cautious stance on policy easing. Consequently, market expectations for 2024 rate cuts have reduced relatively. US long-term yields have remained stable, while real rates experienced temporary increases. Emerging markets remained robust, despite currency depreciation pressures. Risk assets have risen, bolstered by strong corporate performance and solid profits. However, ongoing uncertainty and a slower pace of policy easing in advanced economies may heighten financial market volatility and pressure corporate valuations. Overall, financial conditions remain supportive, aided by strong corporate valuations.

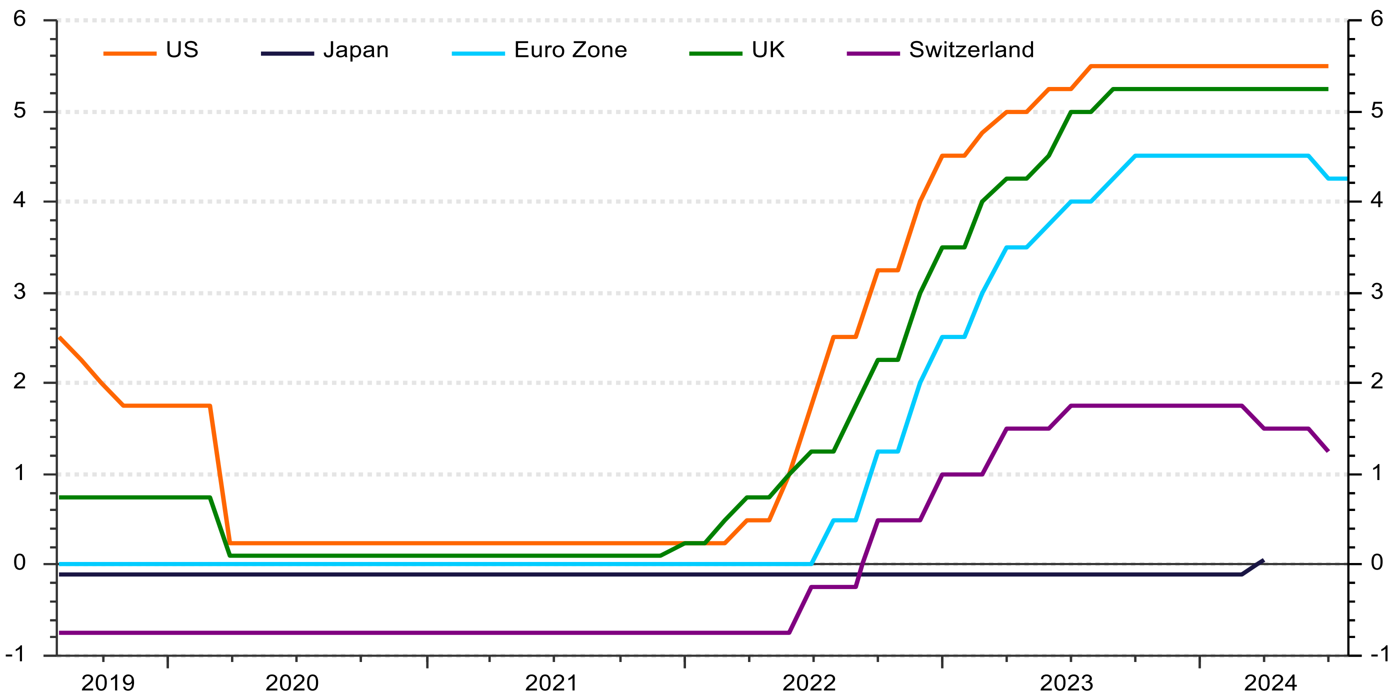
- **Steady growth in Asian countries:** The Asian Development Outlook (ADO) Jul'24, also highlighted the robust growth in developing Asian economies in the first quarter of 2024 supported by solid domestic demand and resilient export growth. Despite a slow but continued decline in inflation across most of the developing Asia, most central banks continue to hold policy rates. The growth projections in the ADO report also remained broadly unchanged, while East Asia's growth outlook was revised up to 4.6% with regards to strong export of semiconductors and demand for AI related goods.

Figure 95: IMF's World Economic Outlook Projections (in percent)

World output	Actual		Projections		Difference from Apr'24	
	2022	2023	2024	2025	2024	2025
Advanced Economies						
United States	1.9	2.5	2.6	1.9	-0.1	0.0
Euro Zone	3.4	0.5	0.9	1.5	0.1	0.0
Japan	1.0	1.9	0.7	1.0	-0.2	0.0
United Kingdom	4.3	0.1	0.7	1.5	0.2	0.0
Emerging and Developing Asia						
China	3.0	5.2	5.0	4.5	0.4	0.4
India	7.0	8.2	7.0	6.5	0.2	0.0
World Output	**3.5**	**3.3**	**3.2**	**3.3**	**0.0**	**0.1**

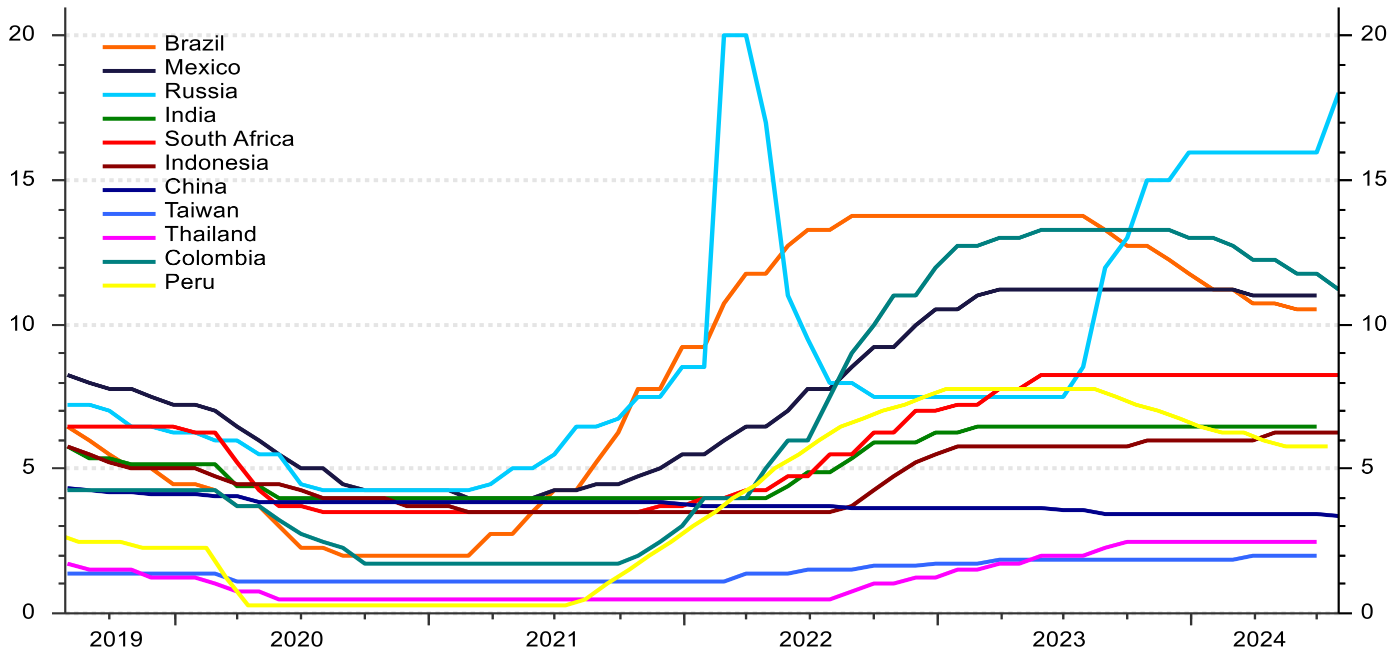
Source: IMF World Economic Outlook, July 2024 Update

Figure 96: Policy rates across AE central banks



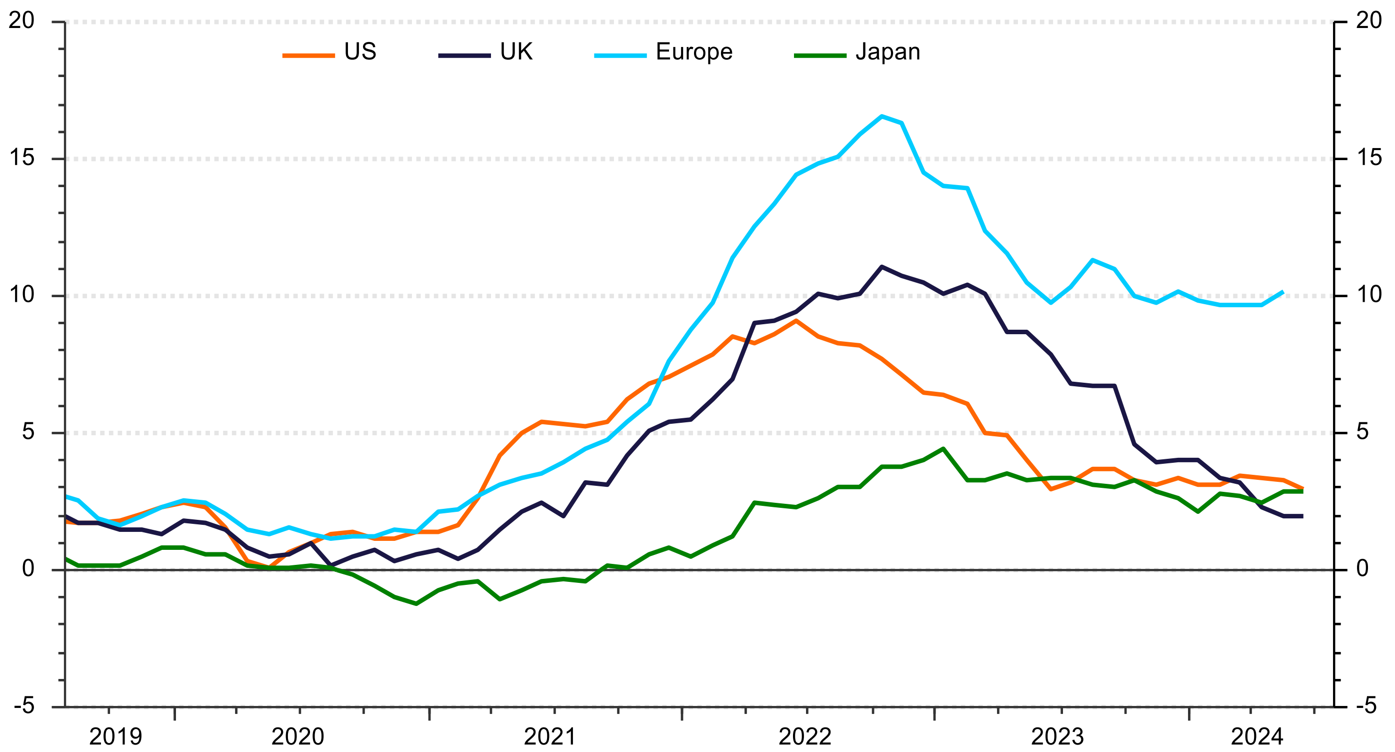
Source: LSEG Datastream, NSE EPR.

Figure 97: Policy rates across emerging markets central banks



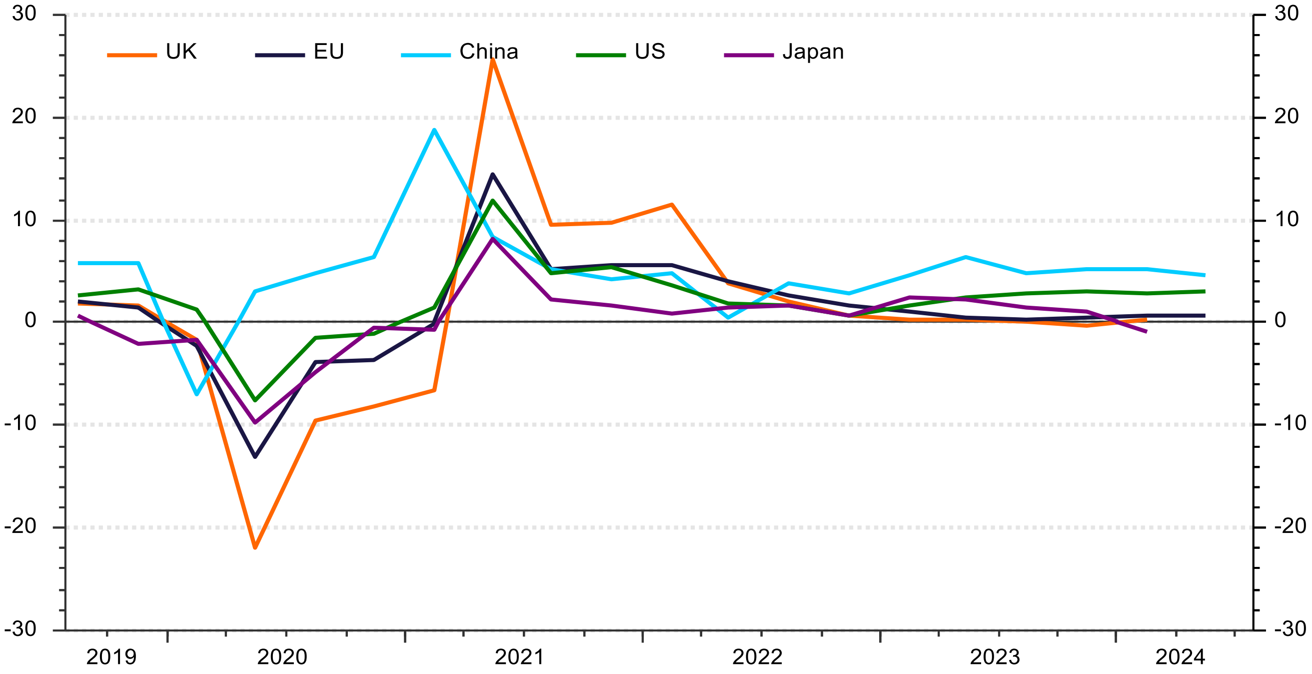
Source: LSEG Datastream, NSE EPR.

Figure 98: Inflation Across Major Economies



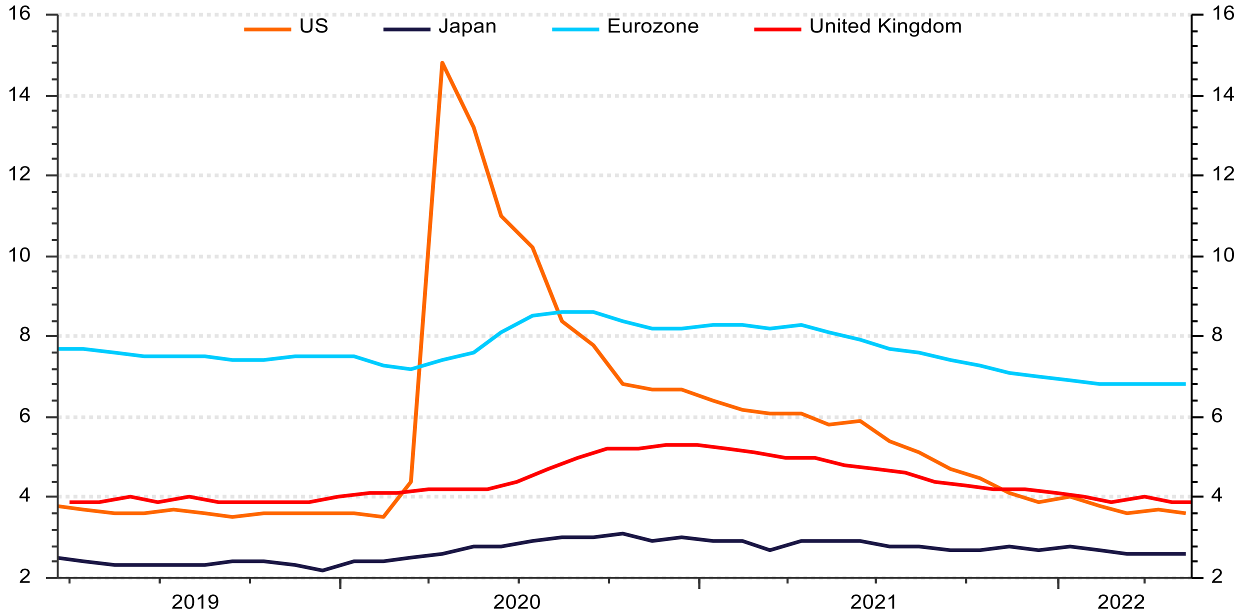
Source: LSEG Datastream, NSE EPR.

Figure 99: Growth Across Major Economies



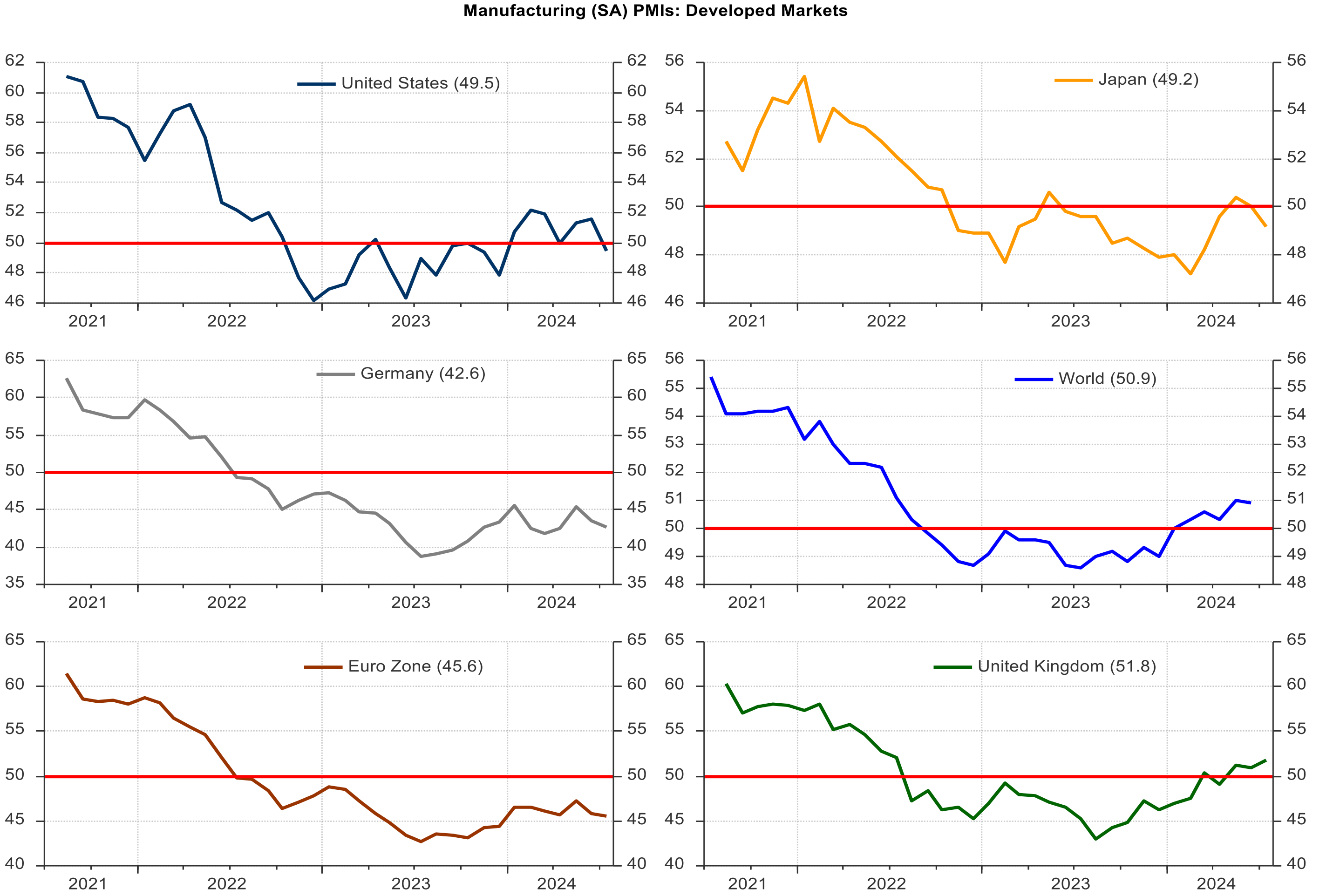
Source: LSEG Datastream, NSE EPR

Figure 100: Unemployment Rates



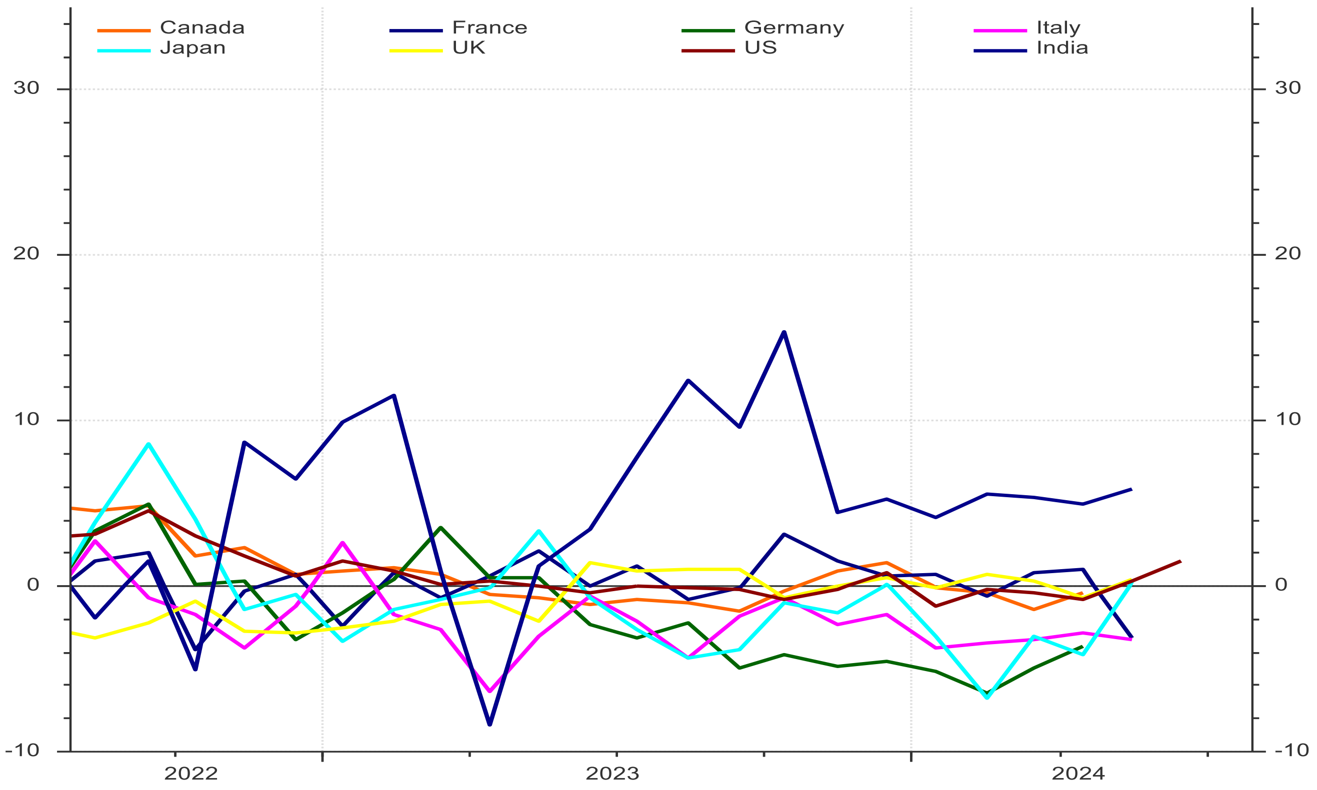
Source: LSEG Datastream, NSE EPR.

Figure 101: Trend in PMI manufacturing across countries



Source: LSEG Datastream, NSE EPR.

Figure 102: Consumer Confidence Index across major economies



Source: LSEG Datastream, NSE EPR

Insights

Highly cited research paper 1 in the field of Behavioural Science

Requiem for a Nudge: Framing Effects in Nudging Honesty [3]

Eugen Dimant[4,5] Gerben A. van Kleef[6] Shaul Shalvi[4]

Research paper summary prepared by Kathryn Nicole Sam[7] & Varuna Joshi[8]

1. Introduction

Norm-nudges are personalized messages about other people's actions and beliefs that are used to change social expectations and elicit desirable behaviour. Literature about norm-nudges has shown mixed results and, in some cases, has indicated these interventions may backfire.

Two types of norm-nudge are examined in the study–empirical and normative. Empirical norm nudges are descriptions of what most people do in a similar situation, while normative norm-nudges are descriptions of what others approve of doing.

Understanding the context in which norm-nudges take place and the mechanisms by which they work is essential to their effectiveness. While research on empirical and normative information is well-established, there is still debate about the best way to frame a norm-nudge.

The effects of the framing (positive and negative) and type (empirical or normative) of nudge were investigated in this study (see Fig. 1). The authors suggest theirs is the first paper to explore these aspects as they relate to lying behavior, extending research on the factors mediating deviant behavior.

The study created an environment where there was no risk of being caught. This meant that perception of risk was controlled, and participants would not worry about whether the experimenter knew they were lying. Lying, in this experiment, was measured by over-reporting (reporting that a random event occurred at a rate higher than chance).

2. Hypothesis

- **H1:** Overreporting will occur in the order Baseline > Normative > Empirical
- **H2:** There will be no effect of framing on reporting

3. Design and Methodology

The authors report a main experiment and a follow-up experiment. In the main experiment, 1,200 participants were recruited from Amazon Mechanical Turk. They received $0.30 for showing up, and, on average, received $1.20 in total, including money earned during the paradigm.

They were allotted to one of five conditions– four experimental conditions and one control condition. Participants were first presented with information about the demographics of alleged previous participants. The experimental groups then received one of four norm nudges varying in their framing (positive/negative) and content (empirical/normative). The control group received the text "Previous participants completed the task" instead.

[3] Mohammad Tayeh & Vasileios Kallinterakis (2022) Feedback Trading in Currency Markets: International Evidence, Journal of Behavioral Finance, 23:1, 1-22 https://doi.org/10.1080/15427560.2020.1821685
[4] University of Pennsylvania, United States
[5] CESifo, Munich, Germany
[6] University of Amsterdam, the Netherlands
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The experiment used the ‘cheat in your mind’ paradigm. Participants were told to think of a number. After this, they had to roll a digital die. They were then asked to report whether the number on the die was the same as the one they thought. If they selected yes, they received a monetary bonus. This was done 20 times.

Figure 103: Nudges used in the study

Norm-Nudge

Participants are randomly presented with some statistics about the previous participants (gender composition – about 1:1 – and country of origin – the US) and exactly **one** norm-nudge:

Content of the Norm-Nudge	Framing of the Norm-Nudge: Positive	Framing of the Norm-Nudge: Negative
Empirical	“The vast majority of participants were honest about the reported number in the dice task.”	“The vast minority of participants were dishonest about the reported number in the dice task.”
Normative	“The vast majority of participants said that one should be honest about the reported number in the dice task.”	“The vast minority of participants said that one should not be honest about the reported number in the dice task.”

To ensure the effectiveness of our nudge intervention, participants were then asked to echo the presented information in as much detail as possible

4. Summary of Results

- There was overreporting in all treatment conditions, with no significant differences between types of nudges.
- A follow-up study to test whether the norm nudges shifted norms found no differences in ratings of the (in)appropriateness of lying before and after receiving the nudges used in the main study.

5. Conclusion and Implications

The study found that nudges, and the way they were presented, did not affect levels of dishonesty. One reason could be that the nudges did not actually change participants’ perceptions of norms.

The study has implications for social nudge theorists and policymakers as it demonstrates that the particular intervention used is not successful in eliciting behavioral change. The authors suggest that stronger interventions can be considered in the future involving social and/or economic incentives.

Highly cited research paper 2 in the field of Behavioural Science

Social media, news media and the stock market[9]

Peiran Jiao[10] André Veiga[11] Ansgar Walther[12]

Prepared by Ram Prasad Behera[13] and Varuna Joshi[14]

1. Introduction

This article examines how stock markets react differently to social media and news media coverage. Using data from the Thomson Reuters MarketPsych Indices (TRMI) database, which collects news and social media into "buzz" indicators, the study discovers significant patterns in stock volatility and trading volume for each media type. High social media buzz about a stock predicts increased return volatility and trading activity, whereas high news media buzz predicts decreased volatility and trading. These impacts persist even after accounting for stock features and analyst opinion dispersion.

Additionally, news media buzz Granger-causes social media buzz, but not vice versa, indicating that social media often amplifies existing news rather than generating original content. The paper proposes a theoretical model where "behavioral" traders misinterpret repeated social media signals as new information, leading to increased volatility and turnover. This "echo chamber" effect contrasts with the news media's role in reducing disagreement about asset values. While alternative explanations exist, the findings align with prior research on market reactions to repeated information and psychological studies on repetition-induced learning. Further research is needed to explore the causal mechanisms behind these observations.

2. Hypothesis

The paper hypothesizes that stock markets react differently to news and social media coverage. Specifically, the high social media buzz around a stock is hypothesized to predict increased return volatility and trading activity. In contrast, high news media buzz is hypothesized to predict decreased volatility and trading activity. Furthermore, the study posits that social media frequently amplifies already-published news information and that news media coverage is a leading signal for social media buzz.

3. Data and Methodology

The study uses a machine learning lexical analysis algorithm to quantify buzz and sentiment from English-language news and social media articles using the Thomson Reuters MarketPsych Index (TRMI) database. The primary sources of traditional news media include Reuters News, mainstream news outlets, and online information from about 50,000 news websites on the internet, focusing on data from January 2009 to December 2014. Social media content is sourced from internet forums, finance-specific tweets, and a curated social media feed from around 4 million sources, including chat rooms, public Facebook posts, blogs, and tweets.
For around 3000 US stocks, the TRMI algorithm provides high-frequency estimates of media coverage ("buzz"), sentiment, and events. The indicators are updated every five minutes and reported daily. "Total buzz" counts the number of words and phrases referring to a stock, capturing the intensity of discussions. In contrast, "relative buzz" is

[9] Jiao, P., Veiga, A., & Walther, A. (2020). Social media, news media and the stock market. Journal of Economic Behavior & Organization, 176, 63-90.
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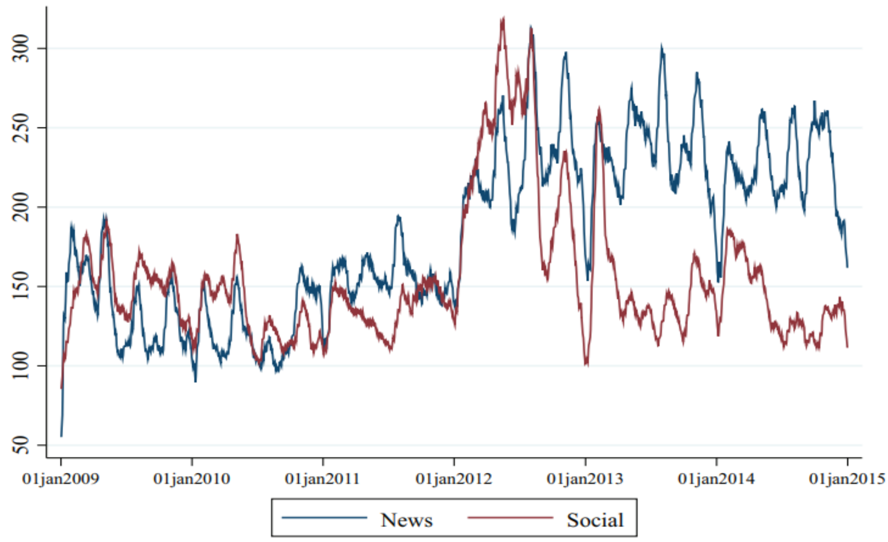
[11] Imperial College Business School, South Kensington Campus, Ayrton Rd, Kensington, London SW7 2AZ, UK
[12] Imperial College Business School, South Kensington Campus, Ayrton Rd, Kensington, London SW7 2AZ, UK
[13] Research Assistant, NSE – Centre for Behavioral Science, Indian Institute of Management Ahmedabad (IIM-A)
[14] Co-ordinator, NSE – Centre for Behavioral Science, Indian Institute of Management Ahmedabad (IIM-A)

the total buzz of a stock in a given month divided by the total buzz of all stocks mentioned that month. Sentiment is measured as the difference between positive and negative references to a stock, scaled by total buzz, ranging from -1 to 1.

Figure 104: Total buzz at the market level for social and news media, measured in thousands.



For analysis, buzz data is merged with monthly financial data from the Center for Research in Securities Prices (CRSP) and Compustat databases. Key variables include trading activity (turnover) and realized idiosyncratic return volatility (iVolp), calculated using a three-factor model of daily returns. Robustness is checked using a non-parametric measure of idiosyncratic volatility (iVoln).

Additional control variables include firm size, monthly stock returns, leverage, the Herfindahl-Hirschman index of segment revenue, institutional ownership, and analyst opinion dispersion. The study focuses on NYSE, AMEX, and NASDAQ stocks, excluding regulated utilities, depository institutions, and holding and investment companies. The balanced panel comprises 1848 stocks observed over 72 months.

4. Summary of results

For volatility, a panel regression model examines the impact of this month's (*t*) social ($BuzzS_{i,t}$) and news media ($BuzzN_{i,t}$) buzz on next month's (*t+1*) idiosyncratic volatility, for each stock *i*, controlling for stock-level variables (*X*) and time fixed effects (α_i, μ_t).

$$iVolp_{i,t+1} = \alpha_i + \mu_t + \beta_S BuzzS_{i,t} + \beta_N BuzzN_{i,t} + \gamma X_{i,t} + \delta \times iVolp_{i,t} + \epsilon_{i,t+1}.$$

The findings show that high news media buzz predicts a significant decrease in future volatility, while high social media buzz predicts a significant increase.

For trading activity, a similar panel regression model assesses the effect of media buzz on future stock turnover.

$$Turn_{i,t+1} = \alpha_i + \mu_t + \beta_S BuzzS_{i,t} + \beta_N BuzzN_{i,t} + \gamma X_{i,t} + \delta \cdot Turn_{i,t} + \epsilon_{i,t+1}.$$

Results indicate that high social media buzz leads to increased turnover, while high news media buzz results in decreased turnover, both statistically significant at the 1% level.

Robustness checks include using an unbalanced panel, alternative volatility measures, and controlling for market conditions, all confirming the primary results. Industry-specific and market capitalization-based sub-samples further validate the findings, demonstrating that no particular sector or stock size drives the results.

A panel vector autoregression (VAR) explores the dynamic interactions between news and social media buzz, volatility, and turnover. The VAR results and impulse response functions corroborate the baseline findings, showing that social media buzz increases significantly in subsequent volatility and turnover. In contrast, increases in news media buzz reduce volatility.

At the market level, generalized autoregressive conditional heteroskedasticity (GARCH) models confirm that aggregate news media buzz decreases market volatility while aggregate social media buzz increases it. However, market-level analyses of turnover yielded insignificant results.

Additionally, the authors propose an "echo chamber" model where social media repeats news media signals, leading behavioral traders to misinterpret these repetitions as new information, causing increased stock volatility and turnover.

5. Conclusion and Implications

The study analyses stock coverage in traditional and social media, finding that high social media coverage predicts increased return volatility and trading activity, while high news media coverage predicts the opposite. News media activity often precedes social media coverage. This research highlights the distinct impacts of social and news media on stock prices, suggesting the need for new theories. One proposed theory views social media as an "echo chamber," where repetitive information leads to biased investor reactions, consistent with observed empirical patterns.

Highly cited research paper 3 in the field of Behavioural Science

Ambiguity and private investors' behavior after forced fund liquidation [15]

Steffen Meyer[16] *Charline Uhr*[17]

Prepared by S Vishwath[18] *and Varuna Joshi*[19]

1. Introduction

This paper is an investigative study on the decision making of individuals after forced liquidations of mutual funds for a range of time-varying ambiguity. The authors defined ambiguity as the uncertainty of the market performance when the forced liquidation occurred and used VVIX, a market indicator for 30-day implied volatility of the S&P 500.

The authors found that investor behavior varied vastly at the extremes of ambiguity. Investors had reinvested 87% of their forced liquidations when the refund occurred during periods of low ambiguity and did not reinvest immediately when the refund occurred during periods of high ambiguity.

The authors also observed that this immediate effect reversed after six months and the difference in proportion of the refund reinvested at the extremes of ambiguity were statistically insignificant. However, investors who found themselves in periods of high ambiguity reduced their risk-taking from their level before liquidation.

The authors also observed this effect for alternative measures of ambiguity. The results of the research were not driven by factors such as risk, rebalancing decisions, experience in loss-making, or attention of the investor.

2. Hypothesis

- **H1:** Increased ambiguity of the markets has a negative effect on investors after forced fund liquidations. i.e., Investors keep more of their refund from forced liquidation in cash during periods of high ambiguity in comparison to periods of low ambiguity.
- **H2:** The effect of ambiguity on reinvestment by investors can be observed in the short- to medium-term and reverses in the long-term.

3. Data and Methodology

The authors used data from three different sources. The data on fund closure was obtained from Bundesverband für Investmentfonds (BVI), an entity representing the mutual fund industry in Germany. The BVI data had the information of investment funds available to private investors at the end of each year from 2006 to 2014. The number of investment funds ranged from 8,596 to 11,922. The existing funds which ceased to exist were either terminated or merged.

The list of terminations and mergers of mutual funds between 2006 to 2016 was provided by the BVI. This data included the International Securities Identification Number (ISIN) of the fund, the name of the fund, the date of termination and the information on whether the money invested was reimbursed to the investors or transferred to another existing fund for merging.

The final sample consisted of 180 fully closed funds which fully reimbursed the invested amount to 1,958 clients. There were 2,222 closure events in the sample. Clients were refunded 4,000 to 8,000 Euros on average, about 10% of their portfolio value.

[15] Meyer, S., & Uhr, C. (2024). Ambiguity and private investors' behavior after forced fund liquidations. Journal of Financial Economics, 156, 103849. https://doi.org/10.1016/j.jfineco.2024.103849
[16] Aarhus University
[17] Aarhus University
[18] Research Associate, NSE- Centre for Behavioral Science, Indian Institute of Management Ahmedabad (IIM-A)
[19] Co-ordinator, NSE-Centre for Behavioral Science, Indian Institute of Management Ahmedabad (IIM-A)

The authors used VVIX as a measure of ambiguity. VVIX is volatility of volatility index of S&P 500 i.e., VVIX is the 30-day forward price or the implied volatility of VIX of the S&P 500. VIX measures the expected volatility of the upcoming 30 days and VVIX represents second-order beliefs i.e., the expected ambiguity of future volatility for the upcoming 30 days. The data on VVIX was obtained from Refinitiv Datastream.

The authors obtained investor data from a large German brokerage. The data sample consisted of information of 113,000 private investors who owned a portfolio between January 1999 and May 2016. The fund closure data began only from 2006 which led to limiting the sample between January 2006 and May 2016.

The brokerage data had information on financial transactions of all securities such as stocks, mutual funds, bonds, and structured financial products. The data also included socio-demographic information collected from the know-your-customer process. The authors excluded all investors who were receiving recommendations from financial advisors.

The investors in the initial sample traded on approximately 65,000 different mutual funds from 1999 to 2016. The investors, who were subjected to forced liquidations, were 53 years old on average and 84% of them were male. The investors had held their portfolio for 13 years on average and had a risk aversion measure of 3.4 on a scale of 1 to 5.

The mean and median value of the portfolio held by investors was 59,363 and 36,724 Euros respectively. The average number of securities held by the investors was 14, with six of them being mutual funds. The average investor purchased nine funds and sold eight funds per year with a roundtrip duration per fund of 869 days. The average investor portfolio was well diversified with an average Herfindahl-Hirschman index of 10%.

The authors measured the effects of ambiguity on investor decision-making and risk-taking from 5 to 180 days. They ran three different regression specifications. The authors measured flow of funds into the portfolio within 30 days for the short-term and within 180 days for the long-term.

The second measure was whether the investors kept the money refunded in their accounts or spent it. And the final regression measure used by the authors was the effect of ambiguity on the propensity to take risk by the investor.

4. Summary of Results

The authors observed that about 65% of the investors reinvested all their refunded amount during periods of low ambiguity. On days high ambiguity, 80% of the investors reinvested less than 25% of their refunded amount. Approximately 51% of the investors did not reinvest any of their refunded amount while 20% of the investors invested all their refunded amount during periods of high ambiguity.

The average period of high ambiguity post fund closure was 3 days and lasted a maximum of 8.6 days. The research also proved that the effect reversed after 180 days. The reinvestment was lower when the fund closed at a loss in comparison to when the fund closed at a gain. The correlation between VVIX and VIX was positive at 0.36. However, high volatility had an insignificant effect on the liquidation and hence volatility does not drive the investor decision-making.

The regression, when allowed for an extended period of 30 days, showed that the reinvested proportion when the fund closed out under periods of low and high ambiguity were 86% and 3% respectively. For a period of 90 days, the reinvested proportion when the fund closed out under periods of low and high ambiguity were 89% and 52% respectively.

When a period of 180 days for reinvestment was considered, the difference in reinvested proportion when the fund closed out under periods of low and high ambiguity was statistically insignificant with both proportions at 99%. The investors kept 13% of their refund in cash when the fund closed out under low ambiguity while 83% of the refund was kept in cash when the fund closed out under high ambiguity.

5. Conclusion and Implications

The research related time-varying ambiguity of volatility to investment and risk-taking decisions. This investigative setting of reinvestment decisions after forced fund liquidations was plausibly exogenous. The authors proved that high ambiguity caused portfolio inertia and decreased risk-taking by individuals.

The authors showed that investors reinvest significantly less when their fund closed out on a day of high ambiguity. This effect of lesser proportion of the refunded amount reinvested was observed even after 30 days of forced fund closure and to a lesser extent up to 90 days of forced fund closure. The effect reversed after 180 days when the reinvested proportion under periods of low and high ambiguity showed no statistical difference.

The research proved that the negative effect of ambiguity on reinvestment decisions of investors persisted in the short- to medium-term and disappeared in the long-term. The investors also decreased their risk appetite when forced out during periods of high ambiguity.

Market performance

Market round-up

Indian equities scales to new heights, mirroring economic performance

The month of June was a mixed bag for global equities, with the US equities moving higher to fresh record high levels aided by continued rally in the technology companies, even as the pace moderated. European equities, on the other hand, ended the month lower, weighed down by unfavourable political developments. Developed equities (MSCI World Index) generated a gain of 1.9% in June on top of a 4.2% return in the previous month, but remained broadly steady in July, taking the YTD (As of July 26th, 2024) gain to 11.2%. Emerging market equities outperformed their developed market counterparts in June, led by Taiwan and India. The MSCI EM Index ended the month with a return of 3.6% but sold off in July (YTD: +4.7%; As of July 26th, 2024). Global debt, on the other hand, witnessed a rally in June, and further in July, aided by rate cut by the European Central Bank and easing inflation in the US that cemented rate cut expectations from the US Fed. The US 10-year sovereign yield softened by about 30bps in June and July thus far to 4.2% (As of July 26th), while that in the EU softened by a marginally lower 24bps to 2.4%.

Indian equities witnessed a strong rebound in June, aided by political stability, robust corporate earnings, stronger economic performance, and renewed foreign capital inflows. The rally extended in July, with Indian equities touching fresh all-time high levels during the month, outperforming its developed as well as its emerging market counterparts by a wide margin. Better-than-expected Q1FY25 corporate earnings, expectations of monetary easing by the US Fed and a well-rounded budget provided further boost to already strong sentiments. The benchmark Nifty50 Index ended the month 6.6% higher—the highest monthly gain in the last six months, and further by 3.4% in July thus far, translating into a total return of 14.3% in 2024 till date. The Nifty Mid-cap 50 and Small-cap 50 Index outperformed with a gain of 8.8% and 11% respectively in June. Unlike the global markets, the Indian bond market remained steady in June after rallying meaningfully in the previous month but resumed gains in July, benefiting from easing headline inflation, aggressive fiscal consolidation and consequently lower-than-budgeted borrowing plan, and higher FPI demand. Consequently, the 10-year G-sec yield softened by 7bps in July, translating into a decline of 24bps in the year thus far.

The benchmark Nifty 50 Index recorded a gain of 6.6% in June, and another 3.4% in July, translating into a YTD gain of 14.3% (As of July 26th, 2024).

- **Indian equities witnessed a strong rebound in June:** After a rangebound performance in May in the run up to the general elections, Indian equities witnessed a strong rebound in June, outperforming the broad developed as well as emerging market packs by a wide margin, with the rally extending further in July. This was on the back of several factors including 1) policy stability, 2) robust corporate earnings, 3) strong economic momentum and consequent upgrades by multilateral institutions, 4) revival in southwest monsoon, 5) strong foreign capital flows, and 6) an all-round budget, focusing on fiscal consolidation, employment, agriculture and targeted support to MSMEs in services and manufacturing. The benchmark Nifty50 Index generated a six-month high return of 6.6% in June, rallying further by 3.4% in July thus far (As of July 26th, 2024), translating into a total return of 14.3% in 2024 thus far. The Nifty Mid-cap 50 and Small-cap 50 Index outperformed with gains of 8.8% and 11% respectively in June.

  Average daily turnover (ADT) in NSE's cash market rose for the third month in a row by a steep 36.3% MoM to record-high Rs 1.5 lakh crore in June only to decline by 9.1% MoM in July to Rs 1.4 lakh crore (As of July 26th, 2024). This has translated into ADT of Rs 1.3 lakh crore in the fiscal thus far, nearly 55% higher than that in FY24. ADT in the equity options segment (premium) also rose by a strong 32% MoM to fresh record high of Rs 88,299 crore in June but declined by 23.9% to Rs 67,164 in July thus far, translating into ADT of Rs 70,822 crore in FY25 thus far (As of July 26th, 2024), nearly 14.6% higher than that in the whole of FY24. In the equity futures segment, ADT also increased by 26% MoM to an all-time high of Rs 2.4 lakh crore, only to decline by 11.3% in July to Rs 2.2 lakh crore. In the fiscal thus farm ADT in the equity futures segment at Rs 2.1 lakh crore is nearly 57.5% higher than that in FY24.

- **Indian debt remained range-bound in June only to resume gains in July:** After a diverging performance in May, global debt witnessed a rally in June, and further in July, aided by rate cut by the ECB and easing inflation in the US that cemented rate cut expectations from the US Fed. The US 10-year sovereign yield softened by 12bps in June and further by 18bps in July thus far to 4.2% (As of July 26th, 2024), pulling down the YTD increase to about 33bps, while that in the EU softened by a marginally higher 16bps in June and further by 8bps in July to 2.4%. The 10-year sovereign bond yield in Japan, on the other hand, remained broadly steady over the last two months at about 1% after a 20bps spike in May.

  The Indian bond market remained broadly steady in June after rallying meaningfully in the previous month but resumed gains in July. This was on the back of several factors including a) easing headline inflation, b) aggressive fiscal consolidation and consequently lower-than-budgeted borrowing plan, and c) higher FPI demand attributed to the inclusion of G-secs in global bond yields. The budget focused on fiscal prudence, without compromising on expenditure and welfare coverage, targeting a fiscal deficit of 4.9% of GDP in FY25, with the trajectory beyond to result in a declining debt to GDP ratio. FPIs were buyers of Indian debt for the third month in a row with net inflows of US$5.1bn during May-Jul'24. Consequently, the 10-year G-sec yield softened by 7bps in July, translating into a decline of 24bps in the year thus far.

- **FPIs were strong buyers of equities as well as debt in June:** After remaining net sellers in the previous two months, FPIs turned strong buyers of Indian equities in June and remained so in July, with net inflows of US$7.2bn during this period. Political stability following a clear mandate to the NDA government in the general elections, coupled with strong economic momentum and an all-rounded Union Budget, boosted investor sentiments. FPIs remained buyers of Indian debt for the third month in a row in July, partly attributed to the inclusion of Indian bonds in the global bond indices. During these three months, net FPI inflows in Indian debt market stood at US$5.1bn. DIIs, on the other hand, tapered their quantum of net investments in Indian equities in June, and further in July, even as they remained net buyers for the 12th month in a row, taking net inflows to Rs 1.4 lakh crore or US$16.5bn in the fiscal thus far (As of July 26th, 2024), after Rs 2+ lakh crore net inflows in FY24.

- **Mixed bag for global equities:** The month of June was a mixed bag for global equities, with the US equities moving higher to fresh record high levels aided by continued rally in the technology companies, even as the pace moderated. European equities, on the other hand, ended the month lower, weighed down by unfavourable political developments. Developed equities (MSCI World Index) generated a gain of 1.9% in June on top of a 4.2% return in the previous month, but remained broadly steady in July, taking the YTD (As of July 26th, 2024) gain to 11.2%. Emerging market equities outperformed their developed market counterparts in June, led by Taiwan and India. The MSCI EM Index ended the month with a return of 3.6% but sold off in July (YTD: +4.7%; As of July 26th, 2024).

Developed equities (MSCI World Index) edged higher, rising by 1.9% in June after rallying 4.2% in May, with emerging markets peers outperforming with 3.6% return in June.

US: The month of June saw US equities rising further to fresh all-time high levels on the back of continued enthusiasm for artificial intelligence and improving corporate earnings. Both US flagship indexes, S&P 500 composite and Dow Jones, rose by 3.5% and 1.1% in June, and remained broadly steady in July thus far, translating into YTD (As of July 26th, 2024) gains of 14.5% and 7.7% respectively. However, the rise has been primarily concentrated in the large technology stocks as sectoral performance varied significantly with utilities and materials lagging.

On the macro front, the recent economic data painted a mixed picture. The S&P Global US manufacturing PMI rose for the third consecutive month to 51.6 in June (vs. 51.3 in May'24) with the Services PMI also showing resilience after rising to 55.3 in June (vs. 54.8 in May'24). The labor market conditions deteriorated marginally with the US economy 206k jobs (vs. 218K in Apr'24) as past months also continued to witness downward revisions in job addition numbers and the unemployment rate inching up to 4.1% in June (vs. 4% in May'24) to the highest level since November 2021. The headline inflation rate inched down sharply to 3% in June from 3.3% in May after remaining sticky in the 3.1%-3.5% range over the last few quarters. Despite the fall, the Federal Reserve kept the policy rate unchanged at 5.25%-5.50% in the June meeting and pushed back against expectations of rate cuts with dot plots showing only one rate cut this year as it expressed lack of confidence over l headline rate moves toward the 2% target

Europe: European equities experienced a decline in June as negative election results led to strong outflows. The European parliament saw the support shifting to more populist parties reflecting concerns over elevated inflation levels and geopolitical tensions. The flagship Euro Stoxx 50 Index fell by 1.8% in June, with all sectors posting negative returns except technology. In France, snap parliamentary elections were called, leading to significant market volatility with France's CAC 40 falling sharply by 6.4% and making it one of the worst performing countries amongst its peers. The UK equity market also witnessed a decline as investors remained weary over the general election results with the Labor party expected to have a landslide win. The FTSE 100 index fell by 1.3% in June after hitting an all-time high in May resulting in the YTD returns falling to 5.9% vs 6.7% in the previous month.

On the macro front, the European Central Bank (ECB) cut interest rates by 25bps in its June meeting, making it the first rate cut since 2019 with the headline inflation falling to 2.5% in June from 5.5% in June last year ago indicating that a strong disinflationary trend is underway. However, ECB continues to remain data dependent and did not commit to a fixed path for rate cuts until inflation returns to 2% target. The high frequency indicators pointed to a frail recovery in Eurozone with Manufacturing PMI falling back sharply to 45.8 in June after reaching to 47.3 in May and the Services PMI also experiencing a decline to 52.8 from 53.2 in May even as it remained in expansionary zone. However, the labour market continues to show resilience with the unemployment rate remaining stable at the historical low of 6.4% in June.

The UK economy continues to be on a recovery path as reflected in the high frequency indicators. The Manufacturing PMI stayed in the expansionary zone at 50.9 in June falling marginally from 51.2 in May and the services PMI stood at 52.1

in June (vs. 52.9 in May'24).The headline inflation rate remained stable at 2% in June remaining slightly above forecasts with the Bank of England (BoE) deciding to keep the policy rates unchanged in the June meeting despite the headline figure reaching the target levels as it maintained its cautionary approach over price rise risks even as two of the MPC members voted for 25 basis points cut.

Asia: Asian equites extended its rise in June after experiencing modest gains in May, led by a rally in Indian and Taiwanese markets. Indian equities delivered strong returns worth 6.6% in May translating into strong YTD gains of 12.3% (as of July 25th, 2024) as markets recovered quickly after experiencing steep fall on day of general elections results. Taiwanese equities also posted strong returns in June, rallying by 8.8% which translated into one of the highest YTD gains of 27.6% driven primarily by AI and chip related technology sector companies. Korean equities also echoed a similar sentiment as KOSPI rose by 6.1 % (YTD: 2.1%) on the back of potential chip deal between Samsung and NVIDIA. However, the region was weighed down by the Chinese equities which fell as result of continued weakness reflected in the economic data and recent embargoes being put by the European Union on the EV exports, resulting in the Shanghai Composite Index declining by 2.1% pushing down the YTD returns to -3%.

On the macro front, the Indian economy continued to display resilience as reflected in the high frequency indicators. The Manufacturing PMI inched up further to 58.3 in June (vs 57.5 in May'24). The Services PMI also jumped to 60.5 in June (vs 60.2 in May'24), remaining in the expansionary zone for the 35th straight month. IIP growth expanded to a seven-month high of 5.9% YoY in May'24 (vs. 5% YoY in Apr'24), supported by strong acceleration in electricity and manufacturing even as the mining segment remained steady. On the negative side, the headline inflation picked up again to 5.1 % in June from 4.7% in May, thanks to higher food inflation, thereby pushing rate cuts further away. On the monetary policy front, the RBI kept the policy rate unchanged for the eighth consecutive time in its June meeting.

- **Commodity prices continued to fall in June:** The S&P GSCI Index—a composite commodity index, rose by a modest 0.9% in May, buoyed primarily by large gains in oil even as most commodity prices fell. In Agri-commodities, the decline was led by wheat and corn, falling by 17.2% and 10.7% respectively, with sugar being the only exception. Industrial metals also reflected similar sentiments with Nickel, Aluminum, Copper and Tin all experiencing a decline. In precious metals, Gold and Silver gave up some of their gains after rallying for major part of the year, falling by 0.2% (YTD: +15.4%; As of July 26th, 2024) and 4.1% (YTD: +17.4%) respectively. However, oil prices rallied by 5.7% in June and by another 6.9% in July, dropping the YTD return to a mere 3.6%. This was primarily due to the OPEC+ countries expressing cautions over plans to increase productions and geopolitical risks in the middle east.

The S&P GSCI Index rose by 0.9% in June and further by 5% in July, taking the YTD gain to 2.5% (As of July 26th, 2024), primarily led by fall in crude oil prices.

- **Rupee traded thin and holds steady in June:** Notwithstanding the strengthening of the dollar amid sustained geopolitical turmoil in the Middle East and Eastern Europe, the Rupee maintained its stability, supported by fresh foreign inflows into equity and debt markets, along with a significant increase in RBI reserves to $651.9 billion in Jun'24. The Rupee displayed considerable resilience, trading within a narrow range of 83.1 - 83.6 against the US dollar and closing the month nearly flat at 83.4 during the same period. Although the Dollar index rose by 4.5% in the first half of the year, the Rupee depreciated only marginally by 0.2%. The

INR’s low volatility and the reduction in forward premia over the past few years reflect India’s robust economic fundamentals, including favourable fiscal and current account position, moderating inflation alongside a resilient growth trajectory, has significantly enhanced the INR’s performance relative to its EM and DM peers.

Market performance across asset classes

Table 22: Performance across equity, fixed income, currency, and commodity markets (As on June 30th, 2024)

Indicator Name	Jun-24	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	24,011	22,531	22,327	19,189	6.6	7.5	10.5	25.1	10.5
NIFTY 500	22,560	21,103	20,255	16,430	6.9	11.4	16.1	37.3	16.1
MSCI INDIA	2,902	2,718	2,640	2,143	6.8	9.9	16.7	35.4	16.7
India Volatility Index (%)	14	25	13	11	-43.9	7.6	-4.8	27.8	-4.8
MSCI WORLD	3,512	3,445	3,438	2,967	1.9	2.2	10.8	18.4	10.8
S&P 500 COMPOSITE	5,460	5,278	5,254	4,450	3.5	3.9	14.5	22.7	14.5
DOW JONES INDUSTRIALS	39,119	38,686	39,807	34,408	1.1	-1.7	3.8	13.7	3.8
HANG SENG	17,719	18,080	16,541	18,916	-2.0	7.1	3.9	-6.3	3.9
FTSE 100	8,164	8,275	7,953	7,532	-1.3	2.7	5.6	8.4	5.6
NIKKEI 225	39,583	38,488	40,369	33,189	2.9	-2.0	18.3	19.3	18.3
Fixed Income									
India 10YR Govt Yield (%)	7.01	6.99	7.05	7.11	2bps	-4bps	-17bps	-10bps	-17bps
India 5YR Govt Yield (%)	7.02	7.05	7.05	7.08	-3bps	-3bps	-4bps	-6bps	-4bps
India 1YR Govt Yield (%)	6.94	6.94	6.98	6.86	0bps	-4bps	-17bps	8bps	-17bps
India 3Month T-Bill Yield (%)	7.01	7.07	7.21	6.95	-6bps	-20bps	-7bps	6bps	-7bps
US 10YR Govt Yield (%)	4.37	4.49	4.21	3.81	-12bps	17bps	51bps	56bps	51bps
Germany 10YR Govt Yield (%)	2.49	2.65	2.29	2.39	-16bps	20bps	46bps	9bps	46bps
China 10YR Govt Yield (%)	2.21	2.32	2.30	2.68	-11bps	-9bps	-37bps	-48bps	-37bps
Japan 10YR Govt Yield (%)	1.05	1.07	0.74	0.40	-2bps	32bps	43bps	65bps	43bps
Currency									
USD/INR	83.4	83.5	83.4	82.0	-0.1	-0.0	0.2	1.6	0.2
EUR/USD	1.1	1.1	1.1	1.1	-1.3	-0.8	-3.0	-1.8	-3.0
GBP/USD	1.3	1.3	1.3	1.3	-0.7	0.1	-0.8	-0.6	-0.8
USD/YEN	160.9	157.1	151.3	144.5	2.4	6.3	14.1	11.3	14.1
USD/CHF	1.1	1.1	1.1	1.1	0.4	0.2	-6.3	-0.4	-6.3
USD/CNY	7.3	7.2	7.2	7.3	0.3	0.5	2.5	0.0	2.5
Commodities									
Brent Crude Oil (US$/bbl)	86.4	81.8	87.4	74.5	5.7	-1.1	11.3	16.0	11.3
LME Aluminium (US$/MT)	2,487.8	2,607.1	2,295.1	2,110.5	-4.6	8.4	6.1	17.9	6.1
LME Copper (US$/MT)	9,456.0	9,913.4	8,766.5	8,322.1	-4.6	7.9	11.7	13.6	11.7
LME Lead (US$/MT)	2,176.7	2,215.9	2,023.9	2,143.5	-1.8	7.6	7.0	1.6	7.0
LME Nickel (US$/MT)	17,040.2	19,455.6	16,568.0	20,346.1	-12.4	2.9	4.1	-16.3	4.1
LME Tin (US$/MT)	32,478.0	32,775.0	27,484.0	27,462.0	-0.9	18.2	29.0	18.3	29.0
LME Zinc (US$/MT)	2,878.5	2,914.5	2,394.1	2,382.3	-1.2	20.2	9.0	20.8	9.0
SHC Iron Ore Spot (US$/MT)	106.5	117.0	102.0	113.5	-9.0	4.4	-25.3	-6.2	-25.3
Gold Spot Price (US$/troy ounce)	2,326.3	2,330.7	2,214.3	1,916.0	-0.2	5.1	12.6	21.4	12.6
Silver Spot Price (US$/troy ounce)	29.1	30.4	25.0	22.8	-4.1	16.7	22.5	27.9	22.5
Platinum Spot Price (US$/ounce)	1,012.0	1,048.0	907.0	897.0	-3.4	11.6	0.6	12.8	0.6
Palladium Spot Price (US$/ounce)	972.0	949.0	1,017.0	1,254.0	2.4	-4.4	-13.1	-22.5	-13.1
Soyabeans (US$/bushel)	11.3	11.8	11.6	15.1	-3.8	-2.4	-10.6	-24.8	-10.6
Corn (c/lb)	398.0	445.8	442.3	556.3	-10.7	-10.0	-15.5	-28.5	-15.5
Wheat (US$/bushel)	5.6	6.7	5.5	6.4	-17.2	1.4	-12.3	-12.6	-12.3
Cotton (US$/lb)	0.7	0.7	0.9	0.8	-8.9	-24.8	-16.0	-16.0	-16.0
Raw Sugar (c/lb)	20.4	18.4	22.2	22.9	11.0	-8.3	-0.3	-10.8	-0.3

Source: LSEG Workspace, Cogencis, NSE EPR

Table 23: Performance across global asset classes (As on June 30th, 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 52.3
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	Nasdaq 100 17.6
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 15.4
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	Nifty 500 15.0
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	Russell 1000 14.2
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	WTI Crude 13.7
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	Gold 12.9
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	MSCI World 11.9
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	STOXX 600 10.2
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	Nifty 50 8.9
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	FTSE100 8.8
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	MSCI EM $ 7.6
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	DJIA 4.9
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	SSE Comp 0.8

Source: LSEG Datastream, 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 24: Performance across NSE equity indices (As on June 30th, 2024)

June-24	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	6.6	7.5	25.1	15.2	15.3	6.8	8.1	26.7	16.5	16.7
Nifty Next 50	5.9	18.0	63.5	22.9	21.2	6.0	18.1	64.6	24.0	22.3
Nifty 100	6.3	9.1	30.9	16.1	16.0	6.5	9.6	32.4	17.5	17.4
Nifty 200	6.6	10.1	34.4	17.7	17.4	6.7	10.6	35.8	19.0	18.7
Nifty 500	6.9	11.4	37.3	18.7	18.5	7.1	11.8	38.7	20.0	19.8
Nifty Midcap 50	8.8	16.2	55.1	28.1	26.4	8.9	16.3	56.3	29.4	27.7
Nifty Midcap 100	7.8	15.9	55.9	27.4	25.9	7.9	16.1	56.9	28.5	27.0
Nifty Midcap 150	7.9	17.3	55.4	26.9	26.8	8.0	17.4	56.4	27.9	27.9
Nifty Midcap Select	7.9	16.4	48.9	23.2	21.9	8.0	16.6	50.1	24.3	23.0
Nifty Smallcap 50	11.0	22.0	75.0	20.6	23.4	11.1	22.1	76.3	21.6	24.6
Nifty Smallcap 100	9.7	20.0	69.0	23.5	24.2	9.8	20.1	70.2	24.5	25.4
Nifty Smallcap 250	9.5	19.4	62.3	26.5	27.2	9.6	19.5	63.4	27.6	28.4
Nifty LargeMidcap 250	7.1	13.2	42.9	21.6	21.5	7.3	13.5	44.2	22.7	22.7
Nifty MidSmallcap 400	8.5	18.0	57.8	26.9	27.0	8.5	18.1	58.8	27.9	28.1
Nifty500 Multicap 50:25:25	7.5	13.7	44.5	21.5	21.6	7.7	14.0	45.8	22.7	22.9
Nifty Microcap 250	11.6	21.5	75.2	34.8	35.9	11.6	21.6	76.1	35.7	37.0
Nifty Total Market	7.1	11.7	38.4	19.2	18.9	7.2	12.1	39.7	20.4	20.2
Thematic Indices										
Nifty India Consumption	6.3	9.9	33.8	20.7	18.5	6.7	10.3	35.2	22.0	19.9
Nifty MidSmall India Consumption	10.5	19.5	53.8	25.0	26.1	10.6	19.6	54.4	25.7	27.0
Nifty Non-Cyclical Consumer	6.9	9.9	29.8	19.6	19.0	7.3	10.4	31.0	20.8	20.2
Nifty India Manufacturing	6.8	19.5	58.9	25.7	25.3	6.9	19.6	60.0	26.9	26.8
Nifty Infrastructure	5.4	9.6	59.2	28.2	22.1	5.5	9.7	60.8	29.6	23.8
Nifty Services Sector	8.0	9.3	22.3	11.6	12.6	8.0	10.0	23.9	12.9	13.9
Nifty Commodities	4.3	11.2	53.6	21.7	20.6	4.3	11.2	54.8	23.3	22.4
Nifty CPSE	3.3	18.2	108.9	49.1	23.5	3.3	18.2	114.2	54.1	27.6
Nifty PSE	1.7	17.1	110.3	43.6	23.9	1.7	17.2	114.5	48.0	27.9
Nifty Energy	3.8	7.1	69.2	28.2	21.1	3.8	7.1	71.6	30.4	23.7
Nifty MNC	6.3	17.3	39.0	20.1	18.4	6.5	17.6	40.2	21.5	20.0
Nifty India Digital	10.7	8.4	40.8	13.5	20.3	10.8	8.8	42.2	14.8	22.0
Nifty India Defence	9.7	57.1	167.6	90.0	56.1	9.7	57.2	169.5	92.3	58.4
Nifty Mobility	6.5	14.8	70.2	30.8	26.1	6.7	15.0	71.6	32.0	27.5
Nifty100 Liquid 15	5.1	7.3	36.7	20.2	11.5	5.2	7.7	37.7	21.5	12.6
Nifty Midcap Liquid 15	10.1	18.4	52.0	26.9	24.8	10.3	18.6	53.7	28.4	26.2
Nifty Aditya Birla Group	12.8	23.9	53.4	21.4	20.9	12.8	23.9	54.1	22.0	21.5
Nifty Mahindra Group	14.3	33.4	58.2	33.8	24.3	14.4	33.4	59.6	36.2	26.5
Nifty Tata Group	6.7	2.8	34.5	16.9	20.8	6.8	3.3	36.2	18.2	22.6
Nifty Tata Group 25% Cap	7.3	4.9	46.7	23.8	27.2	7.5	5.4	48.0	25.0	28.7
Nifty Shariah 25	7.1	9.1	30.4	11.9	14.9	7.3	9.7	32.4	13.7	16.8
Nifty50 Shariah	7.9	5.4	22.9	7.5	14.5	8.1	6.2	25.1	9.3	16.6
Nifty500 Shariah	8.4	12.4	37.0	15.0	20.2	8.5	12.8	38.7	16.4	21.9
Nifty SME EMERGE	11.2	29.5	88.8	76.1	57.7	11.2	29.5	89.1	76.5	58.1
Nifty100 ESG	7.3	8.7	31.3	14.3	16.8	7.5	9.2	32.7	15.7	18.2
Nifty100 Enhanced ESG	7.3	8.7	31.1	14.4	16.6	7.5	9.2	32.5	15.7	18.0
Nifty100 ESG Sector Leaders	7.1	8.1	29.9	14.2	15.2	7.2	8.5	31.4	15.5	16.6

June-24	PR Index Returns (%)					TR Index Returns (%)				
Index Name	**1M**	**3M**	**1Y**	**3Y**	**5Y**	**1M**	**3M**	**1Y**	**3Y**	**5Y**
Strategy Indices										
Nifty Alpha 50	5.9	19.3	80.0	27.6	35.4	6.0	19.4	81.4	28.5	36.3
Nifty100 Alpha 30	3.2	14.0	66.8	22.2	22.4	3.4	14.2	68.5	23.6	23.6
Nifty Alpha Low-Volatility 30	5.8	6.8	47.3	21.3	18.9	6.0	7.1	49.0	22.8	20.4
Nifty Alpha Quality Low-Volatility 30	5.8	11.1	48.9	21.1	20.5	6.0	11.5	51.0	22.9	22.3
Nifty Alpha Quality Value Low-Volatility 30	5.5	12.6	56.3	27.0	23.6	5.8	13.1	59.0	29.3	25.9
Nifty200 Alpha 30	6.2	17.5	76.4	31.3	29.3	6.4	17.8	78.0	32.7	30.5
Nifty Dividend Opportunities 50	5.1	9.2	46.3	23.1	18.5	5.4	10.0	49.3	25.9	21.5
Nifty Growth Sectors 15	5.3	1.4	15.4	13.3	13.2	5.7	2.3	17.7	15.3	14.8
Nifty High Beta 50	4.2	14.9	68.2	28.5	22.5	4.3	15.1	69.2	29.7	23.7
Nifty Low Volatility 50	7.3	8.0	34.5	16.1	18.2	7.5	8.3	36.0	17.7	19.9
Nifty100 Low Volatility 30	6.8	5.1	31.3	15.7	16.9	7.0	5.5	32.9	17.6	18.9
Nifty100 Quality 30	5.4	10.4	30.6	15.9	16.2	5.6	10.9	32.4	17.6	18.0
Nifty Quality Low-Volatility 30	5.9	6.1	27.9	14.6	16.3	6.1	6.5	29.6	16.3	18.1
Nifty200 Quality 30	6.3	11.2	32.2	15.5	16.8	6.6	11.8	34.3	17.5	18.9
Nifty50 Equal Weight	6.2	7.5	34.8	19.6	19.1	6.4	7.9	36.3	21.3	20.8
Nifty100 Equal Weight	5.6	11.4	46.9	20.1	19.7	5.7	11.7	48.2	21.4	21.1
Nifty50 Value 20	6.2	6.8	32.3	17.4	19.0	6.4	7.7	35.0	19.9	21.7
Nifty500 Value 50	3.8	16.1	89.0	38.5	27.7	3.8	16.2	91.6	41.6	30.6
Nifty Midcap150 Quality 50	8.5	20.6	40.2	15.0	19.9	8.6	20.8	41.5	16.1	21.2
Nifty200 Momentum 30	3.3	14.7	65.6	25.5	25.7	3.5	14.9	67.1	26.8	26.9
Nifty Midcap150 Momentum 50	4.7	17.9	72.8	33.3	34.8	4.8	18.0	74.1	34.3	35.8
Sector Indices										
Nifty Auto	7.6	17.7	66.4	33.5	26.0	7.8	17.9	67.9	34.8	27.5
Nifty Bank	6.9	11.1	17.0	14.6	11.0	7.0	11.8	18.0	15.5	11.6
Nifty Private Bank	7.6	10.7	13.8	12.5	8.7	7.8	11.2	14.7	13.3	9.2
Nifty PSU Bank	-0.3	5.1	79.2	43.0	18.1	-0.1	5.9	80.5	44.8	19.1
Nifty Financial Services	7.8	11.6	16.8	12.5	11.6	7.9	12.3	17.9	13.5	12.4
Nifty Financial Services Ex-Bank	7.5	7.3	28.6	14.0	13.0	7.8	7.6	29.7	15.1	14.1
Nifty Financial Services 25/50	7.9	11.2	25.4	15.2	13.6	8.1	11.7	26.7	16.3	14.5
Nifty MidSmall Financial Services	7.4	13.2	46.3	19.8	11.8	7.6	13.4	47.7	21.2	13.0
Nifty FMCG	4.9	5.2	8.7	16.3	13.9	5.7	6.1	10.7	18.3	15.9
Nifty IT	11.6	3.6	22.3	7.4	17.8	11.7	4.6	24.9	9.7	20.3
Nifty MidSmall IT & Telecom	12.6	5.9	43.0	23.6	34.5	12.8	6.2	44.0	24.8	36.3
Nifty Media	6.5	10.9	14.3	3.5	-0.5	6.5	11.0	14.7	4.2	0.3
Nifty Metal	0.9	18.9	58.1	23.5	26.9	0.9	18.9	58.7	25.3	29.0
Nifty Pharma	5.0	3.9	43.3	11.3	19.6	5.0	3.9	44.4	12.2	20.6
Nifty Realty	8.4	22.7	112.5	47.5	31.1	8.4	22.7	113.2	48.0	31.7
Nifty Consumer Durables	9.2	18.6	41.4	18.6	18.3	9.3	18.8	42.2	19.2	19.0
Nifty Oil & Gas	5.1	6.8	62.2	21.8	19.5	5.2	6.8	63.5	23.5	21.6
Nifty Healthcare Index	6.6	4.3	40.7	12.7	21.8	6.6	4.3	41.7	13.5	22.8
Nifty MidSmall Healthcare	6.9	8.8	47.9	13.1	24.8	6.9	8.8	48.8	13.7	25.7
Nifty Transportation & Logistics	7.4	16.6	68.0	32.9	27.5	7.6	16.8	69.4	34.1	28.9
Nifty Housing	5.0	11.9	42.1	19.1	18.9	5.2	12.2	43.4	20.3	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.

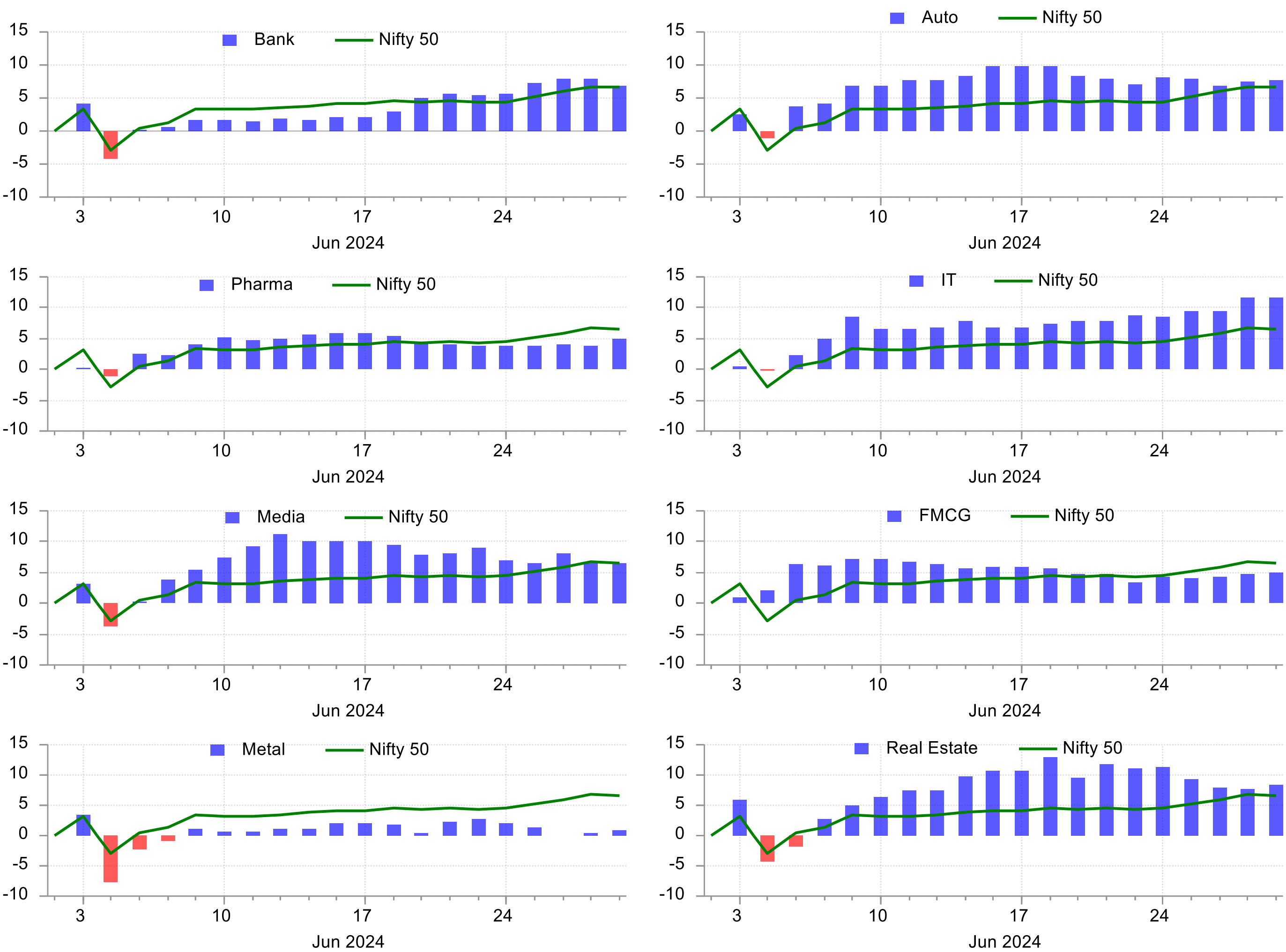
Table 25: Performance across NSE sector indices based on Price Return Index (As on June 30th, 2024)

Indicator Name	Jun-24	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Sector indices									
Auto	25,201	23,420	21,419	15,148	7.6	17.7	35.4	66.4	35.4
Bank	52,342	48,984	47,125	44,747	6.9	11.1	8.4	17.0	8.4
Energy	41,789	40,256	39,021	24,697	3.8	7.1	24.9	69.2	24.9
FMCG	56,757	54,107	53,949	52,195	4.9	5.2	-0.4	8.7	-0.4
IT	36,158	32,386	34,898	29,563	11.7	3.6	1.8	22.3	1.8
Infrastructure	9,134	8,668	8,336	5,739	5.4	9.6	25.1	59.2	25.1
Media	1,992	1,870	1,796	1,744	6.5	10.9	-16.6	14.3	-16.6
Metals	9,814	9,724	8,257	6,209	0.9	18.9	23.0	58.1	23.0
Pharma	19,732	18,796	18,996	13,768	5.0	3.9	17.2	43.3	17.2
Real Estate	1,105	1,019	901	520	8.4	22.7	41.1	112.5	41.1
Thematic Indices									
CNX PSE	10,686	10,511	9,122	5,082	1.7	17.1	36.0	110.3	36.0
CNX Consumption	11,132	10,471	10,128	8,319	6.3	9.9	16.2	33.8	16.2
CNX Services	30,428	28,178	27,844	24,873	8.0	9.3	9.9	22.3	9.9

Source: Cogencis, NSE EPR

Figure 105: NIFTY sector performance in June 2024

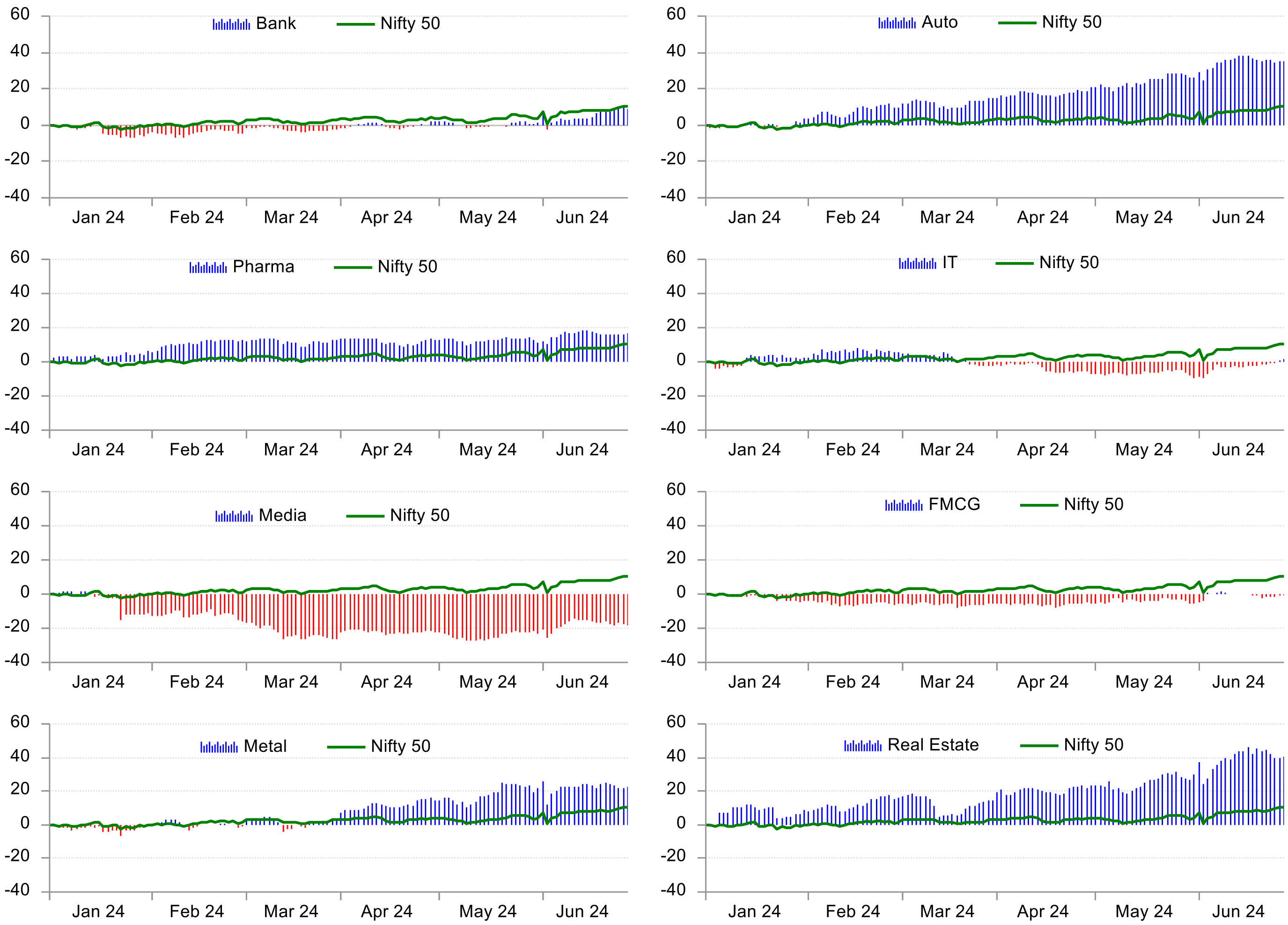
Rebased to 0 on June 1st, 2024



Source: LSEG Datastream, NSE EPR

Figure 106: NIFTY sector performance in 2024 till date

Rebased to 0 on January 1st, 2024



Source: LSEG Datastream, NSE EPR

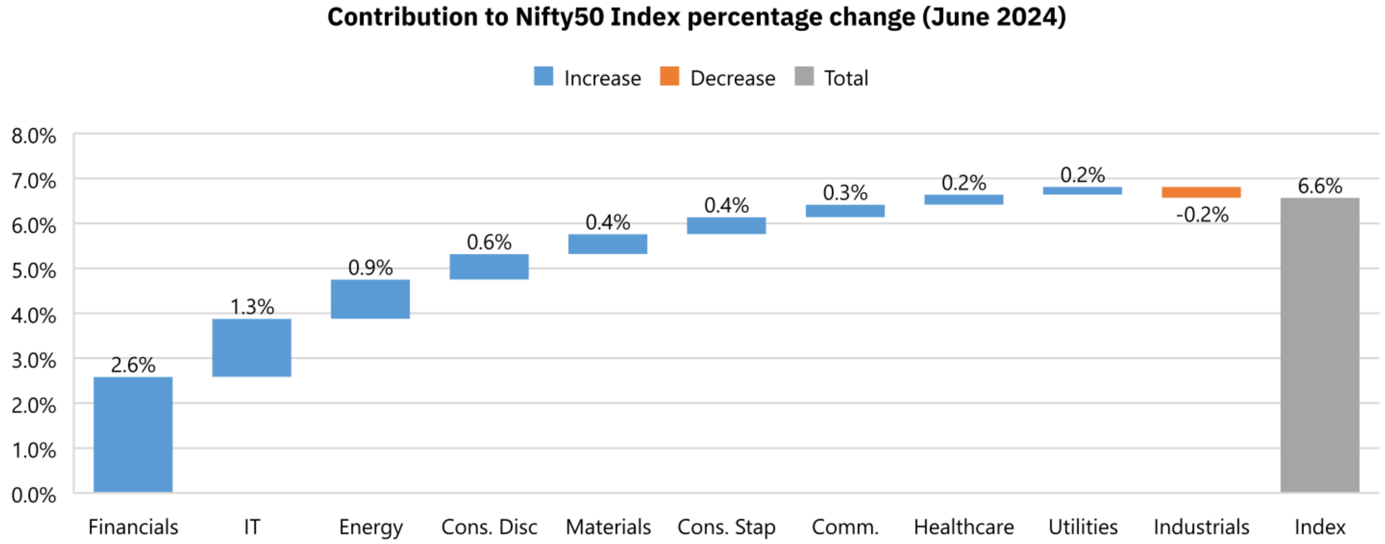
Nifty 50 performance attribution analysis

Indian equities rebounded in June and extended the gains in July: After remaining on the sidelines in May ahead of the general elections, Indian equities witnessed a strong rebound in June, aided by political stability, robust corporate earnings, stronger economic performance, and renewed foreign capital inflows. The rally extended in July, with Indian equities touching fresh all-time high levels during the month, outperforming its developed as well as its emerging market counterparts by a wide margin. Better-than-expected Q1FY25 corporate earnings, expectations of monetary easing by the US Fed and a well-rounded budget provided further boost to already strong sentiments. After remaining net sellers over the preceding two months, FPIs turned strong buyers of Indian equities in June, only to strengthen it further in July, with total net inflows at US$7.2bn during Jun-July 2024, translating into total net inflows in this fiscal thus far to US$3.1bn (As of July 26th, 2024). DIIs remained buyers of Indian equities for the 12th month in a row in July, even as the quantum came off, taking the total net inflows to Rs 1.4 lakh crore or US$16.5bn in the fiscal thus far (As of July 26th, 2024), after Rs 2+ lakh crore net inflows in FY24.

The benchmark Nifty50 Index ended the month of June 6.6% lower, only to extend the gains in the following month with a MTD gain of 3.4% (As of July 26th, 2024), translating into a total return of 9.2% in 2024 thus far. The Nifty Mid-cap 50 and Small-cap 50 outperformed with gains of 8.8% and 11% in June.

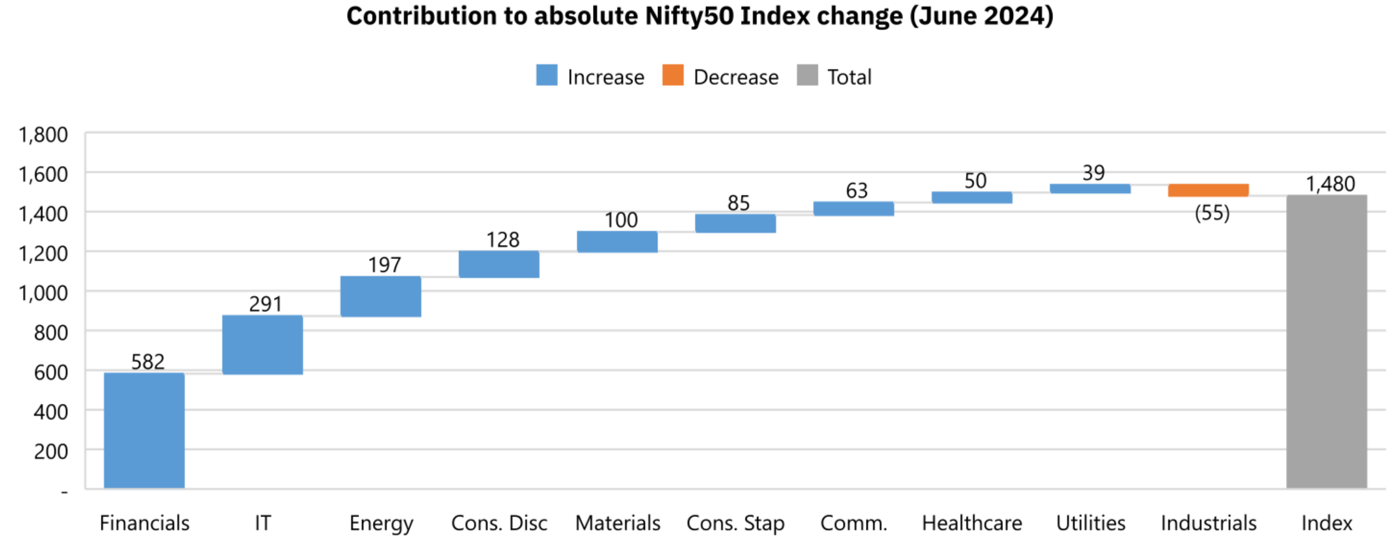
Within the Nifty 50 companies, barring Industrials, all other sectors ended the month of June in green, led by Financials, IT and Energy, together contributing to 72% of the Nifty 50 gains during the month. In the last 12 months, Consumer Staples was the only sector that recorded losses, with Financials, Energy, and Consumer Discretionary together accounting for ~72% of the gain in the Nifty 50 Index during this period.

Figure 107: Sector-wise contribution to Nifty 50 price return in June 2024



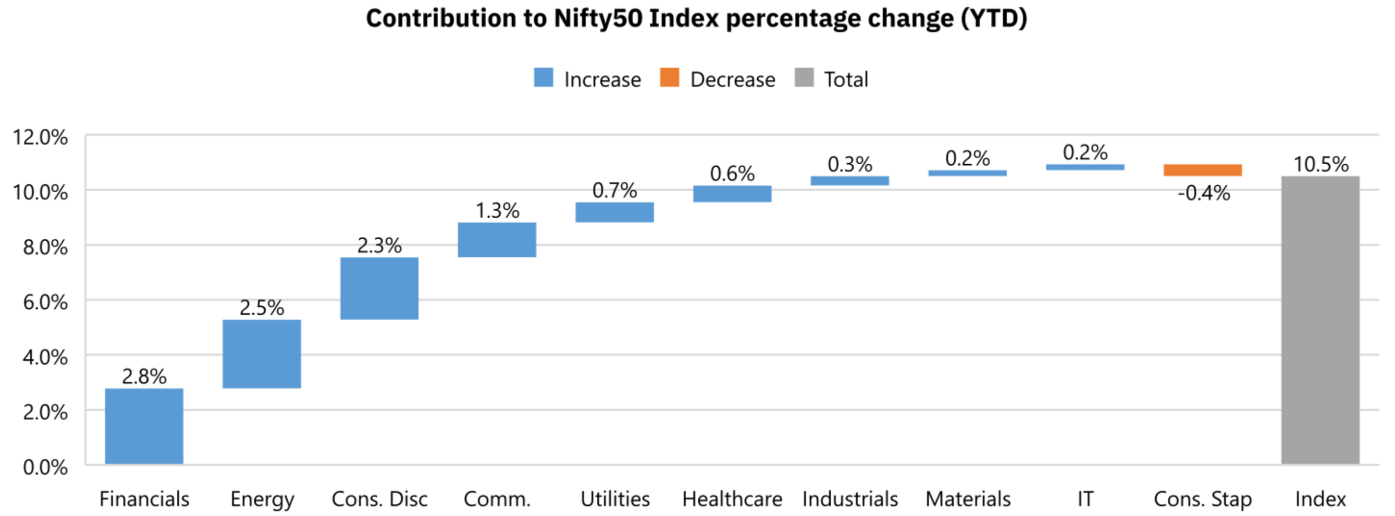
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 108: Sector-wise contribution to absolute Nifty 50 Index change (points) in June 2024



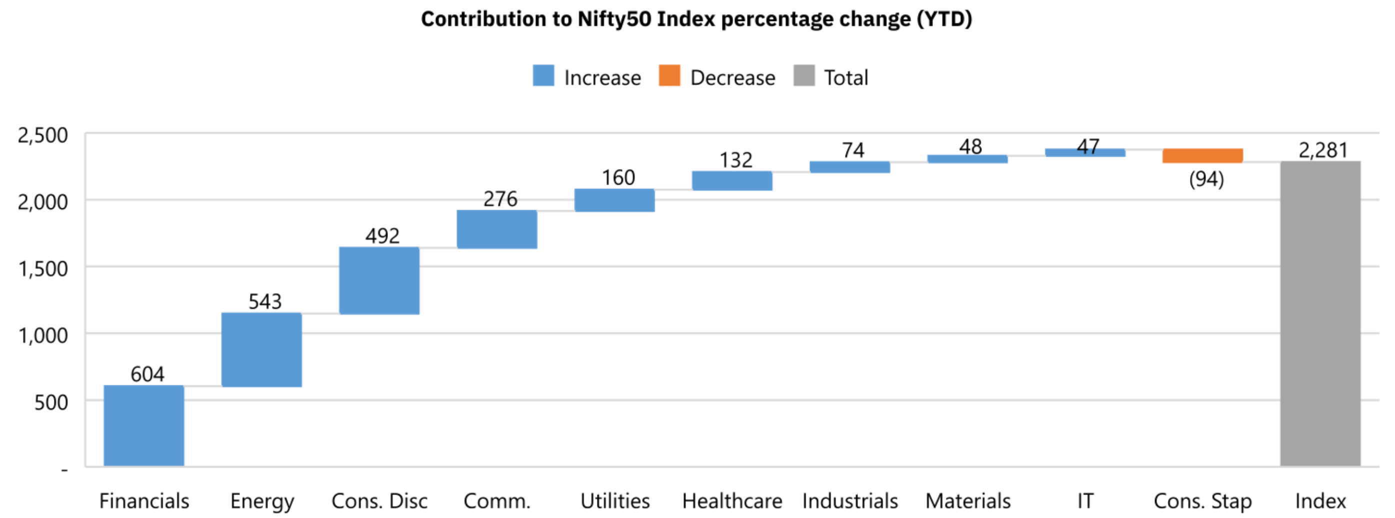
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 109: Sector-wise contribution to Nifty 50 price return in 2024 till date (Jan-Jun'24)



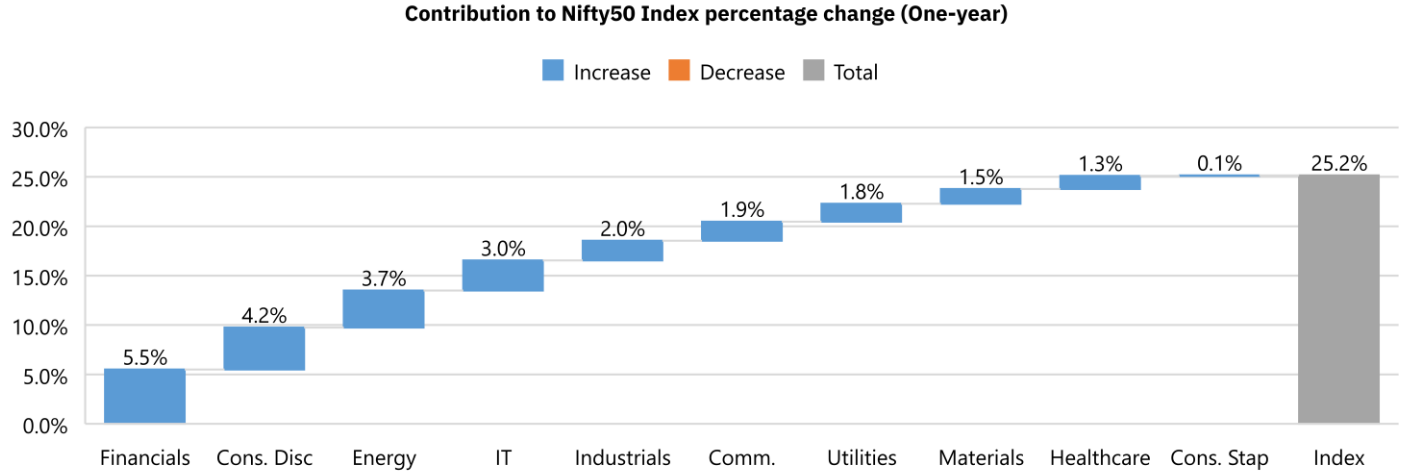
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 110: Sector-wise contribution to Nifty 50 Index change (points) in 2024 till date (Jan-Jun'24)



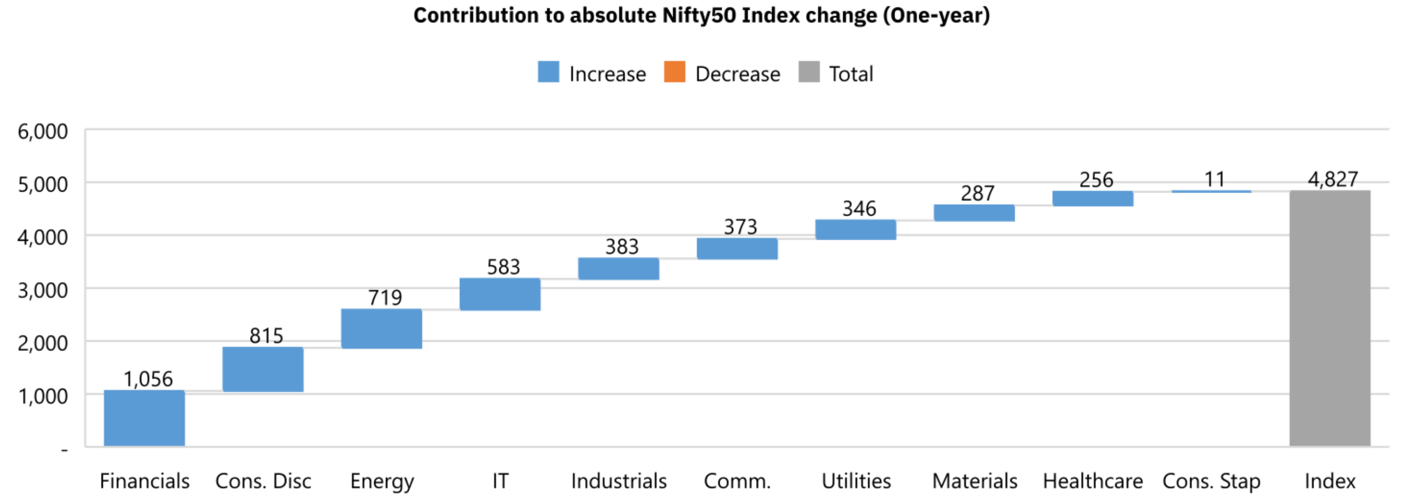
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 111: Sector-wise contribution to Nifty 50 price return in last one year (Jul'23-Jun'24)



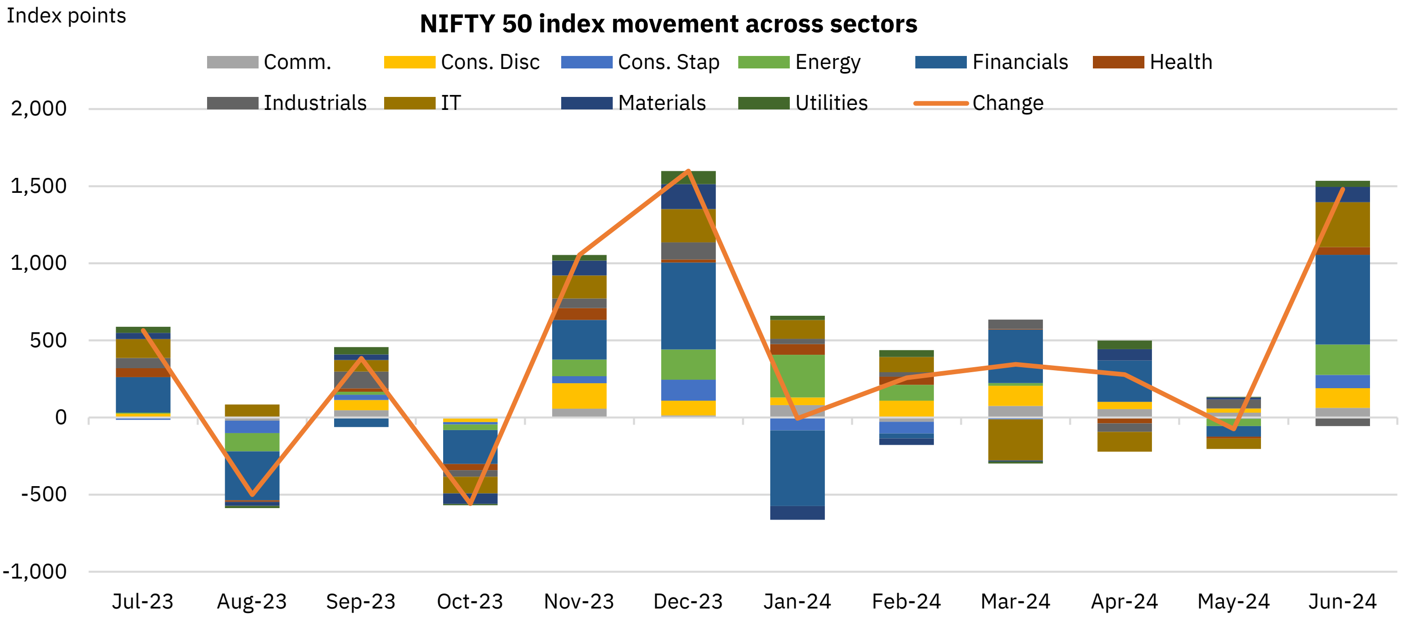
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR

Figure 112: Sector-wise contribution to Nifty 50 Index change (points) in last one year (Jul'23-Jun'24)



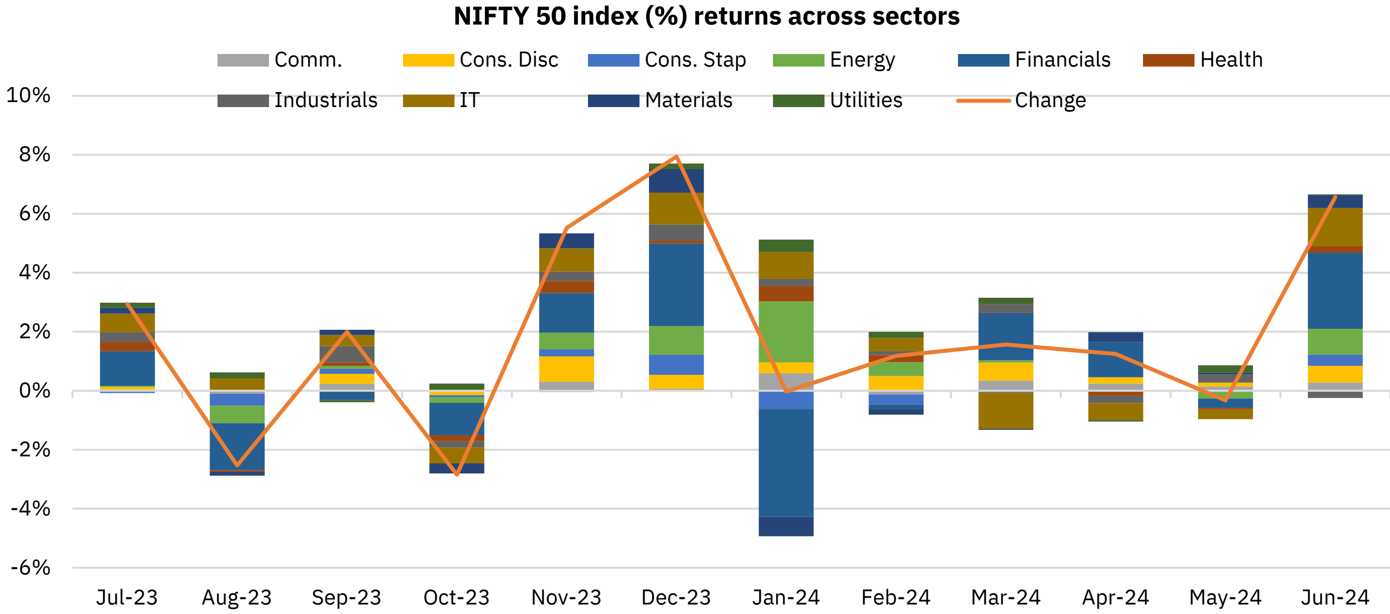
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR

Figure 113: Nifty 50 Index monthly movement across sectors over last 12 months



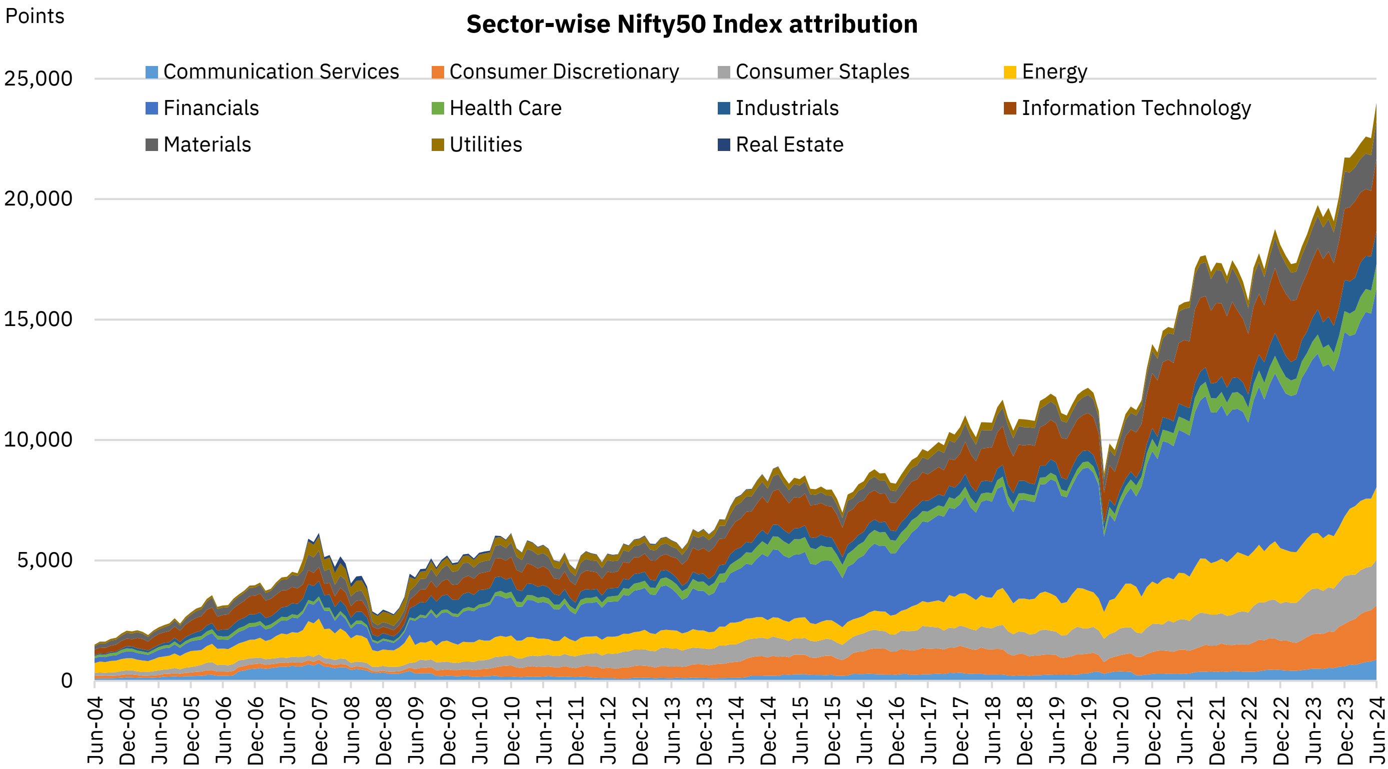
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 114: Nifty 50 Index monthly return across sectors over last 12 months



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

Figure 115: Sector-wise Nifty50 Index attribution (2004-)



Source: LSEG Datastream, CMIE Prowess, NSE EPR.

Relative outperformance of Industrials, Consumer Discretionary and Communication Services in the month gone by led to their weights in the Nifty 50 Index rising marginally to near 136-month, 71-month and 47-month of 6.3%, 9.4% and 3.6%, with total increase in the last 12 months amounting to 152bps, 216bps and 104bps respectively. This came at the expense of a significant drop in the weights of Financials (-380bps in last 12 months to 34.1%), Consumer Staples (-193bps to a 25-month low of 8%) and Information Technology (-97bps in last 12 months to a 76-month low of 12.1%).

Figure 116: Nifty 50 sector weightage (June 2023)

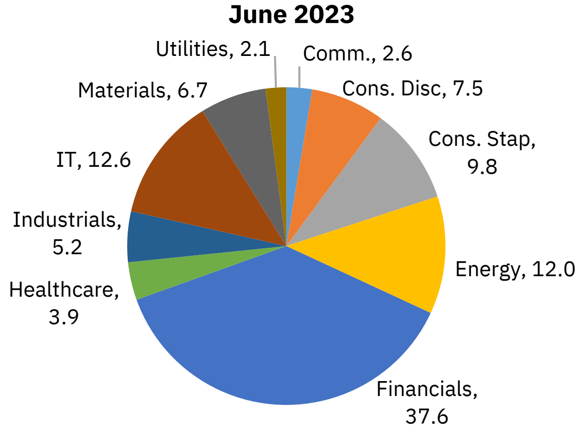
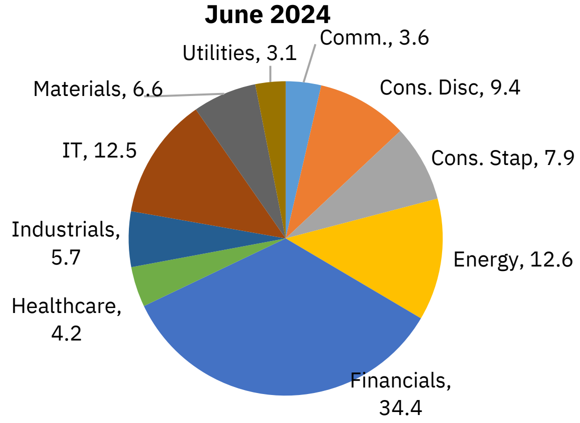
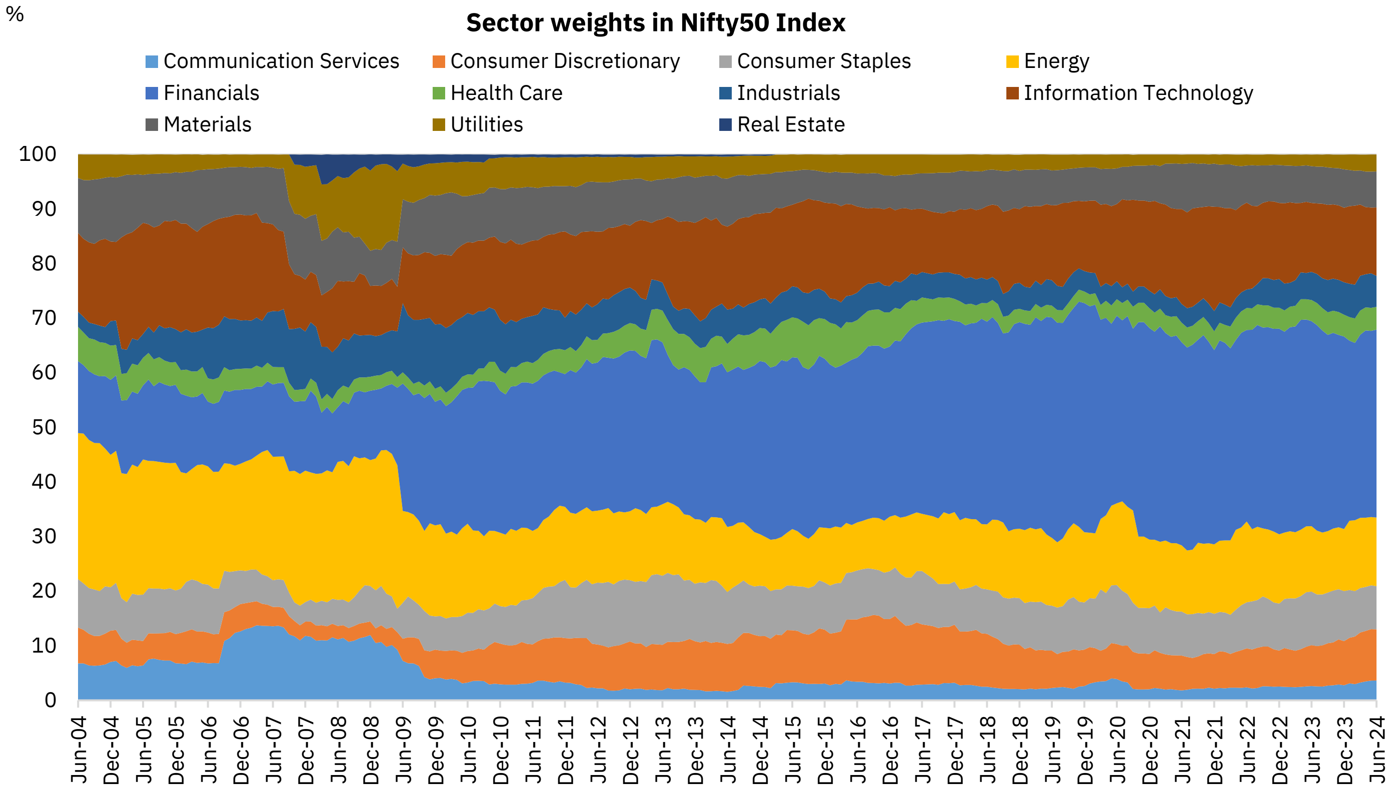


Figure 117: Nifty 50 sector weightage (June 2024)



Source: LSEG Datastream, CMIE Prowess, NSE EPR

Figure 118: Sector weights in the Nifty 50 Index (2003-)



Source: LSEG Datastream, CMIE Prowess, NSE EPR

Table 26: Top five Nifty 50 Index gainers in June 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
H D F C Bank Ltd.	HDFCBANK	9.9	1.1	256
Reliance Industries Ltd.	RELIANCE	9.4	0.9	200
Infosys Ltd.	INFY	11.4	0.6	140
I C I C I Bank Ltd.	ICICIBANK	7.0	0.5	122
Mahindra & Mahindra Ltd.	M&M	14.4	0.4	84
Total			**3.6**	**801**
Nifty 50 Index	**NIFTY 50**	**6.6**	**6.6**	**1,480**

Source: LSEG Datastream, CMIE Prowess, NSE EPR

Table 27: Top five Nifty 50 Index gainers in Jan-Jun 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Reliance Industries Ltd.	RELIANCE	21.1	1.8	397
I C I C I Bank Ltd.	ICICIBANK	20.4	1.4	309
Bharti Airtel Ltd.	BHARTIARTL	39.9	1.3	276
Mahindra & Mahindra Ltd.	M&M	65.8	1.3	275
Shriram Finance Ltd.	SHRIRAMFIN	41.8	0.8	182
Total			**6.6**	**1,440**
Nifty 50 Index	**NIFTY 50**	**10.5**	**10.5**	**2,279**

Source: LSEG Datastream, CMIE Prowess, NSE EPR

Table 28: Top five Nifty 50 Index losers in June 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Larsen & Toubro Ltd.	LT	-3.3	-0.2	-46
Adani Enterprises Ltd.	ADANIENT	-6.9	-0.1	-15
Maruti Suzuki India Ltd.	MARUTI	-2.9	-0.1	-12
Coal India Ltd.	COALINDIA	-3.7	0.0	-10
Eicher Motors Ltd.	EICHERMOT	-1.3	0.0	-2
Total			**-0.4**	**-85**
Nifty 50 Index	**NIFTY 50**	**6.6**	**6.6**	**1,480**

Source: LSEG Datastream, CMIE Prowess, NSE EPR

Table 29: Top five Nifty 50 Index losers in Jan-May 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
H D F C Bank Ltd.	HDFCBANK	-1.5	-0.3	-69
Asian Paints Ltd.	ASIANPAINT	-14.3	-0.2	-52
I T C Ltd.	ITC	-8.1	-0.2	-48
Hindustan Unilever Ltd.	HINDUNILVR	-7.2	-0.2	-44
Kotak Mahindra Bank Ltd.	KOTAKBANK	-5.5	-0.2	-41
Total			**-1.2**	**-254**
Nifty 50 Index	**NIFTY 50**	**10.5**	**10.5**	**2,279**

Source: LSEG Datastream, CMIE Prowess, NSE EPR

Earnings and valuation analysis

Consensus earnings CAGR for the period 2023-25 pegged at 12.1%: Consensus earnings estimates saw modest upgrades after a strong Q4 earnings season, reflecting the impact of resilient urban demand and recovering investment cycle. The Nifty50 earnings estimates (Source: LSEG Datastream) for 2024/2025 were upgraded by 0.5%/0.7% in June, translating into an increase of 0.5%/1.2% in the first quarter of FY25. This translates into an expected earnings growth of 9.4% and 14.9% for 2024 and 2025 as on June 30th, 2024, vs. 7.6% and 14.6% as of end of the previous month, respectively, resulting in a two-year CAGR (2023-25) of 12.1% vs. 11% as of May-end and 13.8% as of March-end.

Our analysis of earnings estimates of top 200 companies by market cap[20] painted a similar picture. The aggregate consensus earnings estimate for this universe for FY25 increased by a modest 0.3% in June, but came off marginally in July, translating into a total increase of 1.1% since December-end. This was primarily led by upgrades in Energy, Financials and Consumer Discretionary. Excluding these three sectors, accounting for ~60% of total earnings, the aggregate profit estimate for FY25, however, was cut by 2.3%

[20] The sample set consists of top 200 companies by one-year average market cap ending June 30th, 2023, covered by at least five or more analysts during the previous 12 months using IBES estimates from LSEG Datastream.

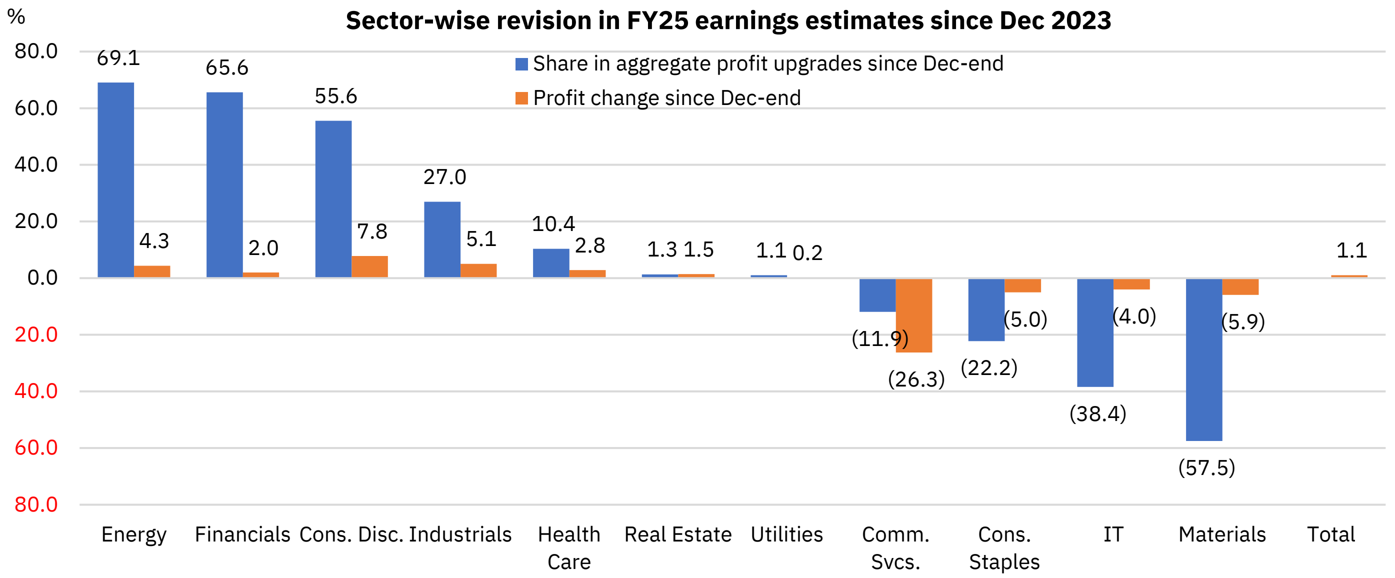
in this year thus far, led by downgrades in Information Technology, Materials, Communication Services and Consumer Staples. While Material and Information Technology companies are feeling the heat of weakening global demand, a slower recovery in rural demand has weighed on the top-line and earnings of Consumer Staples companies. The earnings estimate for FY26 saw an upgrade of 1.5% since March-end, taking the total upgrade to 3.9% since December-end. Barring Information Technology and Consumer Staples, all other GICS sectors have seen an increase in their aggregate profit estimates for the year, led by Energy that accounts for nearly 44.5% of the absolute upgrade in profit estimate since the beginning of this year, followed by Consumer Discretionary that accounted for another 22%. Excluding these two sectors, profit upgrade in FY26 was relatively modest at 1.7% this year.

Table 30: Earnings growth and forward-looking multiples for Nifty 50 Index

Metric	Periods	As on	Change (%/bps)				
		30-Jun-24	1M	3M	6M	YTD	1Y
EPS (Rs)	12-month forward	1112.5	1.7%	4.2%	5.3%	5.3%	13.4%
	2023	980.6	-1.2%	4.4%	1.8%	1.8%	3.4%
	% YoY	*23.1%*	*-153bps*	*519bps*	*329bps*	*329bps*	*369bps*
	2024	1072.7	0.5%	0.5%	-1.4%	-1.4%	-0.5%
	% YoY	*9.4%*	*183bps*	*-428bps*	*-360bps*	*-360bps*	*-423bps*
	2025	1232.0	0.7%	1.2%	0.6%	0.6%	1.8%
	% YoY	*14.9%*	*26bps*	*85bps*	*226bps*	*226bps*	*259bps*
Price to earnings (P/E) (x)	12-month forward	21.3	1.9%	3.5%	5.1%	5.1%	11.2%
	2024	22.1	3.2%	7.3%	12.2%	12.2%	26.7%
	2025	19.3	2.9%	6.5%	10.0%	10.0%	23.8%
Price to Book value (P/B) (x)	12-month forward	3.2	1.7%	-2.5%	-0.6%	-0.6%	7.6%
	2024	3.3	2.8%	0.6%	5.4%	5.4%	20.7%
	2025	3.0	2.8%	0.4%	4.9%	4.9%	18.8%

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

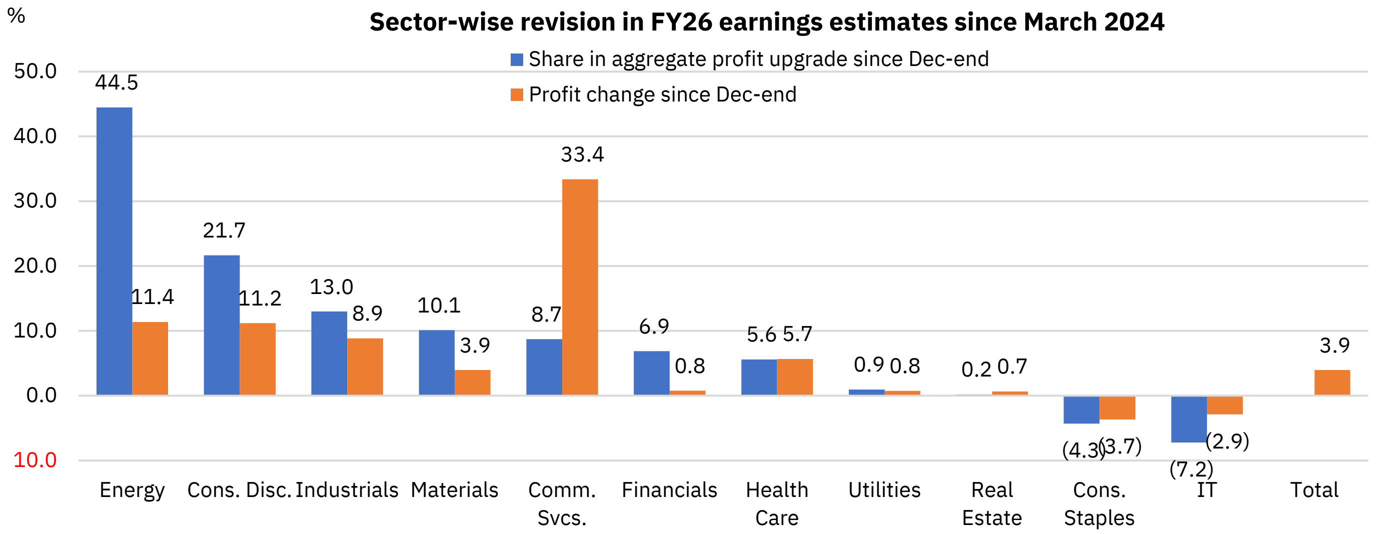
Figure 119: Sector-wise revision in FY25 earnings estimates for top 200 companies since December 2023



Source: LSEG Datastream, 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 on July 25th, 2024.

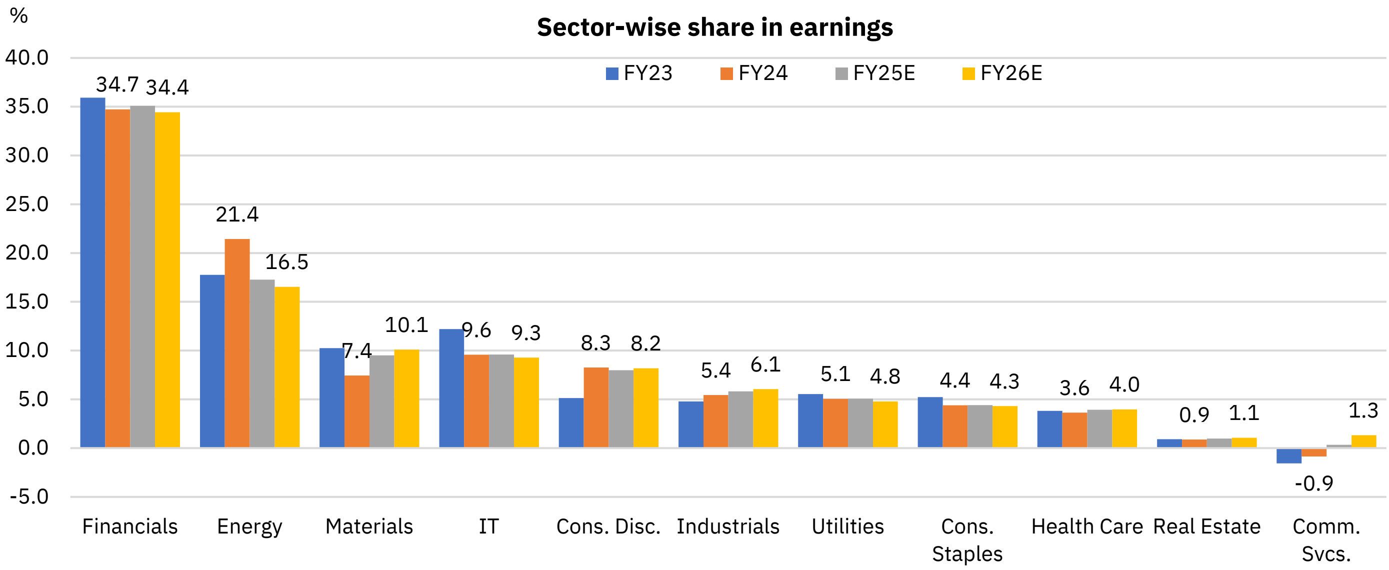
Figure 120: Sector-wise revision in FY26 earnings estimates for top 200 companies since December 2023



Source: LSEG Datastream, 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 on July 25th, 2024.

Figure 121: Sector-wise share in earnings



Source: LSEG Datastream, NSE EPR

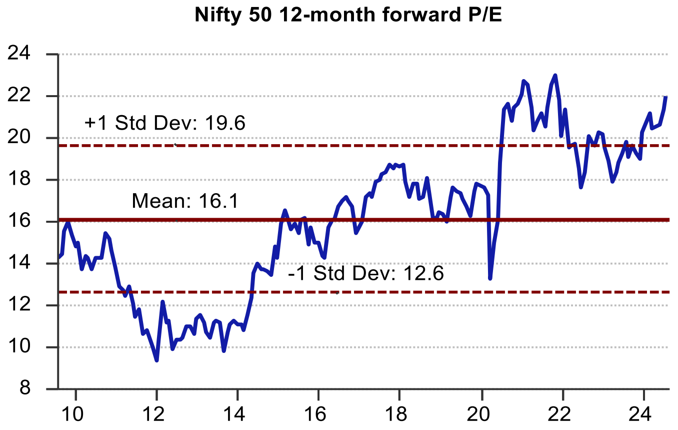
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of July 25th, 2024.

Market valuations at 18-month high levels: After remaining broadly steady over the previous three months, market valuations saw a significant rebound during June-July, as policy stability, resilient economic environment and an all-round budget resulted in strengthened investor sentiments. The Nifty50 Index currently trades at a 12-month forward P/E of 22x—the highest since January 2022 and nearly 36% higher than long-term (Last 15-year) average multiple (16.1x) and 12.1% higher than the one standard deviation above the long-term multiple.

Valuations, however, have been seeing some correction on price-to-book (P/B) basis since February, only to see an increase in June and further in July, with Nifty50 currently trading at a 12-month forward P/B of 3.3x. This implies a premium of ~36% to the average P/B of 2.45x over the last 15-year period.

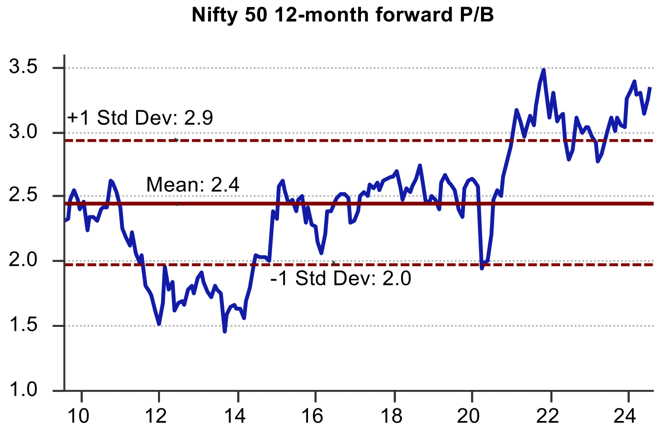
...Accompanied with an increase in valuation premium to EM equities: Indian equities have perennially traded at a premium to EM equities, thanks to India's strong economic fundamentals and robust growth outlook. While India's underperformance vis-à-vis its emerging market peers over the last few months resulted in its valuation gap to MSCI EM fall, the month of June has seen the premium rising again only to remain broadly steady in July. On a 12-month forward P/E, MSCI India trades at a premium of 92% vs. last 15-year average premium of 52%. On 12-month forward P/B, MSCI India is trading at a much higher premium of 131% vs. last 15-year average premium of 81%, even as it has fallen sharply from 188% in February.

Figure 122: Nifty 50 NTM P/E trend for last 15 years



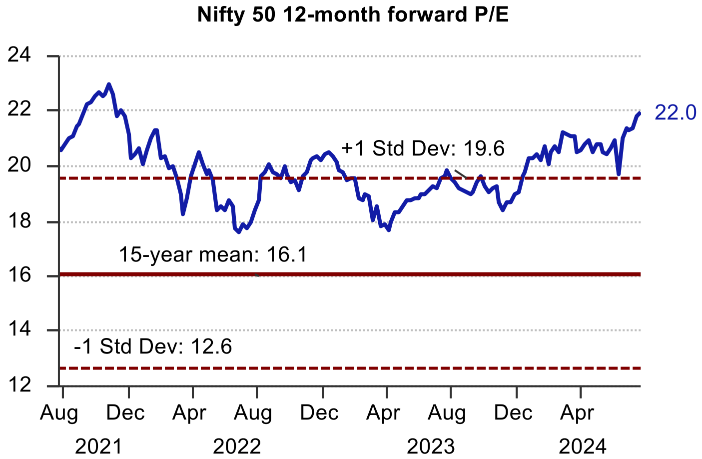
Source: LSEG Datastream, NSE EPR

Figure 123: Nifty 50 NTM P/B trend for last 15 years



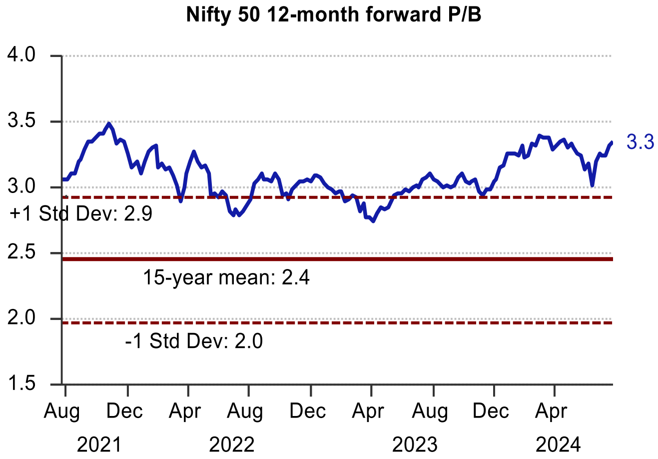
Source: LSEG Datastream, NSE EPR

Figure 124: Nifty 50 NTM P/E (Last three-year trend)



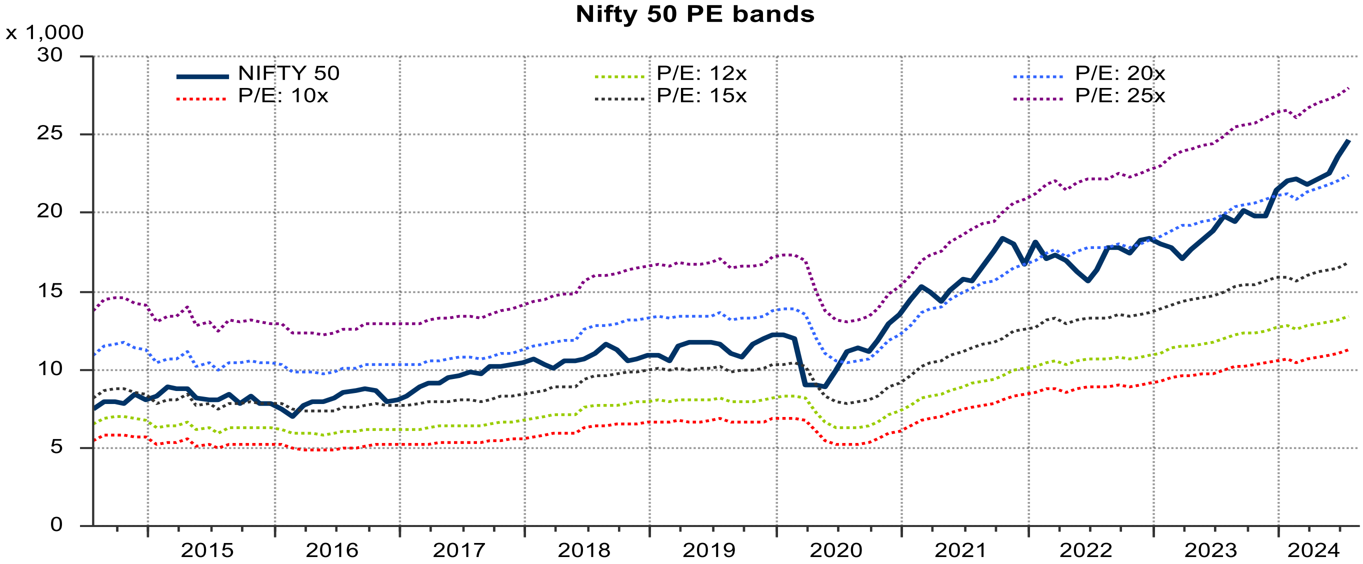
Source: LSEG Datastream, NSE EPR

Figure 125: Nifty 50 NTM P/B (Last three-year trend)



Source: LSEG Datastream, NSE EPR

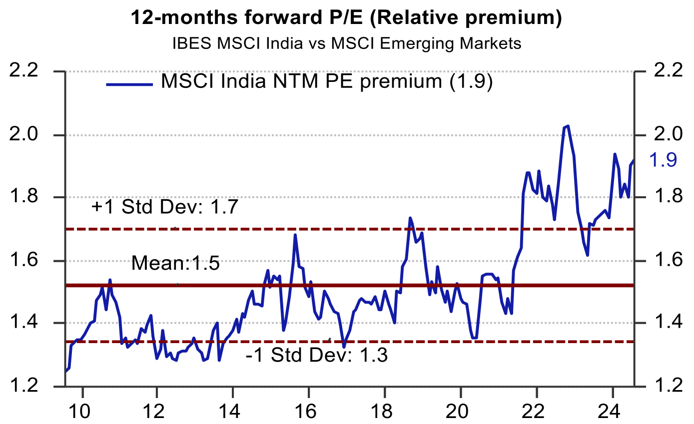
Figure 126: Five-year trend of Nifty 50 values at different 12-month forward P/E bands



Source: LSEG Datastream, NSE EPR

Figure 127: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

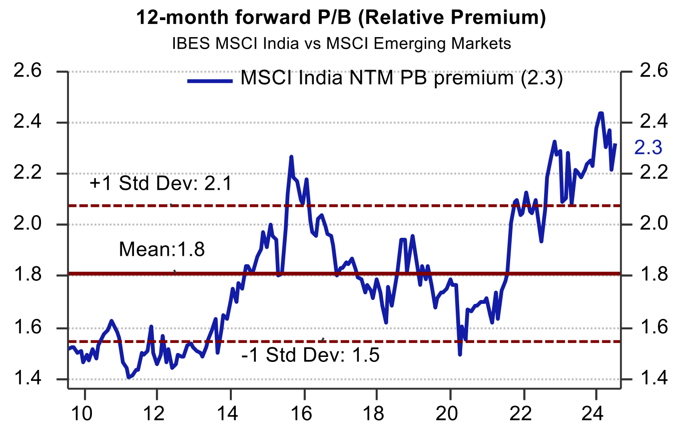
MSCI India currently trades at a premium of 92% to MSCI EM on 12-month forward P/E vs. last 12-month average premium of 52%.



Source: LSEG Datastream, NSE EPR

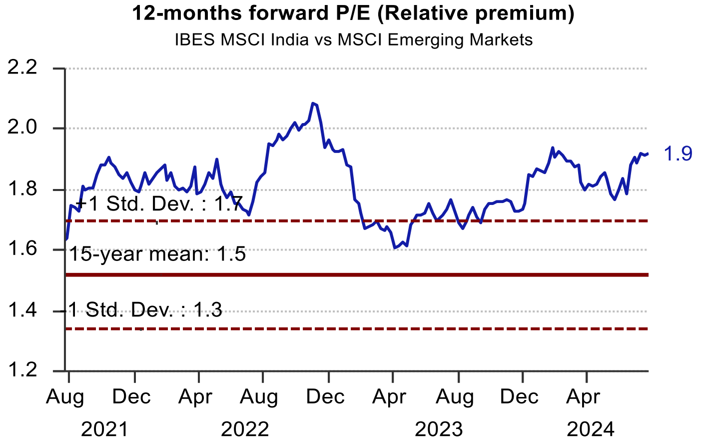
Figure 128: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B as well, India's valuation premium to MSCI EM is much higher at 131%.



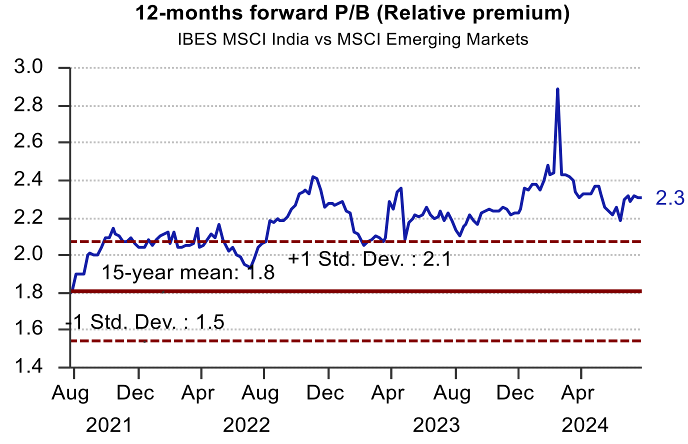
Source: LSEG Datastream, NSE EPR

Figure 129: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)



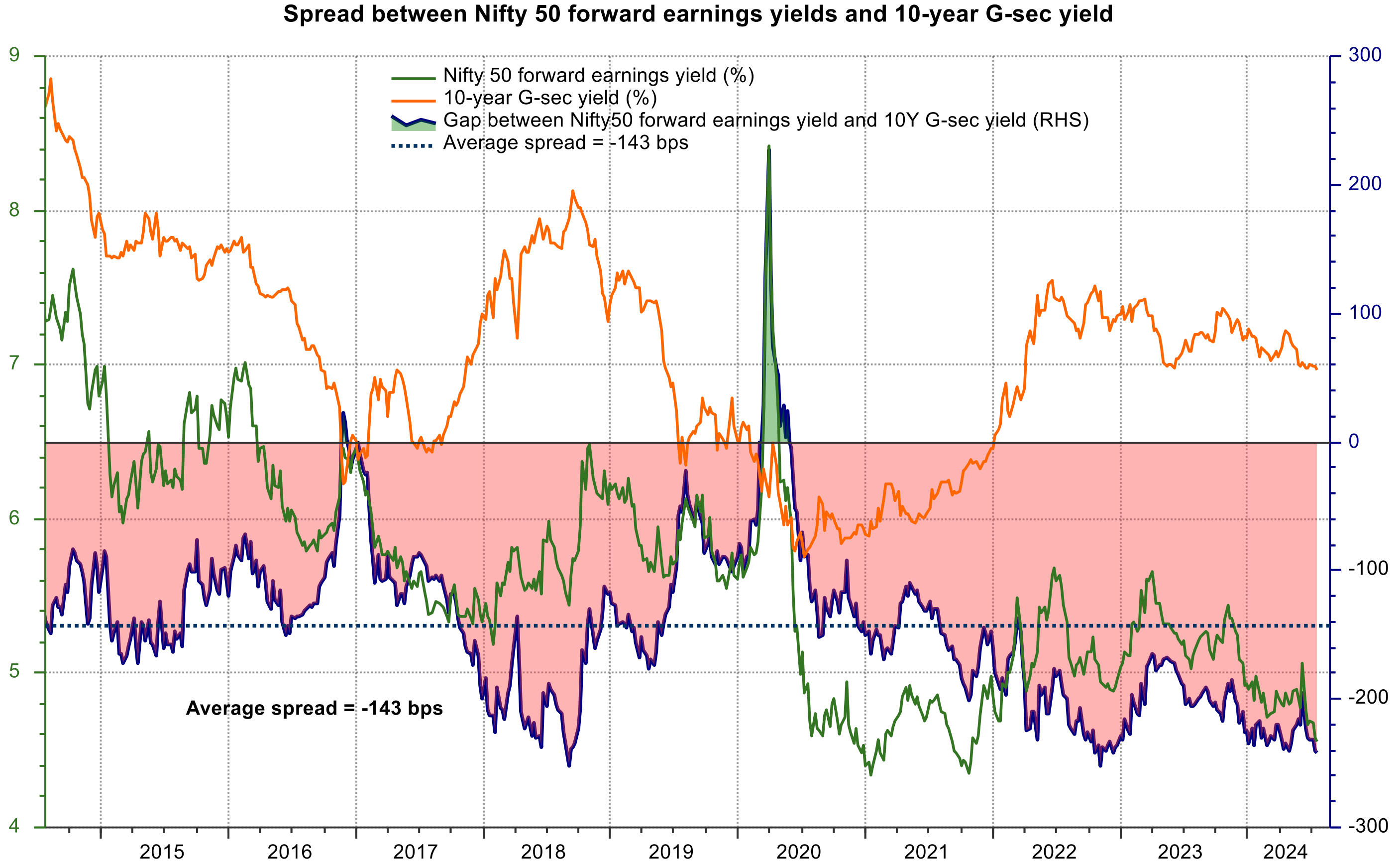
Source: LSEG Datastream, NSE EPR

Figure 130: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Datastream, NSE EPR

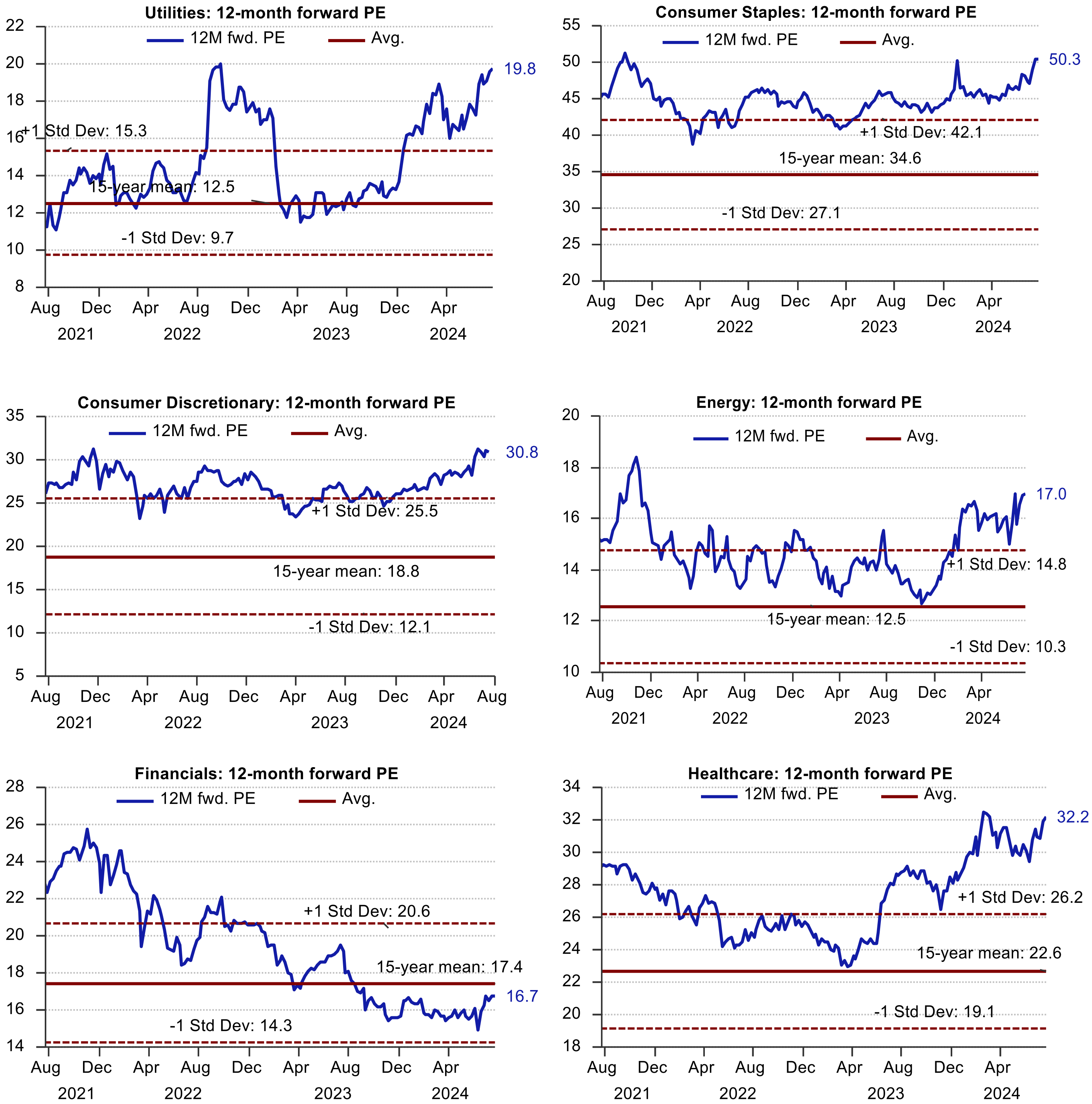
Figure 131: Nifty 50 forward earnings yield* vs. 10-year G-sec yield

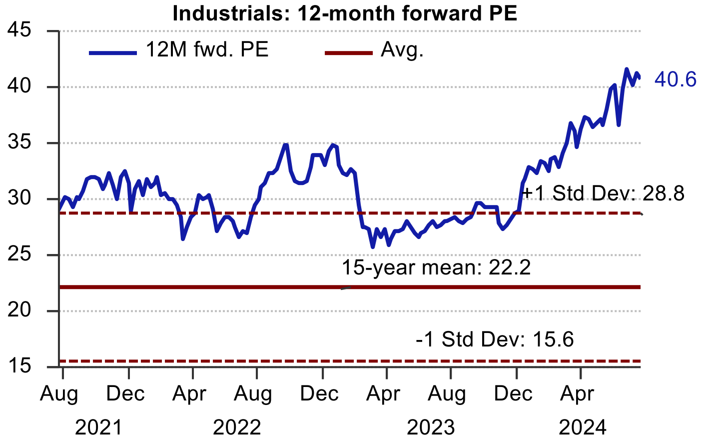


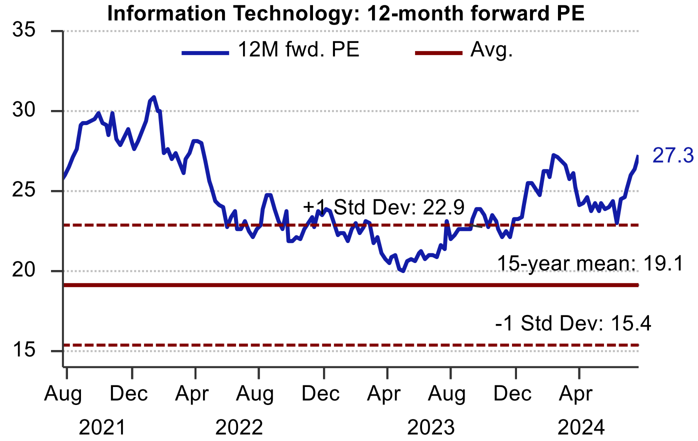
Source: LSEG Datastream, NSE EPR. * Forward earnings yield for Nifty 50 is calculated as (1/12-month forward PE).

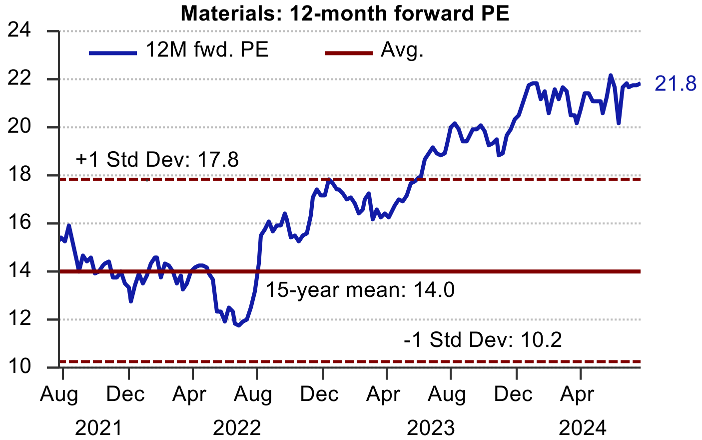
Valuations improved for most sectors in June: We have also looked at long-term trends of 12-month forward P/E and P/B multiples across MSCI India sector indices. The last two months saw an increase in valuations across most sectors. The forward multiple for Financials, despite some rerating in the month gone by, continued to remain suppressed, with the 12-month forward P/E hovering below the 12-month forward P/E. In fact, barring Financials, all other sectors continued to trade well above their long-term average multiples.

Figure 132: 12-month forward P/E for MSCI India sector indices (Three-year trend)



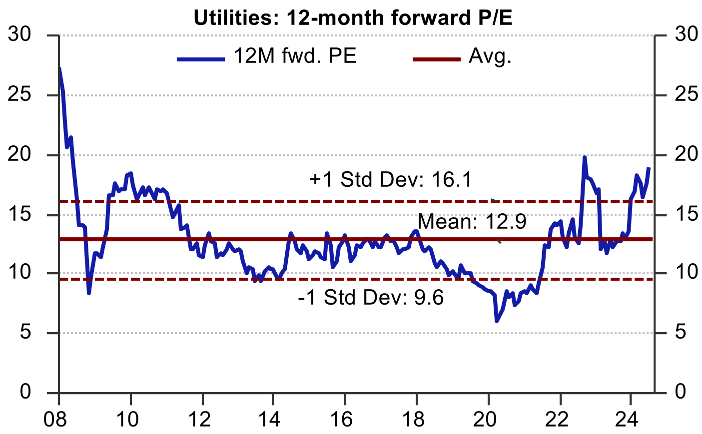


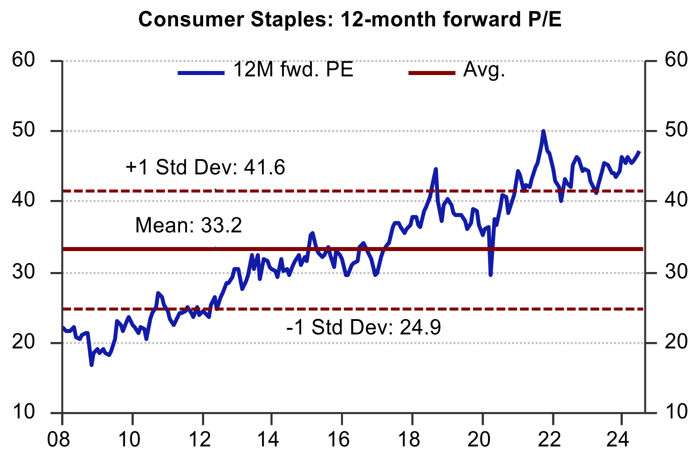


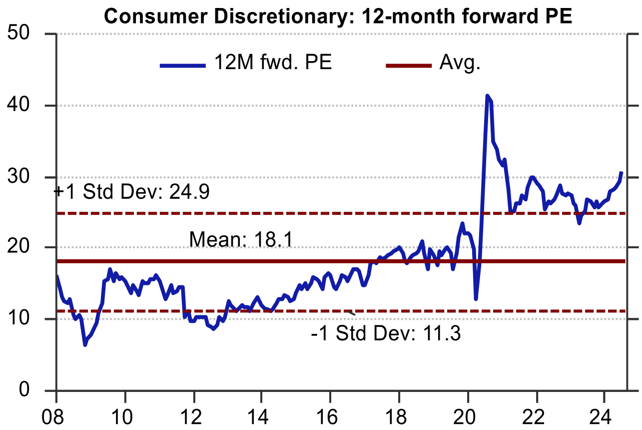


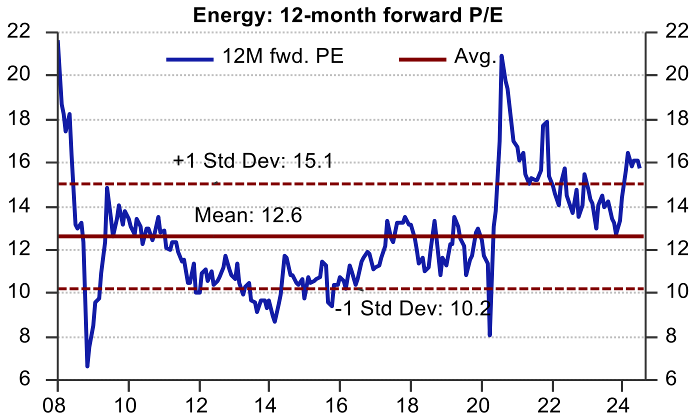
Source: LSEG Datastream, NSE EPR.

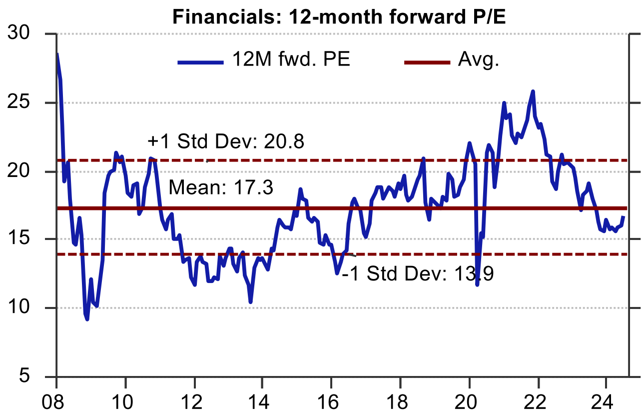
Figure 133: 12-month forward P/E for MSCI India sector indices (Long-term trend)

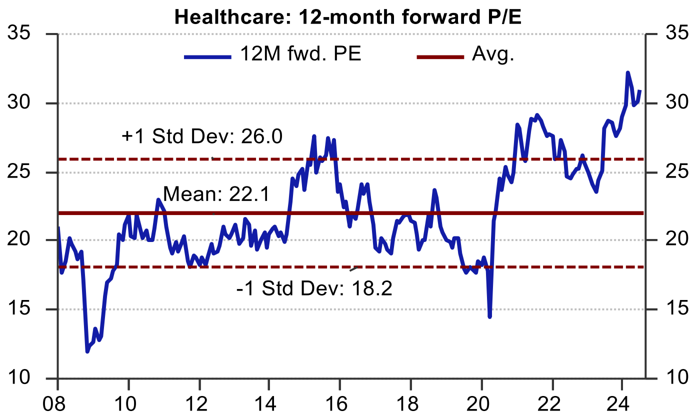


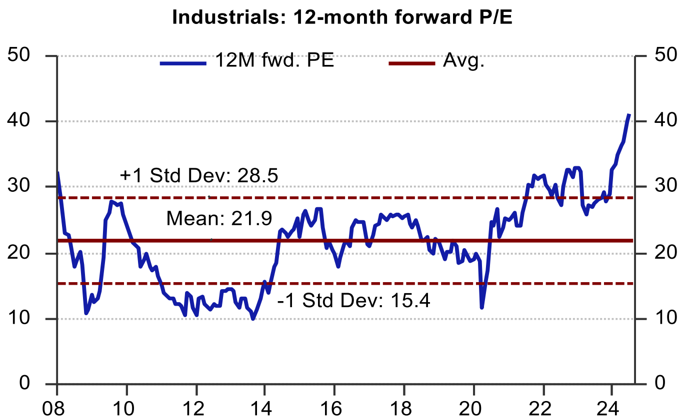


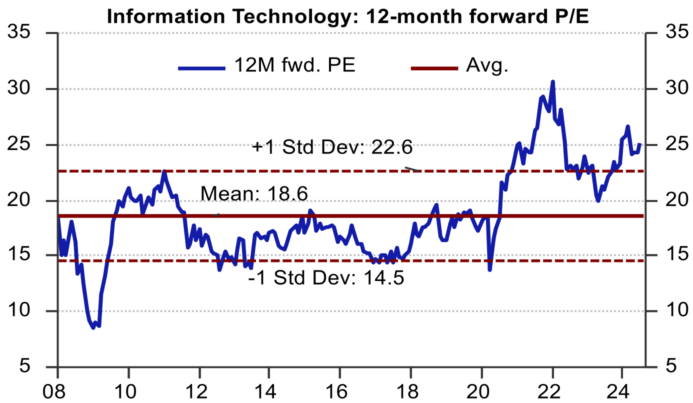


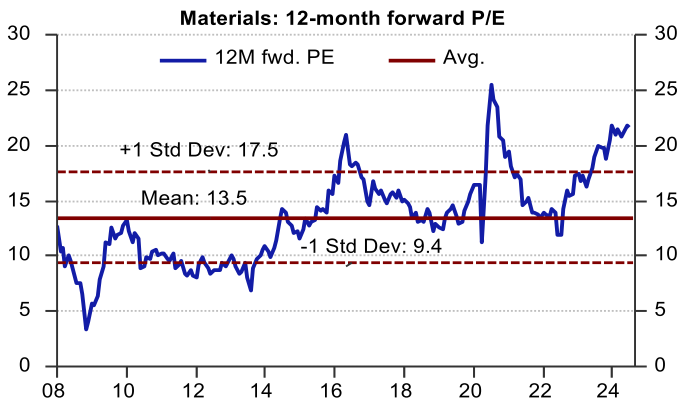






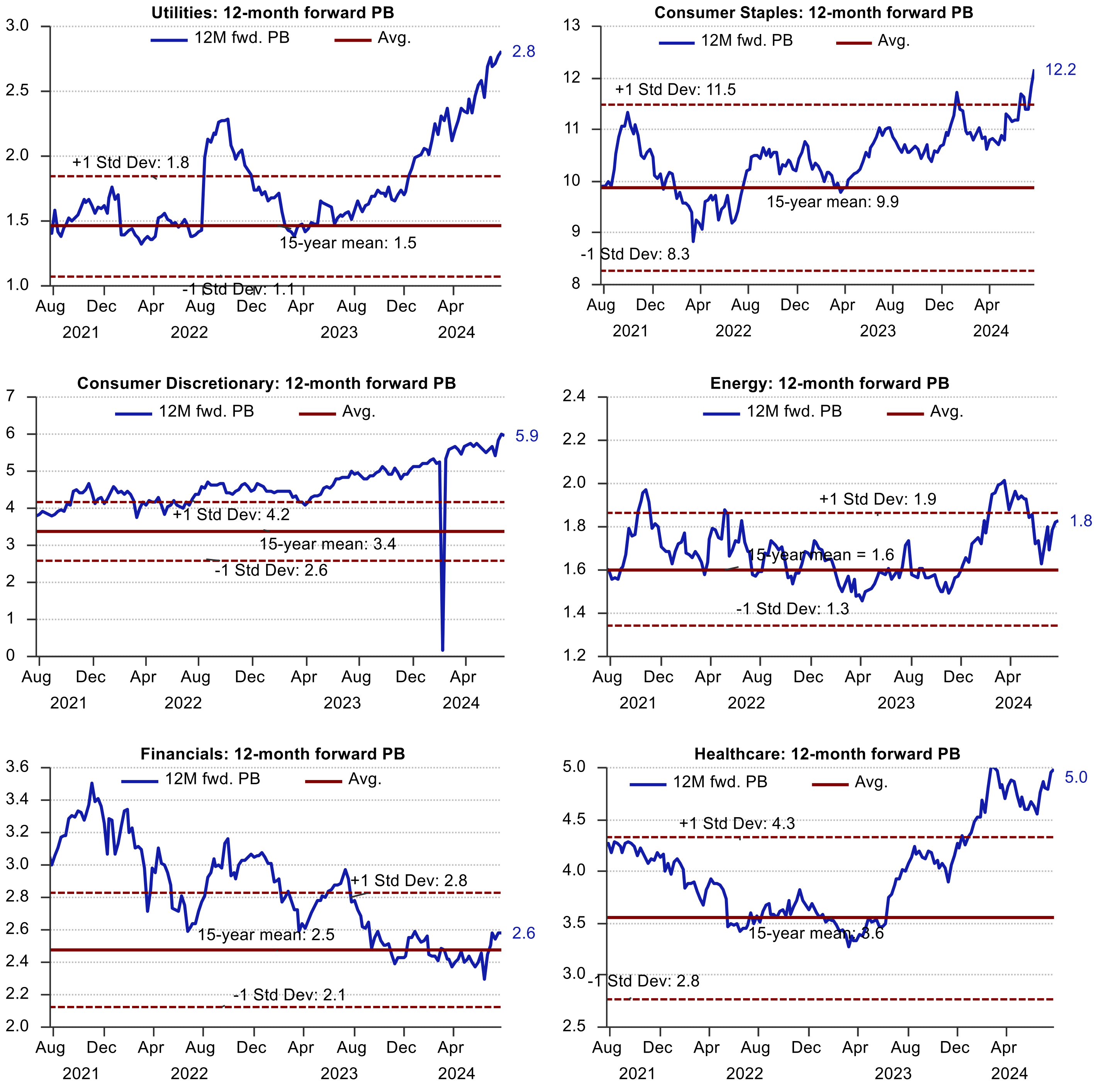


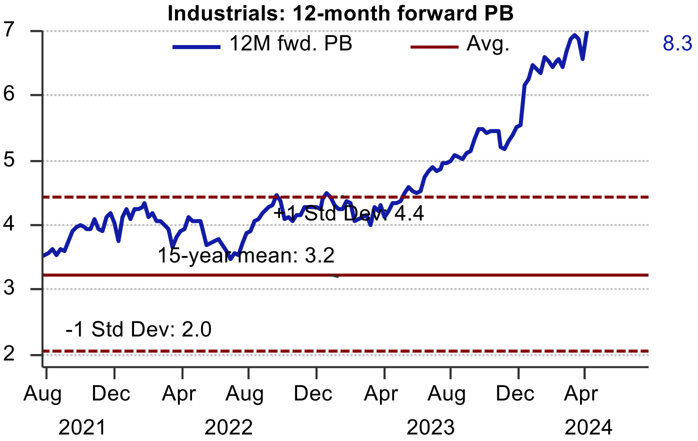


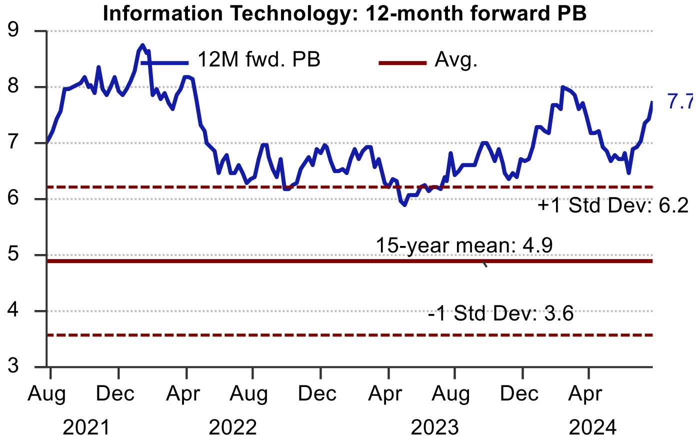


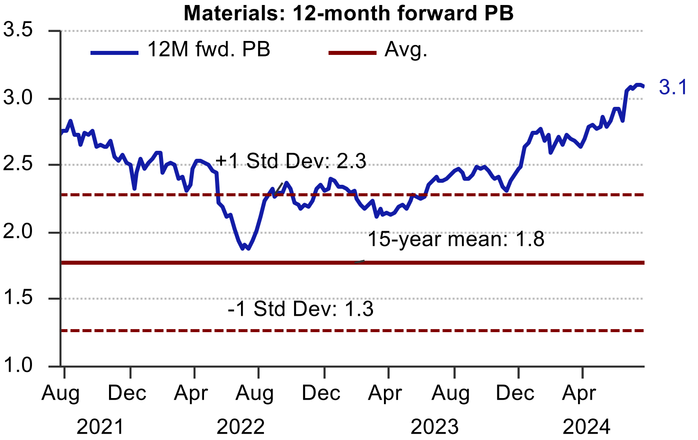
Source: LSEG Datastream, NSE EPR

Figure 134: 12-month forward P/B for MSCI India sector indices (Three-year trend)



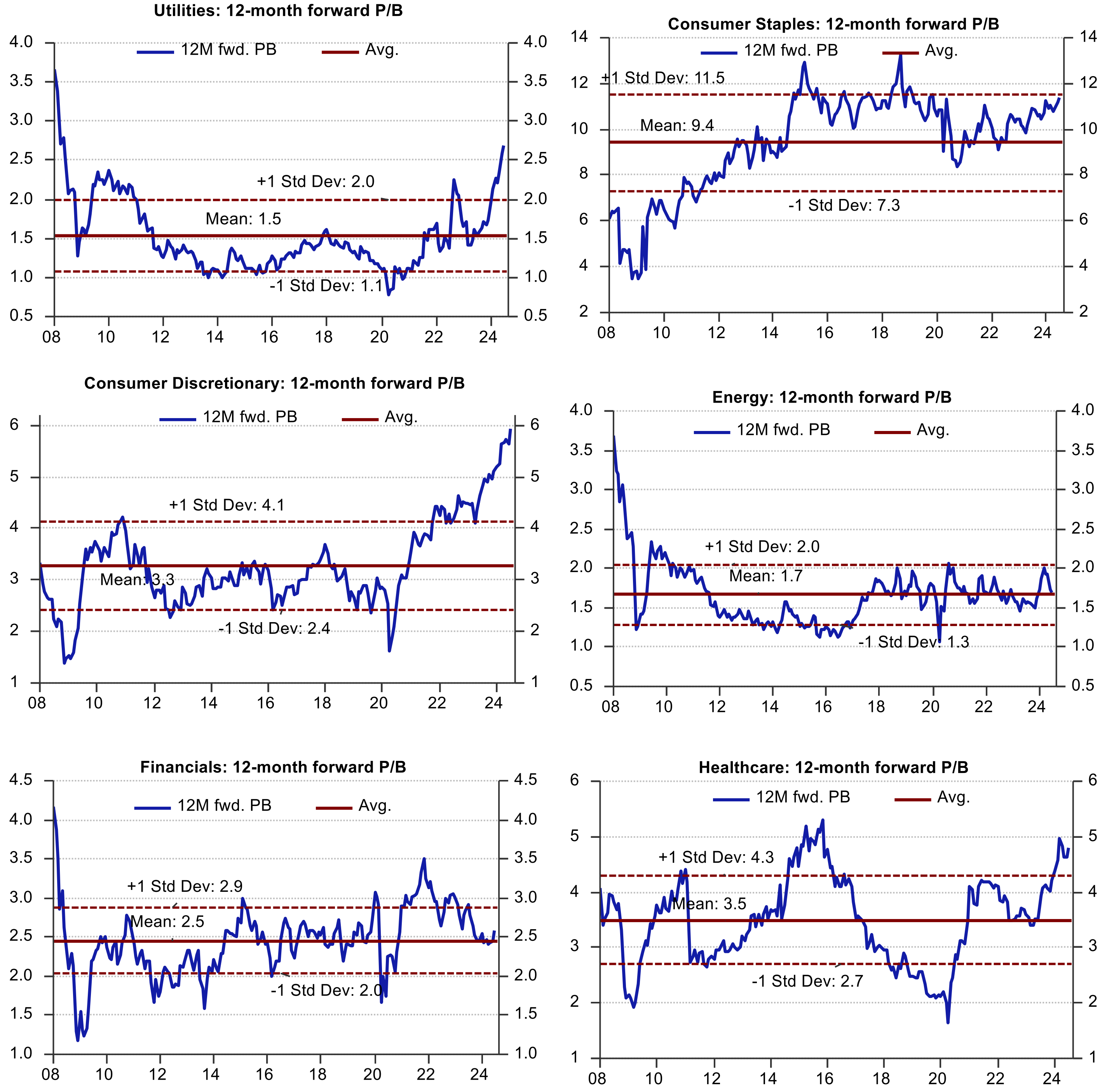


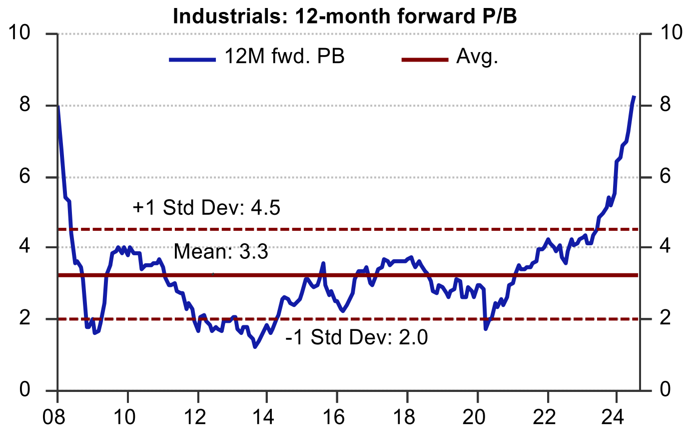


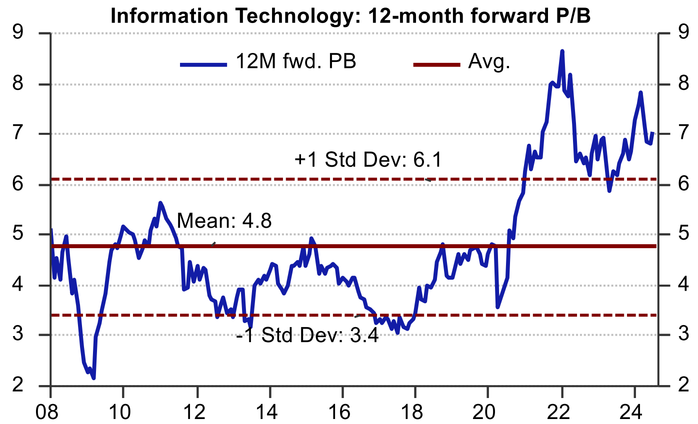


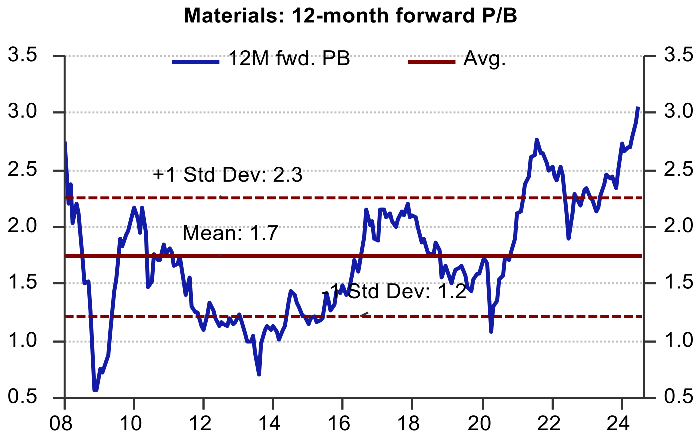
Source: LSEG Datastream, NSE EPR.

Figure 135: 12-month forward P/B for MSCI India sector indices (Long-term trend)









Source: LSEG Datastream, NSE EPR.

Fixed income market performance

Table 31: Performance of key Nifty debt indices (As of June 30th, 2024)

Category	Index name	Absolute returns (%)					CAGR returns (%)		
		1M	3M	6M	1Y	YTD	2Y	3Y	5Y
G-sec	Nifty 5yr Benchmark G-sec Index	0.6	1.8	3.6	7.4	3.6	7.6	5.5	6.8
	Nifty 10 yr Benchmark G-Sec	1.3	1.8	4.4	7.4	4.4	8.4	4.2	5.4
	Nifty Composite G-sec Index	0.8	1.9	4.9	8.3	4.9	8.8	5.7	6.7
SDL	NIFTY 10 Year SDL Index	1.0	1.9	5.5	7.7	5.5	8.9	6.2	7.3
AAA credit	NIFTY AAA Ultra Short Duration Bond Index	0.6	1.9	3.9	7.8	3.9	7.4	6.3	6.1
	NIFTY AAA Short Duration Bond Index	0.4	1.6	3.5	6.9	3.5	6.8	5.2	6.8
	NIFTY AAA Low Duration Bond Index	0.5	1.8	3.8	7.2	3.8	6.9	5.7	6.2
	NIFTY AAA Medium Duration Bond Index	0.5	1.6	3.7	6.8	3.7	7.0	4.9	7.2
	NIFTY AAA Medium to Long Duration Bond Index	0.4	1.5	4.1	6.7	4.1	7.3	5.1	7.1
	NIFTY AAA Long duration Bond Index	0.6	1.5	4.9	7.1	4.9	8.5	5.1	7.0
Composite	NIFTY Liquid Index	0.5	1.8	3.7	7.4	3.7	7.0	5.9	5.3
	NIFTY Money Market Index	0.6	1.9	3.8	7.6	3.8	7.2	6.0	5.6
	NIFTY Ultra Short Duration Debt Index	0.6	2.0	4.0	7.8	4.0	7.5	6.3	6.0
	NIFTY Short Duration Debt Index	0.5	1.7	3.6	7.2	3.6	7.0	5.6	6.7
	NIFTY Low Duration Debt Index	0.6	1.9	3.9	7.5	3.9	7.2	6.0	6.1
	NIFTY Medium Duration Debt Index	0.6	1.7	3.7	7.0	3.7	7.3	5.4	7.2
	NIFTY Medium to Long Duration Debt Index	0.5	1.6	4.2	7.1	4.2	7.9	5.6	7.1
	NIFTY Long Duration Debt Index	0.8	1.9	5.8	8.6	5.8	9.3	6.1	7.3
	NIFTY Composite Debt Index	0.6	1.8	4.3	7.5	4.3	8.0	5.7	7.1
	NIFTY Corporate Bond Index	0.5	1.7	3.6	7.1	3.6	7.2	5.6	7.2

Source: NSE Indices, NSE EPR

Global fixed income markets rallied in the last two months…: After a diverging performance in May, global debt witnessed a rally in June, and further in July, aided by rate cut by the ECB and easing inflation in the US that cemented rate cut expectations from the US Fed. The US 10-year sovereign yield softened by 12bps in June and further by 18bps in July thus far to 4.2% (As of July 26th, 2024), pulling down the YTD increase to about 33bps, while that in the EU softened by a marginally higher 16bps in June and further by 8bps in July to 2.4%. The 10-year sovereign bond yield in Japan, on the other hand, remained broadly steady over the last two months at about 1% after a 20bps spike in May.

…with Indian debt moving in tandem, aided by favourable supply-demand dynamics: The Indian bond market remained broadly steady in June after rallying meaningfully in the previous month, but resumed gains in July. This was on the back of several factors including a) easing headline inflation, b) aggressive fiscal consolidation and consequently lower-than-budgeted borrowing plan, and c) higher FPI demand attributed to the inclusion of G-secs in global bond yields. The budget focused on fiscal prudence, without compromising on expenditure and welfare coverage, targeting a fiscal deficit of 4.9% of GDP in FY25, with the trajectory beyond to result in a declining debt to GDP ratio. FPIs were buyers of Indian debt for the third month in a row with net inflows of US$5.1bn during May-Jul'24. Consequently, the 10-year G-sec yield softened by 7bps in July, translating into a decline of 24bps in the year thus far.

Figure 136: India 10Y G-sec yield—long-term trend

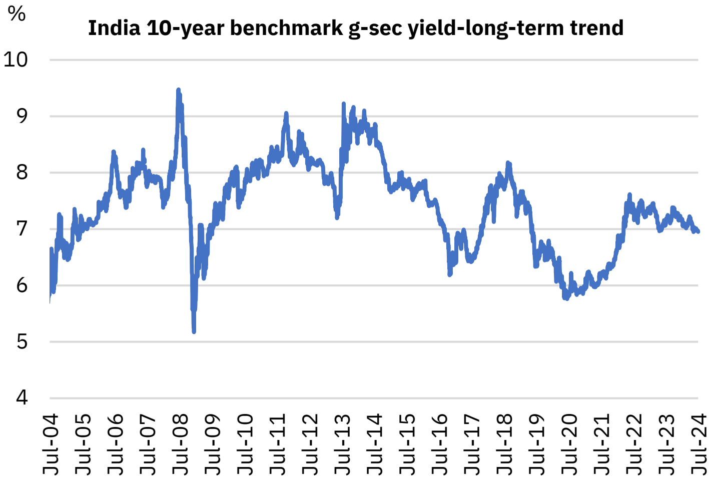
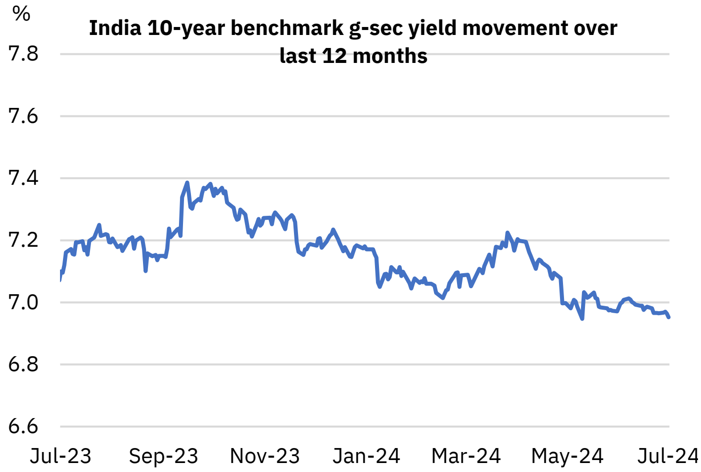
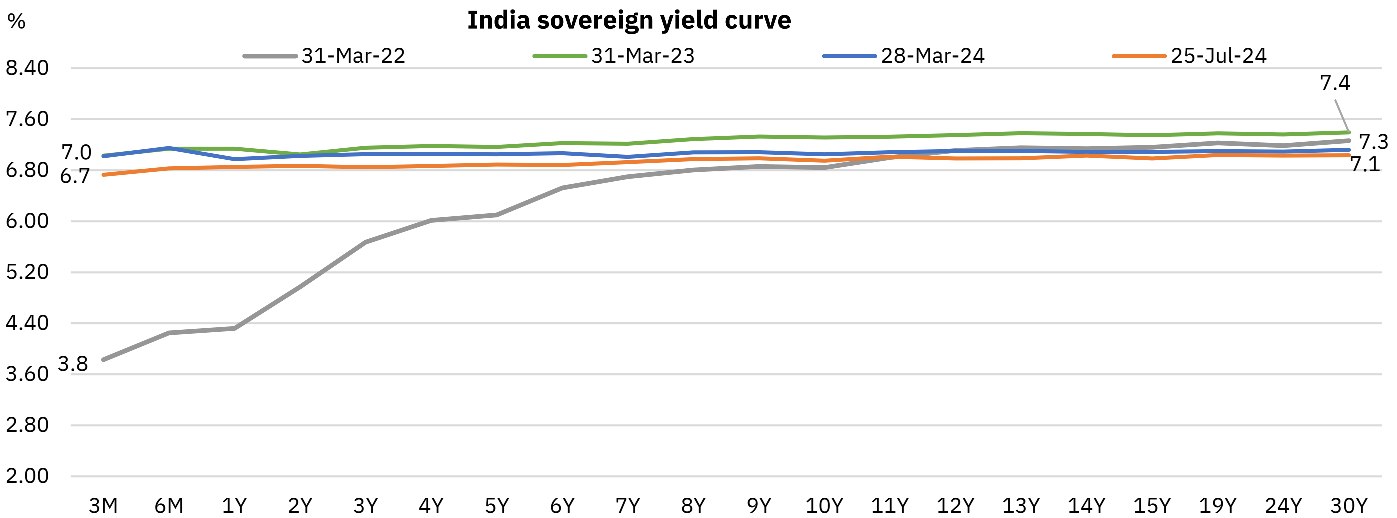


Figure 137: India 10Y G-sec yield—last one-year trend



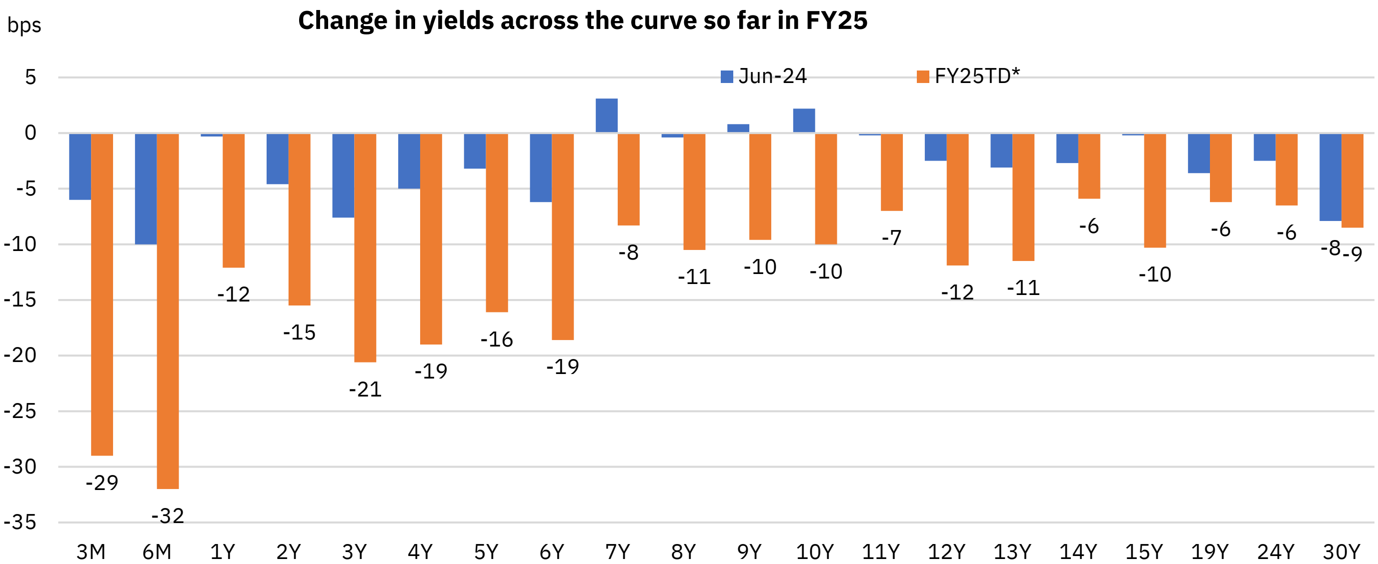
Source: Cogencis, NSE EPR

Figure 138: India sovereign yield curve



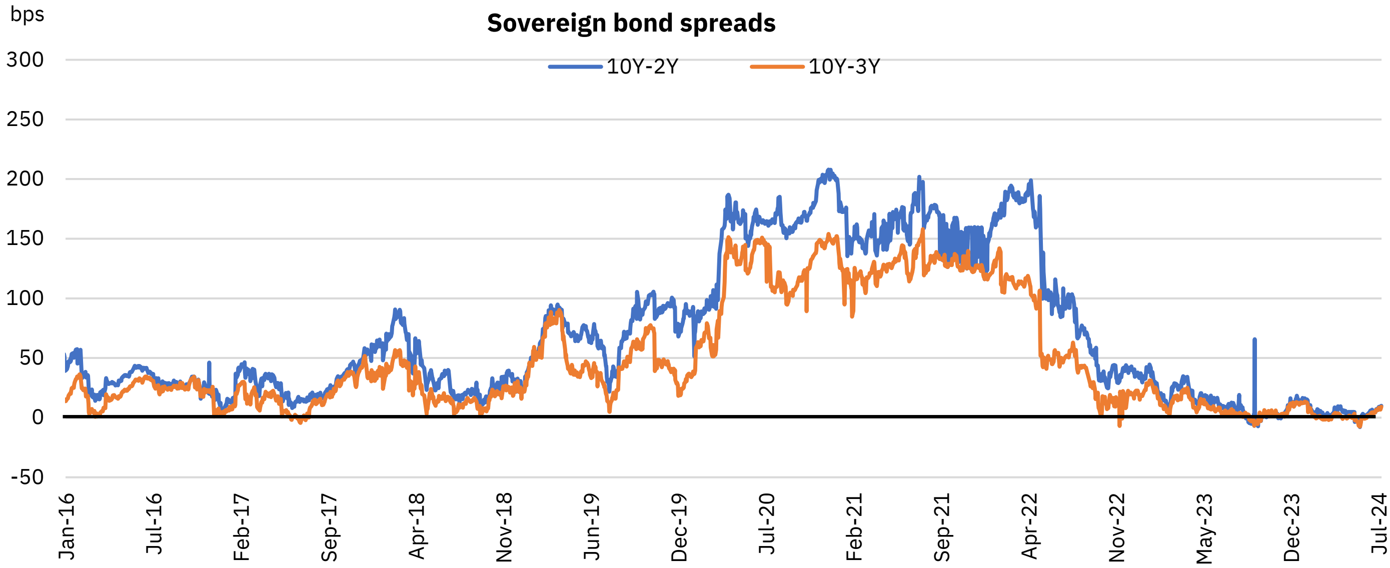
Source: Cogencis, NSE EPR

Figure 139: **Change in sovereign yields across the curve**



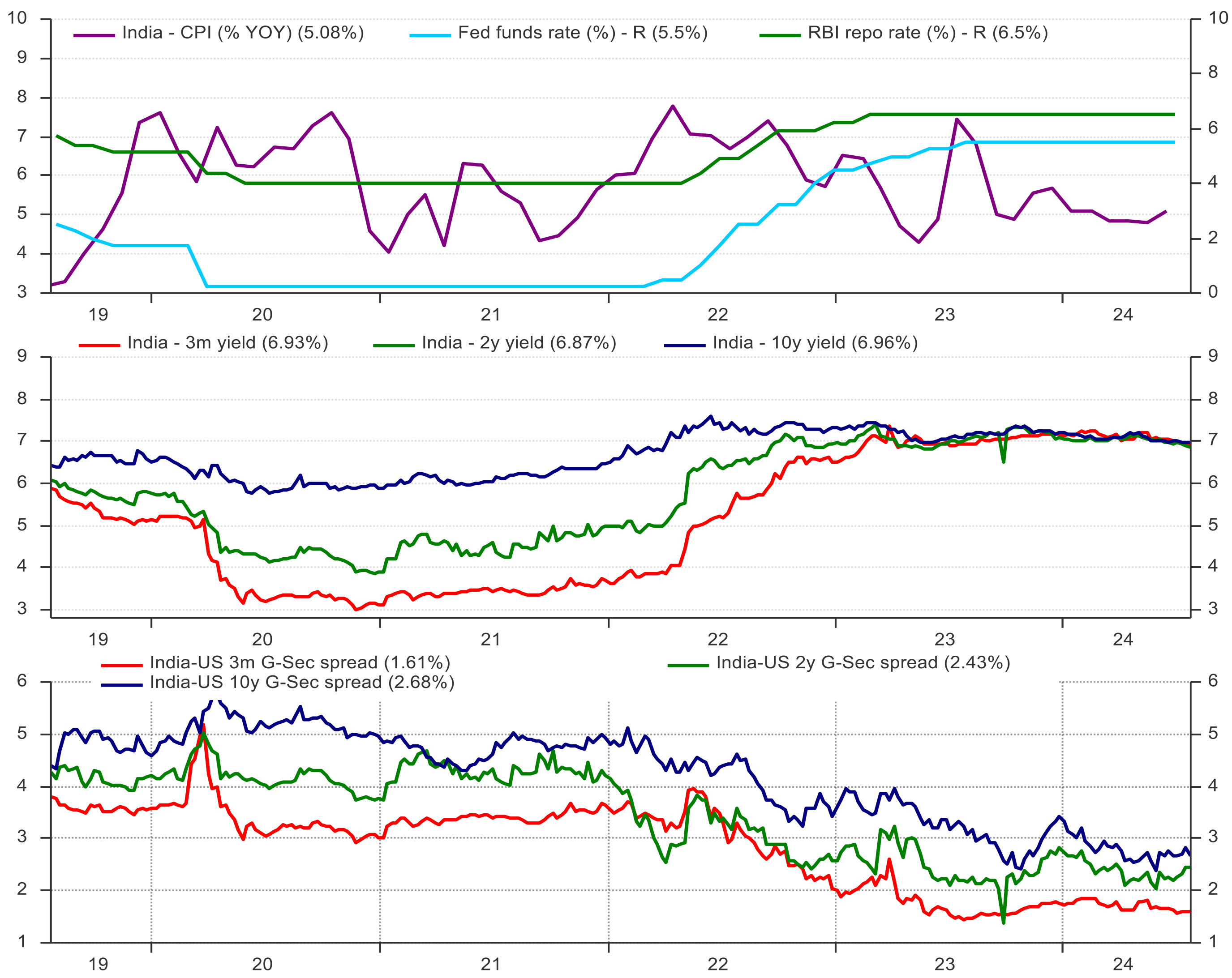
Source: Cogencis, NSE EPR. * As of July 25th, 2024.

Figure 140: India sovereign bonds term premia



Source: Cogencis, NSE EPR

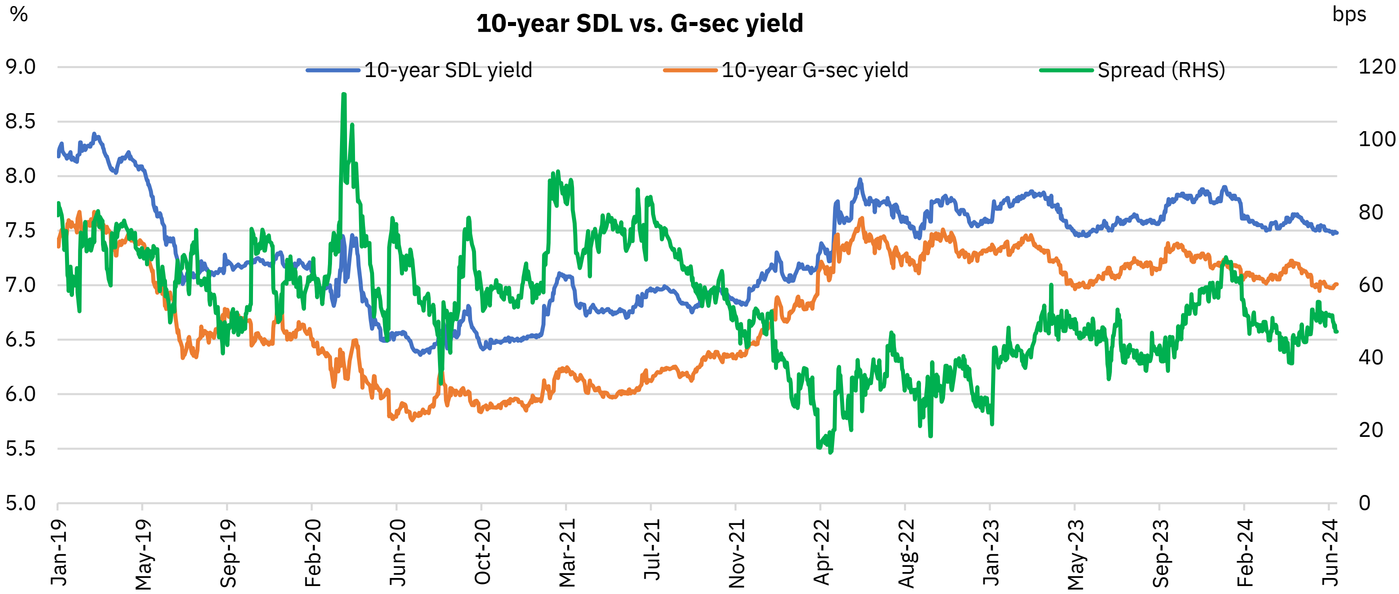
Figure 141: Inflation, yields and spreads in India vs. US



Source: LSEG Datastream, NSE EPR

SDL spreads narrowed marginally in June: After widening sharply in the last quarter of 2023 amid higher-than-indicated borrowings (Rs 2.46 lakh crore in Q4 2023, 1.7% higher than the indicated amount), SDL (State Development Loans) spreads fell sharply in the first four months of the year on lower-than-expected borrowings, only to widen again in May, thanks to higher demand for G-secs in the run-up to the inclusion in the JP Morgan Emerging Market Bond Index. The trend, however, reversed marginally in June, as the 10-year SDL yield fell by about 6bps while the commensurate G-sec yield remained broadly steady. This resulted in a decline in the spreads between 10-year SDL and G-sec yields by about 8bps to 47bps by June-end. Macro factors apart, a part of this decline is attributed to states continuing to borrow much less than the indicated amount. For instance, total state borrowings in this fiscal thus far at Rs 1.85 lakh crore (As of July 23rd, 2024) is nearly 40% lower than the indicated amount of Rs 3.07 lakh crore, and about 10.7% below the amount issued in the same period last year.

Figure 142: **Spreads between 10-year SDL and G-sec yields**

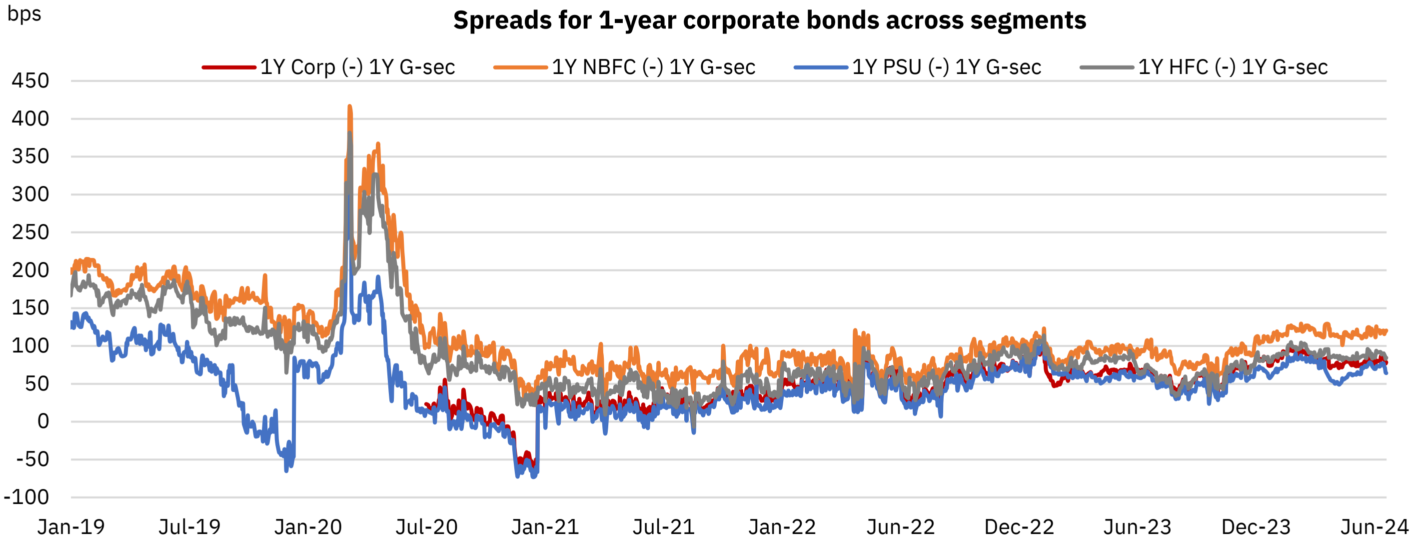


Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Corporate bond market performance

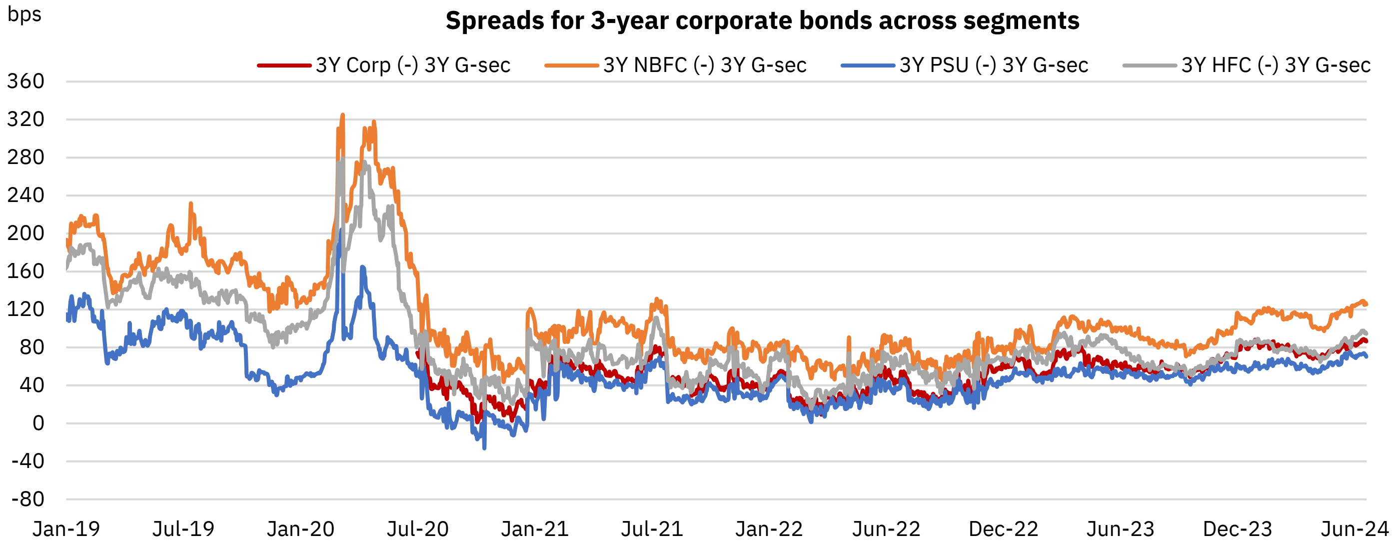
In line with sovereign bonds, corporate yields in June remained broadly in the long-end but came off marginally in the short-end (sub-1-year maturity), partly supported by easy liquidity. The long end, however, has seen spreads continue to rise gradually, thanks to stronger foreign and domestic demand for sovereign papers. The 1-year AAA-rated PSU and HFCs have seen their spreads with corresponding G-secs fall by about 10-12 bps in June.

Figure 143: Spreads for one-year AAA-rated corporate bonds across segments



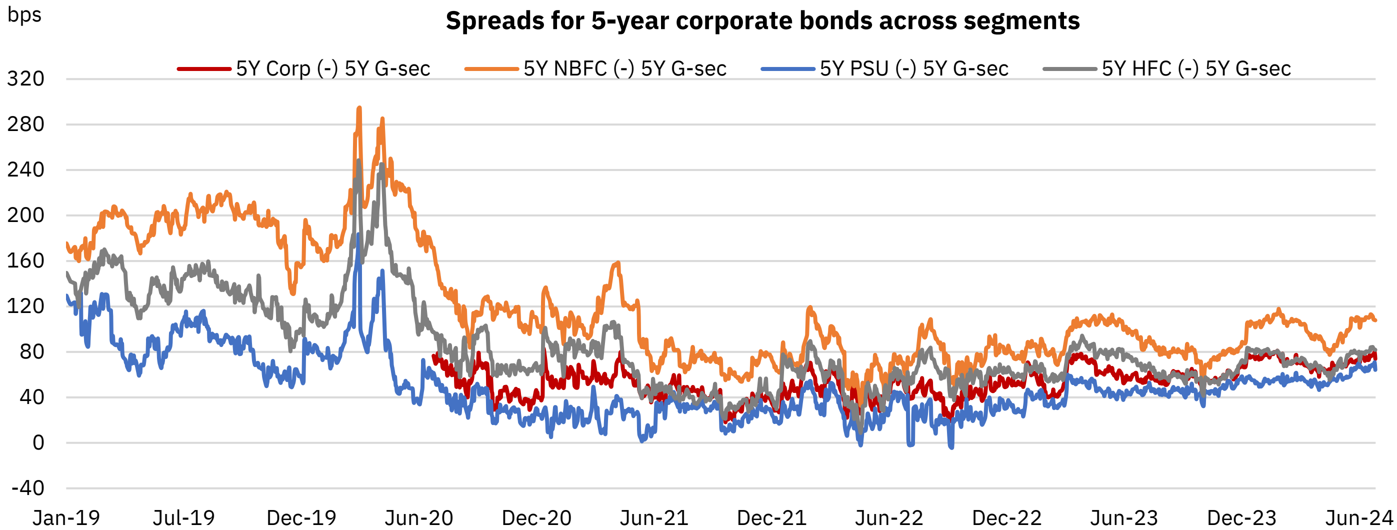
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 144: Spreads for three-year AAA-rated corporate bonds across segments



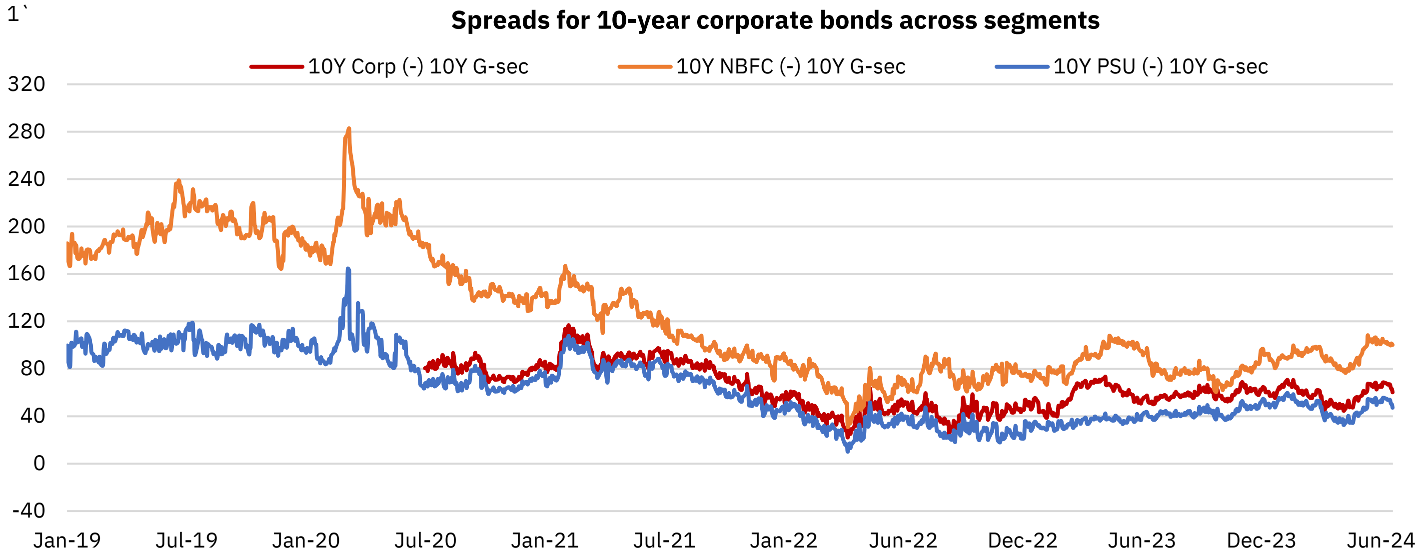
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 145: Spreads for five-year AAA-rated corporate bonds across segments



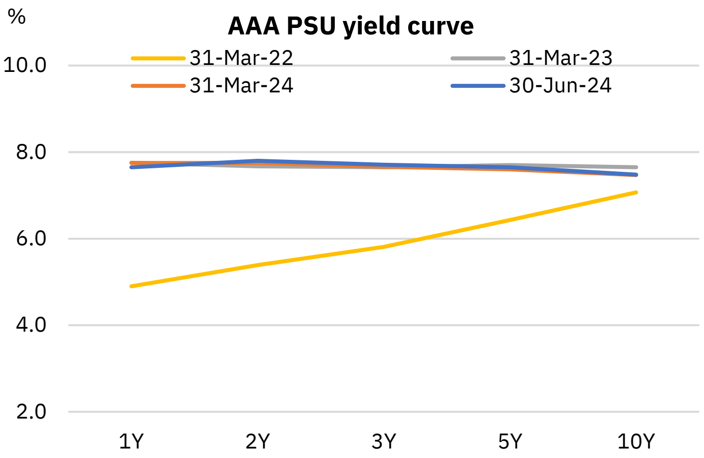
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 146: Spreads for 10-year AAA-rated corporate bonds across segments



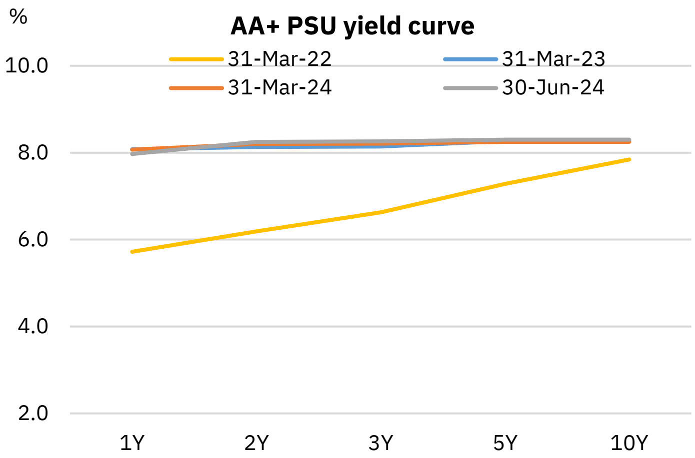
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 147: AAA-rated corporate bond yield curve



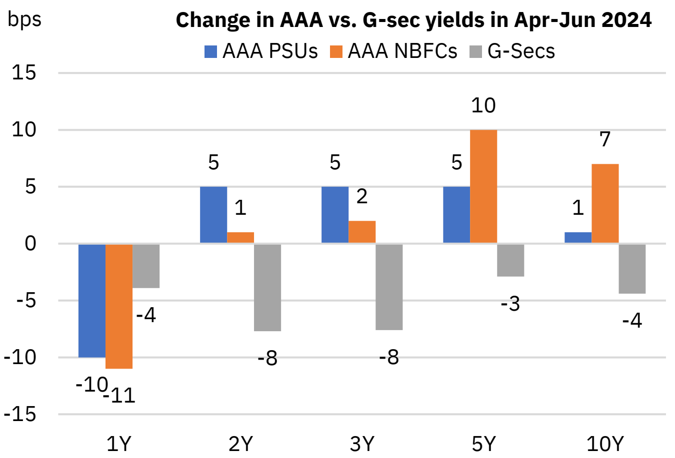
Source: NSE Data and Analytics (NDAL)

Figure 148: AA+ rated corporate bond yield curve



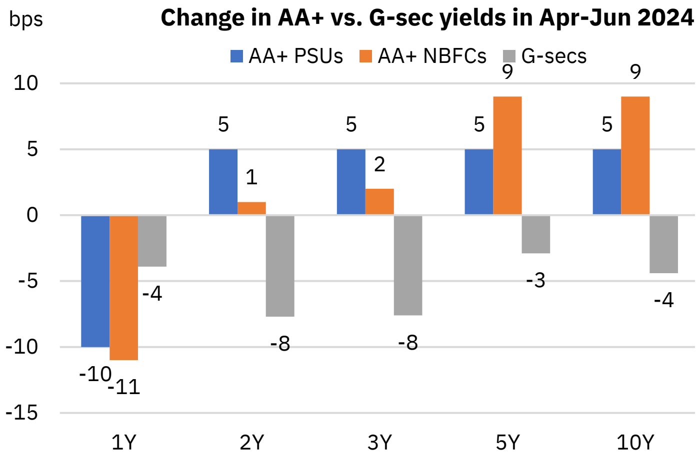
Source: NSE Data and Analytics (NDAL)

Figure 149: Change in AAA corporate bond and G-sec yields in FY25 till date



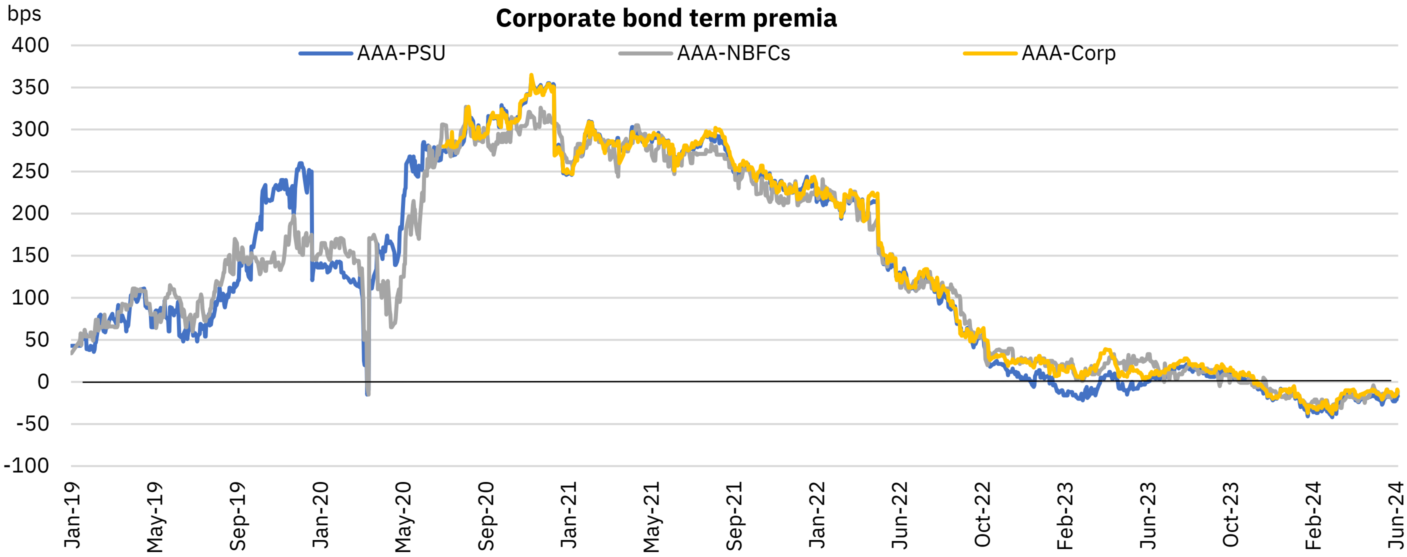
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 150: Change in AA+ corporate bond and G-sec bond yields in FY25 till date



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

Figure 151: Corporate bond term premia between 10-year and 1-year yields



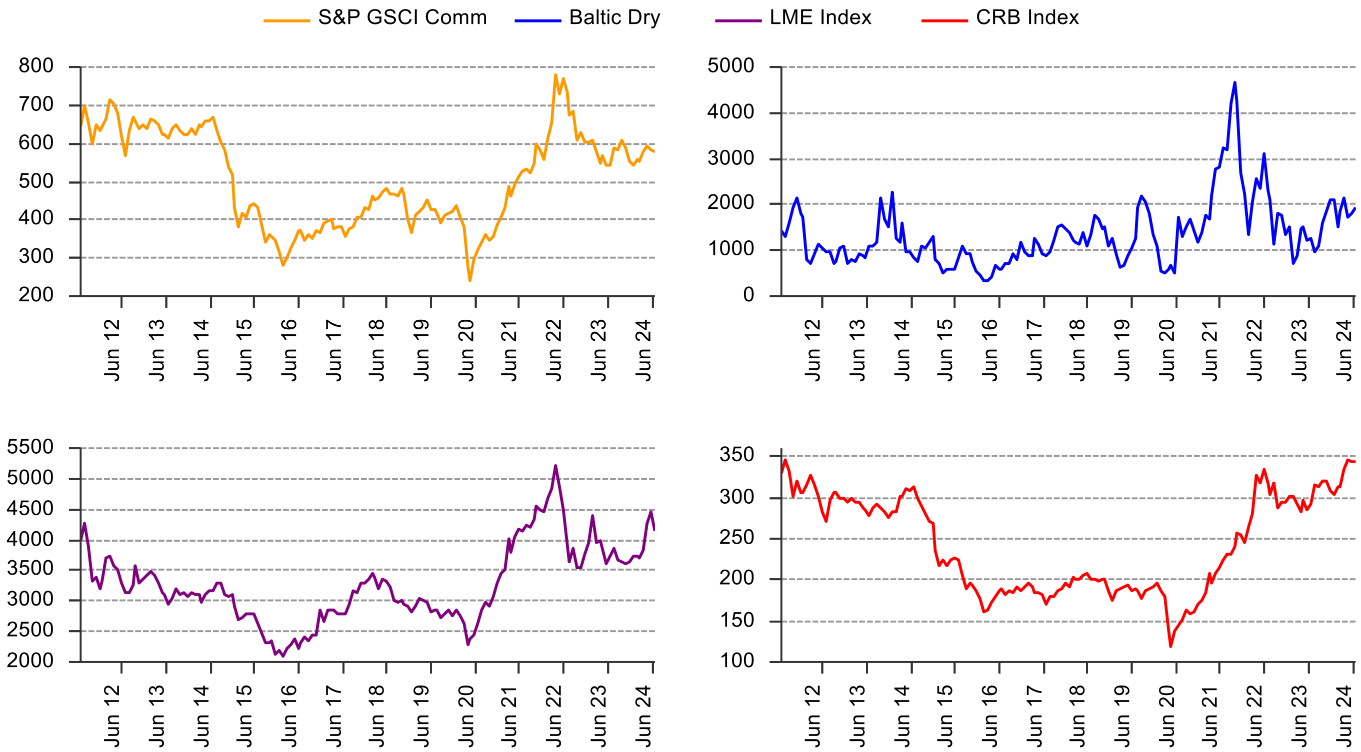
Source: NSE Data and Analytics (NDAL), NSE EPR

Commodity market performance

Commodity prices fell in May: The S&P GSCI Index—a composite commodity index, fell 2.3% in May after rising by a modest 0.6% in the previous month, primarily led by fall in energy segment, as oil prices retreated in May after peaking in April. In precious metals, Gold and Silver rallied further, providing returns worth 3.7% (YTD: +12.5%; As of June 25th, 2024) and 15.5% (YTD: +21.7%) respectively, reflecting the impact of increased buying by global central banks. The industrial metals generated modest returns, with aluminum and nickel rising the most, while copper and zinc registered a modest increase. Agri-commodities painted a mixed picture, with prices of wheat, and soyabean experiencing a rise and that of cotton and sugar declining during the same period.

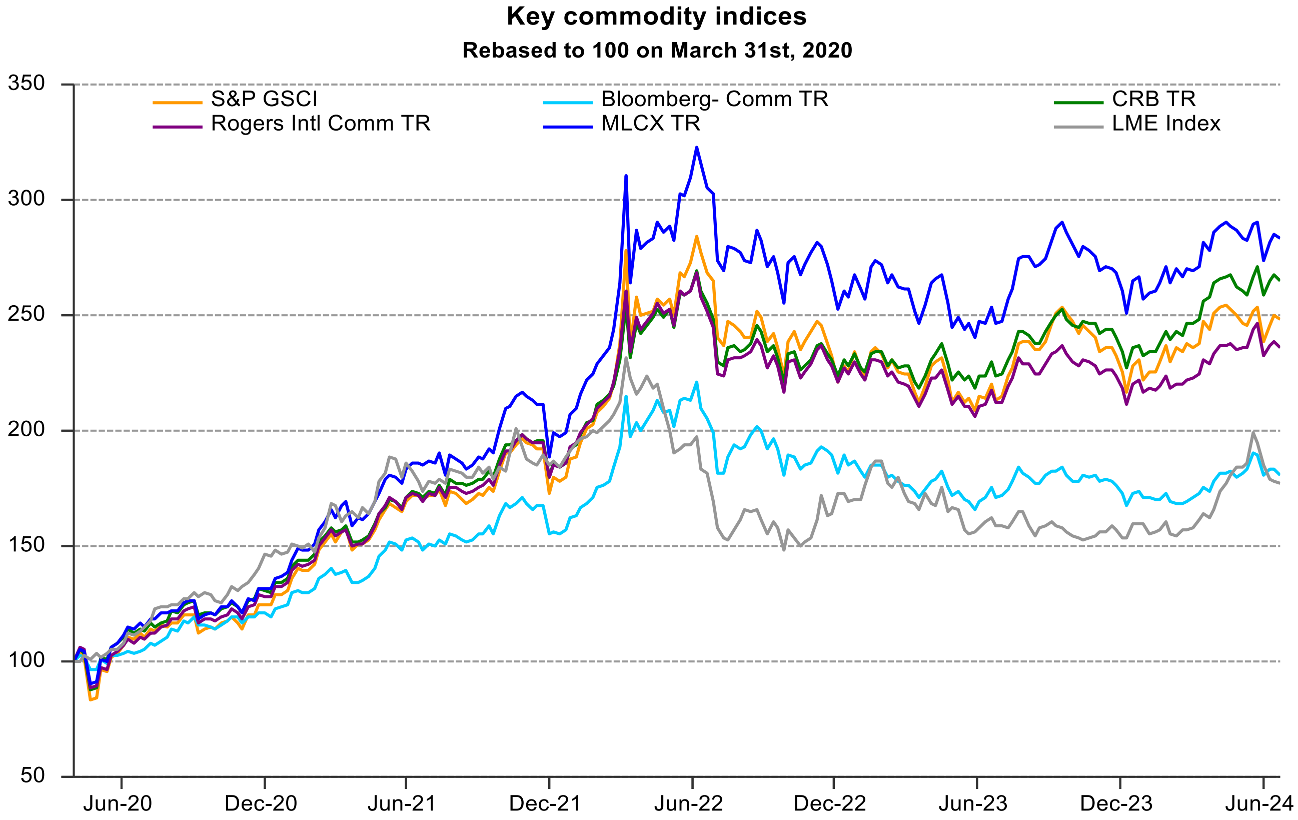
Figure 152: Movement in key commodity indices

(As on June 25th, 2024)



Source: LSEG Datastream, NSE EPR

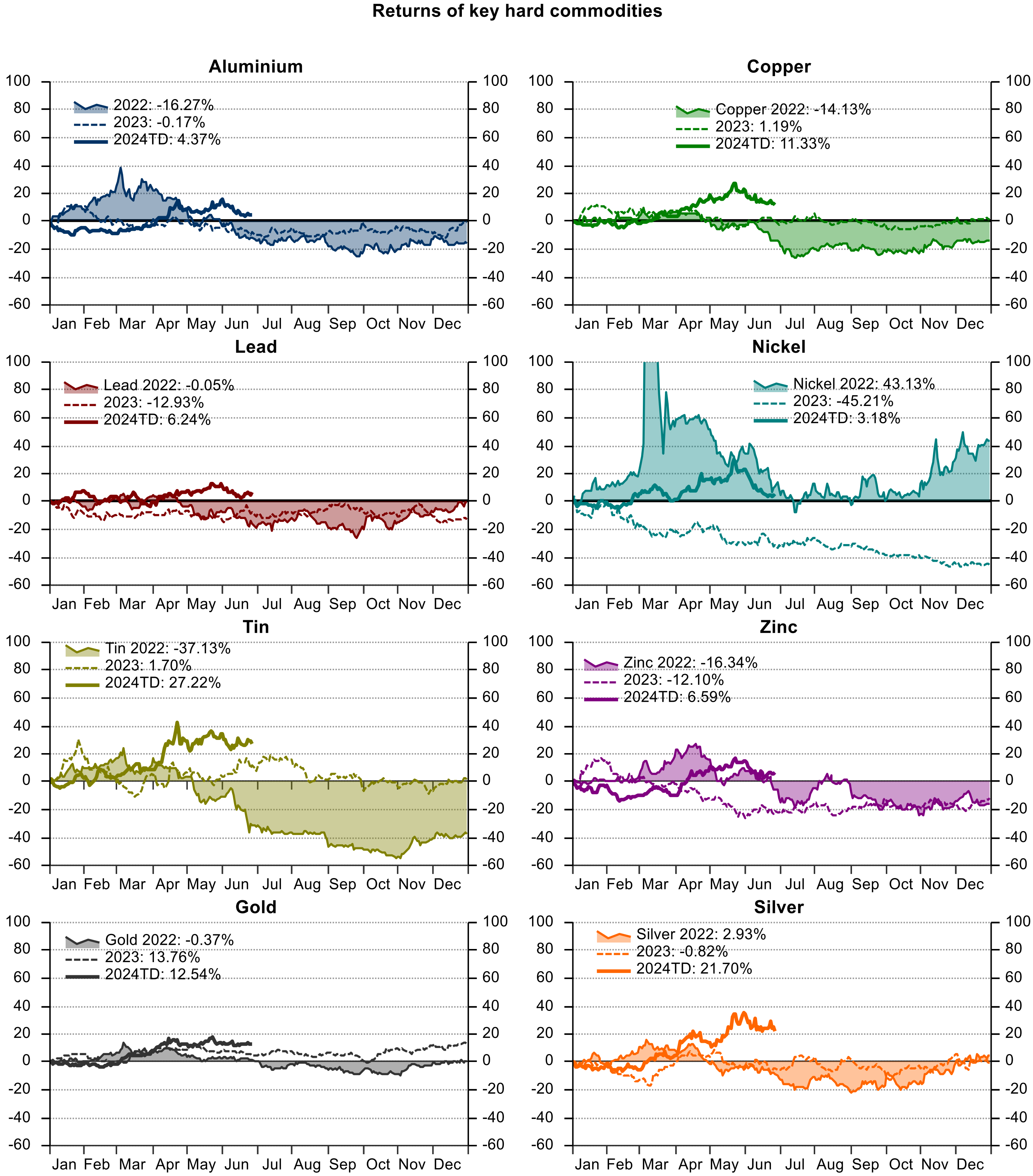
Figure 153: Movement in key commodity indices since 2020
Rebased to 100 on March 31st, 2020 (As on June 25th, 2024)



Source: LSEG Datastream, NSE EPR

Figure 154: Returns of key hard commodities in 2022, 2023 and 2024 till date

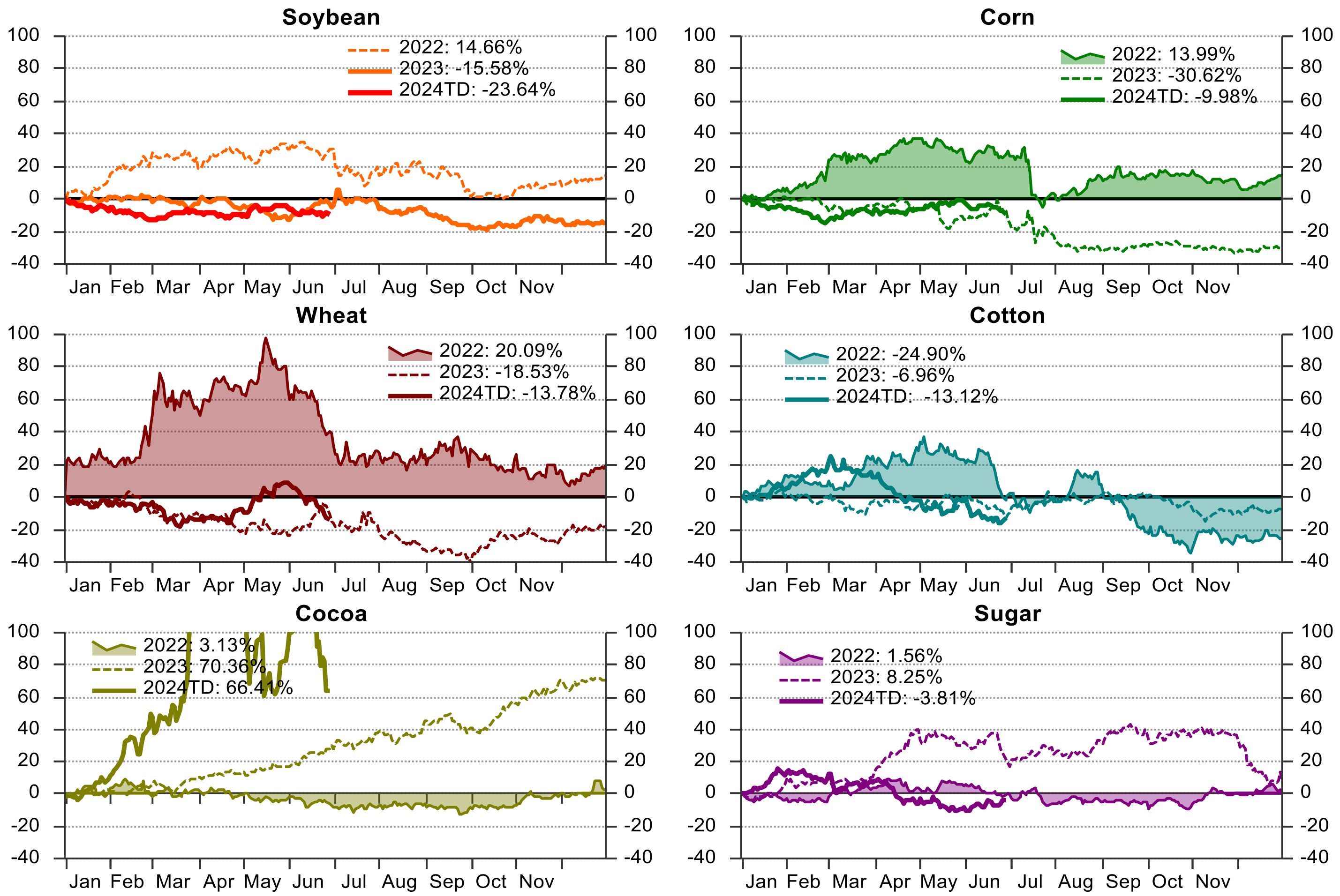
(As on June 25th, 2024)



Source: LSEG Datastream, NSE EPR

Figure 155: Returns of key agricultural commodities in 2022, 2023 and 2024 till date
(As on June 25th, 2024)

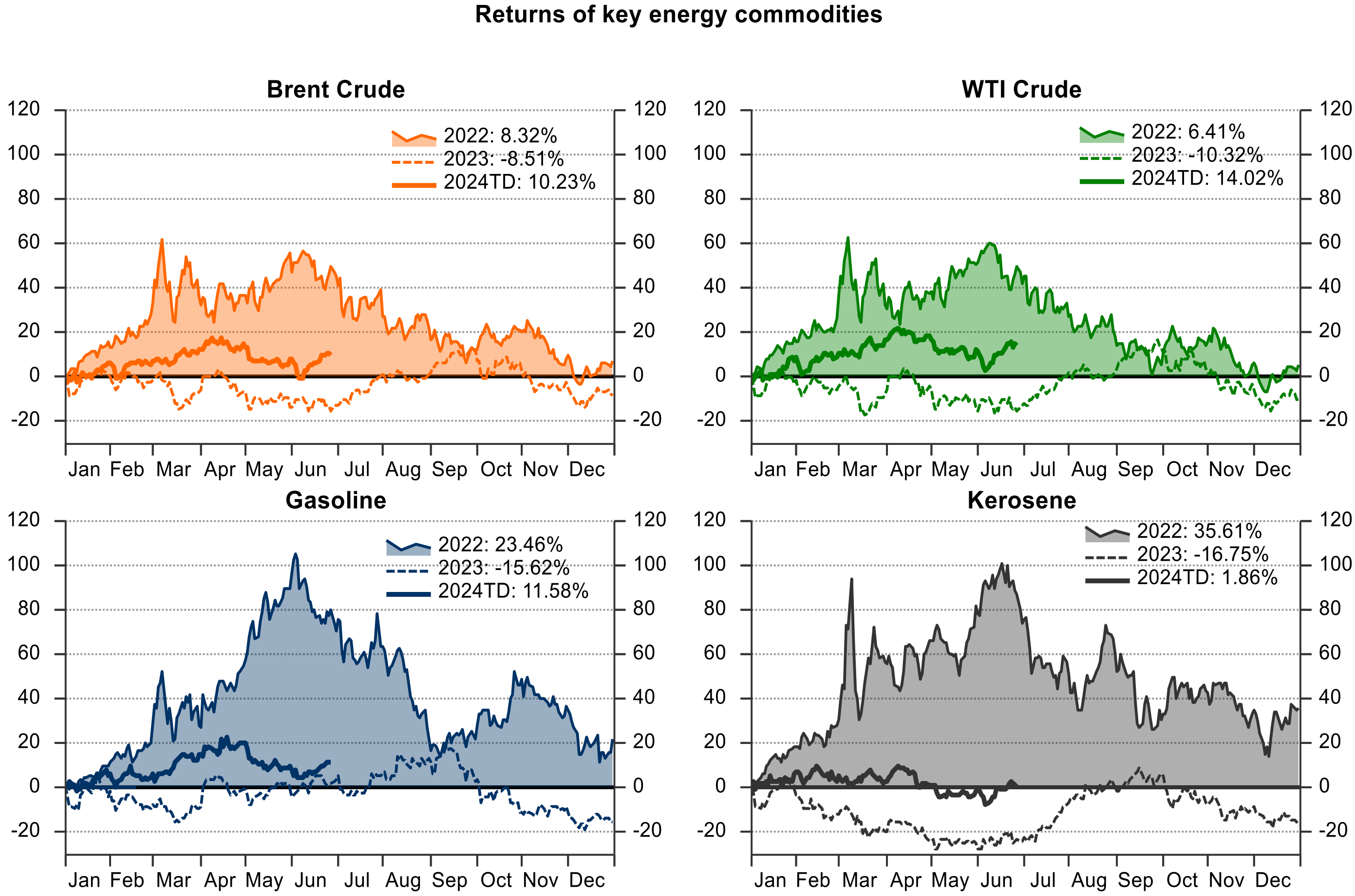
Returns of key agri commodities



Source: LSEG Datastream, NSE EPR

Figure 156: Returns of key energy commodities in 2022, 2023 and 2024 till date

(As on June 25th, 2024)



Source: LSEG Datastream, NSE EPR

Table 32: Annual performance across commodities

(As on June 25th, 2024)

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

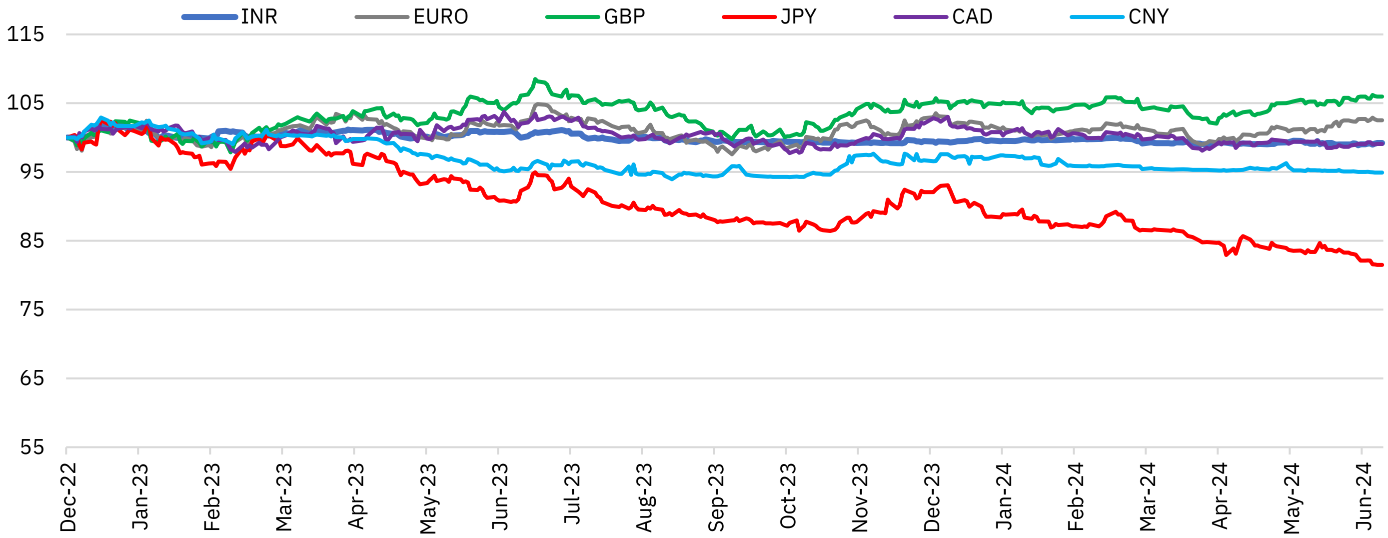
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024TD
Palladium 13.3	Lead -2.5	Zinc 60.6	Palladium 57.6	Palladium 19.6	Palladium 52.0	Silver 47.8	Tin 91.7	Nickel 43.1	Gold 13.8	Tin 27.2
Nickel 9.0	Gold -10.5	Brent Crude 54.5	Aluminium 32.4	Gold -1.7	WTI 35.3	Copper 26.0	WTI 55.8	Brent Crude 8.3	Tin 1.7	Silver 21.7
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	WTI 14.0
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	Gold 12.5
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	Copper 11.3
Platinum -11.1	Copper -26.1	Copper 17.4	Lead 24.3	Nickel -16.5	Gold 18.7	Tin 19.6	Nickel 26.1	Silver 2.9	Platinum -2.4	Brent Crude 10.2
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	Zinc 6.6
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 6.2
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	Aluminium 4.4
Silver -19.3	Palladium -31.6	Lead 11.3	Silver 6.4	Brent Crude -20.2	Lead -4.7	Lead 3.3	Platinum -10.2	Aluminium -16.3	Zinc -12.1	Nickel 3.2
WTI -45.9	Brent Crude -35.1	Gold 9.0	Platinum 3.2	Zinc -24.5	Zinc -9.5	WTI -21.0	Palladium -10.2	Zinc -16.3	Lead -12.9	Platinum -1.7
Brent Crude -48.9	Nickel -41.8	Platinum 3.5	Tin -5.2	WTI -25.3	Tin -12.0	Brent Crude -21.8	Silver -11.7	Tin -37.1	Nickel -45.2	Palladium -1.7

Source: LSEG DataStream, NSE EPR

Currency market performance

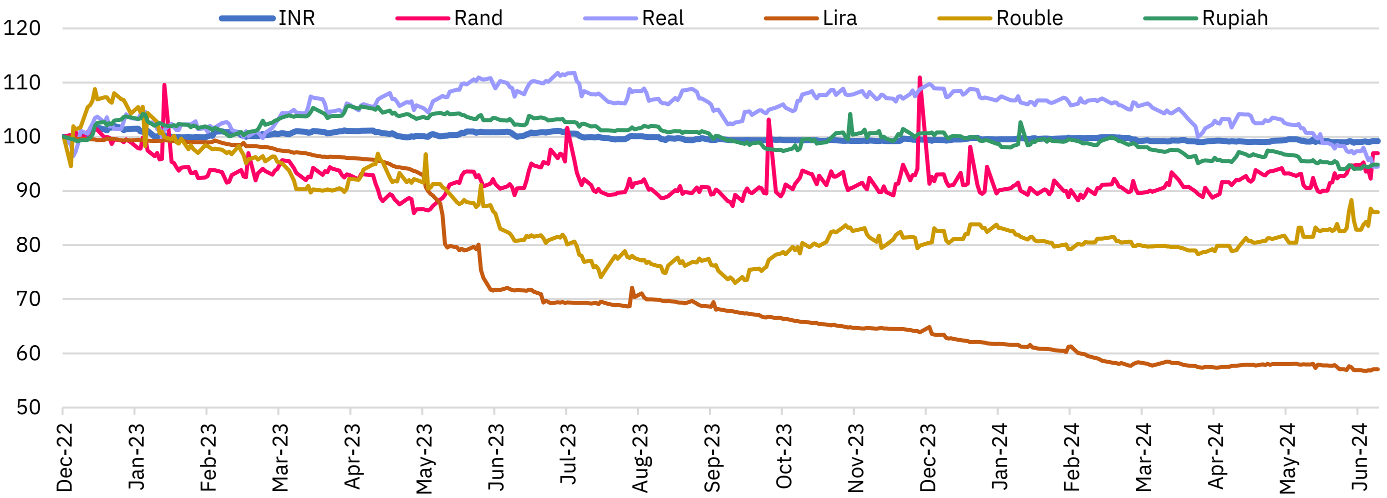
INR held steady in a volatile global landscape: Notwithstanding dollar strengthening and heightened geopolitical tensions in the Middle East, the INR remained largely stable in June, trading between 83.1 and 83.6 against the US dollar and closing nearly flat at 83.4, supported by political stability and higher FPI inflows in equity as well as bond markets. Notably, the RBI's foreign exchange reserves soared to a new high of US$651.9 bn in Jun'24, rising further to US$ 671 bn as of July 19th, 2024, thereby significantly reducing the INR's vulnerability to global shocks. The DXY saw a moderate increase of 1.1%, while both the Canadian Dollar and Yuan experienced slight declines (-0.3% MoM) in Jun'24. In contrast, the Yen fell to a 38-year low (-2.3% MoM), exacerbated by an increasing interest rate differential driven by rising US yields. This period also saw major DM currencies like the Euro (+1.3% MoM) and Pound Sterling (+0.7% MoM) soften against the US dollar.

Figure 157: Movement in INR vs. major DM currencies since beginning of 2023
(Rebased to 100 on December 30th, 2022)



Source: Cogencis, NSE EPR.

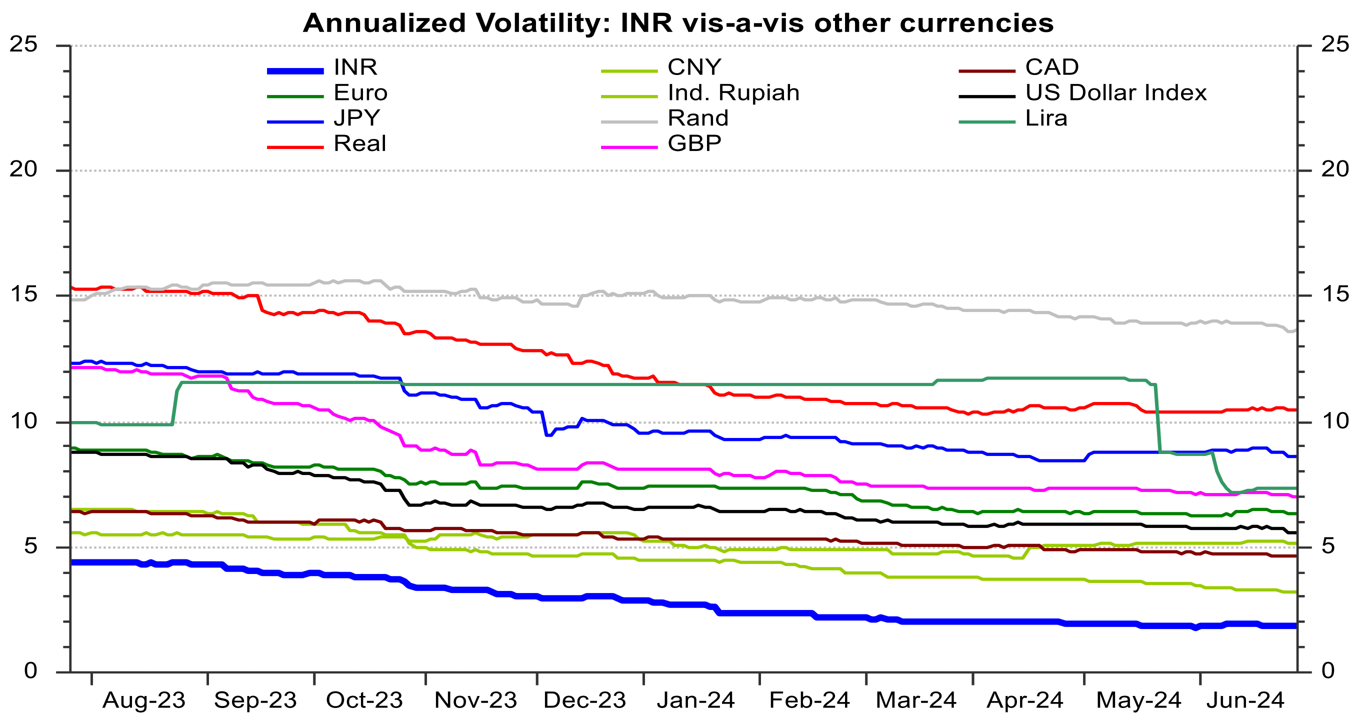
Figure 158: Movement in INR vs. major EM currencies since the beginning of 2023
(Rebased to 100 on December 30th, 2022)



Source: Cogencis, NSE EPR.

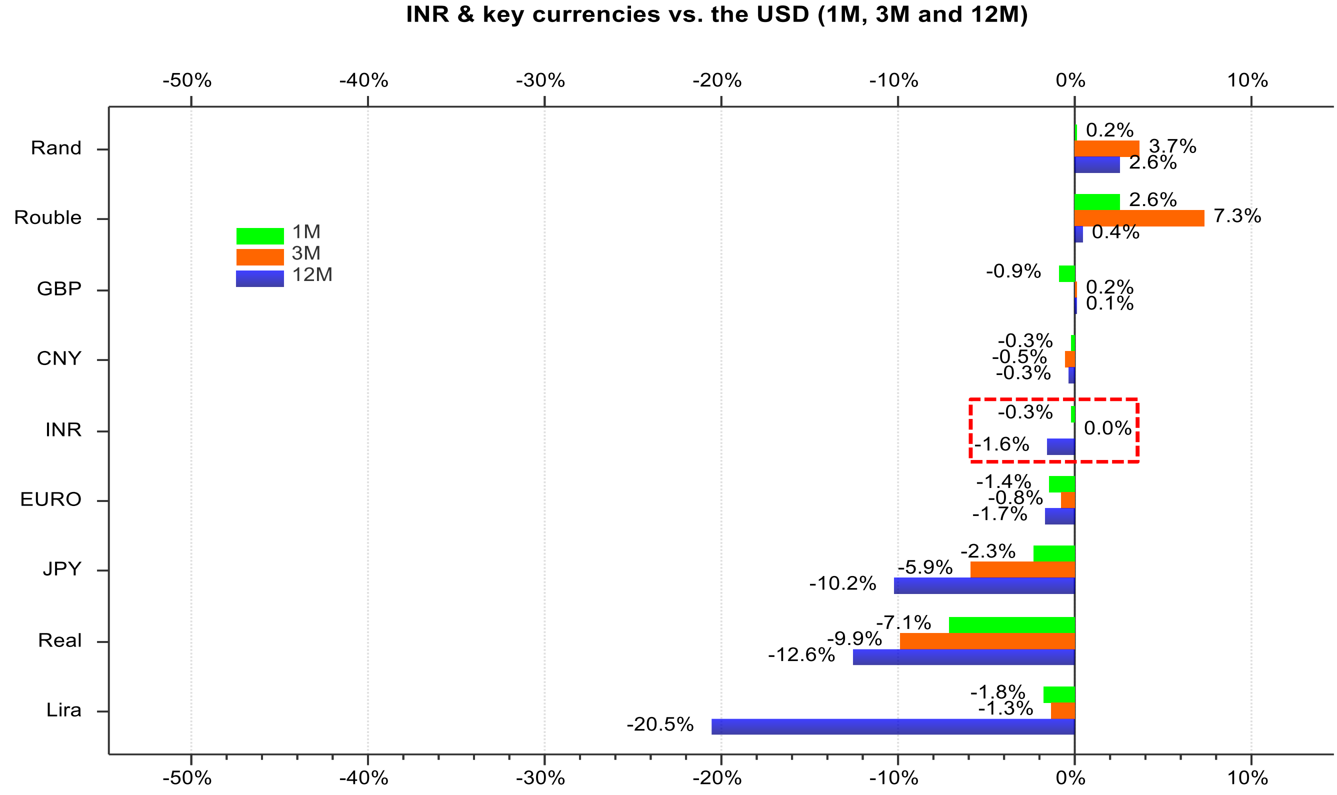
INR volatility remained the lowest among EM peers: In the month gone by, the average annualized volatility across most developed and emerging markets has modestly declined. The INR's annualized volatility has consistently remained in a thin band of sub-2%, albeit stable at 1.9% in Jun '24 (vs 1.9% in May '24), which is significantly lower than that observed in other major DM and EM peers. Despite a 4.5% increase in the DXY in the first half of 2024, the Rupee depreciated by only 0.2%. Stable macroeconomic fundamentals, including moderating inflation and a comfortable trade and fiscal position supported by robust growth, have bolstered the INR's performance vis-à-vis its EM and DM counterparts. Among major EM peers, the South African Rand's average annualized volatility stood at 13.9%, showing a marginal decline from nearly 14% the previous month, followed by the Brazilian Real at 10.5% (vs 10.5% in Apr '24). In the DMs, the average annualized volatility for the Turkish Lira stood at 7.4%, with the Japanese Yen at 8.8%, the Pound Sterling at 7.1%, the Euro at 6.4%, the Canadian Dollar at 4.7%, and the Chinese Yuan at 3.3%.

Figure 159: Annualized volatility of INR vs other developed and EM currencies



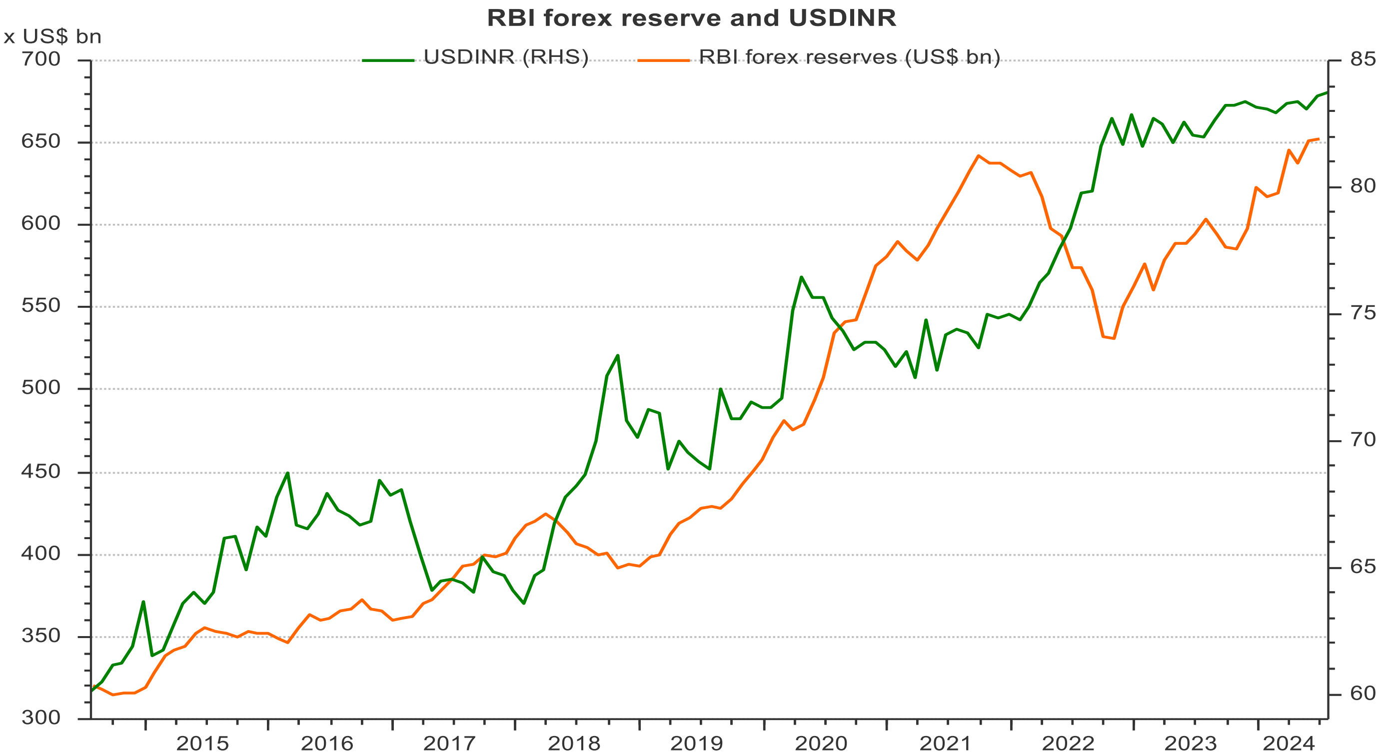
Source: LSEG Datastream, NSE EPR.

Figure 160: Change in INR vs other major currencies (as on June 30th, 2024)



Source: LSEG Datastream, NSE EPR.

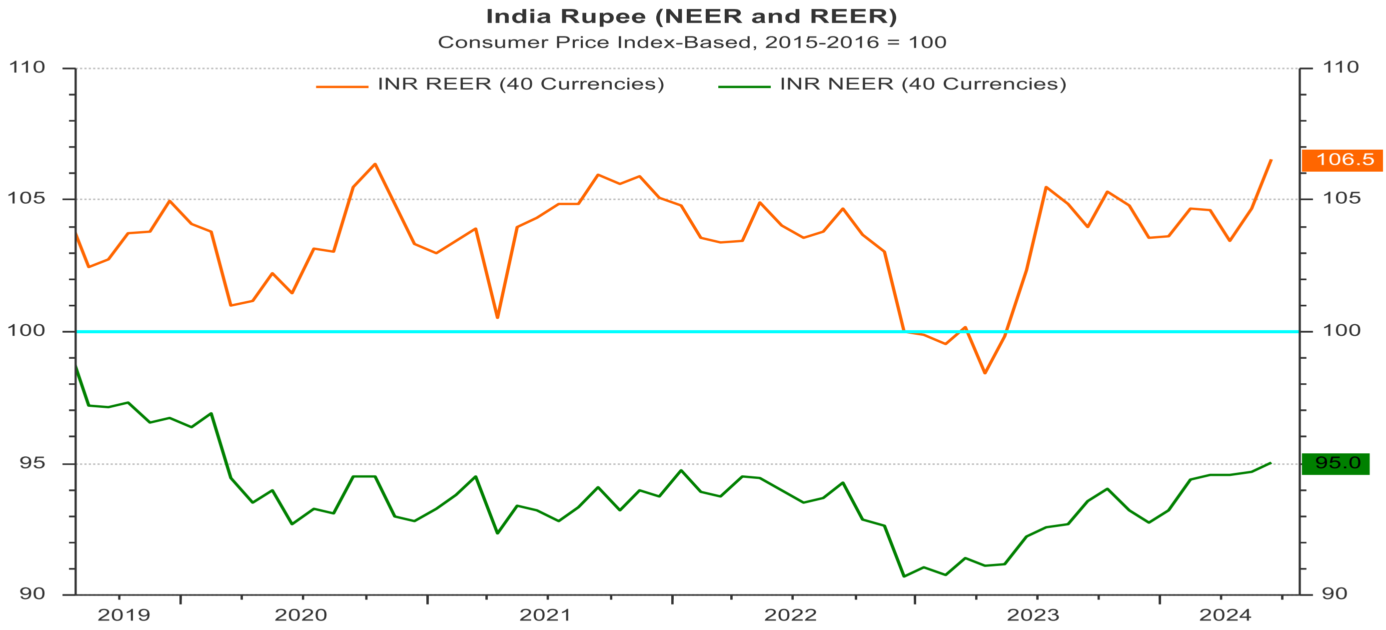
Figure 161: RBI forex reserves and USDINR



Source: LSEG Datastream, NSE EPR.

REER indicates continued overvaluation of INR: The real exchange rate of the rupee remained in the overvaluation zone for the 14th consecutive month in Jun'24, as measured against the 40-currency real effective exchange rate (REER), increasing from 102.4 a year ago to 106.5 in Jun'24. The nominal effective exchange rate (NEER) has also been rising steadily over the past two years, currently hovering at a 19th-month high of 95.

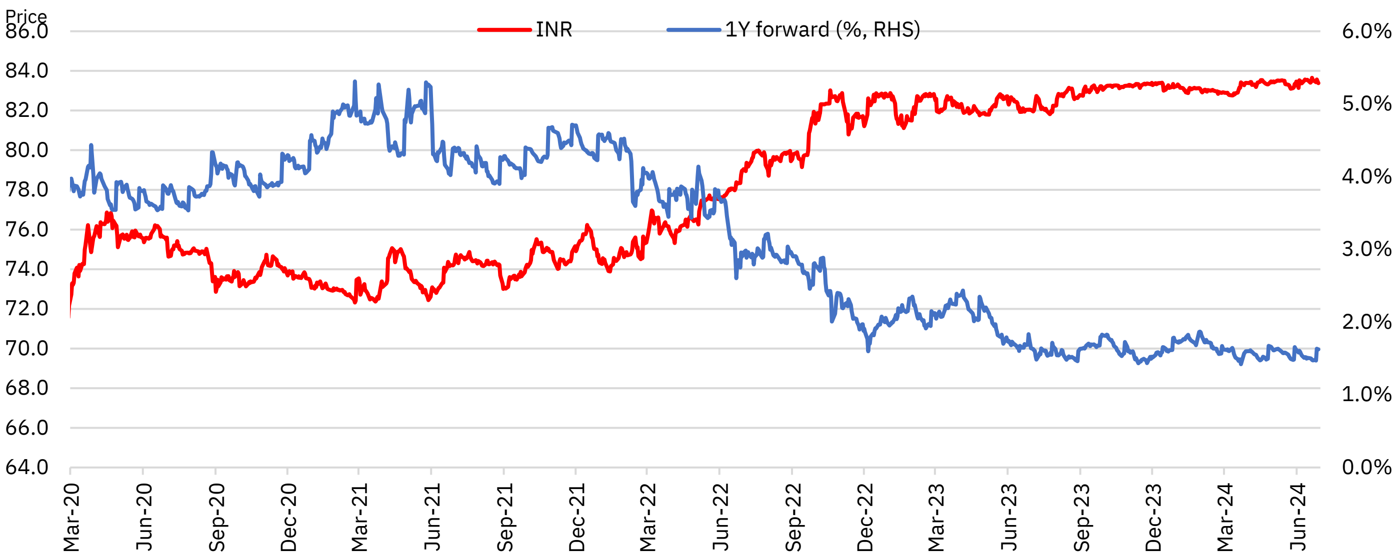
Figure 162: Real and nominal effective exchange rates of INR



Source: LSEG Datastream, NSE EPR

One-year forward premium mostly remains stable: Despite the impact of recent general elections, sustained geopolitical tensions in the Eastern Europe and Middle East, and India's inclusion in bond index, the INR forward premium for one-year remained stable at 1.6% in Jun'24. Throughout the month, the one-year forward premium oscillated between 122.7 paise and 136.5 paise, closing at 135.5 paise against the greenback. This reduction from the post-pandemic peak of 5.3% highlights the rupee's stability and robust macroeconomic fundamentals.

Figure 163: USDINR and 1-year forward premium



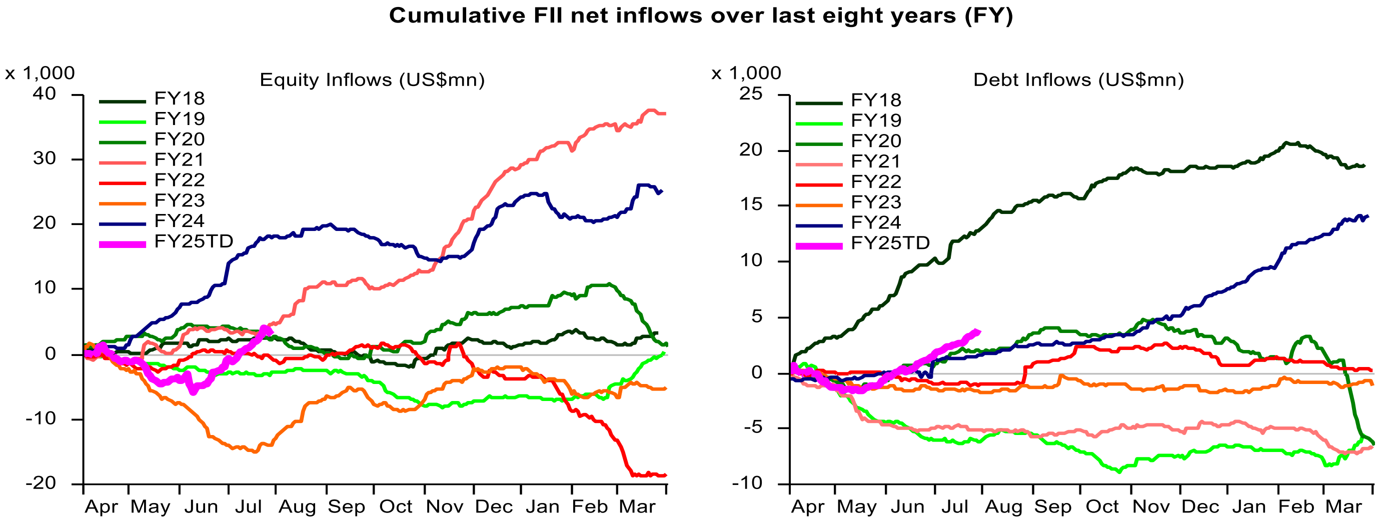
Source: Cogencis, NSE EPR.

Institutional flows across market segments in India

FPIs turned strong buyers of Indian equity in June…: In April and May 2024, FIIs were aggressive sellers of Indian equities, offloading US$4.1 billion. The trend, however, reversed in June, with FPIs turning strong buyers in the latter half, and continued the buying spree in July, investing a total of US$7.2bn in these two months (As of July 26th, 2024). This shift in sentiment was primarily driven by political stability and certainty over India's growth prospects following the election results, a sharp rebound in markets and better-than-expected earnings that has bolstered investor confidence. The budget was a closely watched event, with FPIs selling off substantially for three days post the budget, partly triggered by adjustments to the treatment of capital gains in listed, unlisted, and compulsory convertible debentures (CCDs) and a higher Securities Transaction Tax (STT) in the F&O segment. The cumulative net FPI inflows in the fiscal year thus far stand at US$3.1 billion (as of July 26th, 2024).

…And remained so in the debt market: FIIs have remained strong buyers in the debt market, with net inflows amounting to US$1.8 billion in June 2024 and another US$2.3 billion in July 2024 (as of July 26th,2024). This surge in investment was driven by the inclusion of Indian government bonds (IGBs) in JP Morgan's Emerging Markets Bond Indices, effective from June 28th. The combined inflows, alongside falling inflation and the government's fiscal consolidation efforts, are leading towards yield compression and a stronger Rupee. In the fiscal year thus far (As of July 26th, 2024), net FPI inflows in the debt market stand at $3.8 billion.

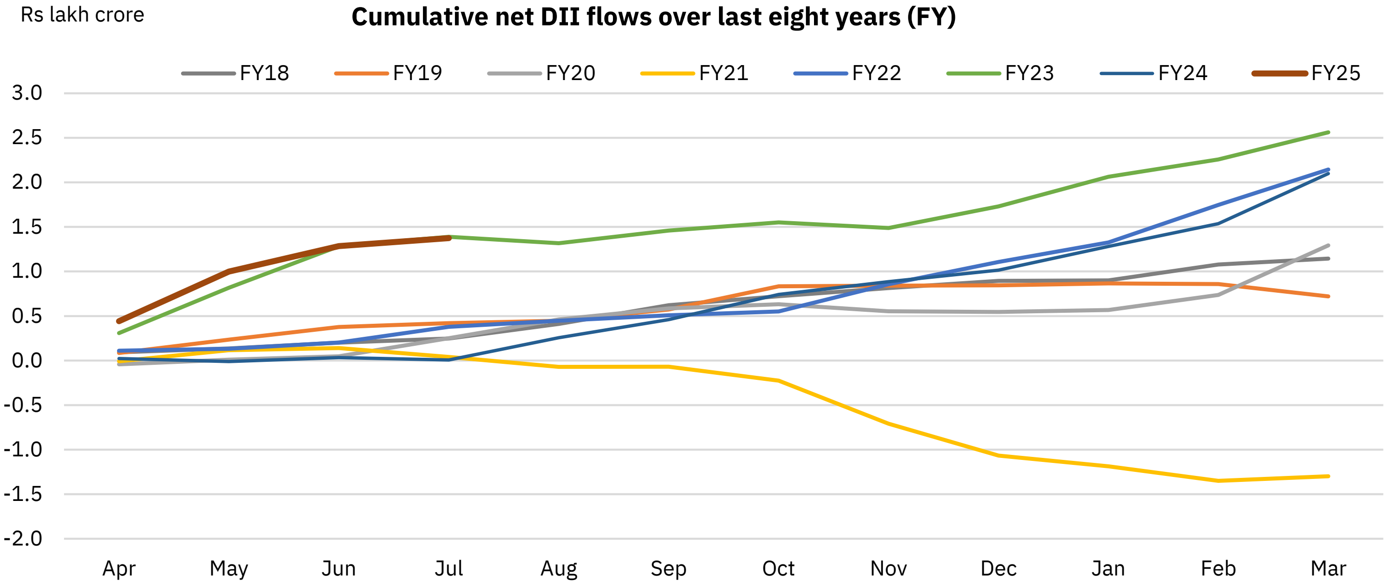
Figure 164: Net inflows by FPIs in Indian equity and debt markets



Source: LSEG Datastream, NSE EPR.

DIIs tapered net purchases of Indian equities in June: DIIs remained net buyers of Indian equities for the 12th month in a row in July, even as the quantum of buying has come off. Net DII inflows in the month of June fell to Rs 28,633 crore from an average of Rs 52k crore in the previous three months. The intensity of buying came off further in July, with net DII inflows moderating to Rs 8,889 crore (As of July 26th, 2024). In the three consecutive trading sessions post budget, DIIs have poured in Rs 8343.3 crore in Indian equities, despite the tax hike, limiting the market impact of FII selling. This underscores the ongoing confidence and sustained investment by DIIs in the Indian equity markets, contributing to the overall positive sentiment and growth trajectory. Overall net inflows by DIIs in the fiscal year thus far remained robust at Rs 1.4 lakh crore.

Figure 165: Net inflows by DIIs in Indian equity markets



Source: LSEG Datastream, NSE EPR.

Fund mobilization

Market Statistics: Primary market

Overall fund mobilization expanded marginally in June: In June 2024, the overall fund mobilization through NSE expanded by a modest 4.6% MoM to Rs 1.47 lakh crore. This increase was largely driven by a strong 30.5% MoM increase in fund mobilization through debt to Rs 1.3 lakh crore, leading to its share in the overall fund mobilization in the month rising to 90.5% from 72.6% in the previous month.

Conversely, equity issuances experienced a notable decline, with their share dropping to 8.3% in June 2024 from 27.4% in the previous month. The capital raised through equity issuances decreased by 68.3% MoM, aggregating to Rs 12,193 crore of which 50.6% or Rs 6,173 crore was raised through preferential allotment, followed by QIPs (22.8%), initial public issuances of equity (19.3%) and rights issues (6.6%). Initial Public Offerings (IPOs) exhibited a decline, with funds raised dropping by 76.4% MoM to a 12-month low of Rs 2,359 crore.

Table 33: Fund mobilization through equity and debt in the last six months (Jan'24–Jun'24)

Segments (Rs crore)	Modes	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Equity (Main Board) - Primary markets	Fresh listing	1,512	5,334	1,551	430	3,413	777
	OFS	1,443	1,586	1,564	4,624	6,193	1,180
	Fresh listing + OFS	**2,956**	**6,920**	**3,115**	**5,055**	**9,606**	**1,957**
	FPO	-	-	-	18,000	-	-
	Rights	148	7,891	135	1,566	1,492	805
	Preferential allotment	1,029	1,160	1,473	6,260	23,914	6,068
	QIPs	3,255	3,400	8,388	11,472	3,040	2,750
Equity (SME) - Primary markets	Fresh listing	309	643	438	538	405	380
	OFS	13	60	-	-	7	22
	Fresh listing + OFS	**323**	**704**	**438**	**538**	**411**	**402**
	FPO	-	-	27	-	-	-
	Rights	-	-	-	-	-	-
	Preferential allotment	22	10	69	50	49	105
	QIPs	-	-	-	-	-	25
Secondary markets	OFS	2,320	41	3,545	-	-	82
Total equity raised		**10,054**	**20,127**	**17,190**	**42,940**	**38,513**	**12,193**
InvITS	Fresh listing	2,263	880	2,500	-	-	-
	Rights	-	-	2,253	-	-	-
	Preferential allotment	2,190	-	1,091	-	-	501
	QIPs	-	-	6,181	-	-	-
REITs	Fresh listing	-	-	-	-	-	-
	Rights	-	-	-	-	-	-
	Preferential allotment	-	-	-	-	-	1,228
	QIPs	-	-	-	-	-	-
Total business trusts raised		**4,453**	**880**	**12,025**	**-**	**-**	**1,729**
Debt	CPs	26,794	72,461	65,641	43,362	69,915	90,408
	NCDs (Private)	40,211	52,086	53,188	15,950	30,966	42,209
	NCDs (Public)	-	1,635	654	-	1,000	334
Total debt raised		**67,005**	**1,26,182**	**1,19,483**	**59,313**	**1,01,881**	**1,32,951**
Total fund mobilization		**81,512**	**1,47,188**	**1,48,698**	**1,02,253**	**1,40,394**	**1,46,874**

Source: NSE EPR. Note: Reissuances are included for deb issuances.

In the first quarter of FY25, the overall fund mobilization expanded by 4.8% YoY to Rs 3.9 lakh crore. Notably, in contrast to monthly trends, the share of equity issuances saw a significant increase to 24% YoY in the first quarter of FY25 vs. 7.4% in the same period of the previous fiscal.

Table 34: Resource mobilization through equity and debts during last four years (Year-wise)

Segments (Rs crore)	Modes	FY22	FY23	FY24	FY25TD
Equity (Main Board) - Primary markets	Fresh listing	40,641	14,359	28,763	4,620
	OFS	70,979	38,080	32,611	11,998
	Fresh listing + OFS	**1,11,620**	**52,440**	**61,374**	**16,618**
	FPO	-	4,300	-	18,000
	Rights	25,555	5,267	13,437	3,863
	Preferential allotment	57,883	80,952	34,549	36,243
	QIPs	31,441	8,212	66,891	17,262
Equity (SME) - Primary markets	Fresh listing	481	1,181	4,348	1,323
	OFS	23	149	273	28
	Fresh listing + OFS	**504**	**1,330**	**4,622**	**1,351**
	FPO	-	-	27	-
	Rights	355	149	120	-
	Preferential allotment	79	119	371	204
	QIPs	-	-	80	25
Secondary markets	OFS	14,210	11,033	21,769	82
Total equity raised		**2,41,646**	**1,63,803**	**2,03,239**	**93,647**
InvITs	Fresh listing	13,841	1,166	10,868	-
	Rights	1,284	-	5,629	-
	Preferential allotment	-	1,088	8,978	501
	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**	**1,729**
Debt	CPs	8,31,120	7,03,755	5,90,582	2,03,685
	NCDs (Private)	3,58,911	5,09,338	5,40,350	89,126
	NCDs (Public)	5,398	4,343	11,145	1,334
Total debt raised		**11,95,428**	**12,17,436**	**11,42,077**	**2,94,145**
Total fund mobilization		**14,53,148**	**13,84,709**	**13,83,547**	**3,89,521**

Source: NSE EPR

Notes:

1.Reissuances are included for deb issuances.

2.FY25TD data is as of Jun'24.

New listings in the month

Fifteen new companies got listed on the NSE platform in June: The month gone by saw 15 new companies getting listed on the NSE platform, of which ten companies got listed on Emerge platform with fund mobilization of Rs 401 crore and five companies on the mainboard of the exchange with fund mobilization of Rs 1,957 crore. Notably, 13 out of these 15 companies recorded gains on their respective listing dates in secondary market trading.

Maharashtra, Gujarat, and Delhi accounted for approximately 68% of the overall SME listings on Emerge platform, while the top 10 states together held a 92% share of the companies listed till Jun'24. As of June 2024, the total number of companies listed on the Emerge platform stood at 486, with fund mobilization of Rs 11,105 crore and a combined market capitalization of Rs 1.7 lakh crore. Of these, 139 companies have successfully migrated to the mainboard of the exchange, reflecting the robust growth and increasing maturity of the SME sector.

Table 35: Listings on NSE Mainboard in June 2024

Listing Date	Name of the company	Listing Gain (%)	Market Cap (Rs Cr)	Traded value on the listing day* (Rs Cr)	Amount Raised (Rs Cr)
Jun 10, 24	Kronox Lab Sciences Limited	21.29	591	61	130.2
Jun 18, 24	Le Travenues Technology Limited	48.49	6,420	1,416	740.1
Jun 26, 24	Akme Fintrade (India) Limited	5.83	569	43	132.0
Jun 26, 24	DEE Development Engineers Limited	67.00	2,316	1,145	418.0
Jun 28, 24	Stanley Lifestyles Limited	34.13	2,707	1,061	537.0

Source: NSE EPR. * Traded value provided here represents the value on the listing date. #BSE Mainboard to NSE Mainboard. ## Migration to Mainboard from Emerge platform.

Table 36: Listings on NSE Emerge platform in June 2024

Listing Date	Name of the company	Listing Gain (%)	Market Cap (Rs Cr)	Traded value on the listing day (Rs Cr)	Amount Raised (Rs Cr)
Jun 03, 24	Vilas Transcore Limited	46.26	553	69	95.3
Jun 04, 24	Beacon Trusteeship Limited	50.00	171	20	32.5
Jun 05, 24	Z-Tech (India) Limited	-9.09	134	6	37.3
Jun 06, 24	Aimtron Electronics Limited	49.69	517	65	87.0
Jun 07, 24	TBI Corn Limited	110.64	378	53	44.9
Jun 24, 24	GP Eco Solutions India Limited	298.94	461	58	30.8
Jun 26, 24	Durlax Top Surface Limited	60.29	172	23	40.8
Jun 26, 24	Falcon Technoprojects India Limited	-8.70	47	3	13.7
Jun 27, 24	Winny Immigration & Education Services Limited	71.43	55	12	9.1
Jun 28, 24	Medicamen Organics Limited	305.44	169	25	10.5

Source: NSE EPR. * Traded value provided here represents the value on the listing date.

Table 37: Top 10 State-wise issuances on NSE Emerge platform as of June 2024

State-wise	Number of companies	Amount Raised (Rs crore)	Market Cap (Rs crore)
Maharashtra	143	3,179	43,105
Gujarat	134	2,921	40,170
Delhi	52	1,448	29,473
Tamil Nadu	14	532	8,781
Madhya Pradesh	23	489	12,250
Karnataka	12	369	3,154
West Bengal	21	349	4,911
Telangana	14	294	1,715
Rajasthan	20	252	7,364
Haryana	12	201	2,400
Other States	41	1,071	14,351
Total	**486**	**11,105**	**1,67,675**

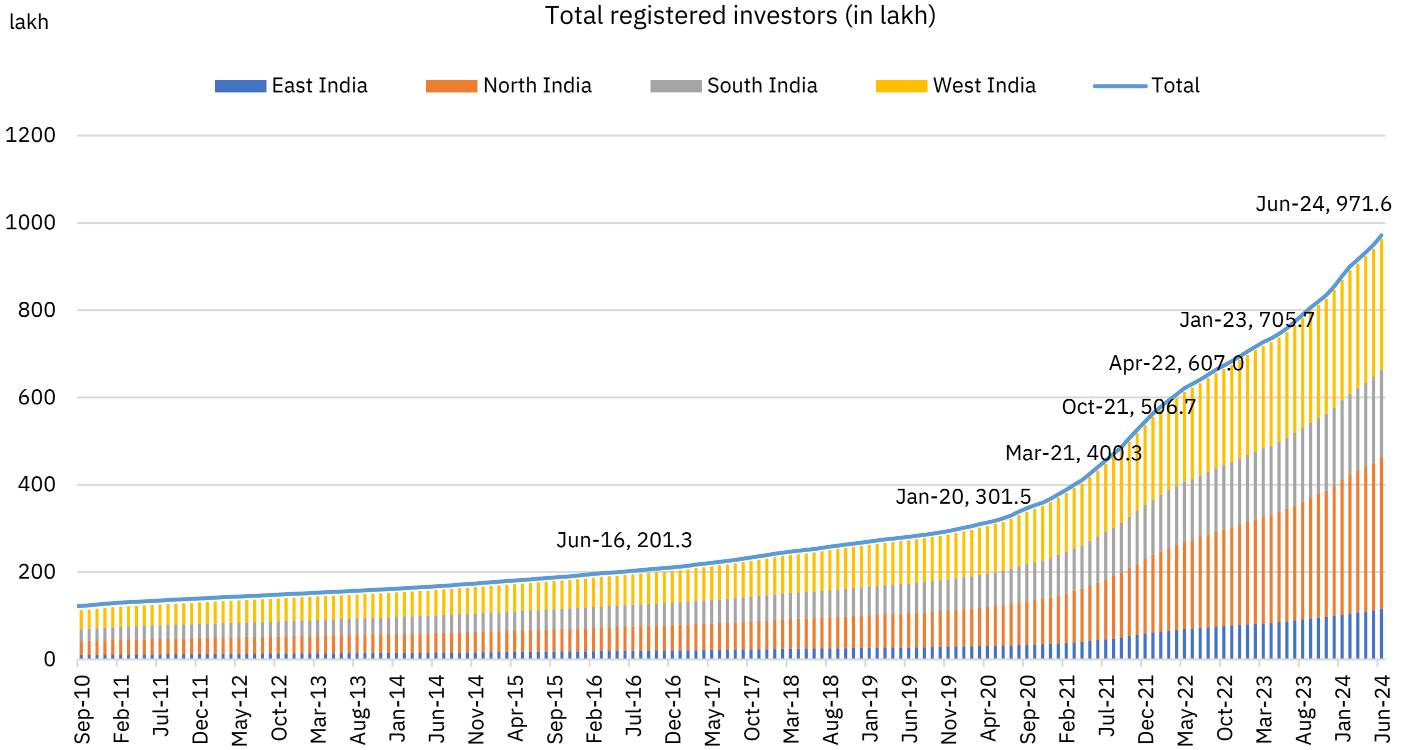
Source: CMIE Prowess, NSE EPR
Note: Market capitalization data is as of the last working day.

Investor growth

Region-wise distribution of total registered investors

Total registered investor base stood at 9.7 crore in Jun'24: The total number of registered investors stood at 9.7 crore at the end of June, up from around 7.6 crore at the same time last year. Region-wise, North India remained on top with a registered investor base of 3.5 crore, followed by West India at 3 crore, South India at 2 crore, and East India at 1.2 crore. North and East India have seen a remarkable increase of 35.1% and 32.7% over the last twelve months (Jun'23 vs Jun'24), followed by 23.3% YoY increase in West India and 22.5% YoY in South India.

Figure 166: 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 38: 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	115.7
North India	59.9	68.2	76.7	88.4	117.6	189.4	243.5	324.0	347.7
South India	53.1	59.7	66.6	75.1	97.0	132.5	157.3	189.2	199.6
West India	75.3	87.2	96.7	108.4	139.0	198.1	234.8	286.0	299.7
Others#	7.9	7.8	7.8	7.7	7.5	8.0	8.4	9.0	8.9
Total	**217.3**	**247.0**	**274.9**	**310.0**	**400.3**	**593.7**	**726.9**	**915.8**	**971.6**

Source: NSE EPR. *Data for FY25 is as of June 2024. #Others include Army Personnel Officers and investors for whom state mapping is unavailable.

Maharashtra maintained the top spot with the highest share of registered investors: Maharashtra continued to lead in terms of registered investors with 1.64 crore investors, comprising ~17% of total investor base. Uttar Pradesh retained its second position, having surpassed the milestone of 1 crore registered investors in the month of April, with

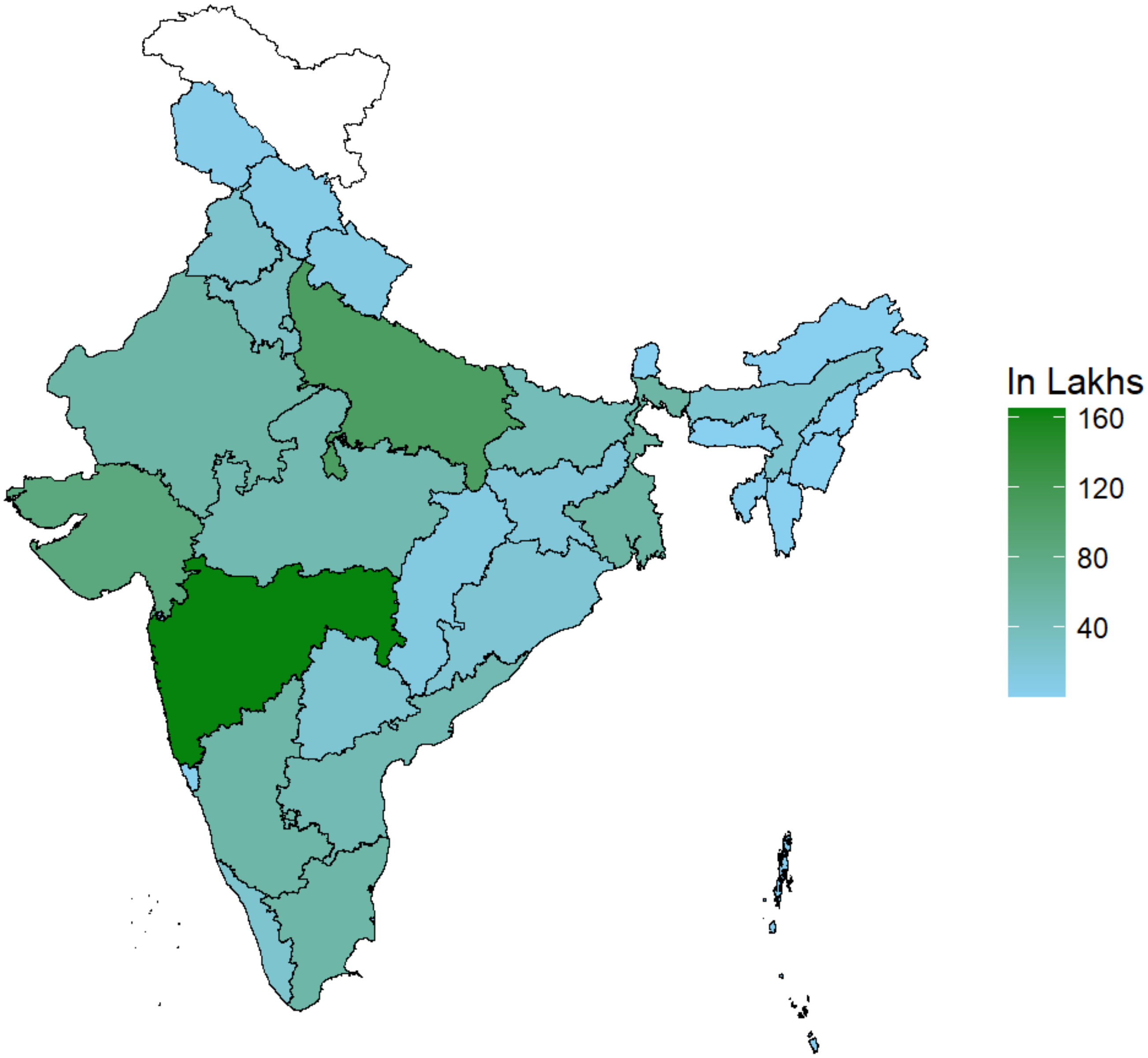
1.1 crore investors in June (11% of the total investor base). This was followed by Gujarat at 85.5 lakhs, West Bengal at 56 lakh and Rajasthan at 55.2 lakh. These five states together accounted for 48.2% of the investor base as of Jun'24. Interestingly, states beyond the top 10 now account for 27% of the registered investor base as of Jun'24, vs. 23% in FY20. This increase over the last four years is in part due to higher contributions from Bihar and Assam.

Table 39: 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	16,448	16.9
Uttar Pradesh	701	6.1	1,248	6.9	2,302	7.4	10,714	11.0
Gujarat	1,498	13.0	2,055	11.4	3,797	12.2	8,553	8.8
West Bengal	711	6.2	1,175	6.5	1,990	6.4	5,599	5.8
Rajasthan	426	3.7	667	3.7	1,328	4.3	5,519	5.7
Karnataka	708	6.1	1,165	6.5	1,949	6.3	5,401	5.6
Tamil Nadu	747	6.5	1,287	7.2	2,182	7.0	5,322	5.5
Madhya Pradesh	289	2.5	518	2.9	984	3.2	4,690	4.8
Andhra Pradesh	583	5.0	1,002	5.6	1,581	5.1	4,432	4.6
Delhi	780	6.8	1,197	6.7	1,853	6.0	4,399	4.5
Bihar	145	1.3	294	1.6	670	2.2	4,176	4.3
Haryana	327	2.8	531	3.0	971	3.1	3,331	3.4
Punjab	229	2.0	389	2.2	704	2.3	2,540	2.6
Kerala	345	3.0	583	3.2	942	3.0	2,390	2.5
Telangana	156	1.3	279	1.6	813	2.6	2,292	2.4
Assam	55	0.5	109	0.6	221	0.7	2,226	2.3
Orissa	121	1.1	250	1.4	494	1.6	2,096	2.2
Jharkhand	140	1.2	258	1.4	444	1.4	1,691	1.7
Chhattisgarh	67	0.6	129	0.7	252	0.8	1,187	1.2
Uttarakhand	66	0.6	123	0.7	234	0.8	1,013	1.0
Himachal Pradesh	31	0.3	60	0.3	123	0.4	635	0.7
Jammu & Kashmir	40	0.3	65	0.4	112	0.4	534	0.5
Chandigarh	38	0.3	63	0.3	100	0.3	220	0.2
Goa	30	0.3	48	0.3	82	0.3	219	0.2
Tripura	7	0.1	13	0.1	4	0.1	148	0.2
Manipur	1	0.0	5	0.0	18	0.1	103	0.1
Pondicherry	12	0.1	22	0.1	41	0.1	98	0.1
Meghalaya	3	0.0	6	0.0	12	0.0	61	0.1
Nagaland	1	0.0	3	0.0	8	0.0	48	0.0
Arunachal Pradesh	1	0.0	2	0.0	6	0.0	45	0.0
Dadra & Nagar Haveli	3	0.0	6	0.0	9	0.0	41	0.0
Sikkim	1	0.0	3	0.0	7	0.0	33	0.0
Andaman & Nicobar Islands	2	0.0	3	0.0	5	0.0	24	0.0
Daman & Diu	3	0.0	4	0.0	6	0.0	21	0.0
Mizoram	0	0.0	1	0.0	3	0.0	19	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	1	0.0
Others	1,007	8.7	823	4.6	773	2.5	889	0.9
Total	**11,549**	**100**	**17,960**	**100**	**31,004**	**100**	**97,160**	**100.0**

Source: NSE EPR. Note: Data for FY25 is as of Jun 30th, 2024.

Figure 167: State-wise distribution of total registered investors as of June 2024



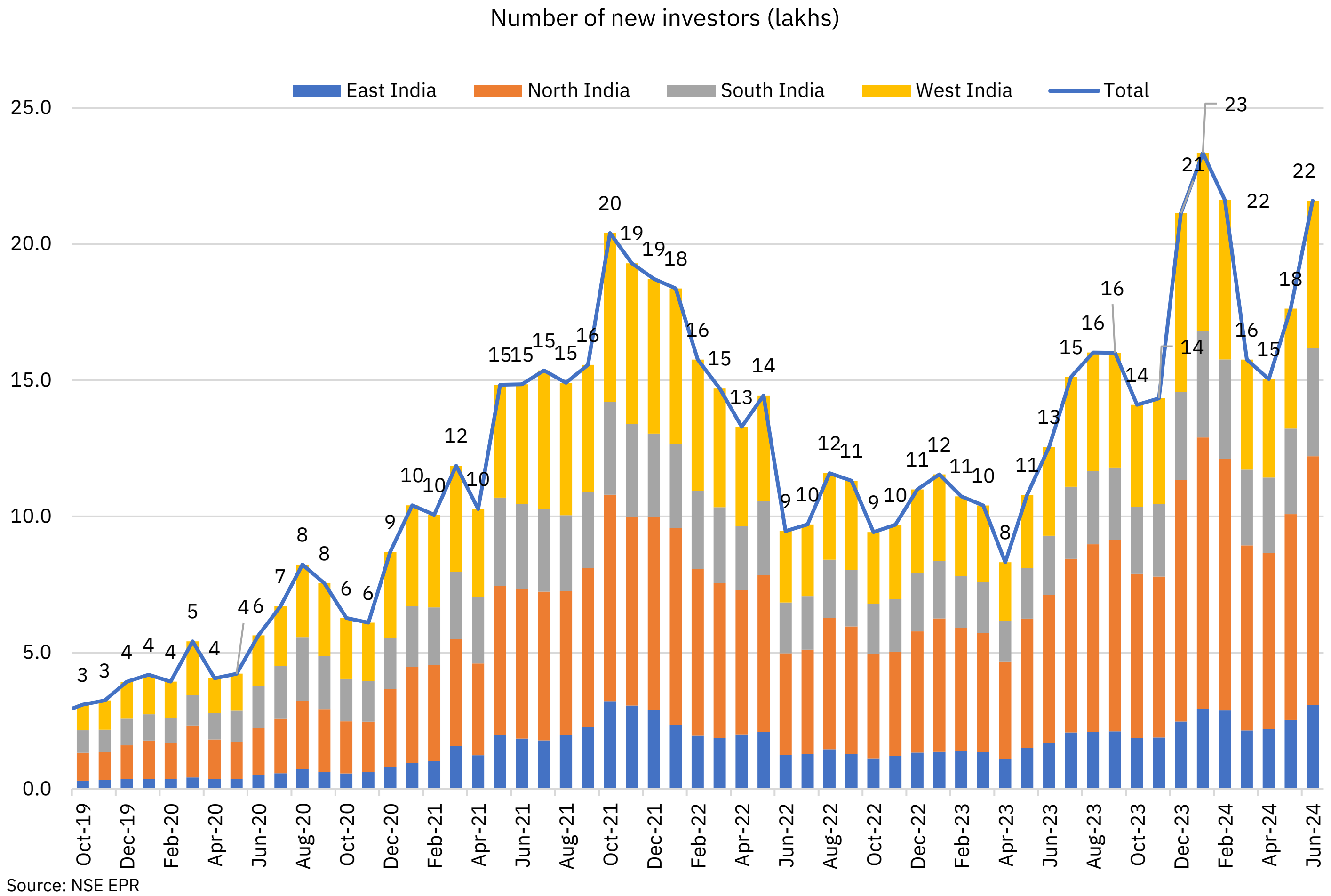
Source: NSE EPR

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 rose for the second month in a row in June: The month of June saw 21.6 lakh new investor registrations, up 22.5% MoM from 17.6 lakh registrations in May'24, monthly the third highest monthly registrations—all of which happened in this year. This increase was led by a 26.4% MoM jump in registrations from South India (3.1 lakh to 4 lakh), followed by a 23% increase in West India (4.4 lakh to 5.4 lakh), 21.4% in East India to 3.1 lakh and 21% in North India to 9.1 lakh in the month of June. South India's share of new investor registrations inched up from 17.8% to 18.4% in June, while West India's share increased to 25.1% (vs 25% in May'24), at the expense of a marginal decline in North India's share to 42.3% (vs 42.8% in May'24) and East India's share to 14.2% (vs 14.4% in May'24) in the month gone by.

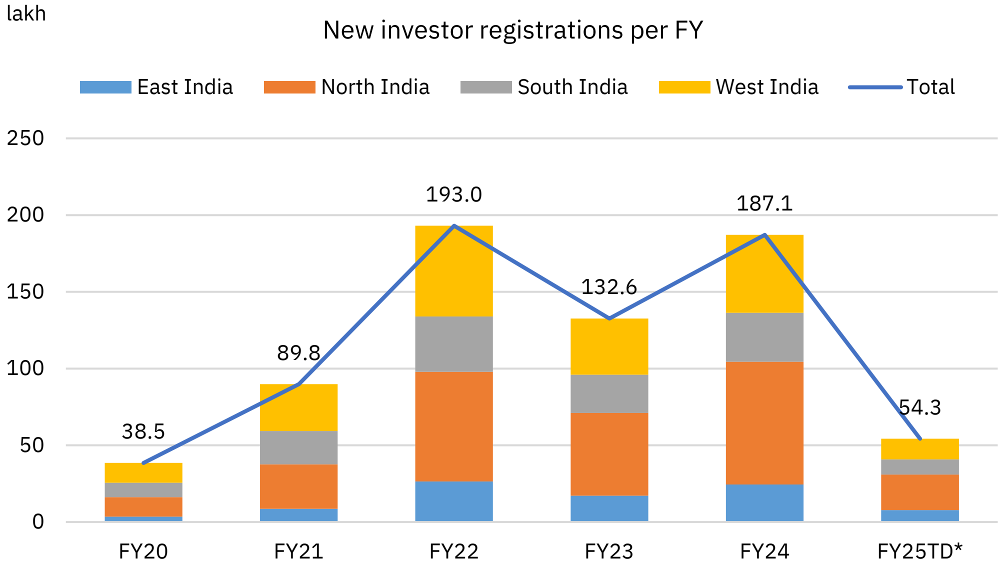
Figure 168: Region-wise distribution of new investors registered each month



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 169: Region-wise distribution of new investors registered each financial year



Source: NSE EPR. * Data for FY25 is as of June 2024.

Uttar Pradesh maintained the lead in new investor registrations: In June 2024, Uttar Pradesh continued to lead with 3.2 lakh new registrations, registering a 23.1% MoM increase from the previous month (2.6 lakh in May'24, +72% YoY). Maharashtra maintained the second position with close to 2.8 lakh new registrations in Jun'24 translating into a 28.5% MoM increase. Among the top three states in terms of new investor registrations, Uttar Pradesh's share inched up further by 8bps to 14.7% in June, Maharashtra's share rose by a steep 61bps to 13% in Jun'24, while West Bengal's share also experienced a marginal increase to 7.3% (vs 7.2% in May'24).

Notwithstanding a 13.3% MoM increase in new investor registrations from Gujarat to 1.4 lakh in June, its share fell from 7% in May'24 to 6.4% in Jun'24. Among other top 10 states, Karnataka (5.3% share, +25.8% MoM, 1.1 lakh new investors) and Delhi (3.8% share, +24.7% MoM, 83k new investors) saw a rise in their shares in overall new registrations, while Rajasthan (6.4% share, +19.2% MoM, 1.4 lakh new investors) and Tamil Nadu (4.7% share, +21.1% MoM, 1 lakh new investors) registered decline in their share for the month of June. Bihar with close to 1.3 lakh new investors (5.8% share, +22.8% MoM) and Madhya Pradesh (5.4% share, +22.3% MoM, 1.2 lakh new investors) experienced no sequential change in their share in June. The top five states together contributed 47.9% of all new registrations in June 2024.

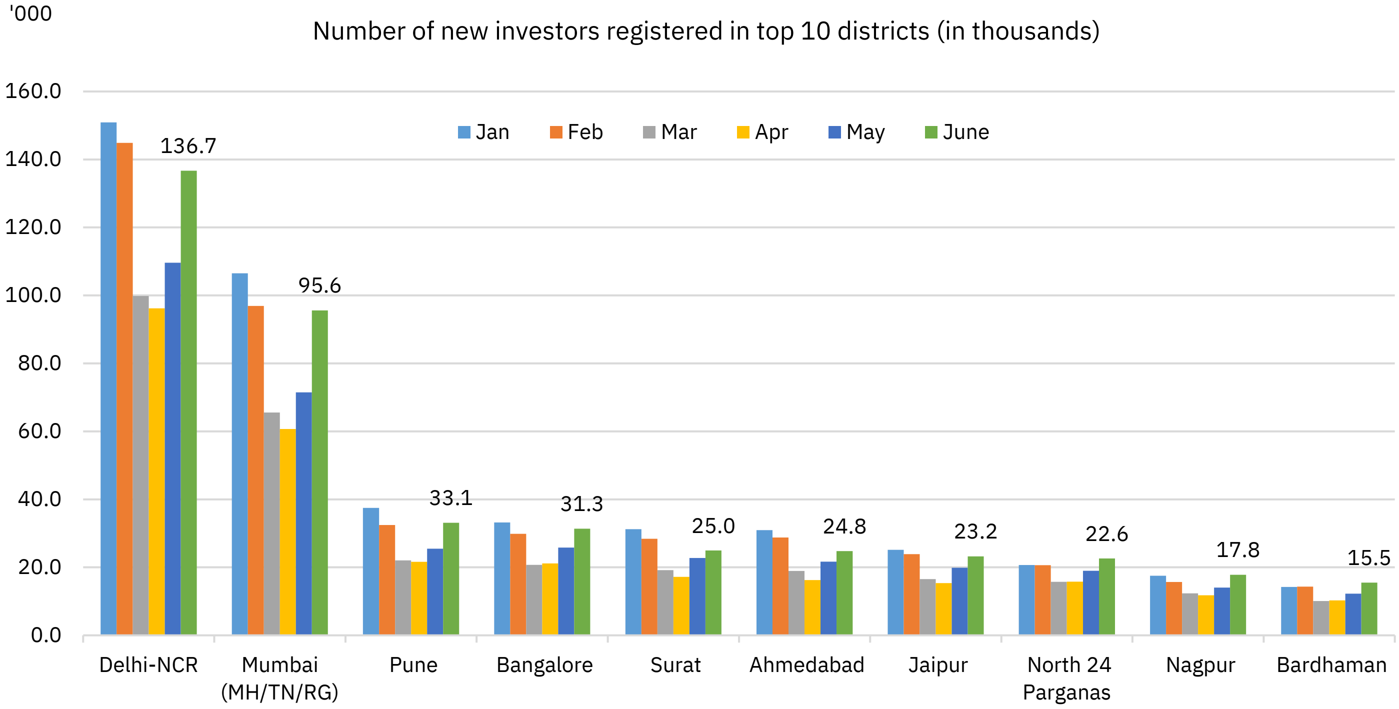
Table 40: Number of new investors registered in top 25 states (in '000)

State	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Uttar Pradesh	345.7	322.7	238.8	224.0	258.6	318.4
Maharashtra	339.0	296.4	204.7	186.3	218.9	281.2
West Bengal	146.7	146.7	106.8	109.1	127.5	158.5
Gujarat	184.1	164.4	110.7	94.4	122.8	139.1
Rajasthan	155.0	143.8	101.7	92.3	115.2	137.3
Bihar	131.1	121.2	91.0	86.6	102.5	125.9
Madhya Pradesh	124.0	118.8	84.9	77.0	94.5	115.6
Karnataka	121.2	107.9	75.4	74.4	90.6	114.0
Tamil Nadu	99.2	97.4	86.5	82.2	84.0	101.7
Delhi	89.5	87.4	60.0	58.2	66.6	83.1
Haryana	85.9	71.0	55.5	54.4	64.1	75.1
Punjab	67.8	61.5	47.8	50.2	55.7	64.9
Andhra Pradesh	61.9	60.3	42.7	44.6	49.6	62.1
Kerala	47.7	42.0	33.0	35.9	42.3	61.3
Telangana	59.8	54.6	39.1	38.4	46.2	56.0
Assam	55.9	51.7	39.3	39.3	44.6	51.0
Odisha	44.1	41.8	31.9	34.5	38.2	46.1
Jharkhand	46.6	44.4	32.0	30.8	37.2	44.7
Chattisgarh	32.7	33.2	24.3	23.5	28.5	33.6
Uttarakhand	30.9	29.4	21.0	19.9	22.5	27.9
Himachal Pradesh	20.8	19.6	13.3	13.2	14.9	18.1
Jammu & Kashmir	20.1	20.4	15.8	14.8	15.0	15.1
Tripura	4.5	4.5	3.7	3.9	4.5	6.1
Goa	5.2	5.0	3.5	3.3	3.8	5.0
Manipur	2.6	2.6	2.4	2.4	2.7	3.4

Source: NSE EPR
Note: Top 25 states are chosen based on last month's data.

Contribution of top 10 districts in new investor registrations inched up in June 2024: New investor registrations continued to remain concentrated in a few districts, with the contribution of top 10 districts increasing to 19.7% in Jun'24 (vs. 19.4% in May'24), as the number of registrations in these districts increased by 24.4% MoM to 4.3 lakh. Delhi recorded the highest number of new investor registrations in June with over 1.4 lakh registrations (+24.7% MoM), followed by Mumbai with 1 lakh registrations (+33.7% MoM). Average growth in the top 10 districts was recorded at 22.3% MoM with Pune (+30% MoM to 33k registrations), Nagpur (+26.7% MoM to 18k registrations), and Bardhaman (+26.8% MoM to 16k registrations) witnessing a sharp uptrend in new investor registrations.

Figure 170: 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.

Table 41: Number of new investors registered in top ten districts (in '000)

('000)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Delhi-NCR	150.9	144.9	99.8	96.2	109.6	136.7
Mumbai (MH/TN/RG)	106.5	96.9	65.6	60.7	71.5	95.6
Pune	37.5	32.4	22.0	21.6	25.5	33.1
Bangalore	33.2	29.8	20.8	21.1	25.8	31.3
Surat	31.2	28.4	19.2	17.2	22.8	25.0
Ahmedabad	30.9	28.8	18.9	16.2	21.7	24.8
Jaipur	25.2	23.9	16.5	15.4	19.9	23.2
North 24 Parganas	20.7	20.6	15.8	15.8	19.0	22.6
Nagpur	17.5	15.7	12.4	11.8	14.1	17.8
Bardhaman	14.2	14.3	10.1	10.3	12.2	15.5

Source: NSE EPR
Note: Top 10 districts are chosen based on last month's data.

Market activity across segments and investor categories

Total turnover across segments

CM segment turnover at record level in June 2024: Driven by a strong economic environment, and robust participation from domestic institutional and individual investors, the NSE cash market segment recorded its highest ever monthly turnover of Rs 29.1 lakh crore, marking a 17.7% MoM rise and a 121.9% YoY rise. During the month, investor participation also increased by 13.6%, with 153.5 lakh investors participating in the NSE cash market segment. This remarkable increase highlights the growing confidence and active engagement of investors in the cash market, reflecting the positive impact of favourable market conditions.

Single stock derivatives turnover touched an all-time high in June 2024: The monthly turnover in single stock derivatives touched an all-time high, wherein stock futures turnover increased by 5.7% MoM to Rs 36.6 lakh crore, and premium turnover in stock options rose by 2.5% MoM to Rs 1.9 lakh crore in June. Index derivatives also witnessed an expansion, with turnover in index futures up by 21.9% MoM to Rs 9.8 lakh crore and index options premium turnover growing by 15.7% to Rs 14.9 lakh crore during the month. Investor participation strengthened as well, with the number of investors trading at least once in the equity options segment rising by 13.3% MoM to 51.5 lakh, while that in equity futures increasing by 9.4% MoM to 3.7 lakh investors in Jun'24.

Currency derivatives segment turnover showcased declining trend: The currency derivatives segment experienced a declining trend in turnover post March 2024. The turnover in currency futures showcased a significant 82.6% drop on a YoY basis to Rs 1.1 lakh crore in June 2024, even as it expanded by a modest 4% MoM. Similarly, currency options premium turnover declined by 99.9% YoY to Rs 3.4 crore (-56.9% MoM). The overall trading activity in this segment took a substantial hit following the implementation of RBI's circular on hedging foreign exchange risk, which impacted trading volumes and investor engagement.

Commodity derivatives turnover declined: Commodity futures turnover fell by 13.1% MoM to Rs 11 crore, and commodity options premium turnover moderated by 27.2% MoM to Rs 127 crore in Jun'24. Trading in the segment was distributed in CrudeOil, Silver and Natural gas. Notably, in FY24, commodity options premium turnover reached its highest value since its inception in FY18, at Rs 523 crore, while the turnover in commodity futures turnover of Rs 5,429 crore was the highest in the last three years.

Table 42: Total turnover across segments in the last six months (Jan'24–Jun'24)

Segment (Rs crore)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Cash market	**24,91,181**	**24,57,671**	**18,57,039**	**21,20,196**	**24,67,941**	**29,05,226**
Equity Futures	**37,89,859**	**38,09,270**	**33,71,081**	**38,51,979**	**42,71,082**	**46,45,873**
Stock Futures	29,41,231	29,69,909	26,45,364	31,58,915	34,64,430	36,62,528
Index Futures	8,48,629	8,39,361	7,25,717	6,93,064	8,06,652	9,83,344
Equity Options (Premium)	**16,77,880**	**16,77,660**	**12,54,348**	**12,40,545**	**14,71,401**	**16,77,678**
Stock Options (Premium)	1,77,503	1,72,161	1,26,669	1,55,943	1,86,613	1,91,370
Index Options (Premium)	15,00,376	15,05,499	11,27,679	10,84,602	12,84,788	14,86,308
Currency derivatives						
Currency Futures	6,12,806	4,64,005	5,94,814	2,17,438	1,05,151	1,09,312
Currency Options (Premium)	2,265	1,698	2,153	353	8	3
Interest rate derivatives	**1,978**	**1,808**	**1,518**	**1,772**	**2,239**	**2,231**
Commodity derivatives						
Commodity Futures	32	19	20	12	13	11
Commodity Options (Premium)	113	161	137	219	174	127

Source: NSE EPR

Table 43: Total turnover across segments in the last seven years (FY19 to FY25TD)

Segment (Rs crore)	FY 19	FY 20	FY 21	FY 22	FY 23	FY24	FY25TD
Cash market	**79,49,004**	**89,98,811**	**1,53,97,908**	**1,65,66,237**	**1,33,05,073**	**2,01,03,439**	**74,93,363**
Equity Futures	**2,17,15,925**	**2,15,52,041**	**2,71,46,011**	**2,94,68,316**	**2,85,92,989**	**3,29,64,084**	**1,27,68,934**
Stock Futures	1,61,47,011	1,48,74,729	1,80,98,365	2,10,38,938	1,90,72,304	2,55,46,967	1,02,85,873
Index Futures	55,68,914	66,77,312	90,47,646	84,29,378	95,20,685	74,17,117	24,83,061
Equity Options (Premium)	**8,54,110**	**13,07,932**	**32,08,778**	**68,81,160**	**1,18,88,256**	**1,51,97,594**	**43,89,624**
Stock Options (Premium)	2,00,010	2,28,353	5,79,352	10,38,830	9,32,701	13,78,031	5,33,926
Index Options (Premium)	6,54,100	10,79,578	26,29,426	58,42,330	1,09,55,556	1,38,19,564	38,55,698
Currency derivatives							
Currency Futures	46,54,927	48,43,160	57,17,820	70,56,916	1,01,15,658	72,01,742	4,31,901
Currency Options (Premium)	14,616	13,202	14,764	24,994	47,540	30,405	365
Interest rate derivatives	**2,45,407**	**3,60,818**	**97,391**	**26,357**	**26,296**	**29,571**	**6,242**
Commodity derivatives							
Commodity Futures	3,426	6,362	5,484	2,273	14	5,429	35
Commodity Options (Premium)	3	-	284	131	112	523	520

Source: NSE EPR. FY25TD is as of Jun'24.

Table 44: Notional-to-premium ratio for equity options across exchanges

Month	NSE						BSE		
	Index options			Stock options			Index options		
	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio
Jun-24	7,226	15	486	112	1.9	58	2,064	1.6	1,285
May-24	7,154	13	557	110	1.9	59	2,197	1.6	1,383
Apr-24	7,072	11	652	99	1.6	64	1,695	1.2	1,444
Mar-24	7,098	11	629	87	1.3	68	1,519	1.0	1,550
Feb-24	8,452	15	561	104	1.7	61	1,553	1.1	1,434
Jan-24	8,720	15	581	102	1.8	58	1,264	0.8	1,565
Dec-23	7,444	12	602	102	1.8	56	1,423	0.8	1,765
Nov-23	6,452	9	729	70	0.9	75	739	0.4	1,949
Oct-23	6,288	10	642	65	0.8	78	657	0.4	1,772
Sep-23	6,527	11	589	74	1.0	72	528	0.3	1,853
Aug-23	6,577	12	564	73	1.0	71	232	0.1	1,713
Jul-23	6,258	13	488	80	1.1	69	92	0.1	1,444
Jun-23	5,335	10	530	65	0.9	71	21	0.0	1,341

Source: NSE EPR

Average daily turnover (ADT) across segments

Average daily turnover in equity cash and derivative segments rose sharply in June: Over the past seven years, the average daily turnover (ADT) in the cash segment has experienced a significant rise, increasing fourfold to reach Rs 81,721 crore in FY24. In the current fiscal year, this growth trajectory has continued, with ADT reaching Rs 1.2 lakh crore in the first quarter, marking a 1.5x increase compared to the whole of FY24. On a monthly basis, the ADT in this segment surged by 36.3% to an all-time high of Rs 1.5 lakh crore in June (+145.3% YoY). This consistent upward trend aligns with growing investor participation, which saw a 13.6% rise, surpassing the 1.5 crore investor mark in June.

ADT in the equity derivatives segment also touched fresh record high levels in June. In the equity futures segment, ADT increased by 26% MoM to Rs 2.4 lakh crore (+134.7% YoY) while average daily premium turnover in the equity option segment rose by 32% MoM to Rs 88,299 crore (+68.8% YoY) in June 2024. Within equity futures, the share of index options rose to 21.2% (+228bps MoM) while its daily turnover increased 41.2% MoM to Rs 51,755, higher monthly turnover growth as compared to stock futures, which grew 22.4% MoM. Similarly, the share of index options rose to 88.6% (+127bps MoM) of the overall equity options turnover while its average daily premium turnover increased 34% MoM to Rs 78,227, higher monthly growth as compared to stock options which exhibited 18.7% MoM rise. Notably, the ADT of the equity futures segment showed periodic fluctuations, while the average daily premium turnover (ADPT) of equity options showed a solid rise, largely driven by index options, from FY17 to FY24.

The currency derivatives segment exhibited a sharp decline, wherein currency futures ADT witnessed an 80.7% YoY drop to Rs 5,753 crore (+9.4% MoM) while average daily premium turnover declined 99.9% YoY to mere Rs 0.2 crore (-54.6% MoM) in June 2024. The segment witnessed a significant decline in turnover during the first three months of the current fiscal with the implementation of RBI regulatory guidelines on exchange-traded currency derivatives.

The turnover in interest rate futures increased 25% YoY to Rs 117 crore (+4.9% MoM) during the month. However, the trading in interest rate futures has been on a declining trend, delivering a negative CAGR of 28.4% over the period FY17 - FY24. The average daily turnover in commodity derivatives segment moderated during last month, while average daily premium turnover in options dropped 16.2% MoM to Rs 6.3 crore and average daily turnover in futures reduced marginally.

Table 45: Average daily turnover across segments in the last six months (Jan'24–Jun'24)

Segment (Rs crore)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Cash market	**1,13,236**	**1,17,032**	**97,739**	**1,06,010**	**1,12,179**	**1,52,907**
Equity Futures	**1,72,266**	**1,81,394**	**1,77,425**	**1,92,636**	**1,94,140**	**2,44,520**
Stock Futures	1,33,692	1,41,424	1,39,230	1,57,946	1,57,474	1,92,765
Index Futures	38,574	39,970	38,196	34,690	36,666	51,755
Equity Options (Premium)	**76,267**	**79,889**	**66,018**	**62,028**	**66,882**	**88,299**
Stock Options (Premium)	8,068	8,198	6,667	7,797	8,482	10,072
Index Options (Premium)	68,199	71,690	59,352	54,231	58,399	78,227
Currency derivatives						
Currency Futures	29,181	23,200	33,045	12,080	5,258	5,753
Currency Options (Premium)	108	85	120	20	0.4	0.2
Interest rate derivatives	**94.18**	**90.39**	**84.33**	**98**	**112**	**117**
Commodity derivatives						
Commodity Futures	1.5	0.9	1.0	0.5	0.5	0.5
Commodity Options (Premium)	5.4	7.7	6.9	9.9	7.6	6.3

Source: NSE EPR

Table 46: Average daily turnover across segments (FY19 to FY25TD)

Segment (Rs crore)	FY 19	FY 20	FY 21	FY 22	FY 23	FY24	FY25TD
Cash market	**32,052**	**36,432**	**61,839**	**66,799**	**53,434**	**81,721**	**1,22,842**
Equity Futures	**87,564**	**87,255**	**1,09,020**	**1,18,824**	**1,14,831**	**1,34,000**	**2,09,343**
Stock Futures	65,109	60,222	72,684	84,834	76,596	1,03,849	1,68,621
Index Futures	22,455	27,034	36,336	33,989	38,236	30,151	40,722
Equity Options (Premium)	**3,444**	**5,295**	**12,887**	**27,747**	**47,744**	**61,779**	**71,962**
Stock Options (Premium)	806	925	2,327	4,189	3,746	5,602	8,753
Index Options (Premium)	2,637	4,371	10,560	23,558	43,998	56,177	63,209
Currency derivatives							
Currency Futures	19,156	19,931	23,338	29,282	41,288	29,883	7,577
Currency Options (Premium)	60	54	60	104	194	126	6.4
Interest rate derivatives	**1,010**	**1,485**	**398**	**109**	**107**	**123**	**110**
Commodity derivatives							
Commodity Futures	28.5	24.6	21.5	8.8	0.1	21.4	0.5
Commodity Options (Premium)	0.0	-	1.1	0.5	0.4	2.1	8.0

Source: NSE EPR. FY25TD data is as of Jun'24.

Average trade size hit a three-year high in the CM segment in June: The average trade size in the CM segment recorded a three-year high of Rs 33,356 in Jun'24. Notably, the average trade size for the CM segment has increased 1.5x in the last 10 years to Rs 29,510 (+5% YoY) in FY24, which further increased to Rs 32,299 in the first three months of FY25TD.

Average trade size in the equity futures segment increased marginally by 2.7% to Rs 10.1 lakh in June 2024. On the other hand, the average trade size in the equity options segment increased 7.3% MoM to Rs 6,648 during the month.

Over the years, the average trade size has exhibited some intriguing trends. Equity futures have displayed an overall expansion, with the average trade size increasing from 4.4 lakhs in FY14 and Rs 8.6 lakh in FY19 to Rs 10.4 lakh in FY24. Within equity futures, the average trade size in index futures and stock futures showcased a growing trend which stood at Rs 15.4 lakh and Rs 9.5 lakh respectively in FY24, as compared to Rs 13.2 lakh and Rs 7.6 lakh respectively in FY19. Notably, the trends for average trade size have been similar for stock futures and index futures, with index futures consistently showing an upward bias since 2012.

Equity options' average trade size (premium) increased from Rs 6,812 in FY20 to Rs 8,315 in FY22, before reducing in the subsequent years. Index options exhibited a similar trend, with the average trade size based on premium turnover increasing for three years in a row post FY20, only to drop in FY24. On the other hand, stock options saw a significant growth between FY19 and FY21, rising from Rs 13,028 in FY19 to Rs 20,274 in FY21, followed by a decline in the following two years. However, during the last fiscal year, the average trade size (premium) for stock options increased 9.9% YoY to Rs 15,381 in FY24 and grew further to Rs 17,791 in FY25 till date (Apr'24 to Jun'24). Remarkably, over the years, average trade size depicted diverging trends for index and stock options.

Table 47: Average trade size in NSE cash and equity derivatives segment (Last six months)

Segment wise (Rs)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Cash market	**29,429**	**28,180**	**28,649**	**31,133**	**32,133**	**33,356**
Equity Futures	**10,71,931**	**11,16,799**	**11,26,680**	**11,11,528**	**9,86,832**	**10,13,743**
Index Futures	15,91,966	15,71,973	16,91,573	16,56,450	12,50,687	13,39,132
Stock Futures	9,79,602	10,32,319	10,32,124	10,36,704	9,40,627	9,51,658
Equity Options	**6,608**	**6,702**	**6,110**	**6,041**	**6,194**	**6,648**
Index Options	6,141	6,246	5,706	5,519	5,662	6,147
Stock Options	18,533	18,540	16,563	17,642	17,605	18,102

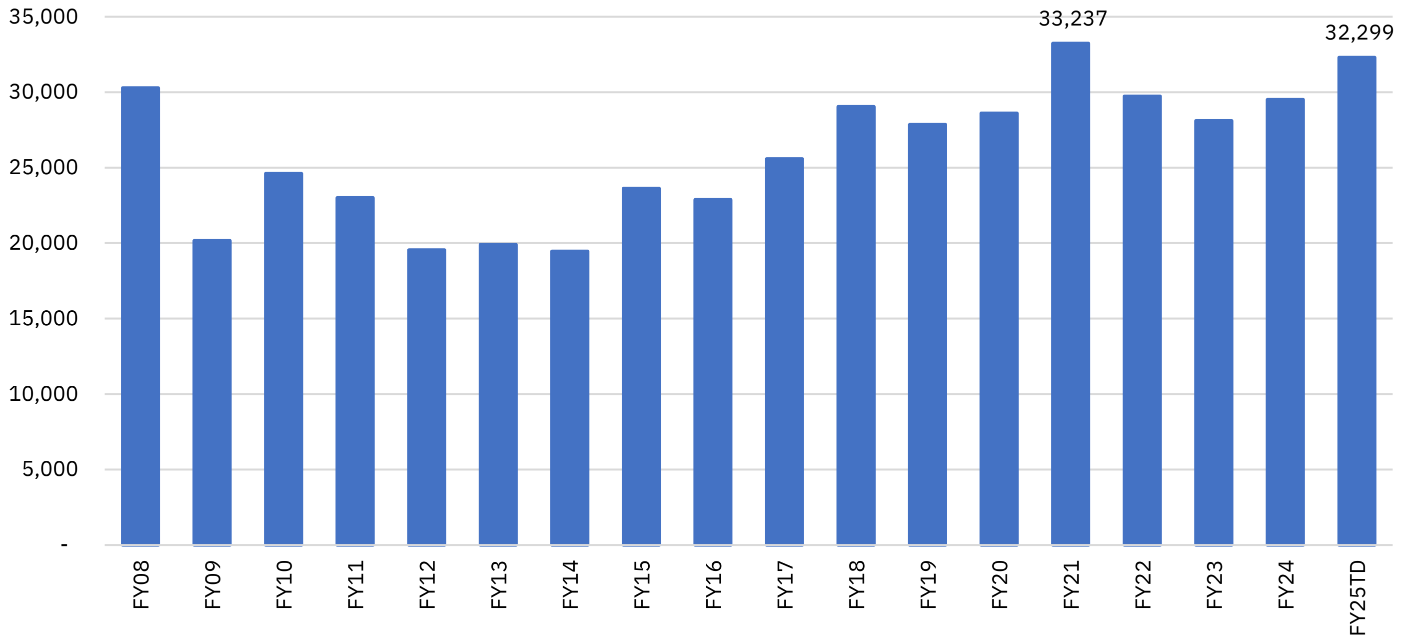
Source: NSE EPR. Note: Premium has been considered for calculating average trade size for options contracts.

Table 48: 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**	**32,299**
Equity Futures	**8,56,295**	**8,04,724**	**9,00,620**	**10,42,174**	**9,57,044**	**10,40,196**	**10,31,712**
Index Futures	13,24,701	11,42,535	10,44,759	13,70,261	14,39,592	15,37,923	13,81,254
Stock Futures	7,63,220	7,10,431	8,42,512	9,50,949	8,19,859	9,50,852	9,72,314
Equity Options	**7,516**	**6,812**	**8,255**	**8,315**	**7,886**	**6,246**	**6,314**
Index Options	6,655	6,146	7,302	7,585	7,603	5,897	5,796
Stock Options	13,028	13,926	20,274	18,126	13,994	15,381	17,791

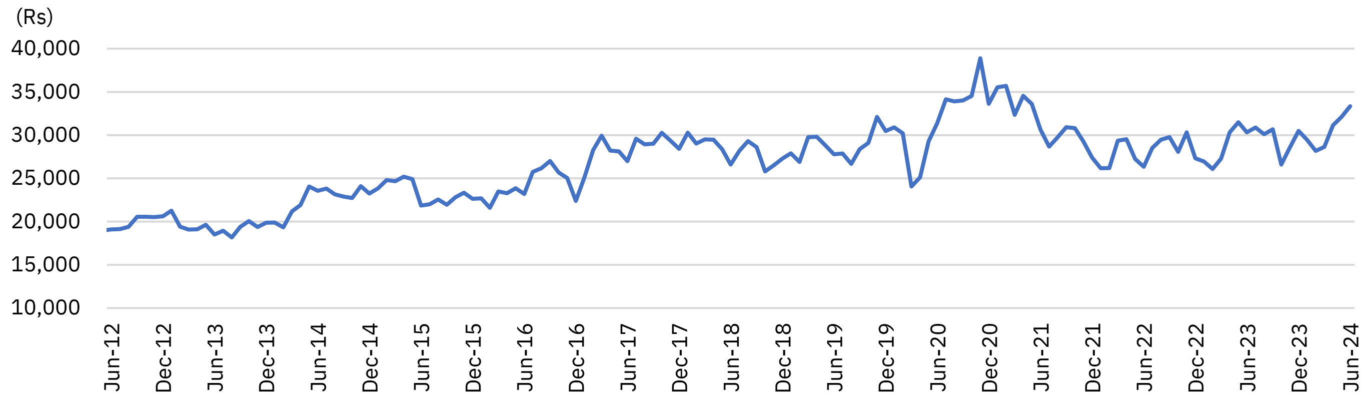
Source: NSE EPR. FY25TD data is as of Jun'24. Note: Premium has been considered for calculating average trade size for options contracts.

Figure 171: Trend in average trade size in NSE cash market segment (Rs)



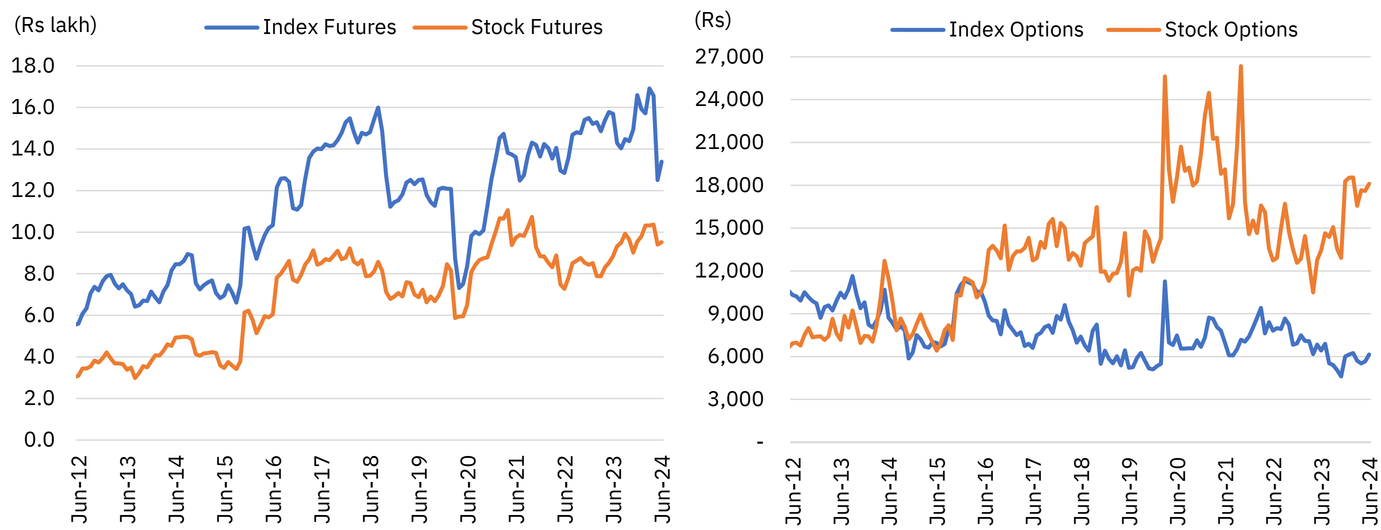
Source: NSE EPR.
Note: FY25TD is as of Jun'24.

Figure 172: Monthly trend in average trade size in CM segment



Source: NSE EPR.

Figure 173: Trend in average trade size in NSE's equity derivatives segment



Source: NSE EPR.

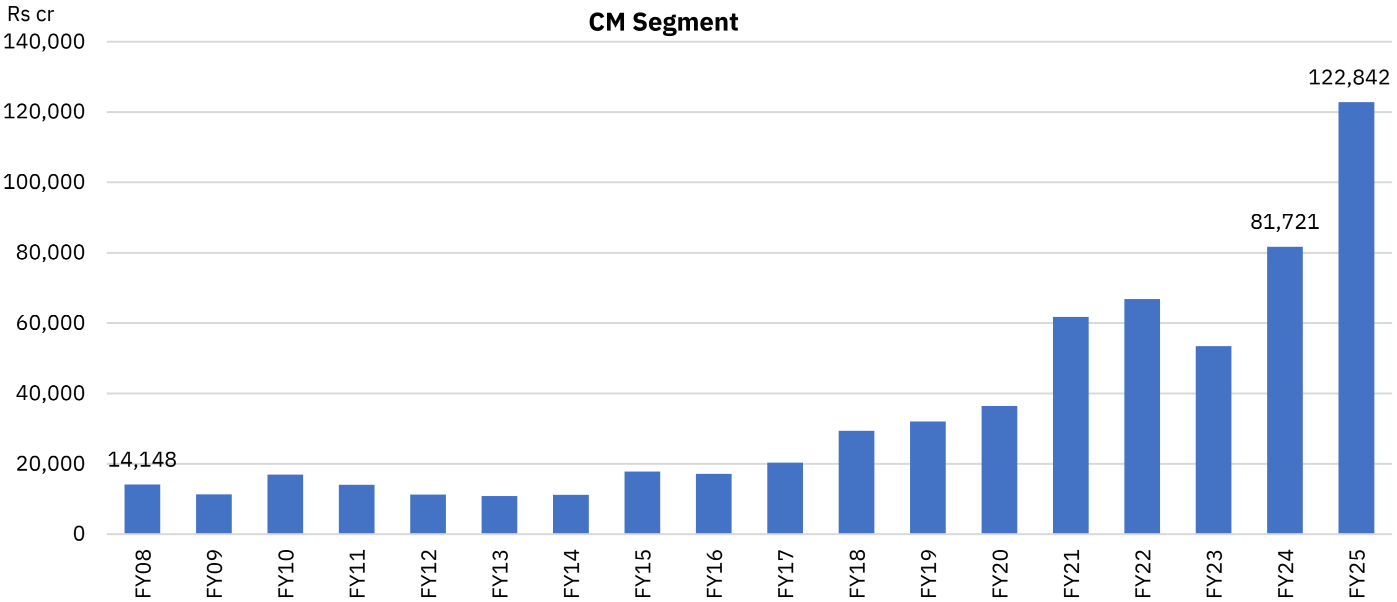
ADT in the CM segment saw an increase across products in June: The average daily turnover for SME Emerge and mainboard equities grew 30.9% MoM and 35.9% MoM respectively, while SGBs observed a 6.5% MoM decline. Notably, InvITs exhibited remarkable growth in ADT, increasing 956.2% MoM to Rs 333 crore in Jun'24. Further, the ADT for ETFs expanded 58.9% to Rs 1,804 crores, while that of REITs grew by 3.3% MoM to Rs 60 crore.

Table 49: Average daily turnover in NSE's CM Segment

Products (Rs crore)	Jun-24	May-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Capital Market	**1,52,907**	**1,12,179**	**36.3**	**122,842**	**58,497**	**110.0**	**81,721**	**116,254**
Equities (Main Board)	150,011	110,392	35.9	120,671	57,716	109.1	80,551	114,366
Exchange Traded Funds	1,804	1,136	58.9	1,423	526	170.6	754	1,233
SME Emerge	469	358	30.9	361	60	503.9	145	300
Sovereign Gold Bonds	12	13	(6.5)	15	8	83.8	9	13
InvITs	333	32	956.2	123	14	796.1	36	86
REITs	60	58	3.3	54	49	12.1	49	57
Mutual Funds (Close Ended)	0	0	NA	0	0	(99.6)	0	0
Others	218	191	14.4	195	125	56.8	177	198

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. NM means not measurable.
3. Figures in brackets indicate negative numbers.
4. FY25TD is as of Jun'24 and FY24TD is as of Jun'23.

Figure 174: 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 Jun'24.

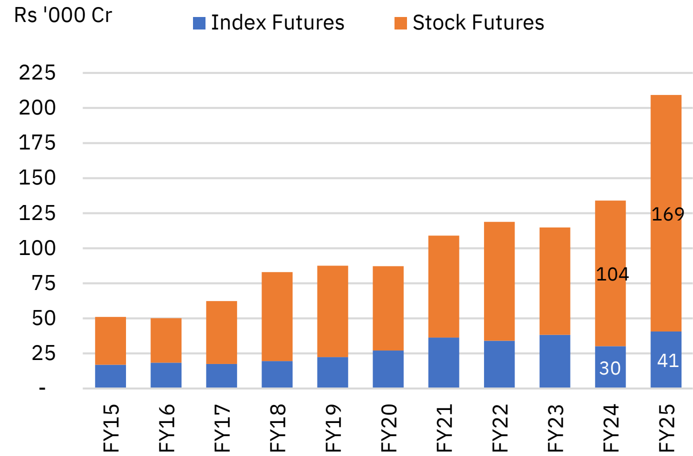
FINNIFTY contracts saw the highest growth in ADT in equity futures as well as options in June: In Jun'24, the average daily turnover of index futures and average daily premium turnover in index options observed substantial increases of 41.2% MoM and 34% MoM respectively. Interestingly, in both index futures and index options, FINNIFTY registered the highest MoM growth in ADT, followed by BANKNIFTY, while that of NIFTYNXT50 declined marginally in Jun'24.

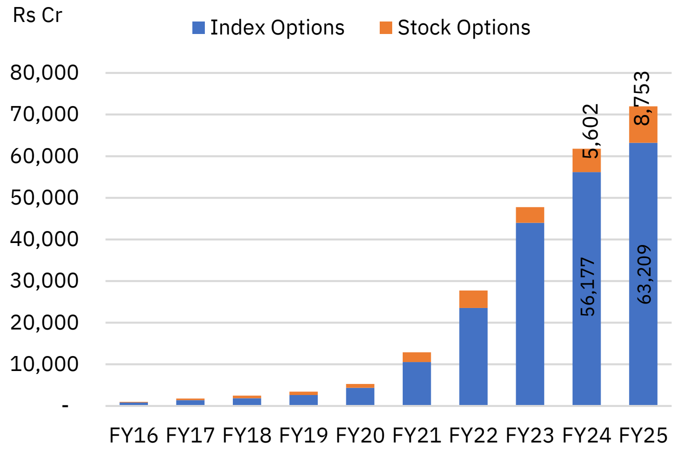
Table 50: Average daily turnover in NSE's equity derivatives segment

Product (Rs crore)	Jun-24	May-24	MoM Change (%)	FY25TD	FY24TD	YoY Change (%)	FY24	CY24TD
Equity Futures	**2,44,520**	**1,94,140**	**26.0**	**2,09,343**	**1,04,060**	**101.2**	**1,34,000**	**1,93,001**
Stock futures	**1,92,765**	**1,57,474**	**22.4**	**1,68,621**	**77,269**	**118.2**	**1,03,849**	**1,53,190**
Index futures	**51,755**	**36,666**	**41.2**	**40,722**	**26,791**	**52.0**	**30,151**	**39,811**
BANKNIFTY	20,960	14,307	46.5	15,932	13,200	20.7	13,841	16,433
NIFTY	28,978	21,088	37.4	23,397	13,433	74.2	15,742	22,119
FINNIFTY	468	222	111.0	293	155	88.5	228	289
MIDCPNIFTY	1,285	983	30.7	1,036	4	25597.1	339	946
NIFTYNXT50	64	67	-3.5	64	-	NM	-	24
Equity Options	**88,299**	**66,882**	**32.0**	**71,962**	**54,232**	**32.7**	**61,779**	**73,165**
Stock options	**10,072**	**8,482**	**18.7**	**8,753**	**3,729**	**134.7**	**5,602**	**8,213**
Index options	**78,227**	**58,399**	**34.0**	**63,209**	**50,503**	**25.2**	**56,177**	**64,952**
BANKNIFTY	38,179	27,183	40.5	29,818	30,830	-3.3	30,145	31,478
NIFTY	27,114	23,134	17.2	23,841	14,447	65.0	18,502	23,956
FINNIFTY	8,778	4,928	78.1	6,210	5,203	19.35	6,088	6,317
MIDCPNIFTY	4,151	3,149	31.8	3,335	22	NM	1,441	3,201
NIFTYNXT50	5	6	NA	5	-	NA		

Source: NSE EPR. NM means not measurable.
Notes: 1. The above table reports premium turnover for Options contracts. 2. FY25TD is as of Jun'24 and FY24TD is as of Jun'23.

Figure 175: Trends in average daily turnover in NSE's equity derivatives segment





Source: NSE EPR. Note: Above figure reports premium turnover for options contracts. FY25 data is as of June 30th, 2024.

Average daily value of open interest (OI) expanded across NSE's equity derivatives segments: The average daily OI of equity futures and equity options recorded a modest rise of 6% MoM and 10% MoM respectively. Stock options witnessed a 3% MoM rise in average daily OI, while index options' average daily OI increased 12% MoM. On annual comparison, equity futures average daily OI rose 74% YoY while it grew 20% YoY for equity options in the first three months of FY25TD as compared to the same period last year.

Table 51: Average daily open interest in NSE's equity derivatives segment

Product (Rs crore)	Jun-24	May-24	MoM Change	FY25TD	FY24TD	YoY Change
Equity Futures	**4,38,188**	**4,14,390**	**6%**	**4,17,903**	**2,40,468**	**74%**
Stock Futures	**3,86,033**	**3,67,565**	**5%**	**3,70,746**	**2,07,720**	**78%**
Index Futures	**52,155**	**46,825**	**11%**	**47,157**	**32,748**	**44%**
NIFTY	35,312	32,106	10%	32,196	20,696	56%
BANKNIFTY	14,547	12,396	17%	12,704	11,960	6%
FINNIFTY	193	138	40%	158	90	76%
MIDCPNIFTY	2,047	2,127	-4%	2,045	1	164813%
NIFTYNEXT50	55	58	-5%	54	-	
Equity Options	**15,09,641**	**13,67,271**	**10%**	**14,17,665**	**11,77,333**	**20%**
Stock Options	**2,89,131**	**2,81,145**	**3%**	**2,68,037**	**1,57,998**	**70%**
Index Options	**12,20,509**	**10,86,125**	**12%**	**11,49,629**	**10,19,334**	**13%**
NIFTY	7,09,572	6,20,988	14%	6,65,918	5,29,788	26%
BANKNIFTY	4,32,996	3,90,277	11%	4,05,195	4,21,318	-4%
FINNIFTY	50,220	48,754	3%	52,171	68,117	-23%
MIDCPNIFTY	27,537	25,712	7%	26,072	112	23164%
NIFTYNEXT50	184	393	-53%	273	-	

Source: NSE EPR. NM means not measurable.
Note: Above table reports notional turnover. FY25TD is as of Jun'24 and FY24TD is as of Jun'23.

ADT of currency options registered a sharp fall in June: The average daily turnover in the currency derivatives segment plummeted sharply in both currency futures (-75% YoY) and currency options (-96% YoY) in the first three months of FY25. However, the segment showed a mixed outlook in average daily turnover on a MoM basis. While the average daily turnover increased by 9% MoM in the futures segment, it declined drastically by 55% MoM in the options segment.

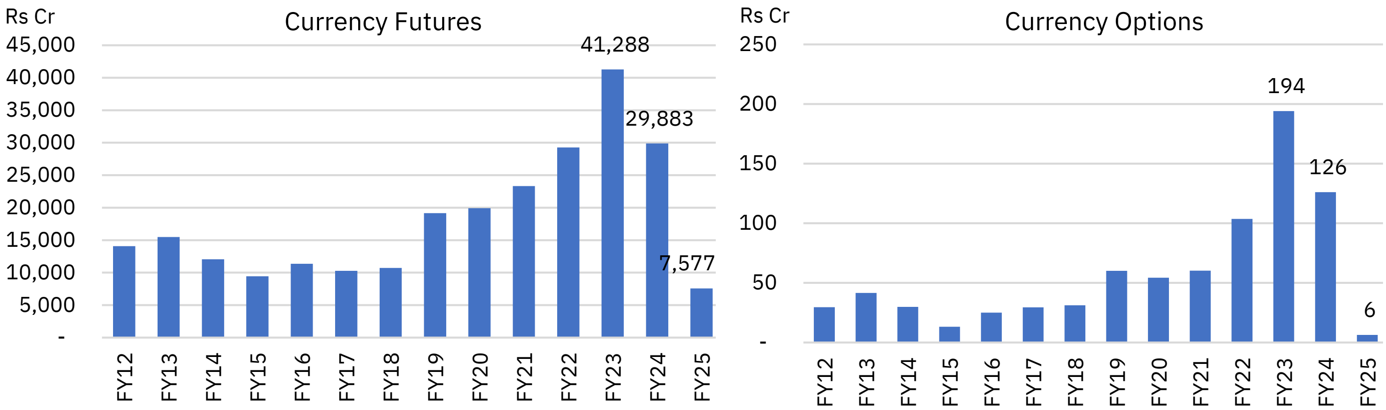
This drastic decline is indicative of a significant reduction in trading activity across currency pairs due to the recent RBI regulatory guidelines on hedging foreign exchange risk requiring valid underlying contracted exposure to trade in exchange-traded currency derivatives. INR pairs in currency futures such as EURINR, and JPYINR saw notable declines in MoM turnover, as compared to cross currency pairs. While USDINR futures experienced a 10% MoM increase, it experienced significant drops YoY, highlighting slow growth of trading volume in the most actively traded pair.

Table 52: Average daily turnover in currency derivatives segment

Product (Rs lakhs)	Jun-24	May-24	MoM change	FY25TD	FY24TD	YoY Change	FY24	CY24TD
Currency futures	**5,75,327**	**5,25,753**	**9%**	**7,57,721**	**30,32,600**	**-75%**	**29,88,275**	**18,13,384**
EURINR	4,899	5,028	-3%	12,927	1,99,243	-94%	1,99,573	1,03,098
EURUSD	892	628	42%	729	1,746	-58%	1,441	991
GBPINR	5,796	5,595	4%	19,378	3,35,852	-94%	3,36,657	1,88,501
GBPUSD	163	1,967	-92%	1,494	1,875	-20%	1,147	1,305
JPYINR	440	1,018	-57%	3,594	55,495	-94%	59,177	31,235
USDINR	5,63,024	5,11,474	10%	7,19,520	24,37,968	-70%	23,89,973	14,88,172
USDJPY	112	42	168%	79	421	-81%	306	84
Currency options	**18**	**39**	**-55%**	**639.5**	**15,614.2**	**-96%**	**12,616**	**5,587**
EURINR	-	-	-	0.2	1.4	-87%	3.1	2.9
EURUSD	-	-	-	-	-	-	-	-
GBPINR	0.1	0.0	438%	2.3	37.1	-94%	116.8	74.6
GBPUSD	-	-	-	-	-	-	-	-
JPYINR	-	-	-	-	0.0	-100%	0.2	0.1
USDINR	17.7	39.3	-55%	637.0	15,575.6	-96%	12,495.9	5,509.7
USDJPY	-	-	-	-	-	-	-	-

Source: NSE EPR
Note: Above table reports premium turnover for Options contracts. FY25TD is as of Jun'24 and FY24TD is as of Jun'23.

Figure 176: Trends in average daily turnover in currency derivatives segment



Source: NSE EPR
Note: Above figure reports premium turnover for options contracts. FY25TD data is as of June 30th, 2024.

ADT in interest rate futures expanded marginally in Jun'24: The average daily turnover (ADT) in the interest rate futures segment expanded 4.9% to Rs 117 crore in June – the highest turnover in the last seven months. On annual comparison, ADT in interest rate futures observed a 11.5% decline to Rs 109 crore in the first three months of FY25 as compared to same period last year.

Table 53: Average daily turnover in Interest rate derivatives

Product (Rs Lakhs)	Jun-24	May-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Interest rate futures	11,743	11,195	4.9	10,951	12,381	(11.5)	12,270	9,953

Source: NSE EPR
Note: Above table reports premium turnover for Options contracts. Figures in brackets indicate negative numbers. FY25TD data is as of June 30th, 2024.

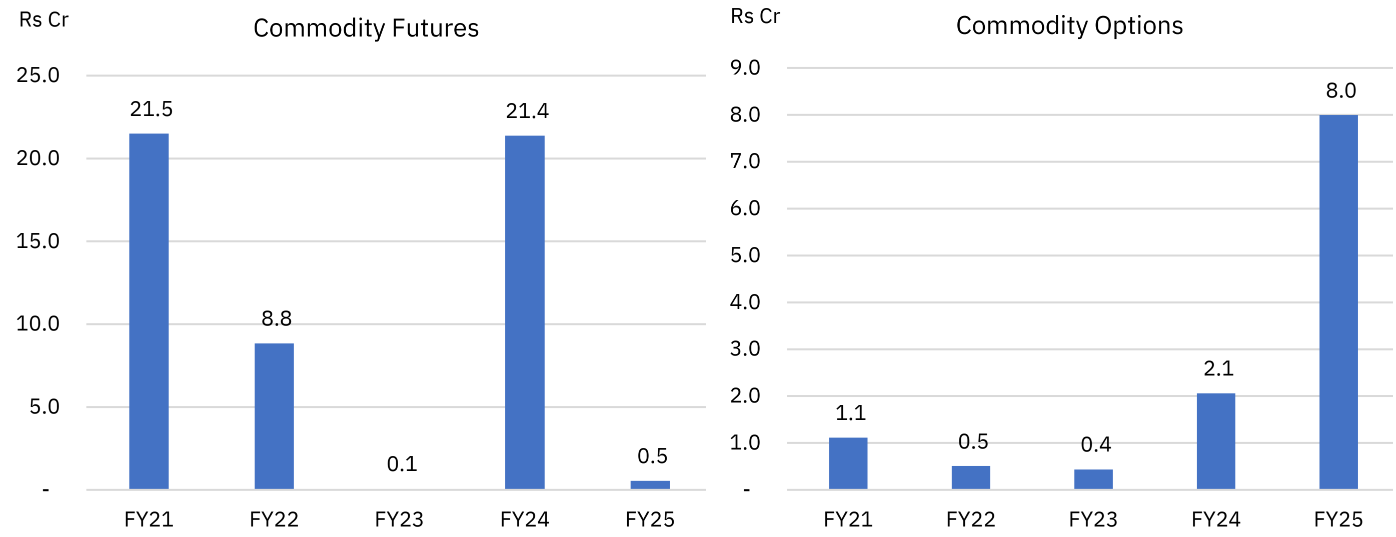
Average daily premium turnover (ADPT) of commodity options witnessed a fall in June: The ADPT of commodity options registered a fall of 16.2% MoM to Rs 6.4 crore, while the ADT in commodity futures marginally declined to Rs 55 lakh in Jun'24. On annual comparison, ADT of commodity futures exhibited 98.4% YoY declined, while commodity options' ADPT exhibited massive growth (2179.1% YoY) in the first three months of FY25 as compared to the same period last year.

Table 54: Average daily turnover in commodities derivatives

Product (Rs Lakhs)	Jun-24	May-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Commodity futures	55	55	(0.6)	54	3,495	(98.4)	2,138	83
Commodity options	635	757	(16.2)	800	35	2,179.1	206	733

Source: NSE EPR
Notes: Above table reports premium turnover for Options contracts; Figures in brackets indicate negative numbers; FY25TD data is as of June 30th, 2024.

Figure 177: Trends in average daily turnover in commodity derivatives segment



Source: NSE EPR
Notes: Above figure reports premium turnover for options contracts; FY25TD data is as of June 30th, 2024.

Category-wise turnover and investments in NSE's CM segment

Individuals registered the highest inflows in June in the last four months: Individual investors bought equities in NSE's cash segment (secondary market only) to the tune of Rs 15,004 crore in June 2024—the highest monthly inflow in the last four months. Domestic institutional investors (DIIs) maintained their buying spree for eleven sequential months in the NSE's CM segment while their net investments moderated 54.3% MoM to Rs 23,393 in Jun'24 from Rs 51,164 crore in May'24—the highest monthly inflow in the last four years. The gross turnover by DIIs during Jun'24, however, registered an uptick of 22.9% MoM. The combined net investments by individuals and DIIs in NSE's CM segment declined 37.7% MoM to Rs 38,397 crore in June.

Foreign investors, on the other hand, continued to sell Indian equities for six months in a row, wherein the combined outflow during these six months in NSE's CM segment touched Rs 1.5 lakh crore as compared to DIIs net inflow of Rs 2 lakh crore. The robust DII inflows successfully offset the outflows from foreign investments, indicating the increasing confidence and participation of domestic investors in the market. Individual investors continued their buying impetus for the third consecutive month, with net investments of Rs 39,278 crore in the first quarter of FY25 as compared to the outflow of Rs 21,096 crore during the same period last year.

Table 55: Category-wise flow in secondary markets in last three months

(Rs crore)	Jun-24			May-24			Apr-24		
Category	**Buy Value**	**Sell Value**	**Net Value**	**Buy Value**	**Sell Value**	**Net Value**	**Buy Value**	**Sell Value**	**Net Value**
Corporates	1,57,891	1,57,700	191	1,20,058	1,26,009	(5,951)	99,019	1,02,927	(3,908)
DIIs	3,52,670	3,29,278	23,393	3,02,919	2,51,755	51,164	2,68,507	2,27,449	41,058
Foreign Investors	4,02,634	4,12,093	(9,459)	3,85,283	4,23,957	(38,674)	2,73,856	3,10,001	(36,146)
Individuals	10,06,112	9,91,108	15,004	8,47,514	8,37,010	10,504	7,71,610	7,57,840	13,770
Others	1,22,376	1,31,371	(8,995)	98,251	1,04,419	(6,168)	91,305	96,861	(5,556)
Prop	8,63,543	8,83,676	(20,133)	7,13,916	7,24,792	(10,876)	6,15,900	6,25,117	(9,218)
Total	**29,05,226**	**29,05,226**		**24,67,941**	**24,67,941**		**21,20,196**	**21,20,196**	

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 56: Category-wise flow in secondary market during FY24 and FY25TD

(Rs crore)	FY25TD			FY24		
Category	**Buy Value**	**Sell Value**	**Net Value**	**Buy Value**	**Sell Value**	**Net Value**
Corporates	3,76,968	3,86,636	(9,668)	11,05,673	11,47,170	(41,497)
DIIs	9,24,096	8,08,481	1,15,614	22,98,940	21,41,733	1,57,207
Foreign Investors	10,61,773	11,46,052	(84,278)	29,70,760	29,86,228	(15,468)
Individuals	26,25,236	25,85,958	39,278	71,52,033	71,04,792	47,241
Others	3,11,932	3,32,651	(20,719)	9,53,295	9,91,704	(38,410)
Prop	21,93,359	22,33,586	(40,227)	56,22,737	57,31,811	(1,09,074)
Total	**74,93,363**	**74,93,363**		**2,01,03,438**	**2,01,03,438**	

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. Figures in brackets indicate negative numbers.
3. FY25TD is as of Jun'24.

Category-wise turnover in NSE's derivatives segment

Prop. trading increased across instruments in equity derivatives segment in June: Category-wise, individuals and proprietary traders led the surge in index derivatives' turnover by exhibiting 24.1% MoM and 23.4% MoM growth respectively in index futures and 10% MoM and 22% MoM growth respectively in index options premium turnover. While growth in turnover by individuals and proprietary traders remained muted on MoM basis in stock options, their turnover in stock futures registered a growth of 6.6% MoM during the month. Notably, turnover by corporates increased across instruments with index options turnover growing a robust 52.1% MoM in the month of June.

Table 57: Category-wise turnover in equity derivatives

(Rs crore)	Jun-24		May-24		FY25TD		FY24	
Category wise	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Index Futures	**9,83,344**	**9,83,344**	**8,06,652**	**8,06,652**	**24,83,061**	**24,83,061**	**74,17,117**	**74,17,117**
Corporates	1,31,808	1,40,217	1,11,635	1,09,737	3,42,747	3,38,817	8,66,663	8,59,339
DIIs	25,411	26,411	19,258	17,850	60,791	60,924	2,52,024	2,54,039
Foreign Investors	1,69,654	1,31,371	1,28,972	1,37,776	4,11,394	3,88,773	10,29,423	10,34,622
Individuals	2,79,322	3,03,948	2,41,839	2,28,329	7,21,570	7,35,701	22,52,031	22,45,226
Others	58,050	58,547	48,641	49,254	1,51,001	1,51,897	5,53,345	5,51,145
Prop	3,19,101	3,22,852	2,56,308	2,63,707	7,95,558	8,06,948	24,63,632	24,72,745
Stock Futures	**36,62,528**	**36,62,528**	**34,64,430**	**34,64,430**	**1,02,85,873**	**1,02,85,873**	**2,55,46,966**	**2,55,46,966**
Corporates	2,69,335	2,75,114	2,64,959	2,67,118	7,70,990	7,75,247	18,31,649	18,36,717
DIIs	3,09,971	3,03,970	2,95,166	3,00,123	8,77,863	8,84,894	22,40,985	23,06,857
Foreign Investors	9,92,820	9,76,541	9,45,400	9,38,888	27,59,954	27,43,260	61,40,115	60,77,935
Individuals	6,07,710	6,15,029	5,76,197	5,71,285	17,41,194	17,32,859	42,54,504	42,27,680
Others	1,85,211	1,85,901	1,64,079	1,64,401	5,09,877	5,07,748	18,85,711	18,86,624
Prop	12,97,481	13,05,973	12,18,629	12,22,615	36,25,995	36,41,866	91,94,002	92,11,154
Index Options	**14,86,308**	**14,86,308**	**12,84,788**	**12,84,788**	**38,55,698**	**38,55,698**	**1,38,19,564**	**1,38,19,564**
Corporates	72,309	72,760	47,238	48,150	1,46,527	1,48,759	3,59,796	3,65,396
DIIs	1,158	890	1,087	884	3,109	2,505	10,266	9,761
Foreign Investors	1,40,626	1,41,364	1,36,529	1,39,268	4,09,697	4,13,732	12,39,326	12,55,559
Individuals	5,03,165	4,98,325	4,58,823	4,51,790	13,49,860	13,34,025	48,68,556	48,16,950
Others	45,289	45,966	48,153	48,859	1,33,767	1,35,934	6,23,829	6,29,650
Prop	7,23,761	7,27,003	5,92,958	5,95,838	18,12,737	18,20,744	67,17,790	67,42,248
Stock Options	**1,91,370**	**1,91,370**	**1,86,613**	**1,86,613**	**5,33,926**	**5,33,926**	**13,78,031**	**13,78,031**
Corporates	8,703	8,867	7,039	7,289	19,958	20,650	45,728	47,270
DIIs	182	381	176	545	500	1,312	1,169	3,013
Foreign Investors	16,106	16,117	14,425	14,362	41,805	41,820	65,710	66,229
Individuals	53,575	53,379	54,098	53,181	1,53,506	1,51,539	4,13,213	4,05,530
Others	3,698	3,819	3,950	4,015	10,556	10,795	29,210	29,842
Prop	1,09,105	1,08,807	1,06,926	1,07,221	3,07,601	3,07,810	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 Jun'24.

Trading activity in currency futures improved marginally in June: After taking a dip in the months gone by, currency futures turnover grew by a modest 4.5% MoM to Rs 1.1 lakh crore. Within the instrument, proprietary traders, that accounted for 80% of the turnover, contributed majorly to the growth in turnover in the instrument. Additionally, turnover by foreign investors and DIIs, who respectively accounted for a relatively smaller share of 5.5% and 2.1% of the currency future's monthly turnover, exhibited substantial growths of 43% MoM and 31% MoM. Meanwhile, currency futures turnover of corporates, who accounted for 6.1% of the instrument's monthly turnover, declined 15% MoM.

The sharp decline in the currency options segment turnover in the last few months was seen across all client categories, with turnover of foreign investors registering a decline of 100% MoM, corporates and proprietary traders registering a decline of 50% MoM and individual investors registering a decline of 44% in June. This segment has seen a sharp dip in trading activity post the implementation of RBI regulatory guidelines on hedging foreign exchange risk requiring valid underlying contracted exposure to trade in exchange-traded currency derivatives.

Table 58: Category-wise turnover in currency derivatives in last three months (Apr'24-Jun'24)

(Rs crore)	Jun-24		May-24		Apr-24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**1,09,312**	**1,09,312**	**1,05,151**	**1,05,151**	**2,17,438**	**2,17,438**
Corporates	6,540	6,716	8,212	7,438	26,285	21,976
DIIs	2,324	2,227	2,342	1,131	9,301	3,393
Foreign Investors	6,329	5,716	4,378	4,017	16,580	17,511
Individuals	6,242	6,372	6,353	5,468	21,469	15,812
Others	1,177	1,204	1,240	1,126	9,215	8,438
Prop	86,700	87,077	82,627	85,970	1,34,588	1,50,308
Options	**3.4**	**3.4**	**7.9**	**7.9**	**353.3**	**353.3**
Corporates	0.8	0.8	1.4	1.9	27.9	41.7
DIIs	-	-	-	-	0.1	1.4
Foreign Investors	0.0	0.0	1.3	1.5	13.5	26.7
Individuals	1.5	1.9	3.2	3.0	193.2	63.7
Others	0.0	0.0	0.0	0.0	3.6	2.0
Prop	1.0	0.6	1.9	1.4	114.9	217.8

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 59: 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	**4,31,901**	**4,31,901**	**72,01,771**	**72,01,771**
Corporates	41,037	36,131	4,21,444	4,22,361
DIIs	13,967	6,752	72,761	74,017
Foreign Investors	27,286	27,243	6,26,681	6,35,845
Individuals	34,064	27,652	10,95,914	10,94,033
Others	11,632	10,768	1,82,192	1,79,167
Prop	3,03,914	3,23,355	48,02,778	47,96,348
Options	**364.5**	**364.5**	**30,404.5**	**30,404.5**
Corporates	30.2	44.5	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	197.9	68.6	6,593.8	6,853.0
Others	3.7	2.1	1,030.0	1,085.5
Prop	117.8	219.8	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 Jun'24.

Surge in prop. trading offset the decline in trading activity by corporates and individuals in IRFs in June: Proprietary traders' turnover in interest rate futures increased 61% MoM in June, while that of individuals and corporates declined 24% MoM and 12% MoM respectively, resulting in the overall turnover of the instrument remaining flat on MoM basis. Notably, proprietary traders and corporates account for 90% of the monthly turnover in interest rate futures.

Table 60: Category-wise trading turnover in interest rate futures in last three months (Apr'24-Jun'24)

(Rs crore)	Jun-24		May-24		Apr-24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**2,231**	**2,231**	**2,239**	**2,239**	**1,772**	**1,772**
Corporates	1,330	1,412	1,311	1,800	1,132	1,222
DIIs	-	-	0	-	-	-
Foreign Investors	3	3	3	3	3	3
Individuals	220	198	179	373	512	384
Others	26	14	14	14	14	2
Prop	652	605	732	49	112	161

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 61: Category-wise trading turnover in interest rate futures during FY25 and FY24

(Rs crore)	FY25TD		FY24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**6,242**	**6,242**	**29,571**	**29,571**
Corporates	3,773	4,434	12,597	13,581
DIIs	0	-	321	296
Foreign Investors	9	9	66	66
Individuals	911	954	2,255	1,915
Others	54	30	66	62
Prop	1,496	815	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 Jun'24.

Individual investors and proprietary traders contributed majorly to the decline in commodity derivatives turnover in June: Commodity options turnover declined for two consecutive months to Rs 126.9 crore in June 2024 from Rs 219 crore in April 2024. Prop. traders' and individual investors' turnover, contributing 92.2% and 6.4% of the commodity options premium turnover, witnessed severe declines of 24.7% MoM and 50.8% MoM respectively.

Commodity futures turnover moderated 13% MoM to Rs 11 crore, wherein individual investors and proprietary traders' turnover, contributing 79.9% and 11.2% of overall commodity futures turnover, dropped 41.3% MoM and 27.2% MoM respectively.

Table 62: Category-wise trading turnover in commodity derivatives in last three months (Apr'24-Jun'24)

(Rs crore)	Jun-24		May-24		Apr-24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**11.0**	**11.0**	**12.6**	**12.6**	**11.7**	**11.7**
Corporates	1.0	1.0	-	-	0.1	0.1
DIIs	-	-	-	-	-	-
Foreign Investors	-	-	-	-	-	-
Individuals	0.6	1.8	2.4	1.8	0.7	1.4
Others	-	-	-	-	0.3	0.3
Prop	9.4	8.2	10.2	10.9	10.6	9.9
Options	**126.9**	**126.9**	**174.2**	**174.2**	**218.7**	**218.7**
Corporates	0.6	0.5	0.2	0.2	0.1	0.1
DIIs	-	-	-	-	-	-
Foreign Investors	0.3	0.2	0.6	0.6	0.1	0.1
Individuals	8.1	8.1	16.4	16.4	20.4	20.4
Others	1.1	1.1	1.6	1.6	6.5	6.5
Prop	116.8	117.0	155.3	155.3	191.5	191.5

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 table reports premium turnover for options contracts.

Table 63: Category-wise turnover in commodity derivatives during FY25TD and FY24

(Rs crore)	FY25TD		FY24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**35.3**	**35.3**	**5,429.3**	**5,429.3**
Corporates	1.1	1.0	138.4	138.5
DIIs	-	-	5.5	5.5
Foreign Investors	-	-	14.0	13.1
Individuals	3.8	5.0	724.6	723.6
Others	0.3	0.3	56.4	57.0
Prop	30.2	28.9	4,490.4	4,491.6
Options	**519.7**	**519.7**	**523.1**	**523.1**
Corporates	0.9	0.9	4.6	4.5
DIIs	-	-	-	-
Foreign Investors	1.0	0.9	0.1	0.0
Individuals	45.0	44.9	48.2	48.2
Others	9.2	9.2	6.4	6.5
Prop	463.6	463.9	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 Jun'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.

Proprietary traders' and DIIs' share in the CM segment increased in June: The share of proprietary traders (+92bps MoM) and DIIs (+50bps MoM) in the overall turnover of the CM Segment increased in Jun'24, rising to 30.1% and 11.7% respectively. Individual investors also witnessed their share rise by 24bps MoM to 34.4% during the month. However, the share foreign investors reduced by 237bps MoM to 14% during the month.

Over the last nine years, the share of foreign investors' participation has seen significant fluctuations. They held a 23.2% share of NSE CM segment turnover during FY16 which declined in the next five years to 11.5% in FY21, rising to 15.1% in FY23 before contracting slightly to 14.8% in FY24. In the first quarter of FY25, foreign investors accounted for a 14.7% share of the CM segment turnover, down 85bps YoY, a little lower than in the same period last year. Individual investors continued to account for the highest share in the monthly turnover of the NSE's CM segment, at 34.4% (+24bps MoM) in June 2024, followed by proprietary traders at 30.1% (+92bps MoM).

Table 64: Share of client participation in NSE cash market segment (%)

Client category	Jun-24	May-24	MoM Change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	5.4	5.0	45	5.1	5.4	(30)	5.6	5.3
DIIs	11.7	11.2	50	11.6	11.5	4	11.0	11.1
Foreign Investors	14.0	16.4	(237)	14.7	15.6	(85)	14.8	14.7
Individuals	34.4	34.1	24	34.8	34.7	6	35.5	35.2
Prop	30.1	29.1	92	29.5	27.6	191	28.2	29.3
Others	4.4	4.1	26	4.3	5.2	(86)	4.8	4.5

Source: NSE EPR

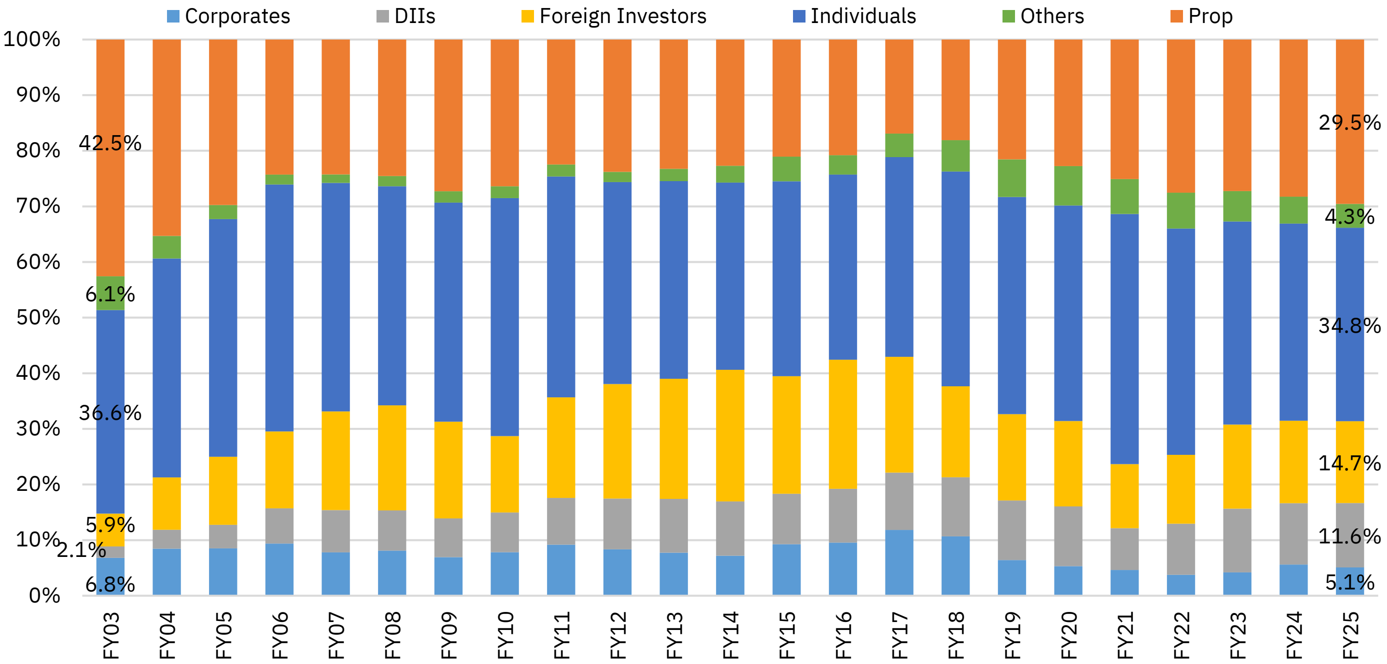
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 turnover i.e., buy-side turnover + sell-side turnover.

4. FY25TD is as of Jun'24.

Figure 178: Trends in share of client participation in NSE cash market segment (%)



Source: NSE EPR

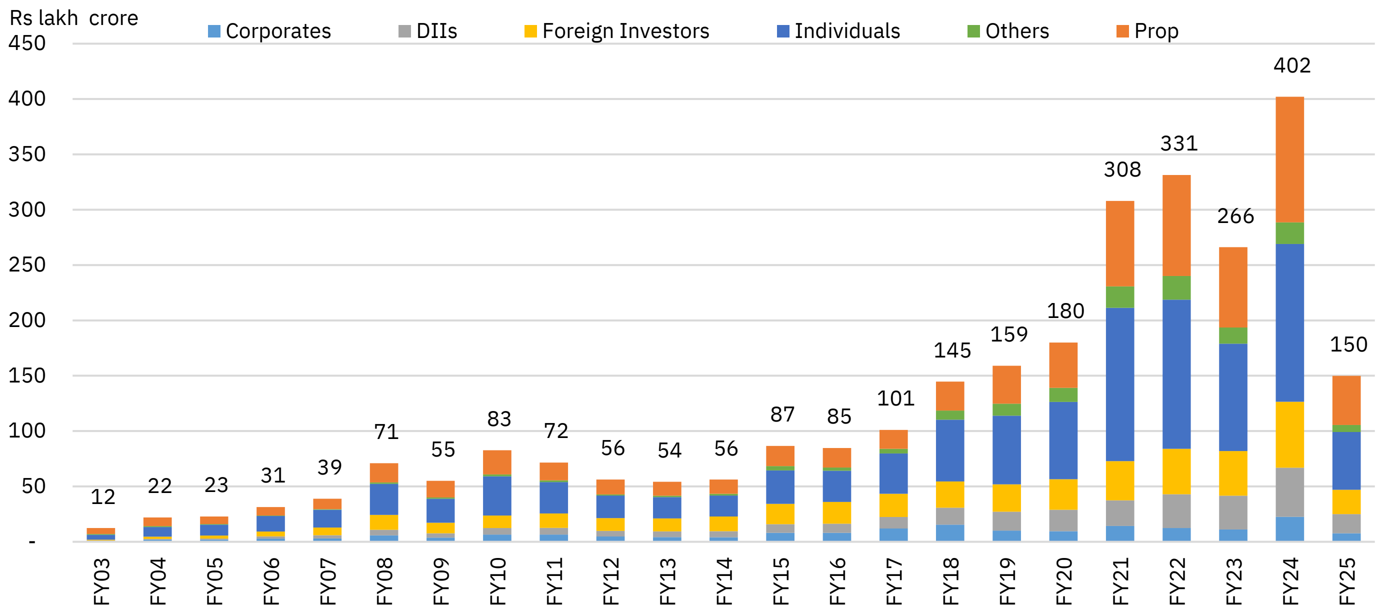
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 Jun'24.

Figure 179: 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 Jun'24.

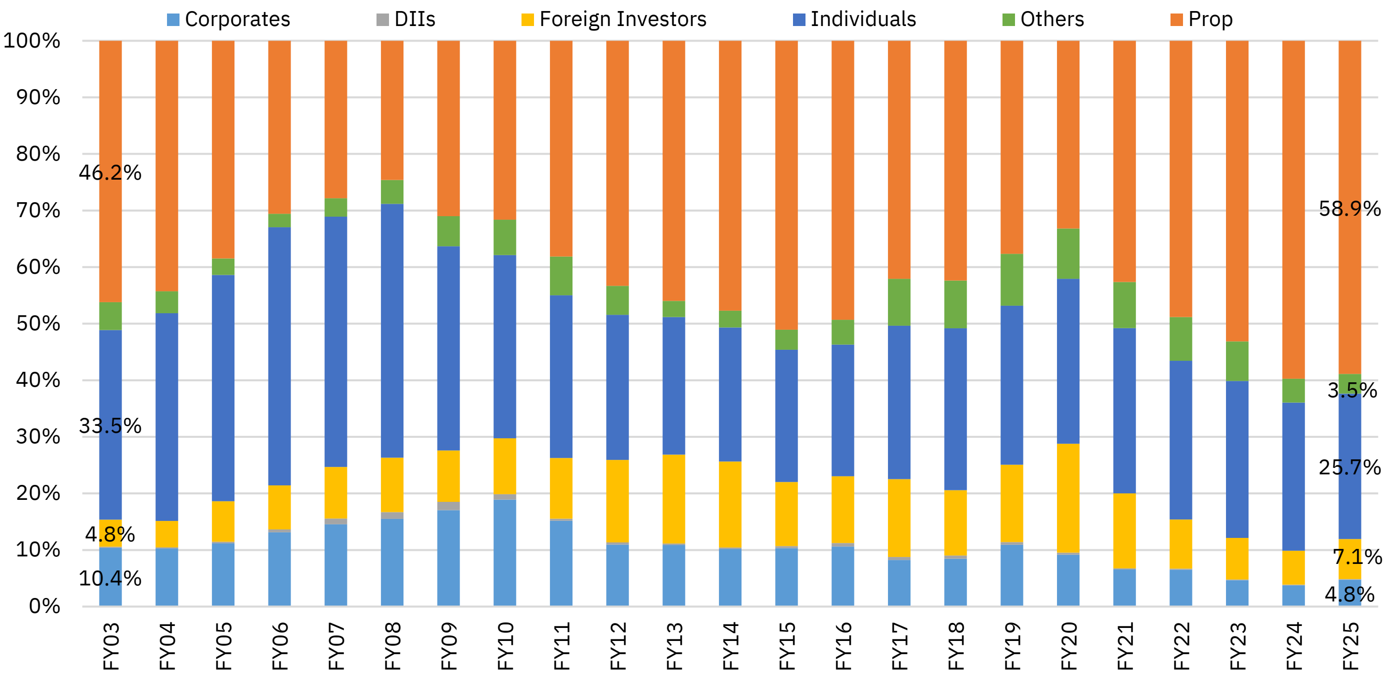
Share of prop. trading increased across instruments except stock options in June: Share of proprietary traders in the equity derivatives segment increased across all instruments except stock options in the month of June 2024. Notably, their share in stock options in the month of June was the lowest in 14 months. On the other hand, the share of individual investors in equity futures has expanded during the month, however, their share in equity options (premium basis) has contracted during the month. Their share in index options during the month was the lowest in 15 months, while their share in stock options was the lowest in five months.

Table 65: Share of client participation in Equity Derivatives segment (Notional turnover) of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	5.8	3.9	186	4.8	4.4	33	3.8	4.4
DIIs	0.1	0.1	(0)	0.1	0.1	2	0.1	0.1
Foreign Investors	6.6	7.0	(36)	7.1	6.1	92	6.0	6.9
Individuals	25.5	26.1	(56)	25.7	26.8	(116)	26.2	25.2
Prop	58.6	59.5	(85)	58.9	57.1	175	59.7	59.6
Others	3.4	3.5	(9)	3.5	5.3	(186)	4.2	3.7

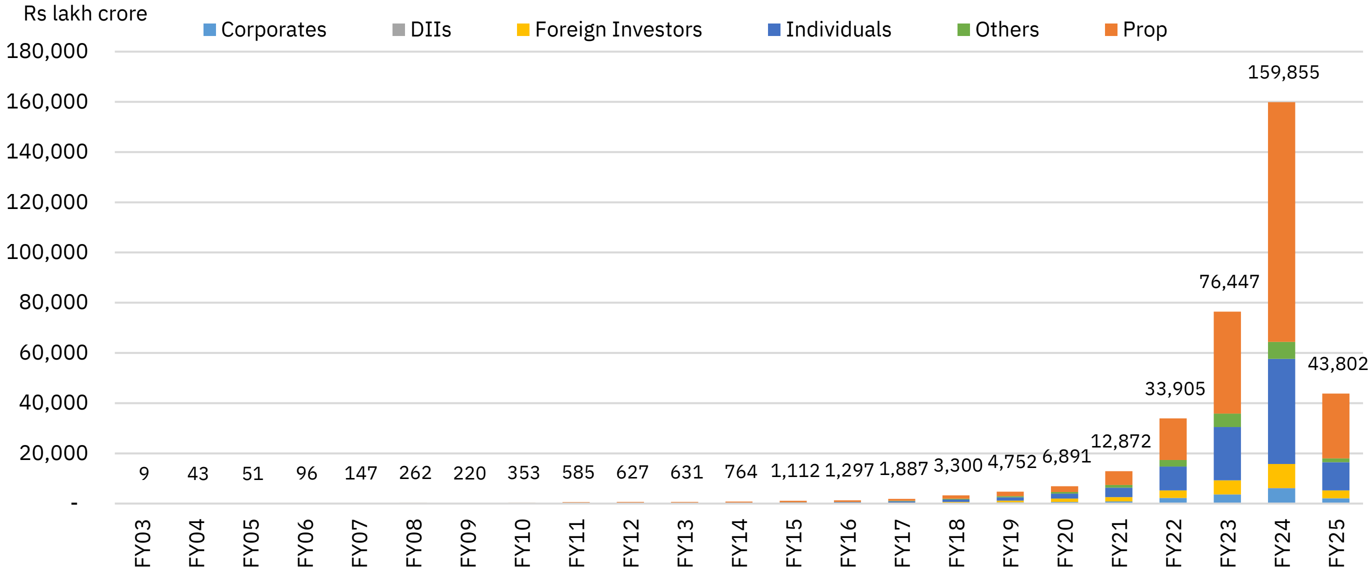
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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 notional turnover i.e., buy-side turnover + sell-side turnover.
4. FY25TD is as of Jun'24.

Figure 180: 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 Jun'24.

Figure 181: 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 Jun'24.

Table 66: Share of client participation in Equity futures (Notional Turnover) segment of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	8.8	8.8	(3)	8.7	8.4	32	8.2	8.5
DIIs	7.2	7.4	(24)	7.4	7.3	10	7.7	7.4
Foreign investors	24.4	25.2	(75)	24.7	22.0	267	21.7	23.4
Individuals	19.4	18.9	50	19.3	20.1	(80)	19.7	19.6
Prop	34.9	34.7	26	34.7	34.1	62	35.4	35.2
Others	5.2	5.0	26	5.2	8.1	(290)	7.4	5.8

Source: NSE EPR

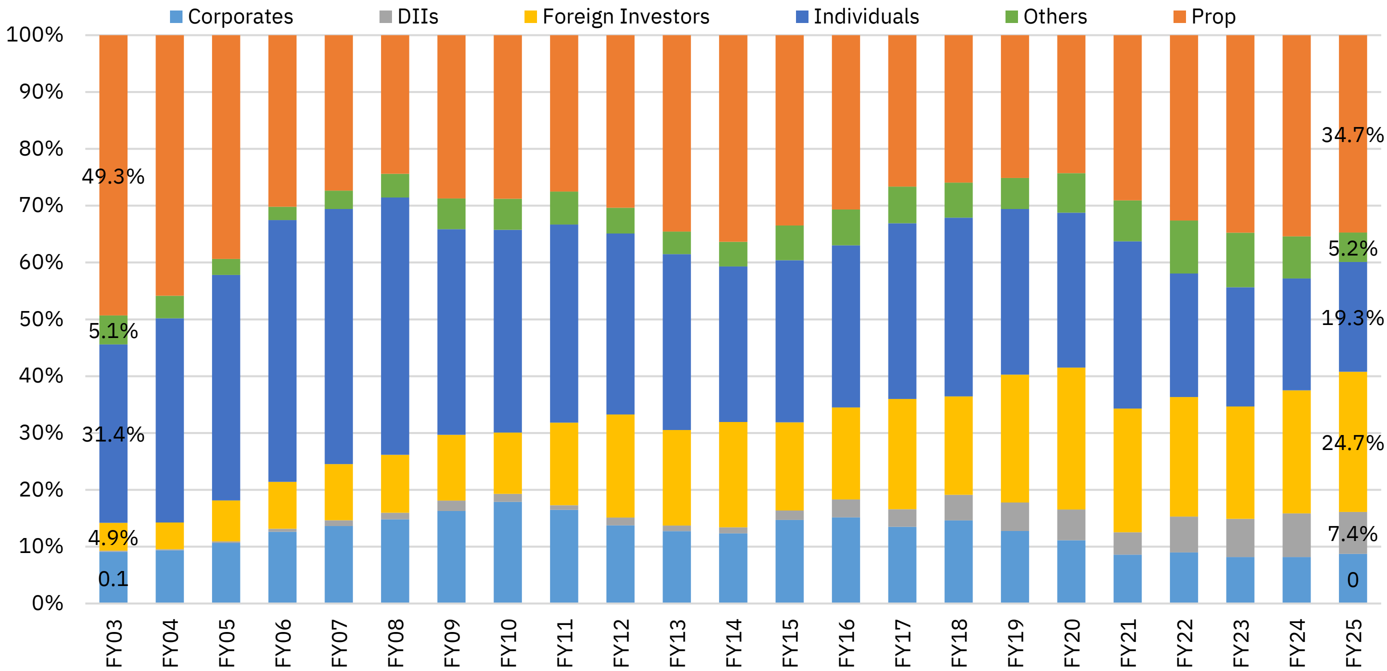
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 Jun'24.

Figure 182: Trends in share of client participation in Equity futures (Notional Turnover) at NSE (%)



Source: NSE EPR

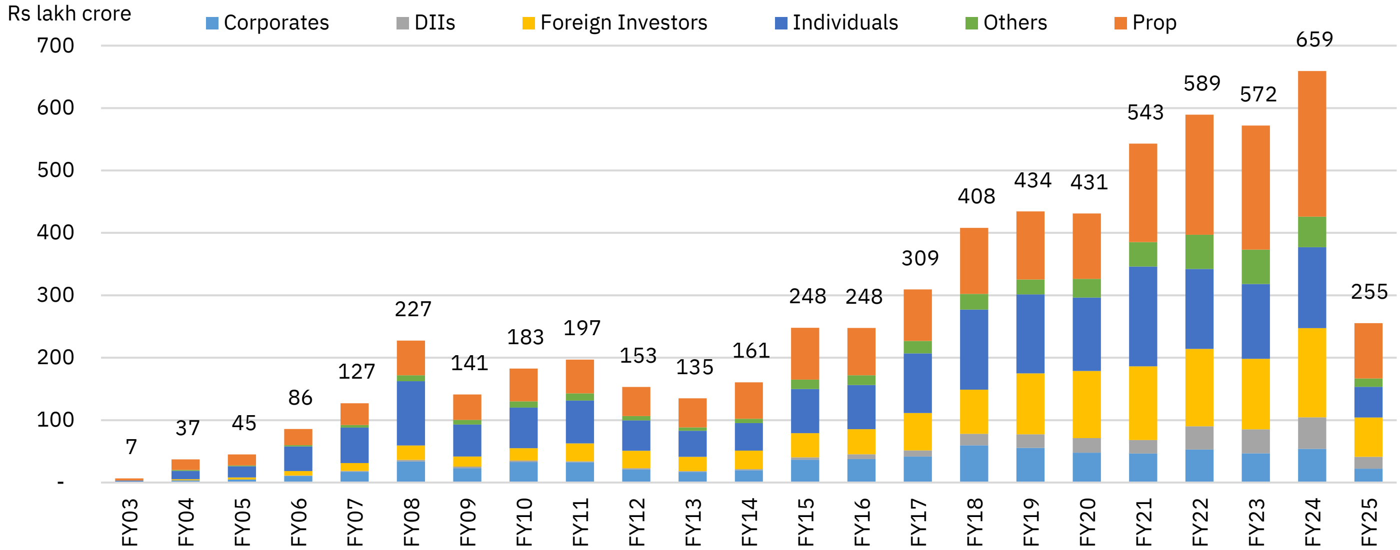
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 is as of Jun'24.

Figure 183: 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.

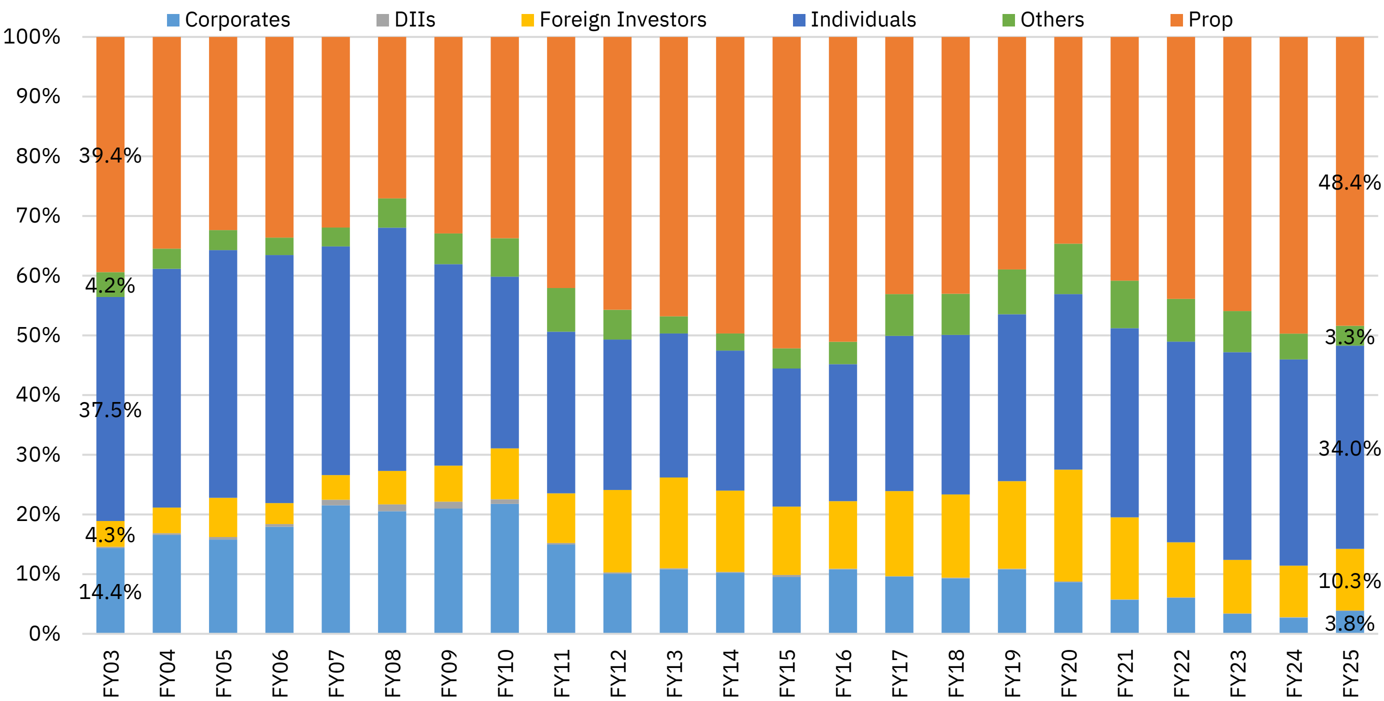
4. FY25 is as of Jun'24.

Table 67: Share of client participation in Equity options segment (Premium Turnover) of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.8	3.7	112	3.8	3.2	63	2.7	3.2
DIIs	0.1	0.1	(1)	0.1	0.1	0	0.1	0.1
Foreign investors	9.4	10.4	(99)	10.3	7.7	258	8.6	10.6
Individuals	33.0	34.6	(155)	34.0	33.9	14	34.6	34.0
Prop	49.7	47.7	206	48.4	49.7	(132)	49.7	48.6
Others	2.9	3.6	(62)	3.3	5.3	(203)	4.3	3.6

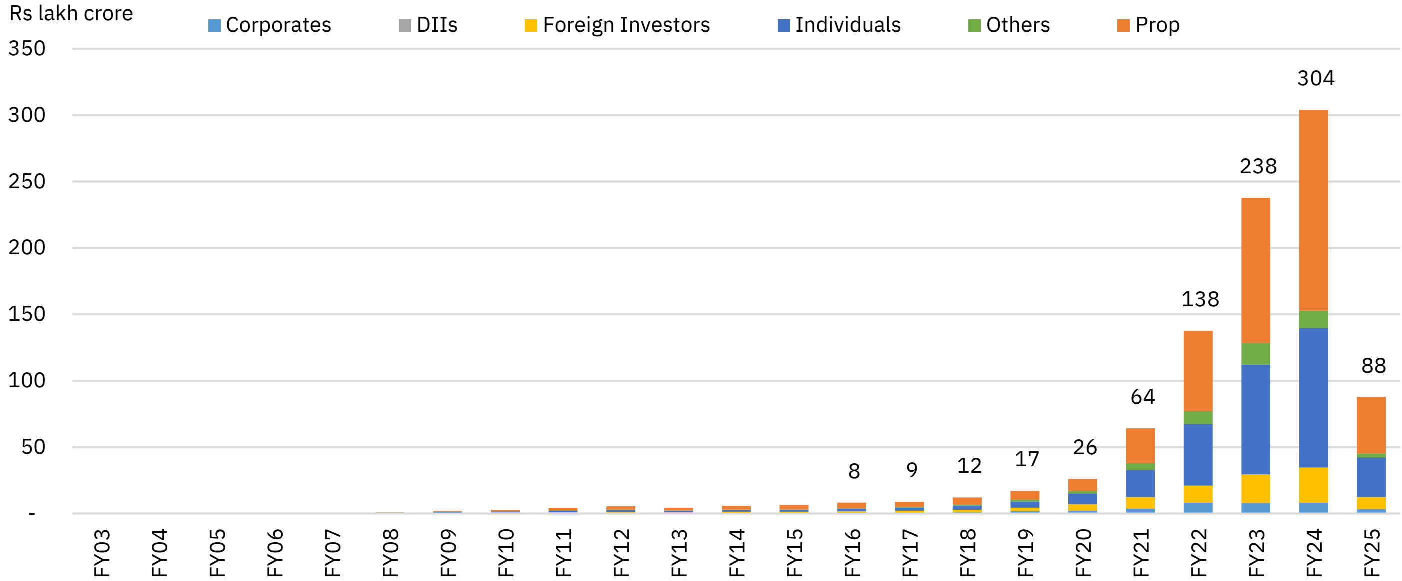
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
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 Jun'24.

Figure 184: 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 Jun'24.

Figure 185: Trends in client category-wise gross turnover in Equity options (Premium Turnover) at NSE



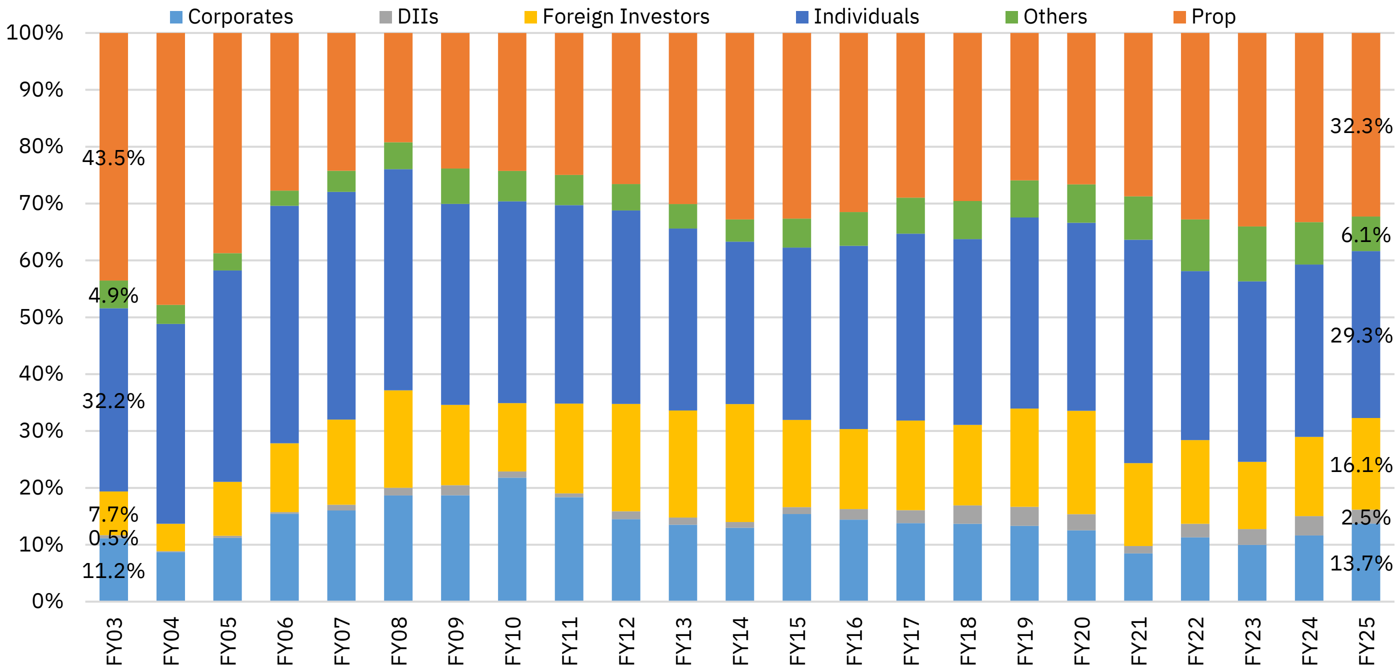
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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 Jun'24.

Table 68: Share of client participation in Index Futures of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	13.8	13.7	11	13.7	11.2	250	11.6	13.0
DIIs	2.6	2.3	33	2.5	3.3	(83)	3.4	2.8
Foreign investors	15.3	16.5	(123)	16.1	13.4	275	13.9	14.8
Individuals	29.7	29.1	51	29.3	33.1	(380)	30.3	29.8
Prop	32.6	32.2	41	32.3	31.0	126	33.3	33.1
Others	5.9	6.1	(14)	6.1	8.0	(189)	7.4	6.7

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. 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 Jun'24.

Figure 186: Trends in share of client participation in Index Futures at NSE (%)



Source: NSE EPR

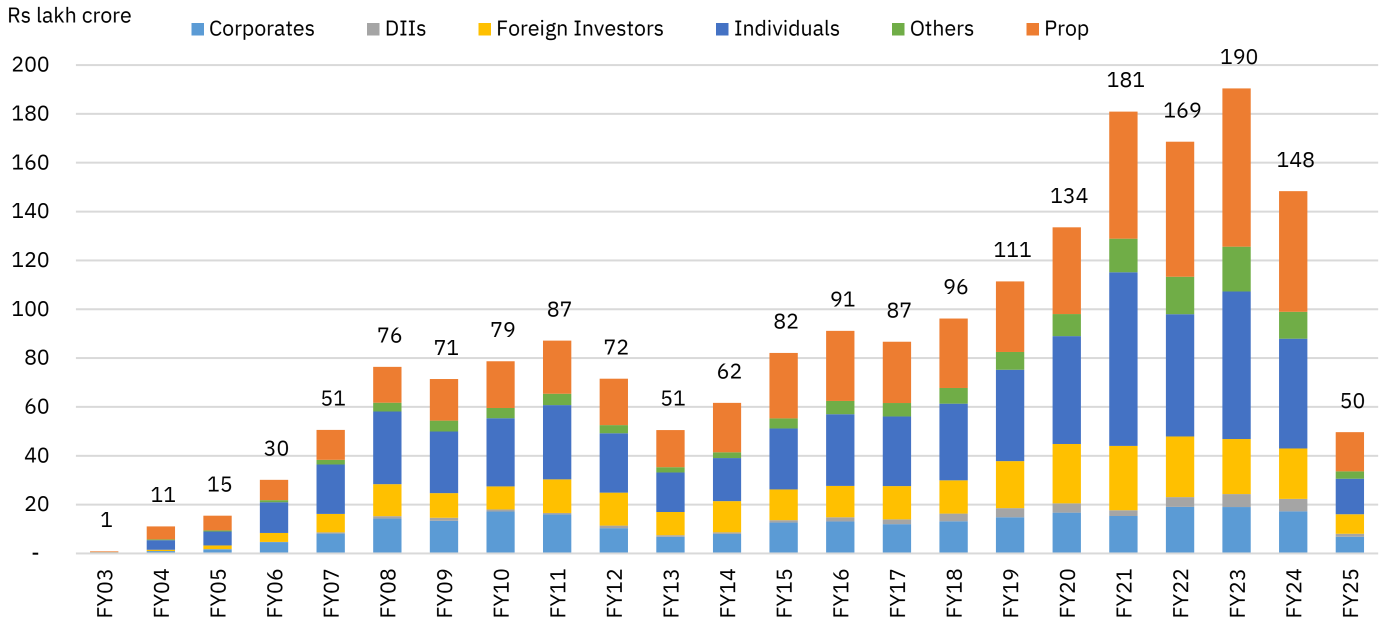
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 Jun'24.

Figure 187: 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.

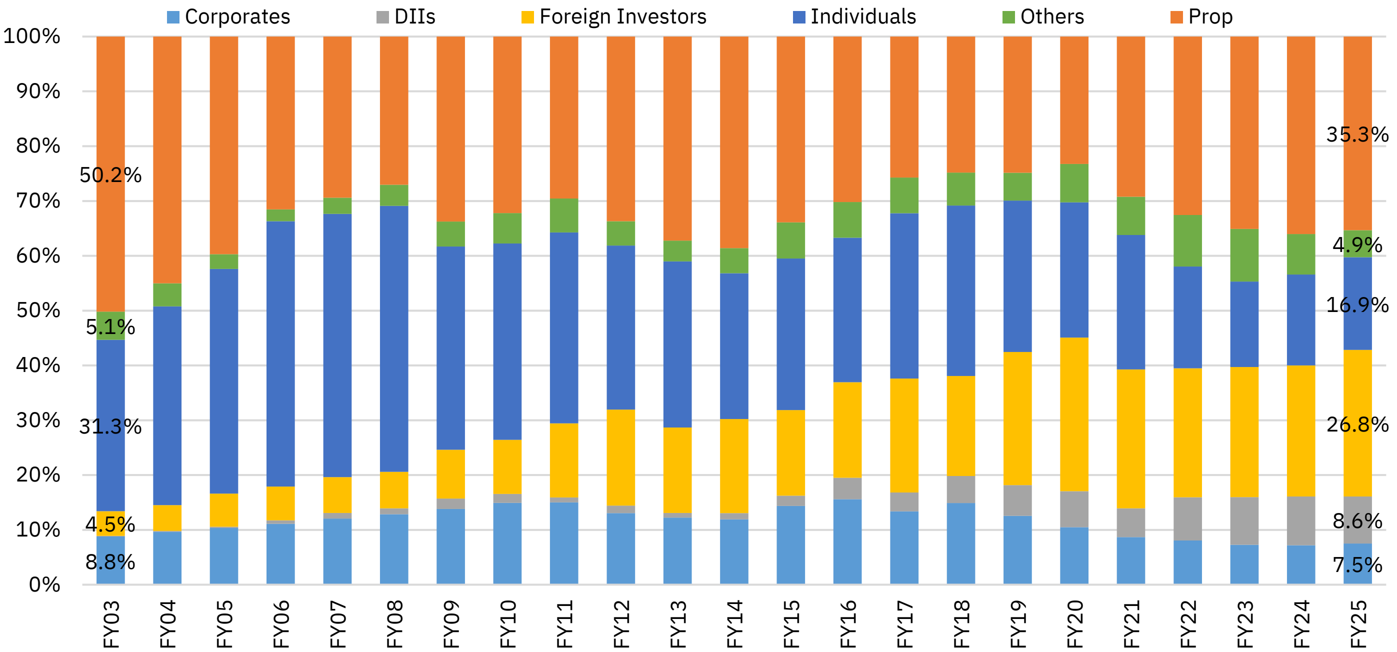
4. FY25 is as of Jun'24.

Table 69: Share of client participation in Stock Futures of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	7.4	7.7	(25)	7.5	7.4	14	7.2	7.4
DIIs	8.4	8.6	(21)	8.6	8.8	(19)	8.9	8.6
Foreign investors	26.9	27.2	(31)	26.8	25.2	156	23.9	25.7
Individuals	16.7	16.6	13	16.9	15.3	156	16.6	17.0
Prop	35.5	35.2	31	35.3	35.3	7	36.0	35.7
Others	5.1	4.7	33	4.9	8.1	(315)	7.4	5.6

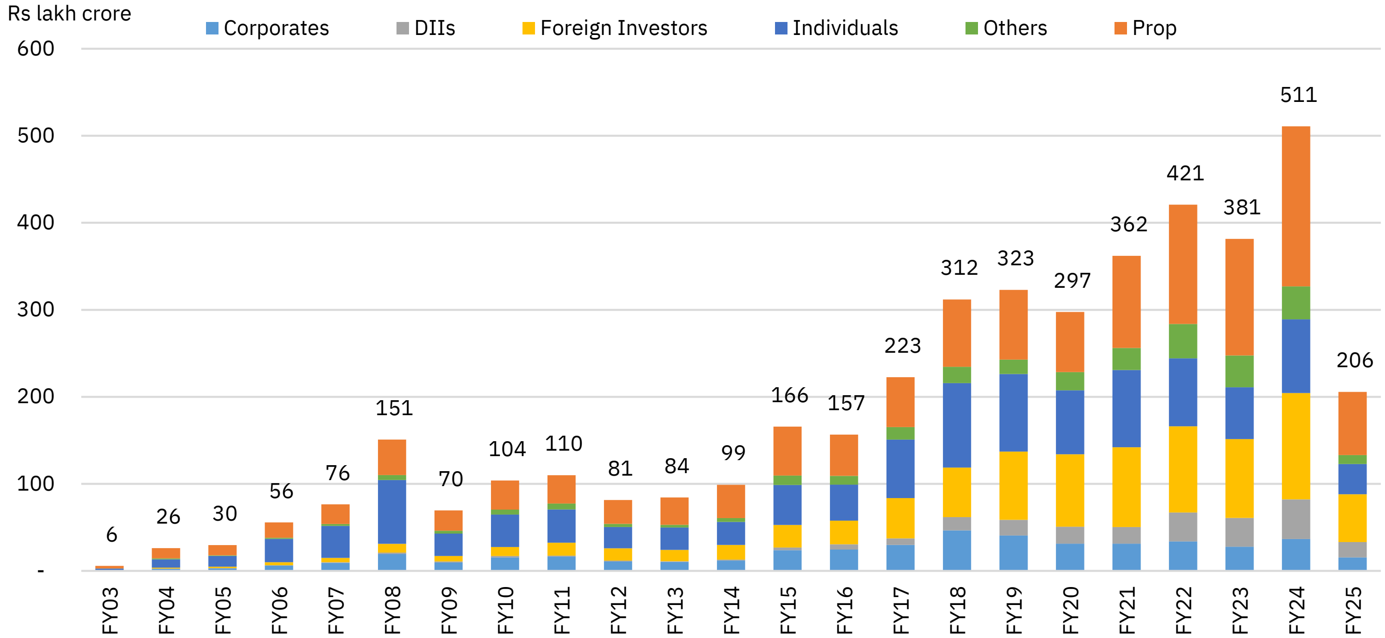
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
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 Jun'24.

Figure 188: 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 Jun'24.

Figure 189: Trends in client category-wise gross turnover in Stock Futures at NSE



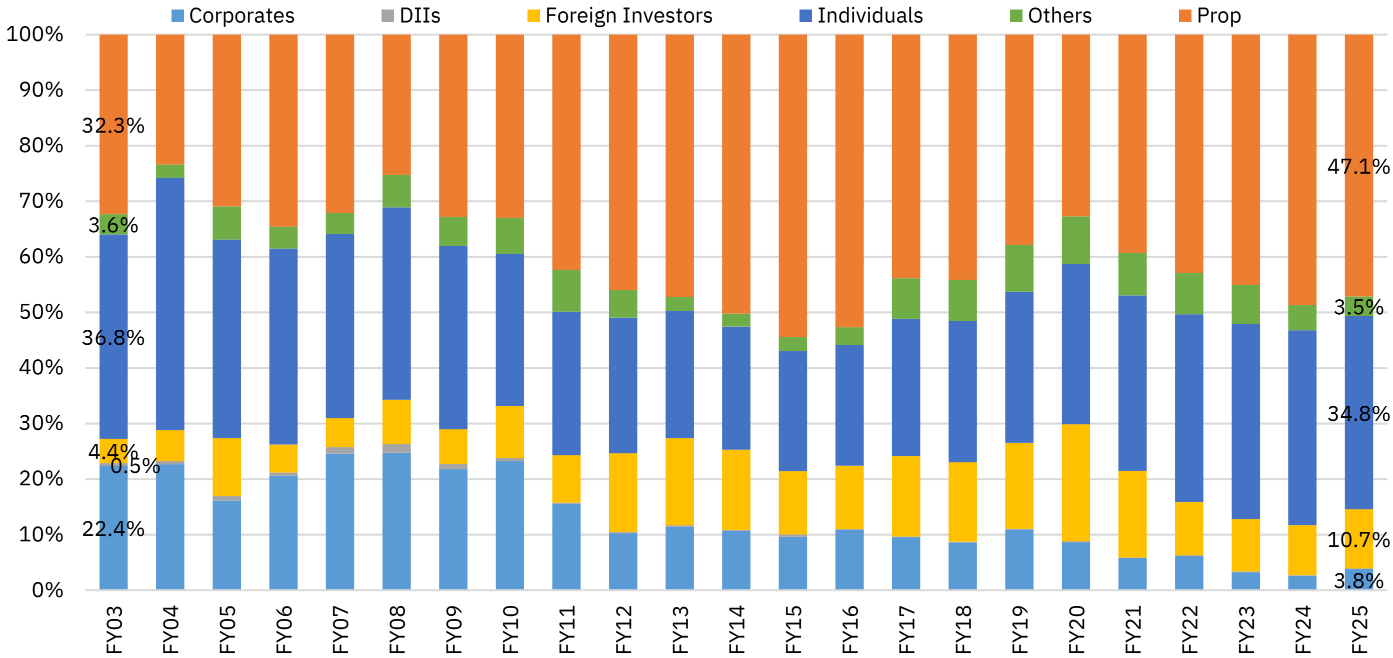
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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 Jun'24.

Table 70: Share of client participation in Index Options (Premium Turnover) of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.9	3.7	117	3.8	3.2	67	2.6	3.1
DIIs	0.1	0.1	(1)	0.1	0.1	(0)	0.1	0.1
Foreign investors	9.5	10.7	(125)	10.7	8.0	268	9.0	11.0
Individuals	33.7	35.4	(175)	34.8	34.1	71	35.0	34.7
Prop	48.8	46.3	254	47.1	49.2	(210)	48.7	47.3
Others	3.1	3.8	(71)	3.5	5.5	(196)	4.5	3.8

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 Jun'24.

Figure 190: Trends in share of client participation in Index Options (premium turnover) at NSE (%)



Source: NSE EPR

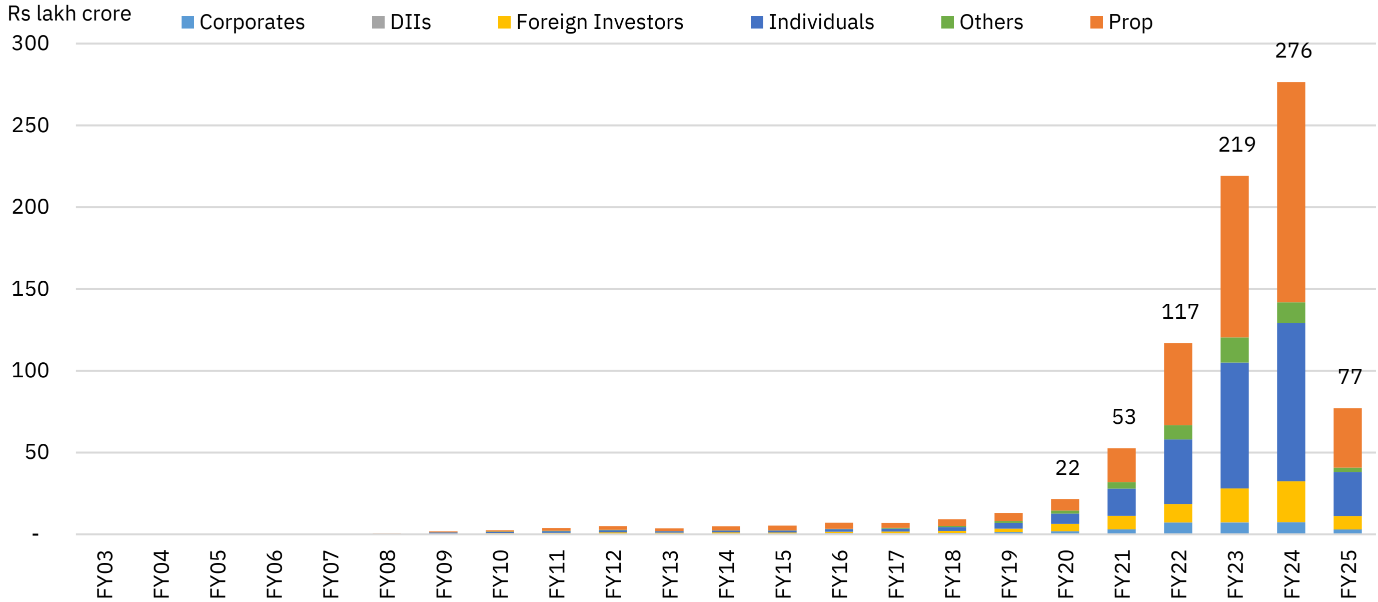
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 Jun'24.

Figure 191: 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 Jun'24.

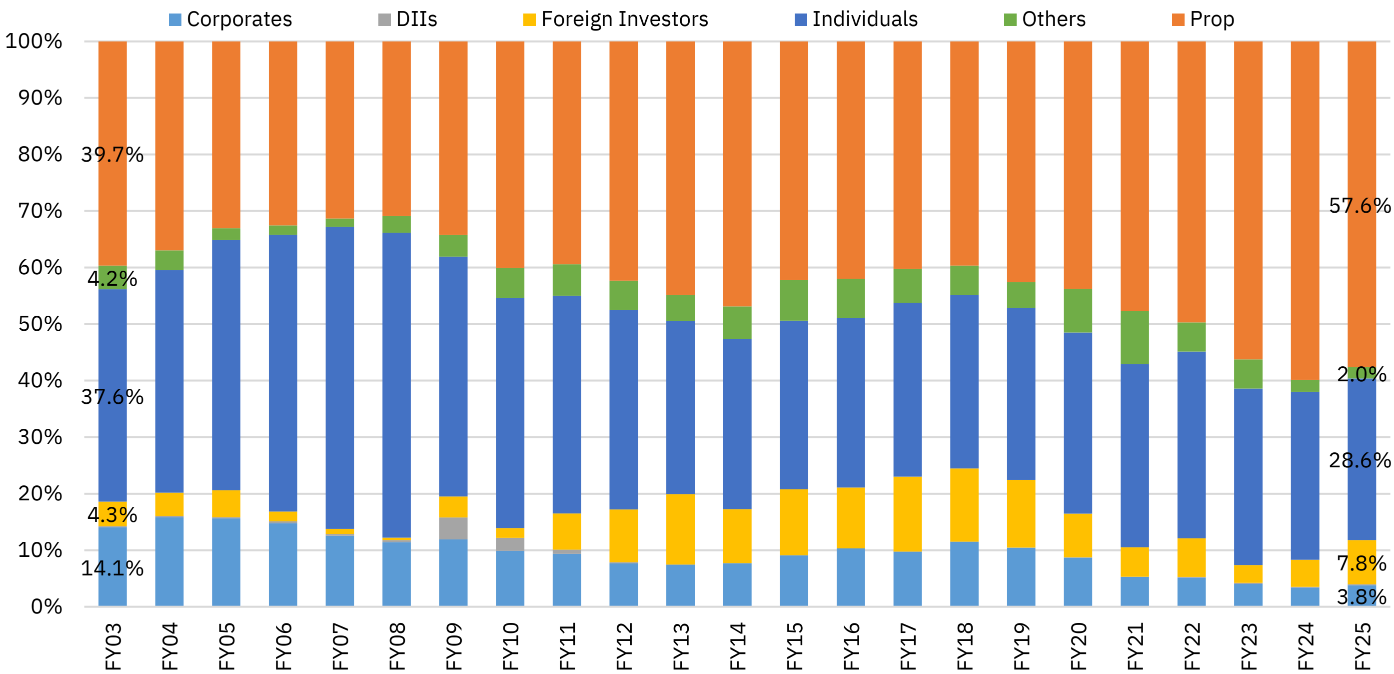
Table 71: Share of client participation in Stock Options (Premium Turnover) of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.6	3.8	75	3.8	3.7	14	3.4	3.5
DIIs	0.1	0.2	(5)	0.2	0.2	(0)	0.2	0.2
Foreign investors	8.4	7.7	71	7.8	4.0	382	4.8	7.0
Individuals	27.9	28.7	(80)	28.6	31.1	(251)	29.7	28.5
Prop	56.9	57.4	(44)	57.6	57.5	15	59.8	58.8
Others	2.0	2.1	(17)	2.0	3.6	(159)	2.1	2.0

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 premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
5. FY25TD is as of Jun'24.

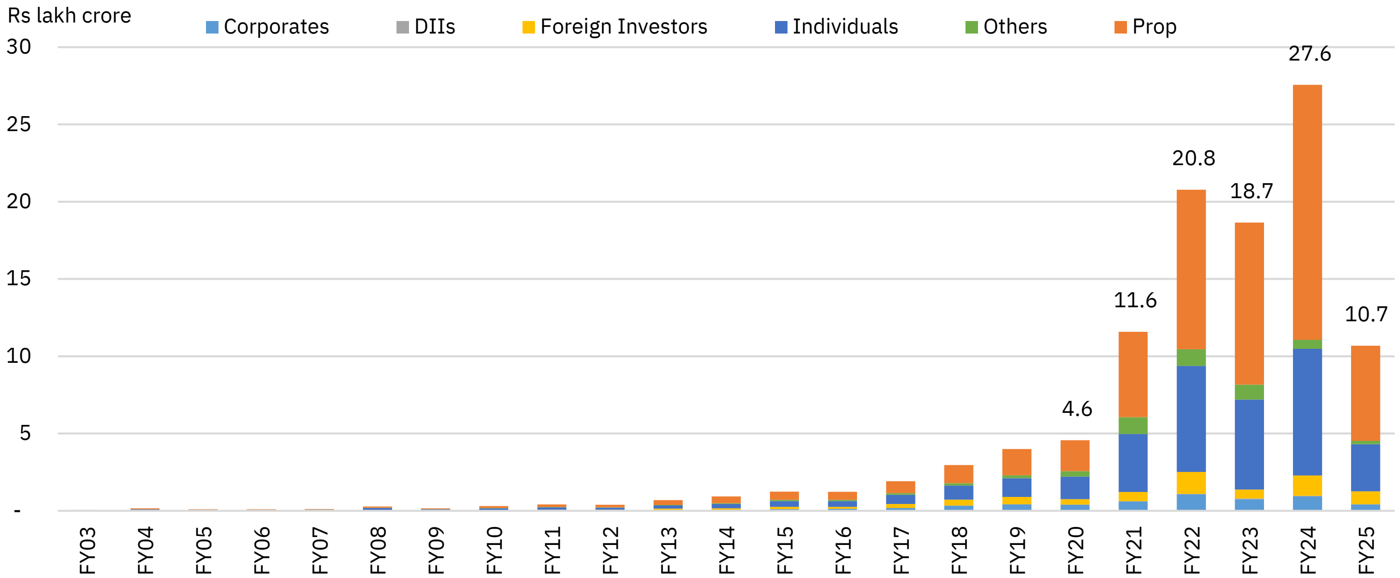
Figure 192: Trends in share of client participation in Stock Options (Premium Turnover) at NSE (%)



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 Jun'24.

Figure 193: 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 Jun'24.

Prop. traders and foreign investors contributed to the slight improvement in currency futures turnover: Trading in currency futures witnessed a slight improvement in the month of June, thanks to the increase in trading activity by proprietary traders and foreign investors. Consequently, their shares expanded 40bps and 119bps MoM respectively during the month. However, the share of foreign investors in currency options premium turnovers contracted 1811bps MoM during the same period.

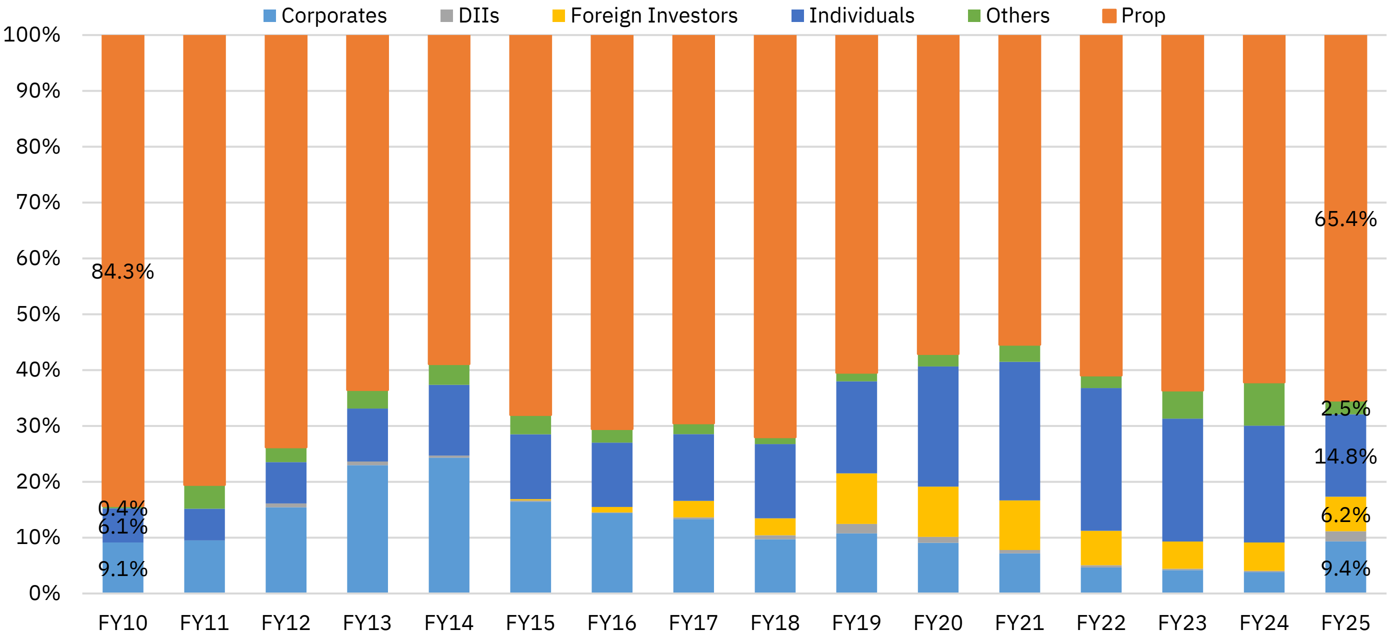
Corporates' share in the overall segment turnover declined 175bps MoM to 6.6%, interestingly with a reduced share in currency futures (-138bps MoM) turnover and an increased share in currency options premium turnover. While the turnover of individual investors' contracted MoM in currency options, their share in the instruments' turnover crossed 51% during the month.

Table 72: Share of client participation in Currency Derivatives segment (Notional Turnover) of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24 crossed 4TD	YoY Change (bps)	FY24	CY24TD
Corporates	6.6	8.3	(175)	9.4	3.8	554	3.8	4.4
DIIs	2.0	1.6	44	1.8	0.2	163	0.2	0.3
Foreign investors	5.3	4.1	119	6.2	3.8	242	5.1	5.9
Individuals	7.4	7.7	(25)	14.8	22.5	(773)	20.9	18.2
Prop	77.6	77.2	40	65.4	61.3	411	62.2	63.5
Others	1.1	1.1	(3)	2.5	8.4	(597)	7.8	7.6

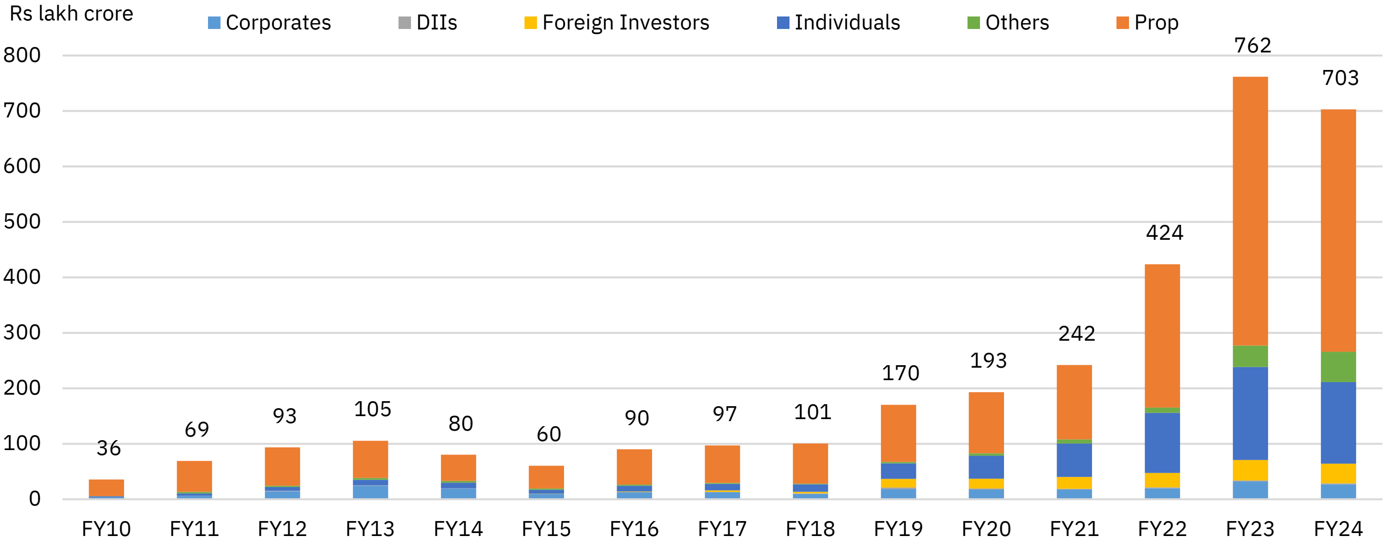
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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.
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 Jun'24.

Figure 194: 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 Jun'24.

Figure 195: Trends in client category-wise gross notional turnover in Currency Derivatives at NSE



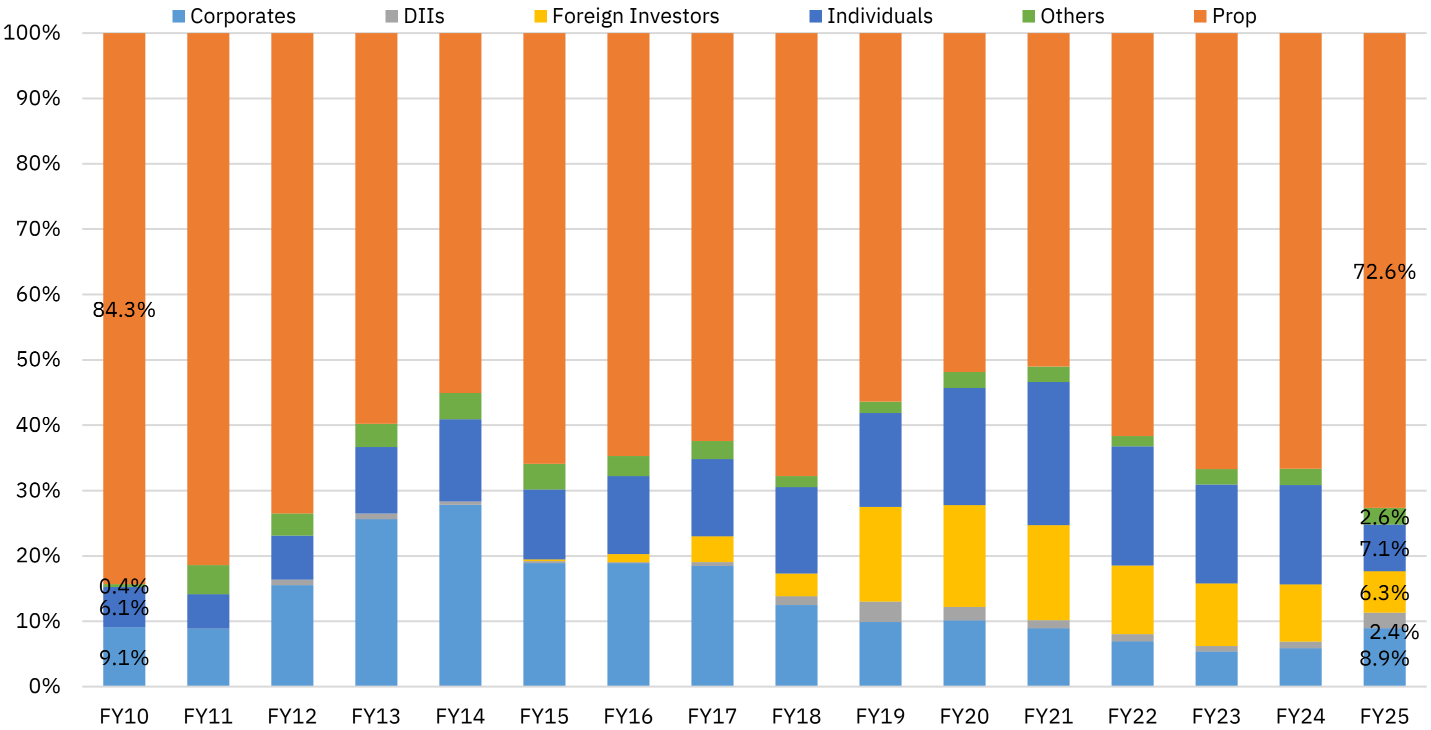
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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 Jun'24.

Table 73: Share of client participation in Currency Futures of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	6.1	7.4	(138)	8.9	5.8	310	5.9	7.8
DIIs	2.1	1.7	43	2.4	0.8	157	1.0	1.4
Foreign investors	5.5	4.0	152	6.3	8.7	(243)	8.8	9.1
Individuals	5.8	5.6	15	7.1	16.7	(951)	15.2	12.7
Prop	79.5	80.2	(68)	72.6	64.9	770	66.6	66.1
Others	1.1	1.1	(4)	2.6	3.0	(43)	2.5	2.8

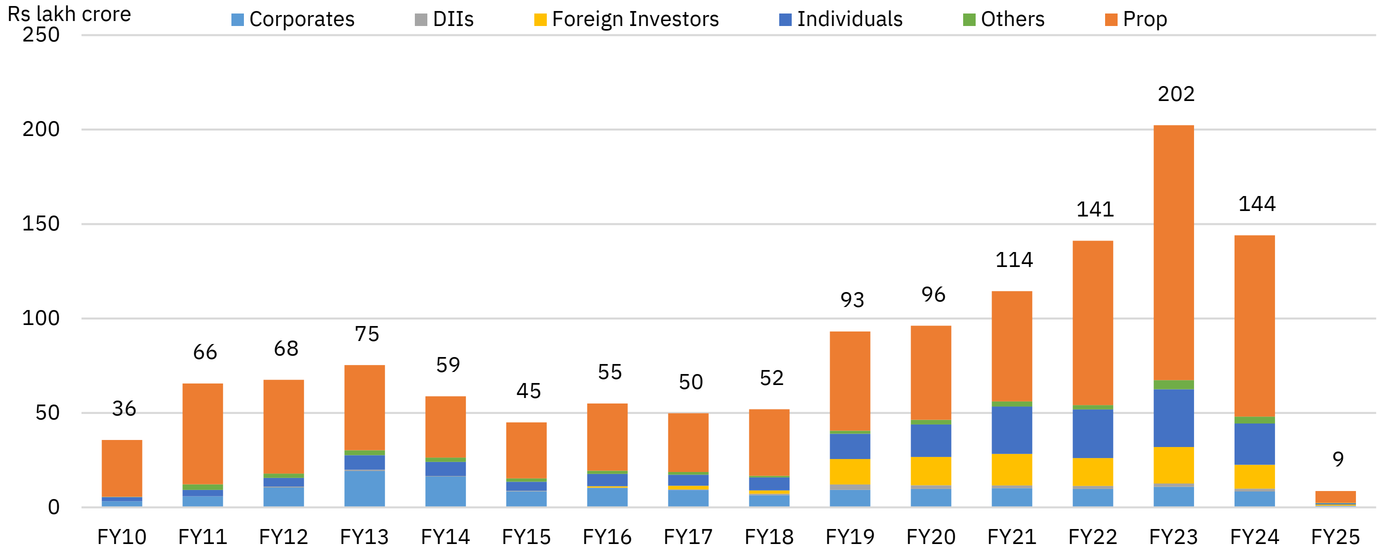
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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 UCC database.
2. Figures in brackets indicate negative numbers. Client categories are based on the information provided by trading members in UCC database.
3. Above data represents share in gross turnover i.e., buy-side turnover + sell-side turnover.
4. FY25TD is as of Jun'24.

Figure 196: 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 Jun'24.

Figure 197: Trends in client category-wise gross turnover in Currency Futures at NSE



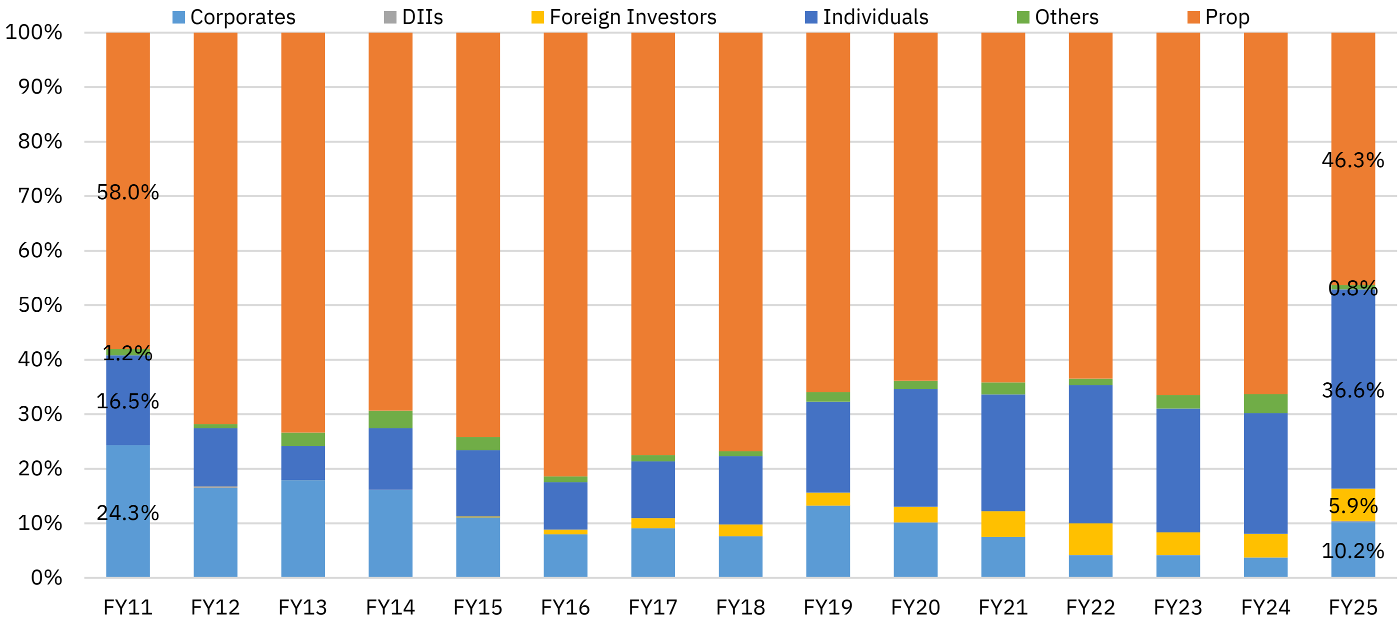
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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 Jun'24.

Table 74: Share of client participation in Currency Options (Premium Turnover) of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	24.5	21.1	339	10.2	3.3	696	3.7	4.5
DIIs	0.0	0.0	-	0.2	0.0	20	0.0	0.0
Foreign investors	0.1	18.2	(1,811)	5.9	3.7	223	4.3	4.9
Individuals	51.0	39.3	1,168	36.6	22.9	1,363	22.1	20.9
Prop	24.2	20.9	331	46.3	66.1	(1,976)	66.3	66.8
Others	0.3	0.5	(26)	0.8	4.0	(326)	3.5	3.0

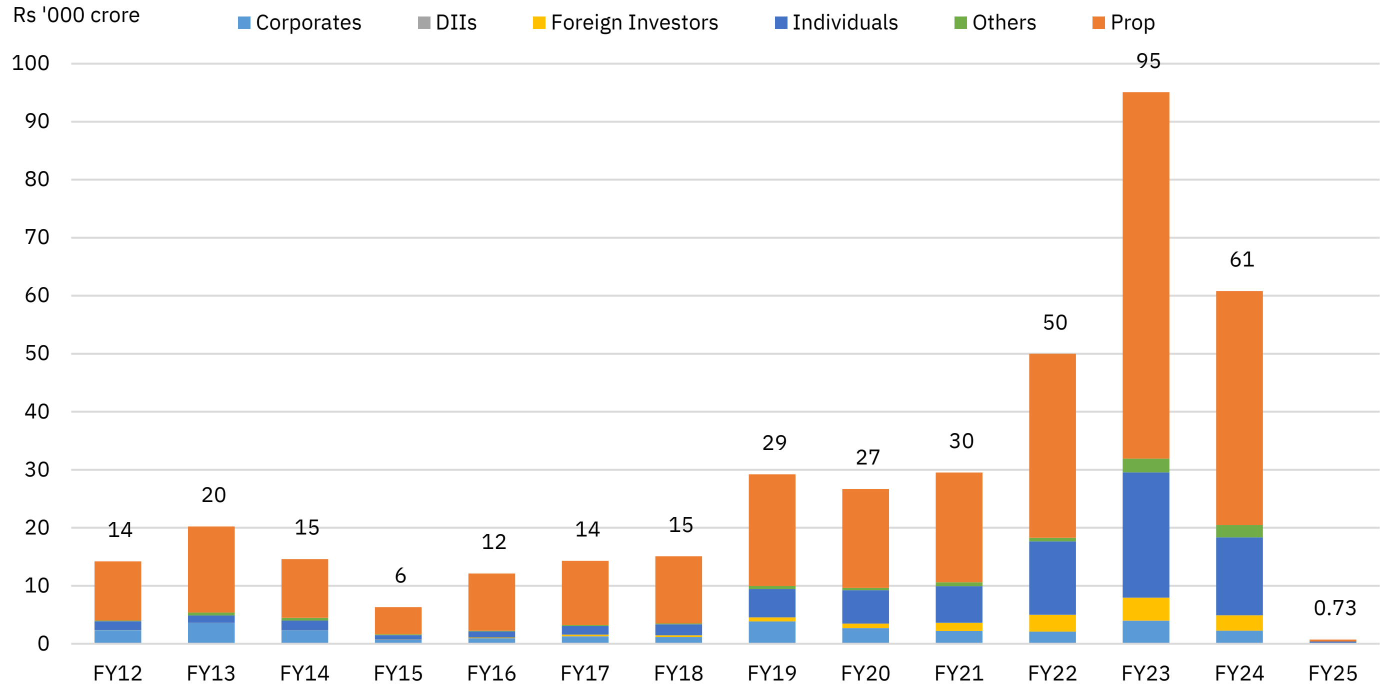
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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 Jun'24.

Figure 198: 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 Jun'24.

Figure 199: 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 Jun'24.

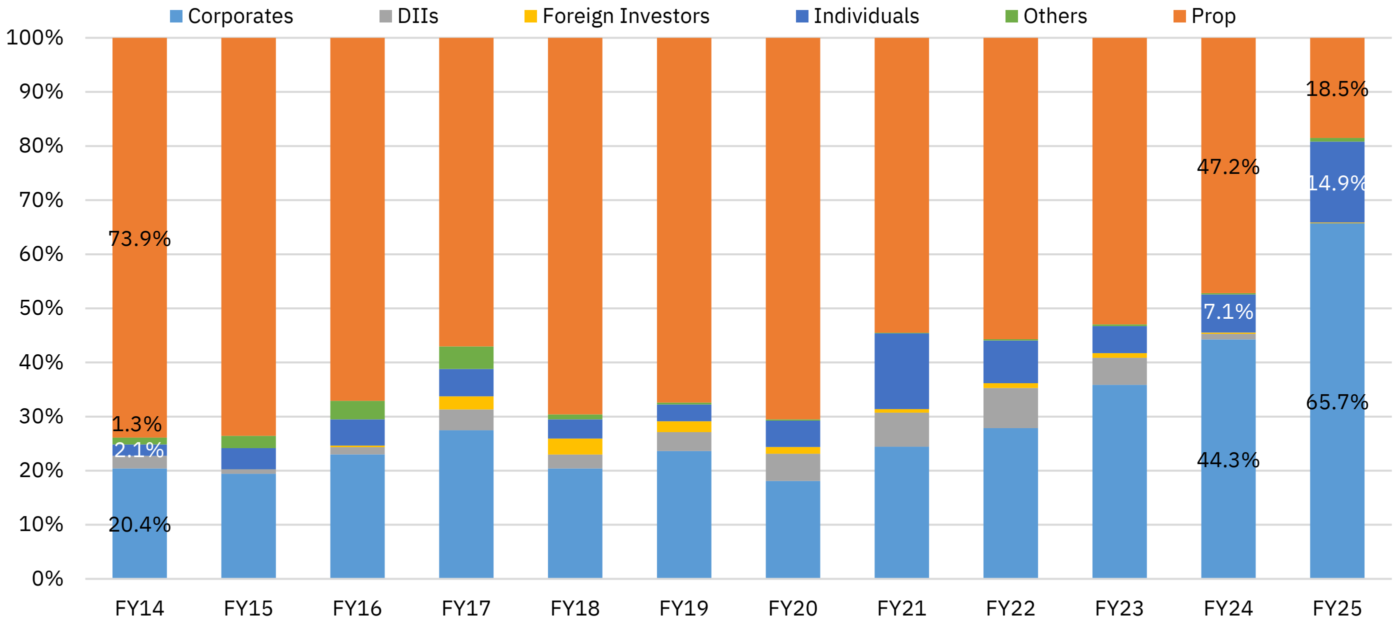
Share of proprietary traders expanded in interest rate futures in June: Interest rate futures turnover witnessed substantial changes in the shares of client participation in the month of June. Proprietary traders' share in interest rate futures surged to 28.2% (+1072bps MoM), while that of corporates and individuals plummeted 803bps MoM and 296bps MoM to 61.4% and 9.4% respectively. Despite the MoM drop in trading activity, corporates continued to be the major players in interest rate futures.

Table 75: Share of client participation in Interest Rate Futures of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	61.4	69.5	(803)	65.7	40.7	2,508	44.3	62.2
DIIs	0.0	0.0	(0)	0.0	0.0	0	1.0	0.3
Foreign Investors	0.1	0.1	(1)	0.1	0.3	(18)	0.2	0.2
Individuals	9.4	12.3	(296)	14.9	4.3	1,064	7.1	15.3
Prop	28.2	17.5	1,072	18.5	54.5	(3,603)	47.2	21.4
Others	0.9	0.6	27	0.7	0.2	50	0.2	0.5

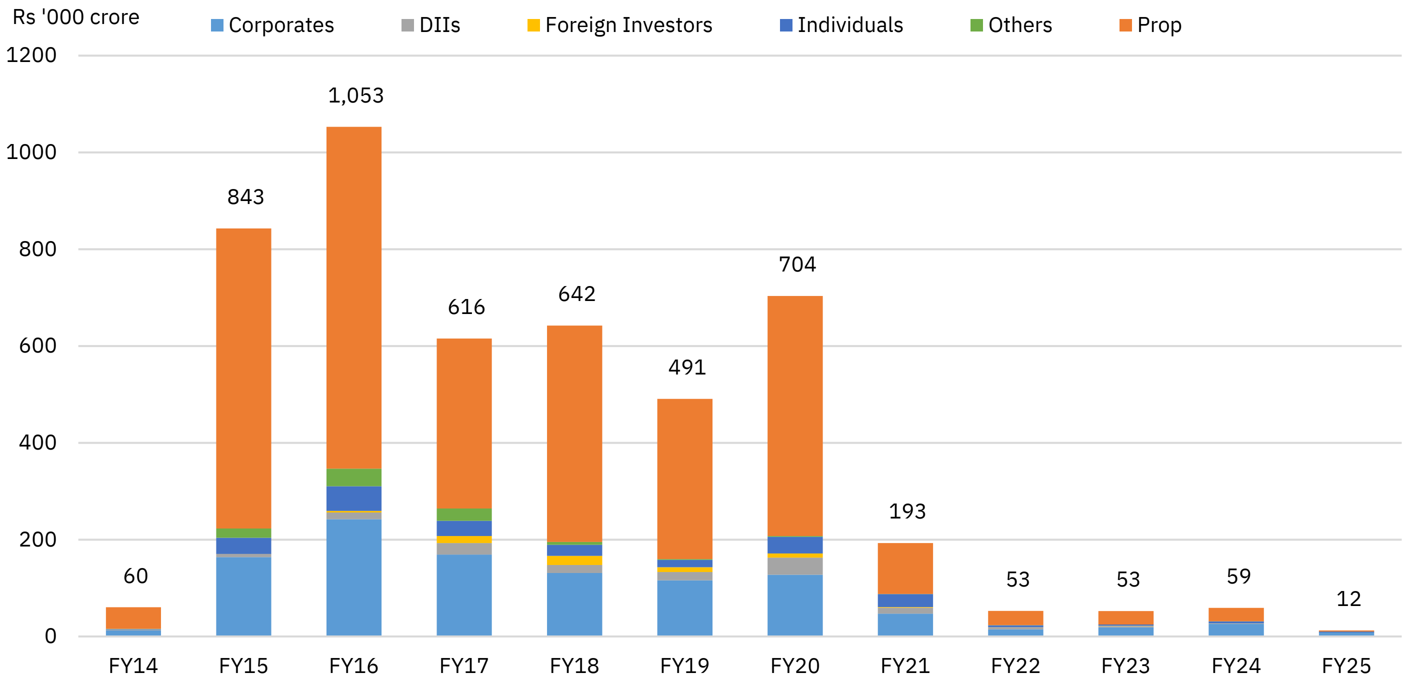
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, 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. 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 Jun'24.

Figure 200: 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. FY25T is as of Jun'24.

Figure 201: 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 Jun'24.

Share of proprietary traders expanded in commodity options segment but declined in commodity futures: While the turnover of proprietary traders declined MoM in commodity futures and options instruments in the month of Juen, their share has expanded 301bps MoM to 92.2% in commodity options (premium turnover) but fell 342bps MoM in commodity futures to 79.9%. Despite the MoM drop in trading activity, they continued to be the major players in the segment during the month. The share of individuals plummeted in both commodity futures and commodity options (premium) turnovers, resulting in shares of 11.2% (-541bps MoM) and 6.4% (+306bps MoM) respectively. Barring these two categories, the participation from other categories was negligible during the month.

Table 76: Share of client participation in Commodity derivatives segment of NSE (%)

Client category	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Commodity Futures								
Corporates	8.8	0.0	883	2.9	0.5	249	2.6	1.0
DIIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
DFIs	0.0	0.0	-	0.0	0.0	(0)	0.1	0.0
Foreign investors	0.0	0.0	-	0.0	0.1	(13)	0.2	0.1
Individuals	11.2	16.6	(541)	12.5	7.8	470	13.3	10.2
Prop	79.9	83.4	(342)	83.7	90.5	(681)	82.7	87.3
Others	0.0	0.0	-	0.8	1.1	(25)	1.0	1.5
Commodity Options (Premium Turnover)								
Corporates	0.4	0.1	31	0.2	2.7	(251)	0.9	0.4
DIIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
DFIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Foreign investors	0.2	0.4	(19)	0.2	0.0	18	0.0	0.1
Individuals	6.4	9.4	(306)	8.6	3.9	474	9.2	9.3
Prop	92.2	89.2	301	89.2	92.8	(357)	88.7	89.1
Others	0.8	0.9	(7)	1.8	0.6	116	1.2	1.2
Commodity Derivatives (Notional Turnover)								
Corporates	0.5	0.1	41	0.2	3.3	(310)	0.7	0.3
DIIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
DFIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Foreign investors	0.1	0.1	4	0.0	0.0	5	0.0	0.0
Individuals	8.0	10.1	(212)	9.2	2.8	636	10.1	9.6
Prop	90.2	88.5	172	88.4	93.2	(484)	88.3	88.4
Others	1.2	1.2	(5)	2.2	0.7	153	0.9	1.7

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.

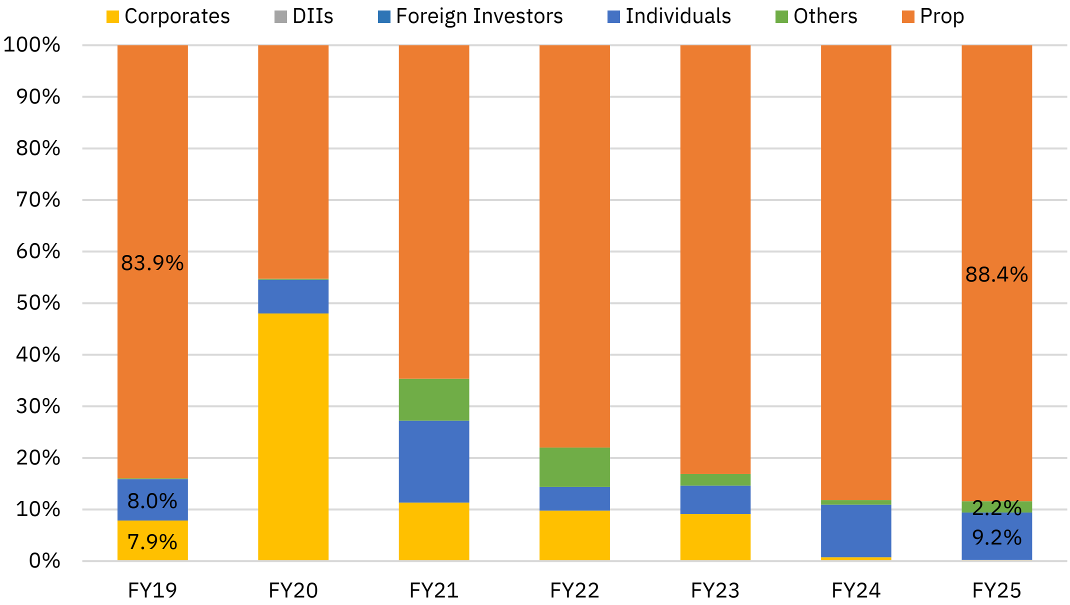
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. 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 Jun'24 and FY24TD data is as of Jun'23.

Figure 202: Trends in share of client participation in Commodity Derivatives (Notional Turnover) at NSE (%)



Source: NSE EPR

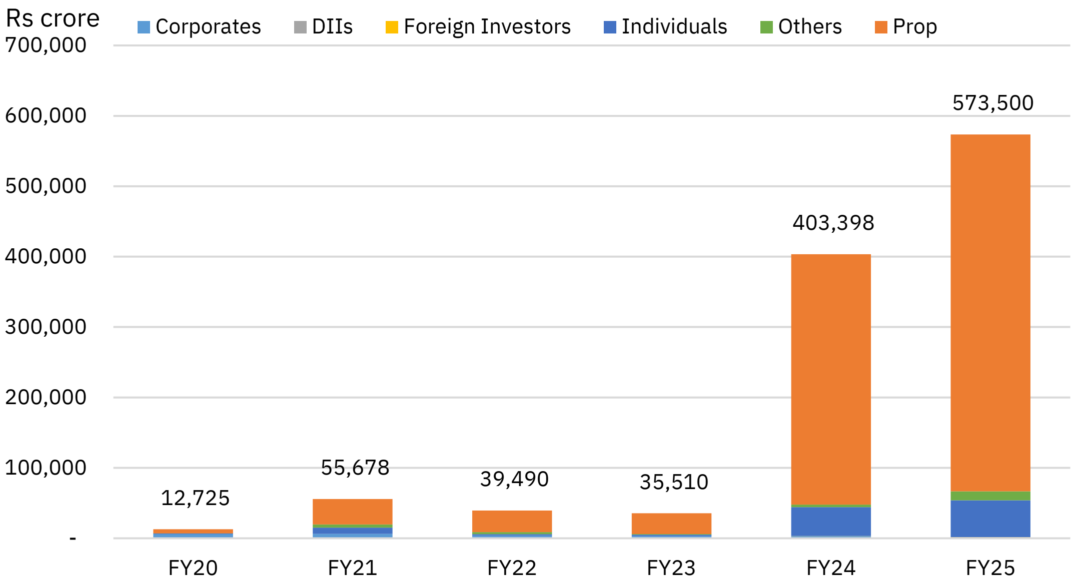
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 Jun'24.

Figure 203: Trends in client category-wise gross notional turnover in Commodity Derivatives at NSE



Source: NSE EPR

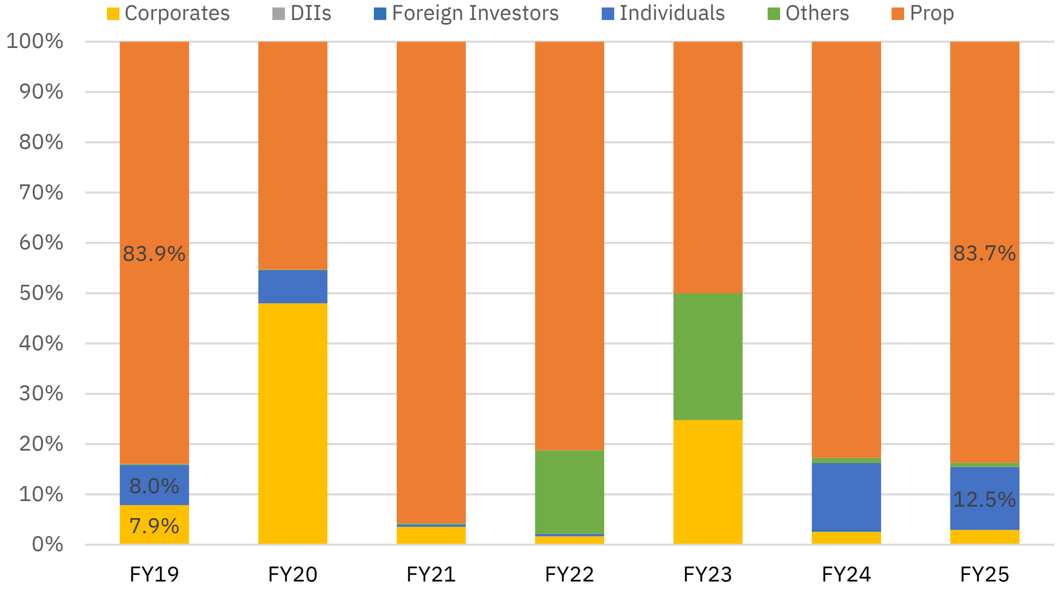
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 Jun'24.

Figure 204: Trends in share of client participation in Commodity Futures at NSE (%)



Source: NSE EPR

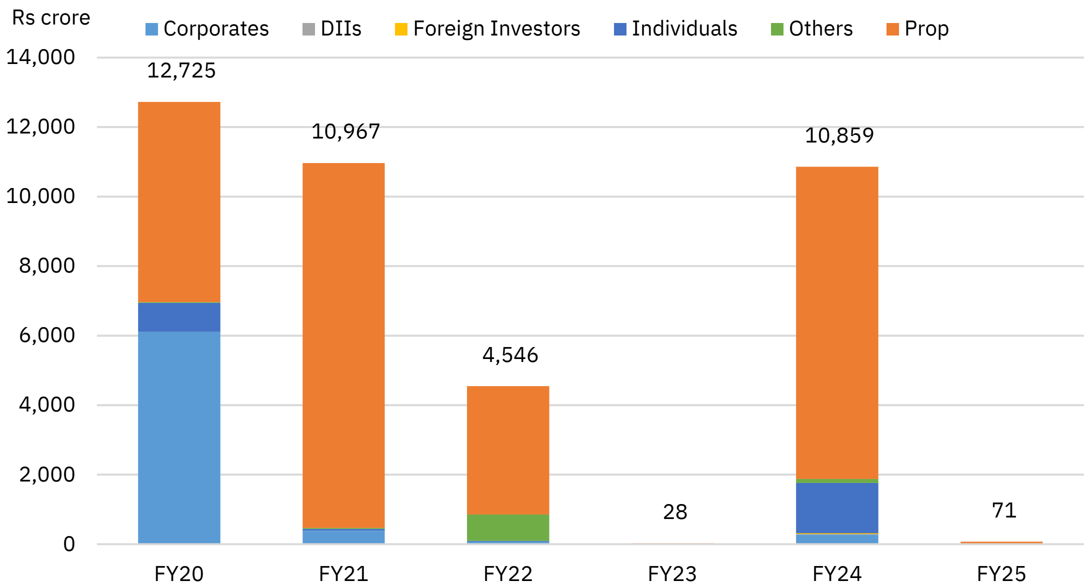
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 Jun'24.

Figure 205: Trends in client category-wise gross turnover in Commodity Futures at NSE



Source: NSE EPR

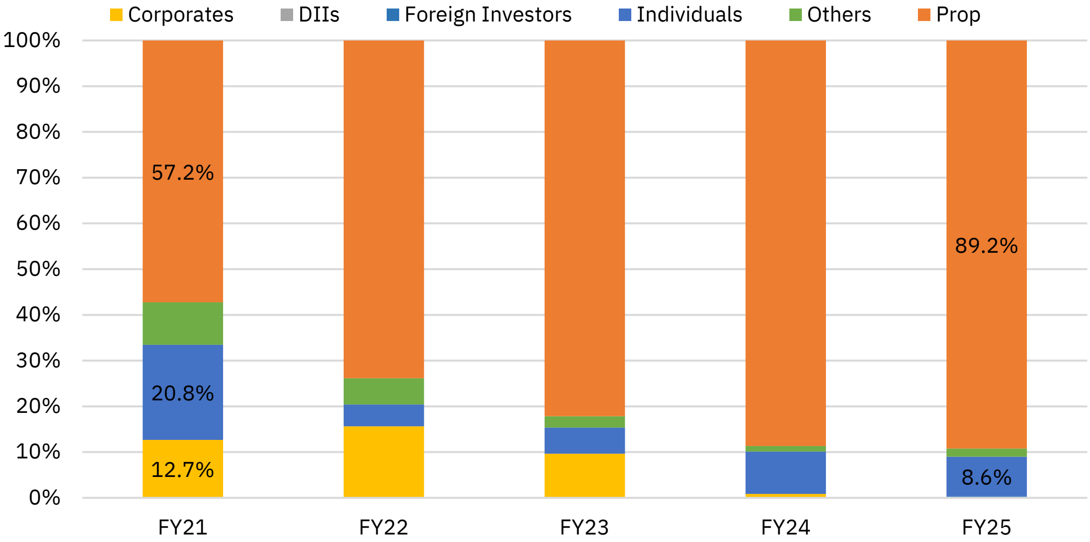
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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.

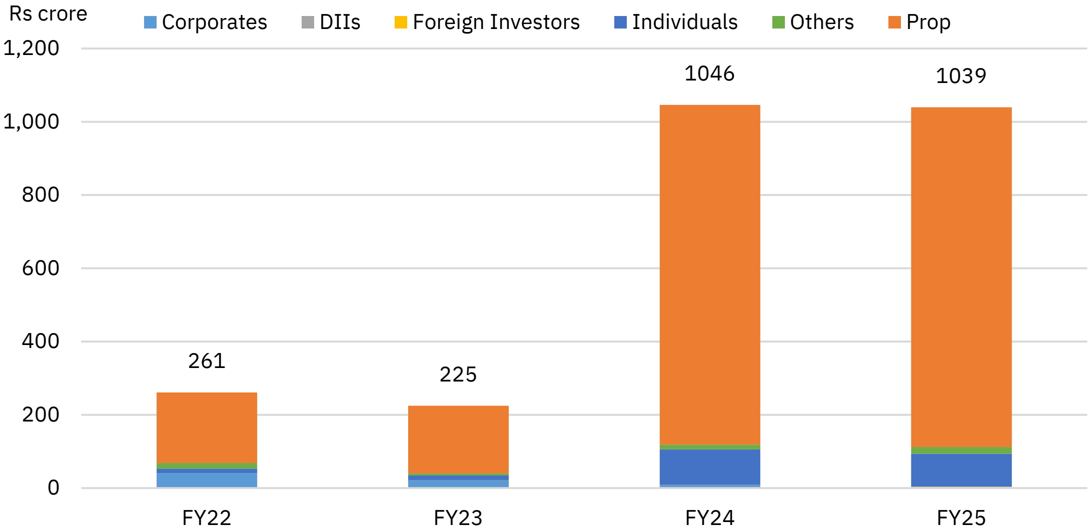
4. FY25 is as of Jun'24.

Figure 206: 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 Jun'24.

Figure 207: 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 Jun'24.

Distribution of turnover by modes of trading

Share of non-algo and colo trading expanded in NSE's CM segment in June: The NSE cash market (CM) segment witnessed notable increases in the share of non-algorithmic trading (non-algo) and co-location (colo) turnover. The share of non-Algo trading rose by 124bps to 16%, Colo trading increased by 79 bps to 37.1%, Mobile trading rose by 12 bps to 20.3%, and IBT trading rose by 5bps to 7.7%. Colo trades continued to dominate modes in the CM segment, maintaining the largest share at 37.1% in June 2024. Remarkably, colocation held 17.2% share of overall trades during FY14 which increased to 28.2% in FY19 which further expanded to 34.3% in the last fiscal year. During the first quarter of FY25, the share of colo further increased to 36.5% (+304bps YoY).

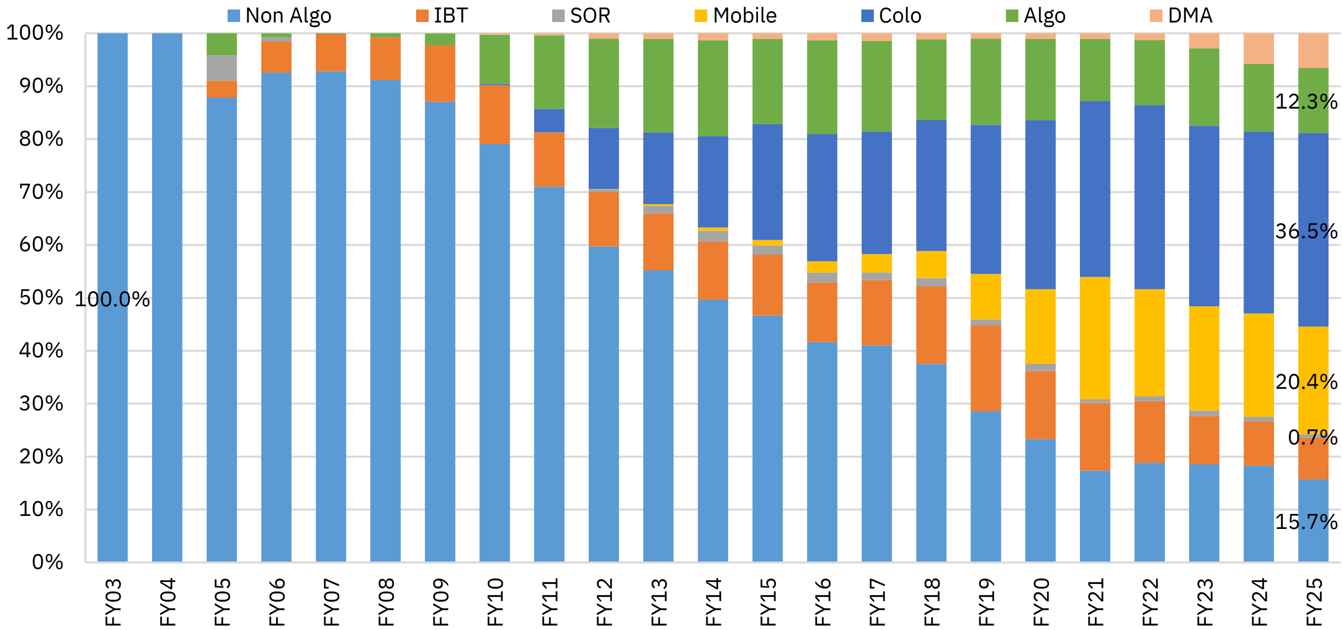
However, trading methods such as non-Algo and Mobile trading increased in June, while trades through algo and direct market access (DMA) declined to 11.9% (-131bps MoM) and 6.3% (-81bps MoM) respectively during the month. Interestingly, mobile trading, which was declining for the last three fiscal years, saw a resurgence in the first quarter of FY25, increasing 209bps YoY to 20.4% as compared to the corresponding period in the last quarter.

Table 77: Share of different modes of trading in Capital Market segment of NSE (%)

Mode	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	16.0	14.8	124	15.7	19.7	(400)	18.3	16.3
IBT	7.7	7.6	5	7.8	8.4	(56)	8.4	8.0
SOR	0.6	0.7	(8)	0.7	1.1	(45)	0.9	0.7
Mobile	20.3	20.2	12	20.4	18.3	209	19.5	20.3
Colo	37.1	36.3	79	36.5	33.5	304	34.3	36.1
Algo	11.9	13.2	(131)	12.3	14.5	(213)	12.8	12.2
DMA	6.3	7.2	(81)	6.5	4.5	201	5.8	6.4

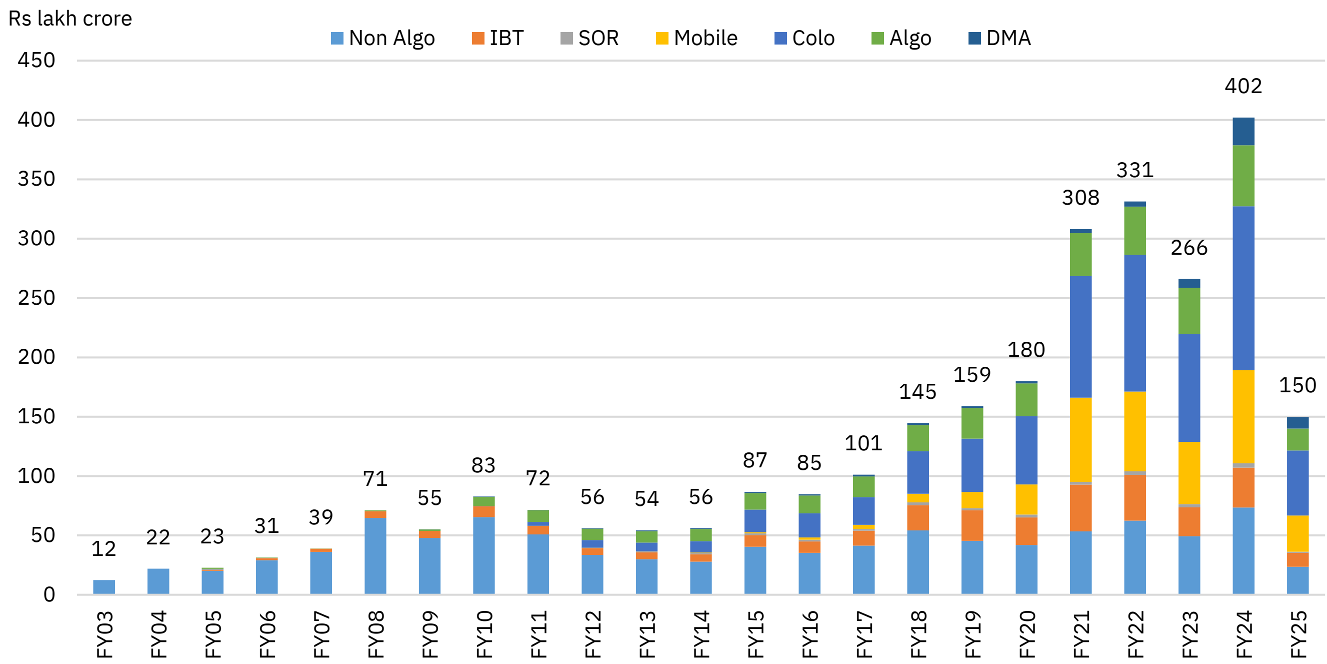
Source: NSE EPR
Note: 1. The above figures have been computed on the basis of gross turnover.
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on gross turnover.
3. FY25TD is as of Jun'24.

Figure 208: 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 Jun'24.

Figure 209: 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 Jun'24.

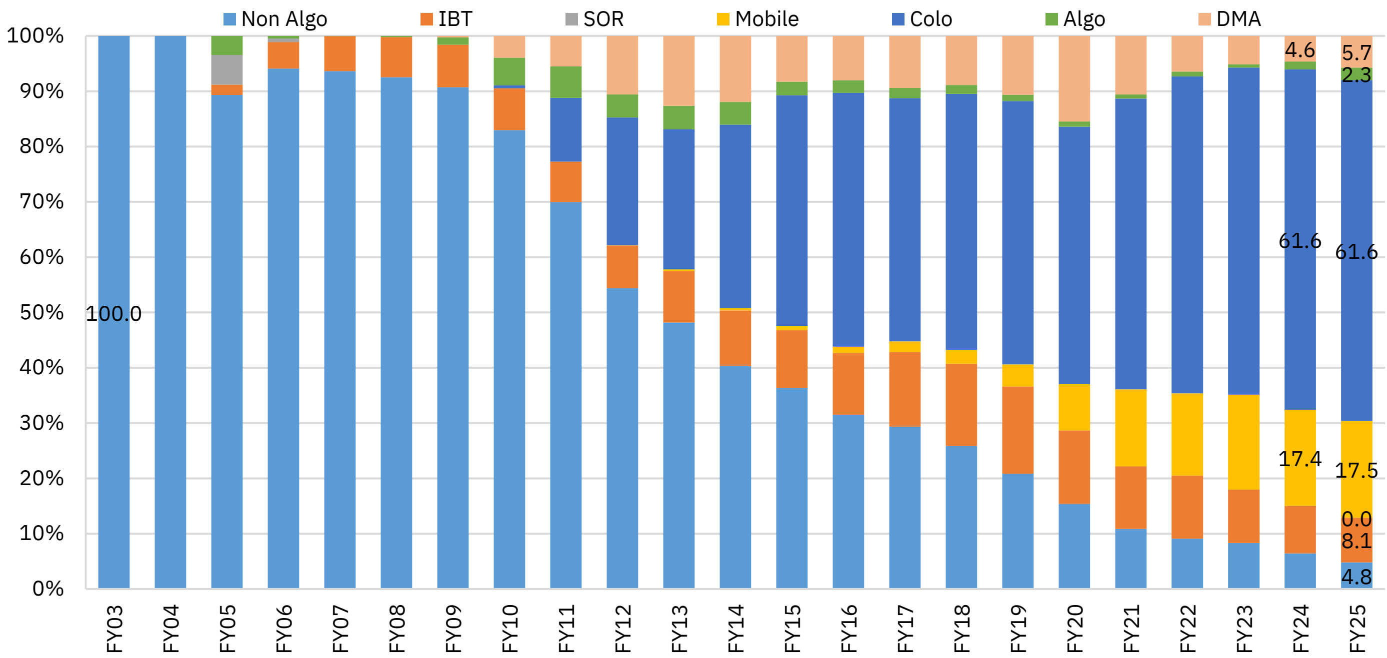
Colo and DMA contributed majorly to the rise in notional turnover in equity derivatives segment in June: Colo (+65bps MoM) and DMA (+24bps MoM) witnessed their shares of overall equity derivatives notional turnover expand in the month of June contributing majorly to the rise in growth in equity derivatives turnover during the month. Colo mode of trading which is largely used by proprietary traders has remained the dominant contributor in the notional turnover for last 11 fiscal years and reliance on non-algo mode declining substantially during this period. Mobile trading has also demonstrated substantial growth, rising from a modest 0.5% share in FY14 to 17.4% in FY25 (As on June 30th, 2024). These changes reflect a diversification in investor trading, increasing reliance on technology, driven by investors' need for convenience and accessibility.

Table 78: Share of different modes of trading in Equity Derivatives segment of NSE (%)

Mode	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	4.8	4.9	(9)	4.8	8.3	(353)	6.4	4.9
IBT	7.9	8.2	(25)	8.1	9.3	(120)	8.6	7.9
Mobile	17.4	17.7	(31)	17.5	17.5	3	17.4	17.1
Colo	61.7	61.1	65	61.6	59.9	177	61.6	62.6
Algo	2.2	2.4	(24)	2.3	0.5	174	1.4	2.2
DMA	6.0	5.7	24	5.7	4.5	120	4.6	5.2

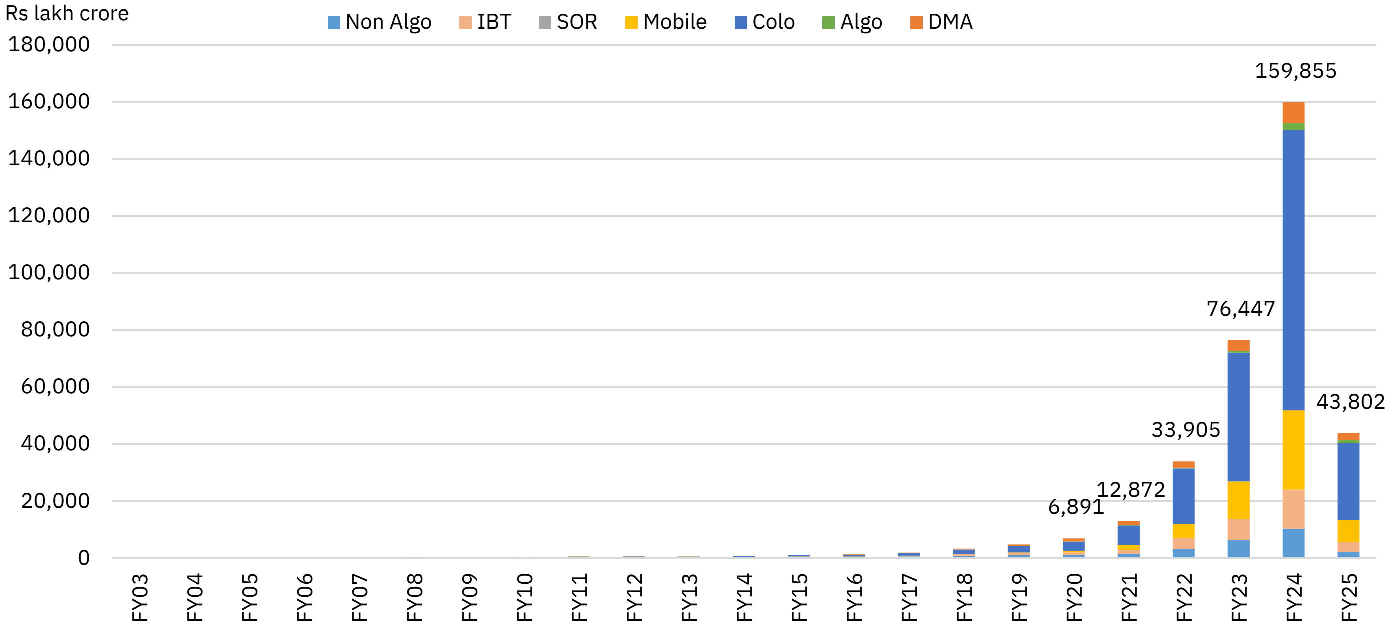
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in case of futures and options.
4. FY25TD is as of Jun'24.

Figure 210: 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 case of futures and options.
4. FY25 is as of Jun'24.

Figure 211: 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 Jun'24.

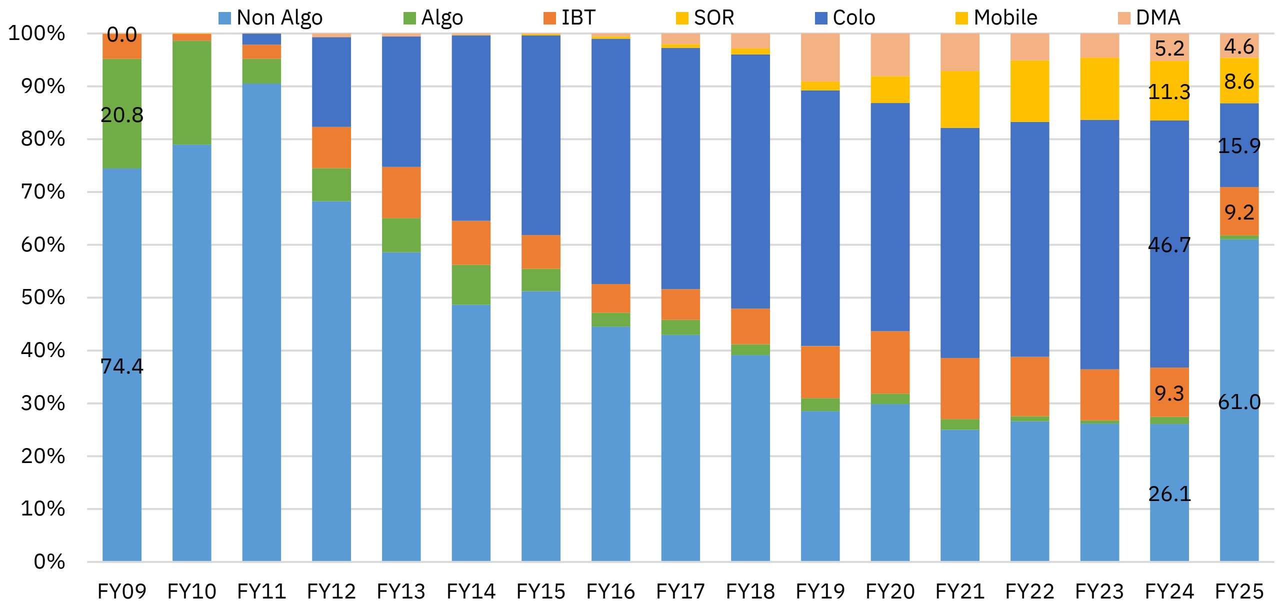
Currency derivatives segment has witnessed massive changes in the current fiscal: The share of trading activity through colo, mobile and IBT has witnessed significant decline in the current fiscal year due to the massive drop in trading activity in terms of turnover and number of investors post implementation of RBI regulatory guidelines on hedging foreign exchange risk requiring valid underlying contracted exposure to trade in exchange-traded currency derivatives.

Table 79: Share of different modes of trading in Currency Derivatives segment of NSE (%)

Mode	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	84.7	84.8	(16)	61.0	26.3	3469	26.1	28.6
IBT	2.9	4.0	(114)	9.2	9.7	(59)	9.3	8.6
Mobile	6.0	6.0	(6)	8.6	12.5	(387)	11.3	9.6
Colo	2.6	2.0	54	15.9	47.1	(3121)	46.7	45.6
Algo	1.5	0.7	77	0.8	0.3	47	1.3	1.8
DMA	2.4	2.4	6	4.6	4.1	51	5.2	5.7

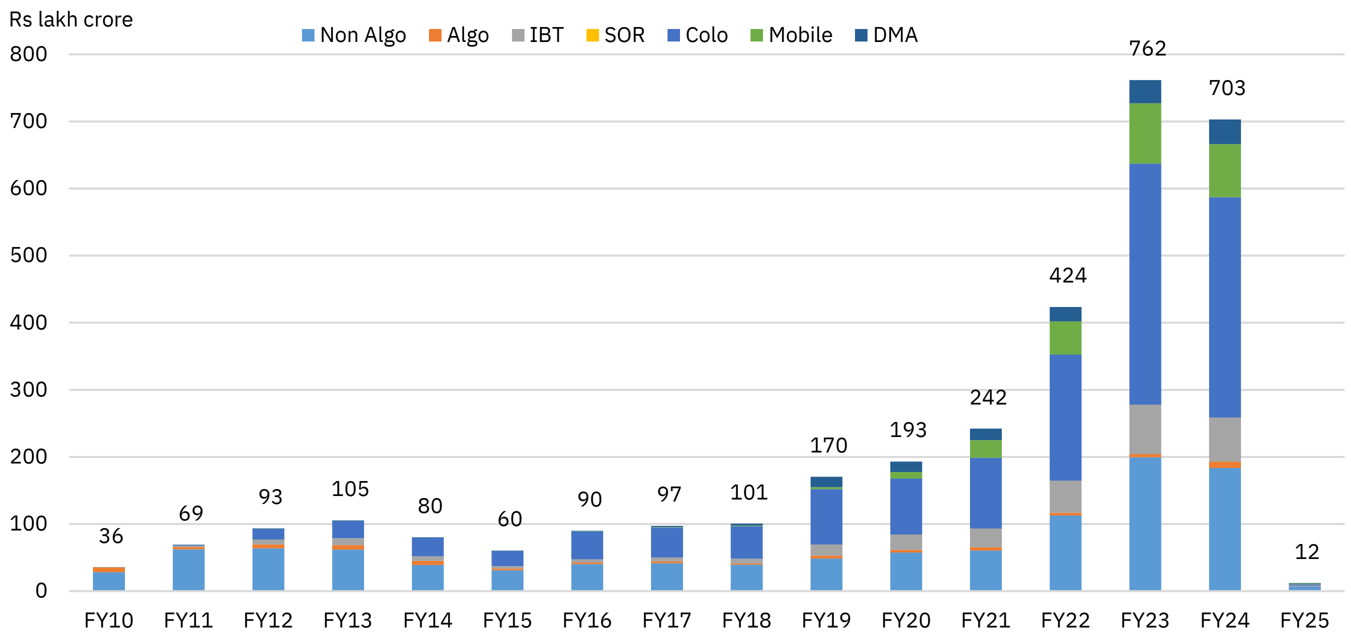
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in case of futures and options.
4. FY25TD is as of Jun'24.

Figure 212: 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 case of futures and options.
4. FY25 is of Jun'24.

Figure 213: 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 Jun'24.

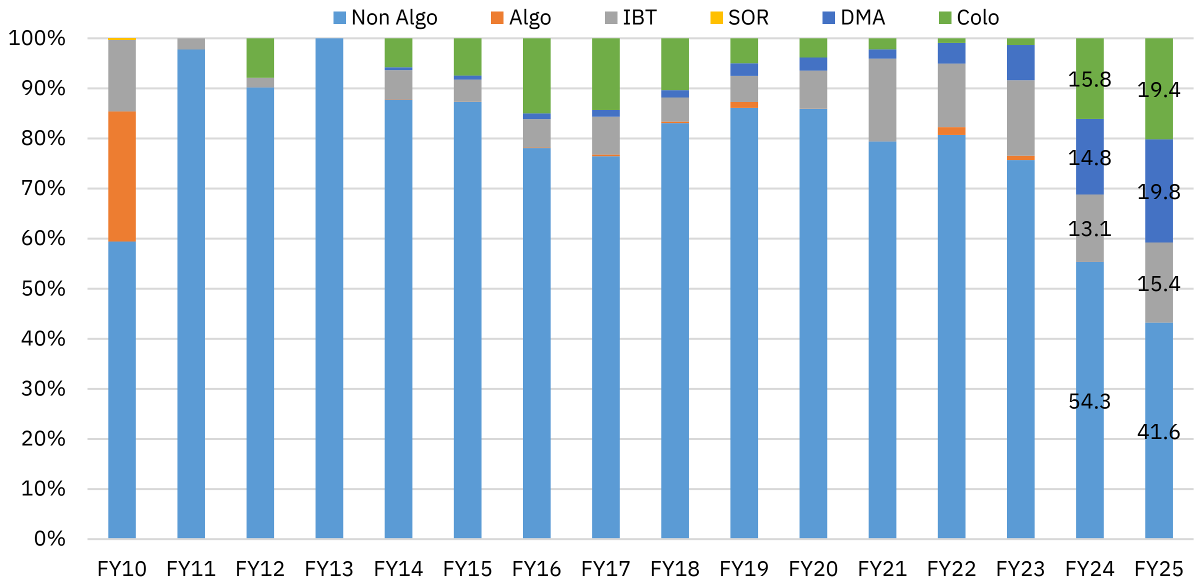
Share of non-algo and DMA trades expanded for interest rate futures: While interest rate futures turnover remained flat on MoM basis in the month of June 2024, the share of non-Algo trades increased 340bps to 45.2% in June 2024 and that of DMA trades increased by 183bps MoM to 20.2%. On the other hand, the shares of colo, mobile and IBT trading moderated to 18.2% (-299bps), 1.6% (-119bps) and 14.9% (-105bps) respectively, which has offset the increase in turnover through colo and DMA during the month.

Table 80: Share of different modes of trading in Interest Rate Derivatives segment of NSE (%)

Mode	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	45.2	41.8	340	41.6	55.3	(1378)	54.3	44.2
IBT	14.9	15.9	(105)	15.4	14.0	137	13.1	15.1
Mobile	1.6	2.8	(119)	3.8	1.4	245	2.0	3.9
Colo	18.2	21.1	(299)	19.4	13.4	593	15.8	17.8
Algo	-	-	0	-	-	0	0.0	0.0
DMA	20.2	18.4	183	19.8	15.8	403	14.8	19.1

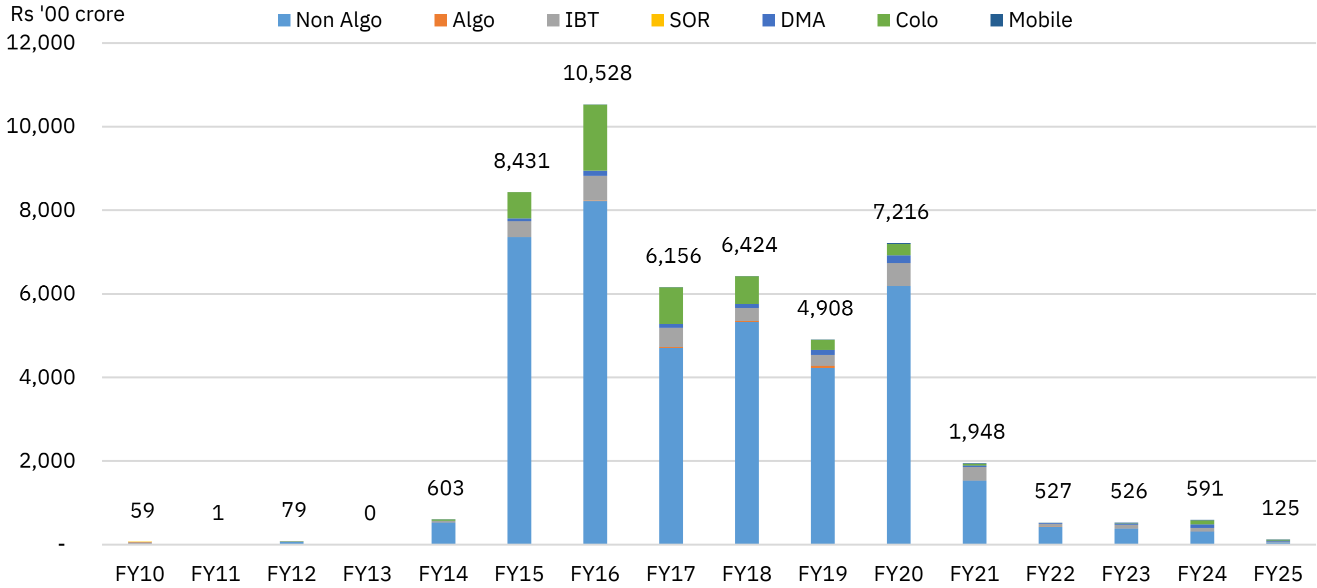
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in case of futures and options.
4. FY25TD is as of Jun'24.

Figure 214: 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 Jun'24.

Figure 215: 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 Jun'24.

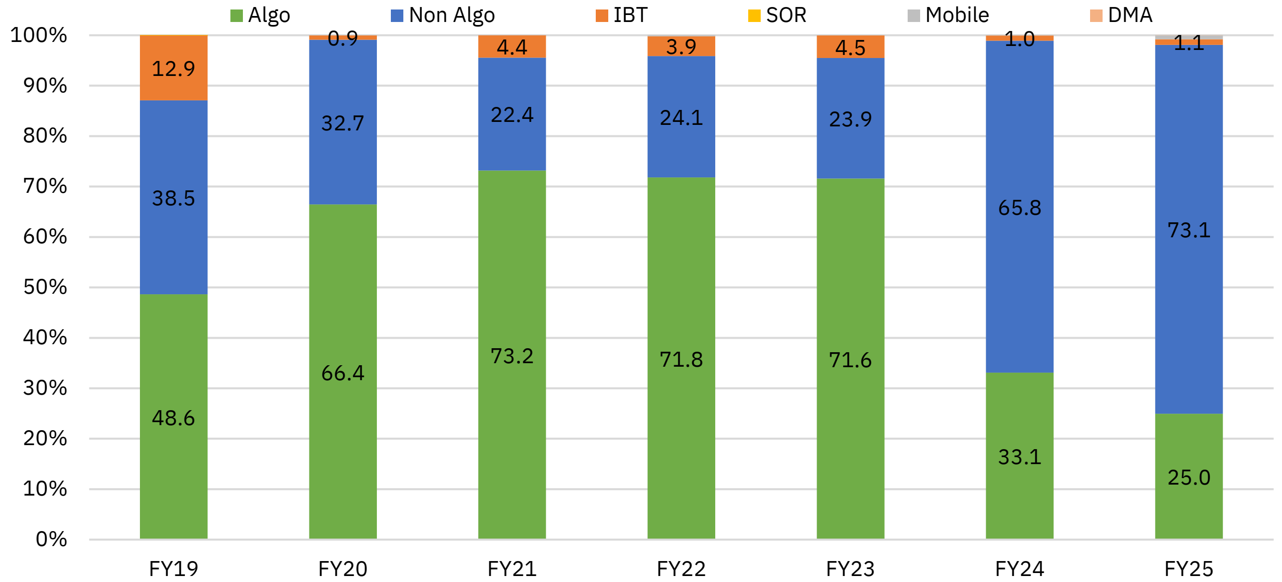
Share of algo trades surged in the commodity derivatives segment: Algo trades' share in the commodity derivatives turnover increased by 1,133bps MoM to 34.5% in June from 23.2% in May 2024. Despite a 1,159bps MoM decline in its share, non-algo trading remained the preferred mode of trading at 62.9% share in turnover of the overall segment. Notably, the share of IBT trading declined 35bps to 1% and that of mobile trading rose 51bps to 1.4% during the month. While algo trading gained significant traction in the initial years post the launch of the segment, it has been on a declining trend since FY24.

Table 81: Share of different modes of trading in Commodity Derivatives segment of NSE (%)

Mode	Jun-24	May-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	62.9	74.5	(1159)	73.1	39.2	3393	65.8	71.4
IBT	1.0	1.4	(35)	1.1	2.7	(155)	1.0	1.0
Mobile	1.4	0.9	51	0.8	0.0	75	0.1	0.5
Algo	34.5	23.2	1133	25.0	58.1	(3314)	33.2	27.1
DMA	0.1	-	10	0.0	0.0	2	0.0	0.0

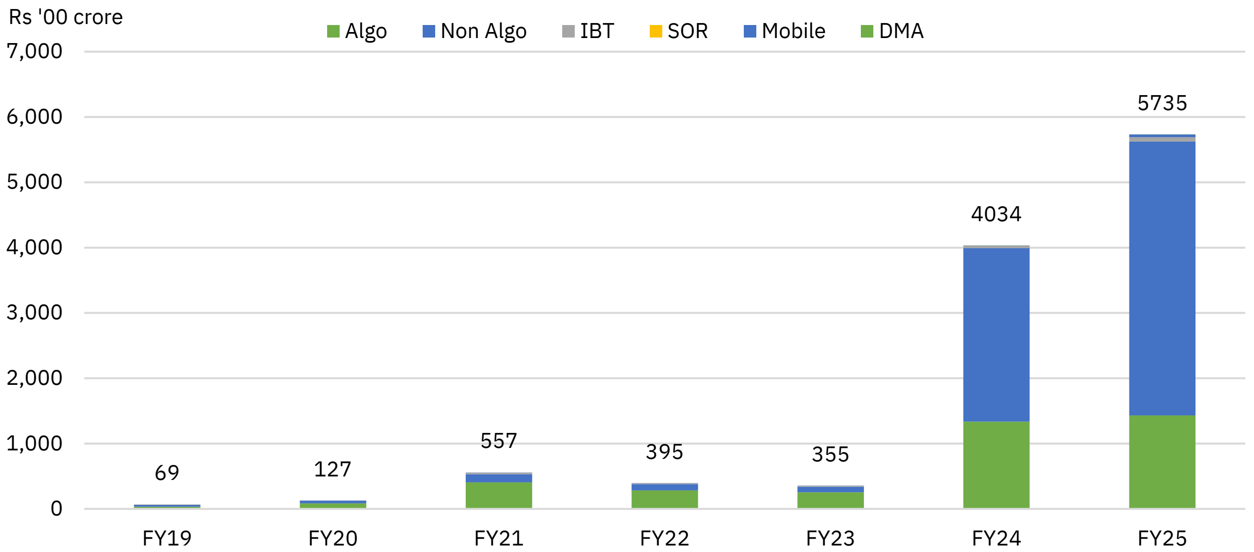
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in case of futures and options.
4. FY25TD is of Jun'24.

Figure 216: 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 case of futures and options.
4. FY25TD is as of Jun'24.

Figure 217: Trends in mode of trading in terms of gross notional turnover in Commodity Derivatives segment

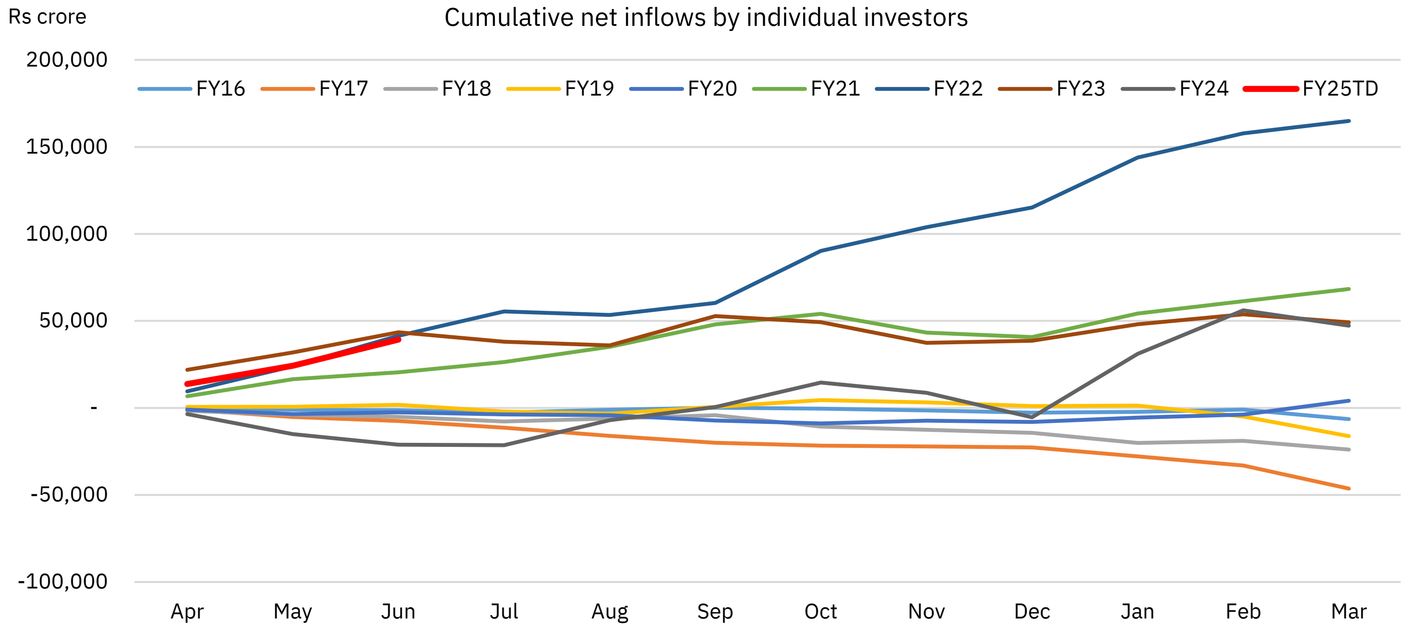


Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. FY25T is as of Jun'24.

Individual investors' activity in NSE's CM and derivatives segment

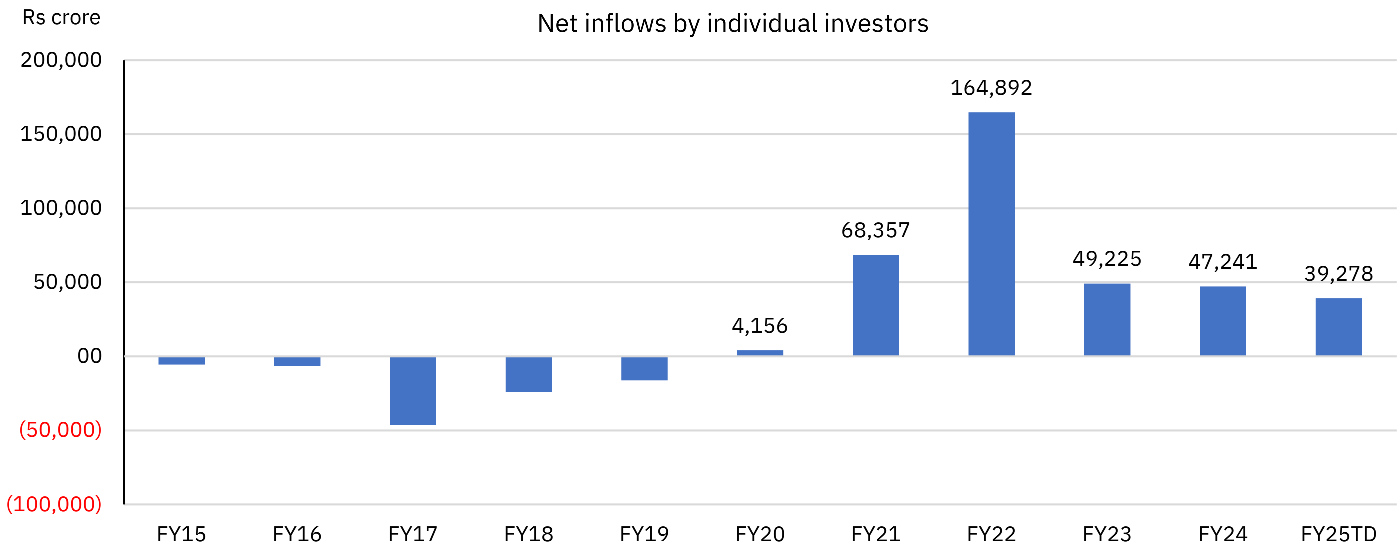
Inflows by individuals remained positive in the first three months in FY25: The first quarter of FY25 observed net inflows of Rs 39,278 crore by individual investors, nearly 80% of the annual inflows witnessed in the last two fiscal years. In the month gone by, net inflows by individuals grew 43% MoM to a three-month high of Rs 15,004 crore, compared to net inflows of Rs 10,504 crore in May'24. Notably, individual investors have remained net buyers in Indian equities on an annual basis since FY20.

Figure 218: Overall net inflows of individual investors in NSE's CM segment in last ten fiscal years



Source: NSE EPR
Note: individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs. FY25TD data is as of Jun'24.

Figure 219: Annual trend of net inflows of individual investors in NSE's CM segment

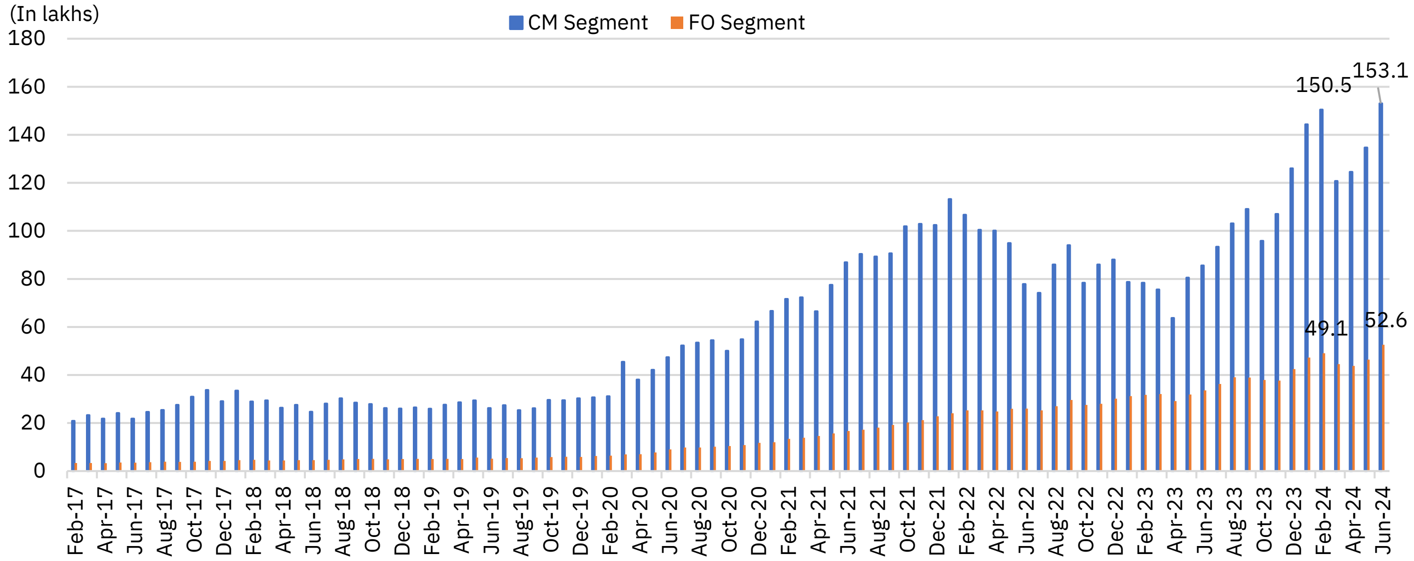


Source: NSE EPR
Note: Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs. #FY25TD data is as of Jun'24.

Record number of individual investors traded in CM and equity derivatives segments in June: Individual investors who traded at least once in a month in the NSE's cash market segment registered a record in Jun'24, increasing 13.7% MoM to 1.53 crore (+78.9% YoY) in the CM segment, surpassing the previous peak of 1.51 crore in Feb'24. Moreover, the equity derivatives segment also witnessed the highest individual investor participation (in terms of number investors), increasing 13.3% MoM to 52.6 lakh (+56.5% YoY) in Jun'24, topping its previous peak of 49 lakh investors attained in Feb'24.

The tally of unique registered investors increased to 9.7 crore in Jun'24, of which 2.1 crore individuals traded at least once in the CM segment, and 68.4 lakh individuals traded at least once in equity derivatives in the first quarter of FY25.

Figure 220: Monthly trend of individual investors participation in NSE cash and equity derivative segments

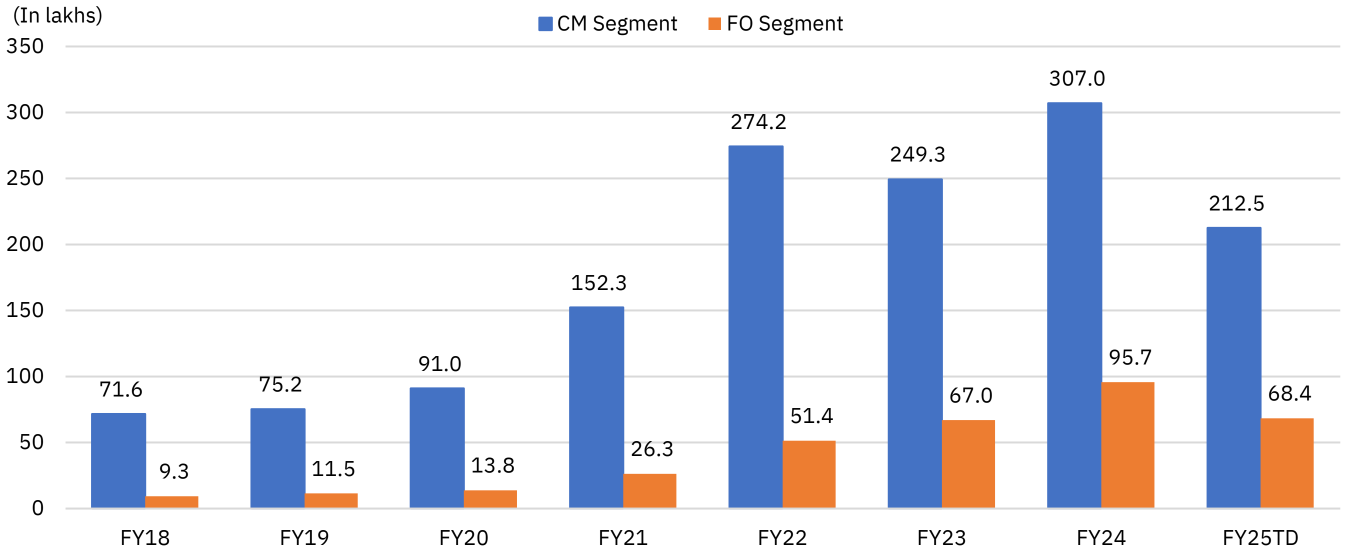


Source: NSE EPR

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 in the month.

Figure 221: Annual trends of individual investors participation in NSE cash and equity derivative segments



Source: NSE EPR

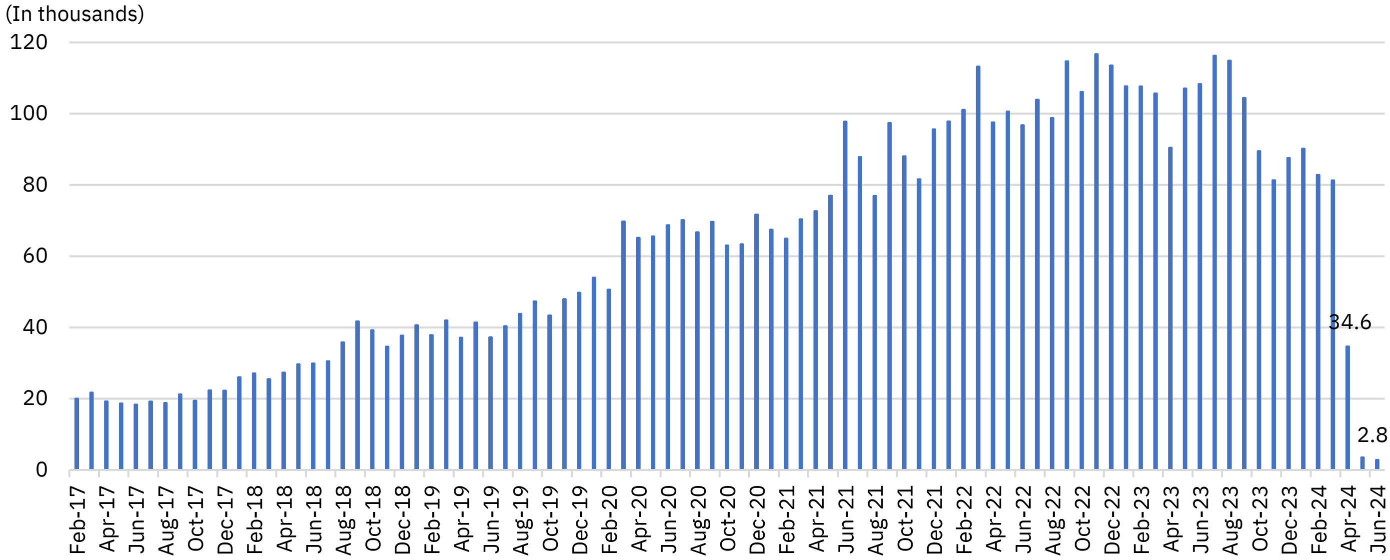
Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

2. The chart above gives the count of investors who traded at least once during the year.

3. FY25TD data is as of Jun'24.

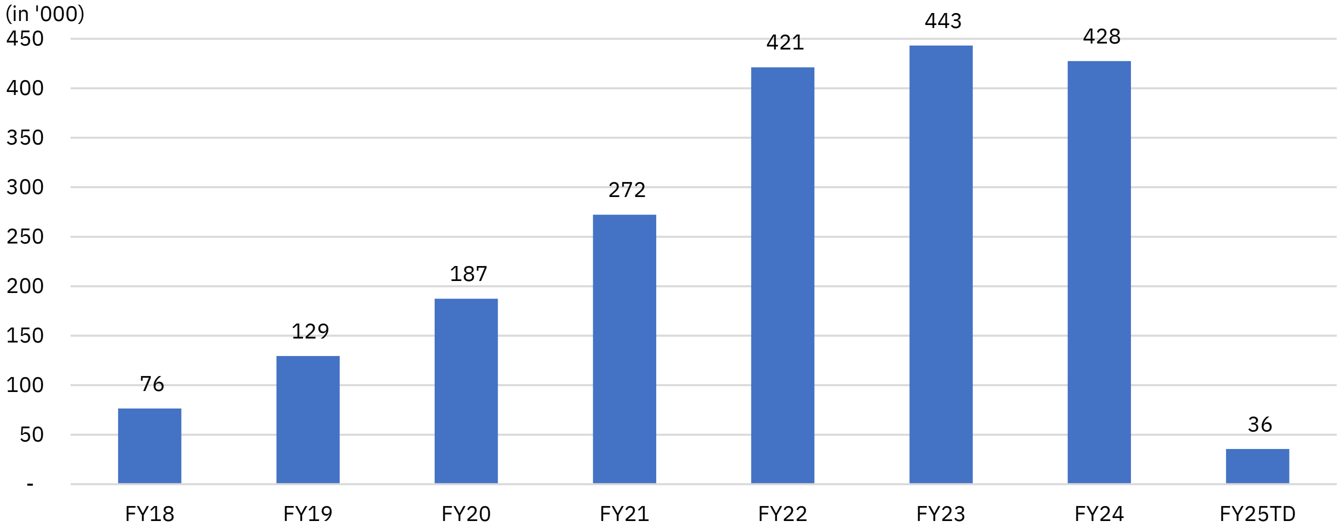
Individual investors' participation in the CD segment registered an all-time low: Individuals' participation in exchange-traded currency derivatives witnessed a considerable drop, plummeting to 2,815 investors (-20% MoM) in the month of June as compared to a monthly average of 96,000 investors in FY24. The decline in trading activity in the currency derivatives segment can be attributed to the implementation of an RBI circular in April 2024 mandating underlying exposure to trade in exchange-traded currency derivatives.

Figure 222: 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 223: 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 Jun'24.

Proportion of investors under 30 years has been increasing steadily: The proportion of investors under 30 years old has been steadily increasing, with their share in the registered investor base growing from 22.6% as of FY19 to 40% as of FY25 (as on June 30th, 2024). This trend highlights a growing interest in equity markets among young investors. During the same period, the share of investors aged 30-39 has remained relatively stable, while the share of those over 40 has declined. Consequently, the median investor age has dropped from 38 years in FY18 to 32 years as of June 30, 2024. Similarly, the mean age has decreased from 41 years to 36 years.

Table 82: 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	Jun'24
Less than 30 years	22.9	22.6	23.5	29.4	37.5	38.5	40.0	40.0
30-39 years	31.0	31.1	31.2	30.4	28.9	29.2	29.1	29.2
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	11.0	9.1	8.6	8.1	8.0
60 years and above	12.7	13.1	13.0	11.2	8.7	8.1	7.4	7.3

Source: NSE EPR
Note: Only individuals and sole proprietorship firms have been considered in the above table.
2. FY25 is as on June 30th, 2024

Table 83: Mean and median age of registered individual investors

Age (years)	Mar'18	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Jun'24
Median	38.0	38.0	38.0	36.0	33.0	33.0	32.0	32.0
Mean	41.2	41.3	41.1	39.2	36.8	36.4	36.8	35.8

Source: NSE EPR
Note: 1. Only individuals and sole proprietorship firms have been considered in the above table.
2. FY25 is as on June 30th, 2024

Distribution of trading activity by turnover

Trading activity remained skewed, with 64% accounting for just 0,4% of the turnover in June: Notwithstanding the record-high turnover in the NSE CM segment in June, activity remained highly skewed. Over 64% of the investors who traded at least once during the month had a total turnover of less than Rs 1 lakh in the entire month but contributed just 0.4% of the total turnover. Another 25% had a total traded value between Rs 1 lakh and Rs 10 lakh, contributing to just 2.2% to the overall turnover. Together, these three categories, while accounting for a significant 89% of the active investor base during the month, accounted for just 2.6% of the total turnover, same as in the previous month. Notably, out of 1.5 crore people who traded at least once in June, only 29,996 or 0.3% traded more than Rs 10 crore in total turnover in June but accounted for a significant 77% of the total turnover.

The trading activity in the turnover range above Rs 10 crore was notably dominated by proprietary traders at 39.1%, followed by foreign investors at 18.2%. Individual and domestic institutional investors (DIIs) had a similar share of about 15% in the Rs 10c+ turnover range, while they accounted for over 95% turnover in all others, highlighting the dominance of institutional and proprietary trading in higher turnover brackets.

Table 84: Distribution of turnover by range in cash market for all investors

Turnover range	Apr-24		May-24		Jun-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	604	39.0	649	41.3	735	0.0%	47.0	30.6%
Rs 10,000-Rs 1 lakh	8,284	42.6	9,225	48.2	10,206	0.4%	51.4	33.5%
Rs 1 lakh - Rs 10 lakh	51,669	30.5	53,796	31.8	65,146	2.2%	38.0	24.8%
Rs 10 lakh - Rs 1 cr	1,58,765	10.4	1,68,432	11.1	2,10,598	7.2%	13.9	9.1%
Rs 1 cr – Rs 10 cr	2,98,083	2.2	3,20,549	2.3	3,83,317	13.2%	2.8	1.8%
>Rs 10 cr	16,02,789	0.2	19,15,290	0.27	22,35,224	76.9%	0.30	0.2%
Total	**21,20,196**	**125.0**	**24,67,941**	**135.0**	**29,05,226**	**100%**	**153.5**	**100%**

Source: NSE EPR
Notes
1. Turnover ranges are based on gross turnover.
2. Investors categorisations are 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 85: Category-wise share in turnover across different turnover ranges in NSE's cash market in June 2024

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Category-wise share in turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	735	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	10,206	0.4%	0.0%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 1 lakh - Rs 10 lakh	65,146	2.2%	0.1%	0.1%	0.0%	99.7%	0.0%	0.1%
Rs 10lakh - Rs 1 cr	2,10,598	7.2%	0.6%	0.2%	0.0%	98.9%	0.0%	0.3%
Rs 1 cr - Rs 10 cr	3,83,317	13.2%	1.9%	0.2%	0.2%	96.7%	0.1%	0.9%
> Rs 10cr	22,35,224	76.9%	6.7%	15.2%	18.2%	15.4%	39.1%	5.5%
Total	**29,05,226**	**100.0%**	**5.4%**	**11.7%**	**14.0%**	**34.4%**	**30.1%**	**4.4%**

Source: NSE EPR
Notes
1. Turnover ranges are based on gross turnover.
2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2
3. 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 over 3/4th of investors traded less than Rs 10 lakh in equity options: In June 2024, 77.7% of the investors traded a total of less than Rs 10 lakhs in the entire month but contributing a mere 2% of the premium turnover. When including the next trading range of Rs 10 lakh to Rs 1 crore, 96% of investors traded below Rs 1 crore, accounting for only 11% of the turnover during the month.

Conversely, only 4% of the investors who traded at least once in June had a total premium turnover higher than Rs 1 crore, yet they contributed a substantial 89% of the premium turnover during the month. Notably, the number of investors doing a total gross premium turnover of more than Rs 10 crore in June rose from 11,851 in May to 12,553 in June, contributing 74.1% of the turnover.

In line with the cash segment, the highest turnover range in the equity derivatives segment, in this case Rs 10 crore and above, was dominated by proprietary traders, who accounted for 67.1% of the premium turnover, followed by foreign investors, individuals, and corporates. Domestic institutional investors' participation remained negligible in the equity options segment.

Table 86: Distribution of turnover by range in equity options market for all investors

Turnover range	Apr-24		May-24		Jun-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	135	8.1	146	9.0	167	0.0%	9.8	18.9%
Rs 10,000-Rs 1 lakh	2,371	11.2	2,470	11.7	2,904	0.2%	13.9	26.9%
Rs 1 lakh - Rs 10 lakh	26,827	14.0	27,456	14.4	31,285	1.9%	16.4	31.8%
Rs 10 lakh - Rs 1 cr	1,24,243	7.9	1,35,107	8.5	1,49,666	8.9%	9.4	18.3%
Rs 1 cr – 10 cr	1,95,890	1.6	2,32,410	1.8	2,49,743	14.9%	2.0	3.8%
>Rs 10 cr	8,91,079	0.1	10,73,812	0.12	12,43,913	74.1%	0.13	0.2%
Total	**12,40,545**	**42.9**	**14,71,401**	**45.5**	**16,77,678**	**100%**	**51.6**	**100%**

Source: NSE EPR
Notes
1. Turnover ranges are based on gross premium turnover.
2. Investors categorisations are 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 87: Distribution of turnover and the share of investors categories in equity options during the month

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	167	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	2,904	0.2%	0.0%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 1 lakh - Rs 10 lakh	31,285	1.9%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 10lakh - Rs 1 cr	1,49,666	8.9%	0.2%	0.0%	0.0%	99.6%	0.0%	0.1%
Rs 1 cr - Rs 10 cr	2,49,743	14.9%	0.9%	0.0%	0.0%	98.3%	0.1%	0.6%
> Rs 10cr	12,43,913	74.1%	6.3%	0.1%	12.6%	10.1%	67.1%	3.8%
Total	**16,77,678**	**100%**	**4.8%**	**0.1%**	**9.4%**	**33.0%**	**49.7%**	**2.9%**

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.

Turnover distribution remained skewed in equity futures: Nearly 49% of the investors who traded at least once in the equity futures segment traded a total of less than Rs 1 crore in the entire month, with another 41% trading between Rs 1 crore to Rs 10 crore, but together accounting for a meagre 6.3% of the total turnover, with the remaining 10% investors contributing to the rest 93.7%. The investors trading in the range of Rs 10 lakh – Rs 1 crore held the highest share of 44.6% among total investors who traded in this segment during the month.

In terms of investor participation, the highest increment of 13% MoM was observed in the turnover range of Rs 1 crore – Rs 10 crore, accounting for 41.1% of the total number of investors and contributing 5.5% of the overall turnover. This was followed by a 10% MoM growth in investor participation in Rs 10+ crore turnover range, accounting for 10.2% of the total number of investors, and 93.7% of the overall turnover. The top turnover range was dominated by proprietary traders, who accounted for 37.3% of the total turnover, followed by foreign investors, individuals, corporates, and domestic institutional investors.

Table 88: Distribution of turnover by range in equity futures market for all investors

Turnover range	Apr-24		May-24		Jun-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	405	0.1	514	0.1	512	0.0%	0.1	4.0%
Rs 10 lakh - Rs 1 cr	27,860	1.3	31,300	1.5	33,988	0.7%	1.7	44.6%
Rs 1 cr – 10 cr	2,18,461	1.3	2,25,663	1.3	2,57,190	5.5%	1.5	41.1%
>Rs 10 cr	36,05,253	0.3	40,13,605	0.34	43,54,183	93.7%	0.38	10.2%
Total	**38,51,979**	**3.0**	**42,71,082**	**3.4**	**46,45,873**	**100%**	**3.7**	**100%**

Source: NSE EPR.
Notes
1. Turnover ranges are based on gross turnover.
2. Investors categorisations are 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 89: Distribution of turnover and the share of investors categories in equity futures during the month

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
Rs 1 lakh - Rs 10 lakh	512	0.0%	0.5%	0.0%	0.0%	99.1%	0.0%	0.4%
Rs 10lakh - Rs 1 cr	33,988	0.7%	0.6%	0.0%	0.0%	99.0%	0.0%	0.4%
Rs 1 cr - Rs 10 cr	2,57,190	5.5%	1.3%	0.0%	0.0%	97.8%	0.1%	0.8%
> Rs 10cr	43,54,183	93.7%	9.3%	7.6%	26.1%	14.2%	37.3%	5.6%
Total	**46,45,873**	**100%**	**8.8%**	**7.2%**	**24.4%**	**19.4%**	**34.9%**	**5.2%**

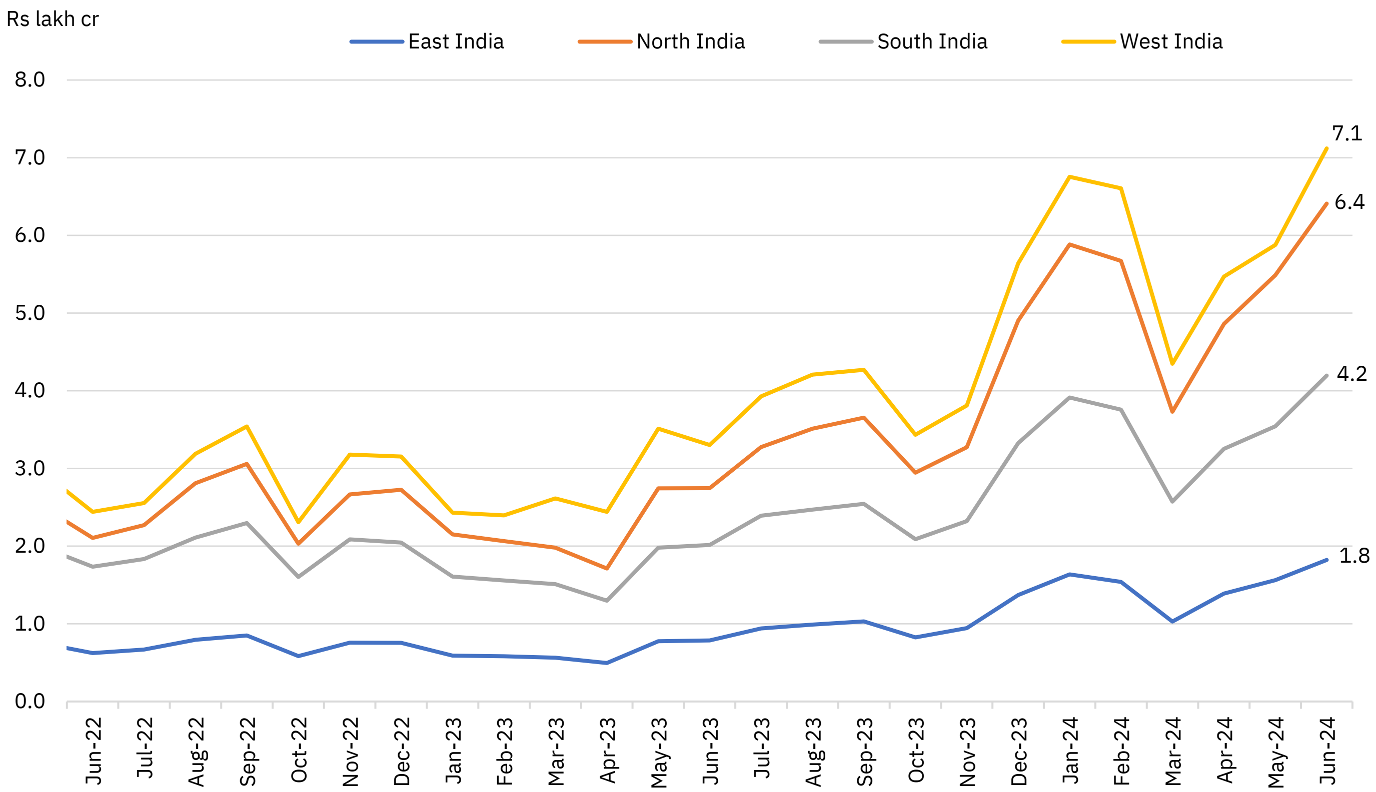
Source: NSE EPR
Notes
1. Turnover ranges are based on gross turnover.
2. Data has been provided for single side turnover i.e. (Buy turnover + sell turnover)/2
3. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital 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 rose steeply in June 2024: The total turnover of individual investors experienced a significant increase in June, with continuous recovery evident since March. The turnover within the individual investors increased by 18.7% MoM to Rs 19.8 lakh crore in June 2024, driven by a broad-based rise observed across regions. Turnover in the Western region saw the highest growth, increasing by 21.2% MoM to Rs 7.1 lakh crore, followed by the Southern region at 18.4% MoM to Rs 4.2 lakh crore. The Northern region also followed suit with a 16.8% MoM increase, reaching Rs 6.4 lakh crore. Similarly, the Eastern region's turnover experienced a rise of 16.6% MoM to Rs 1.8 lakh crore.

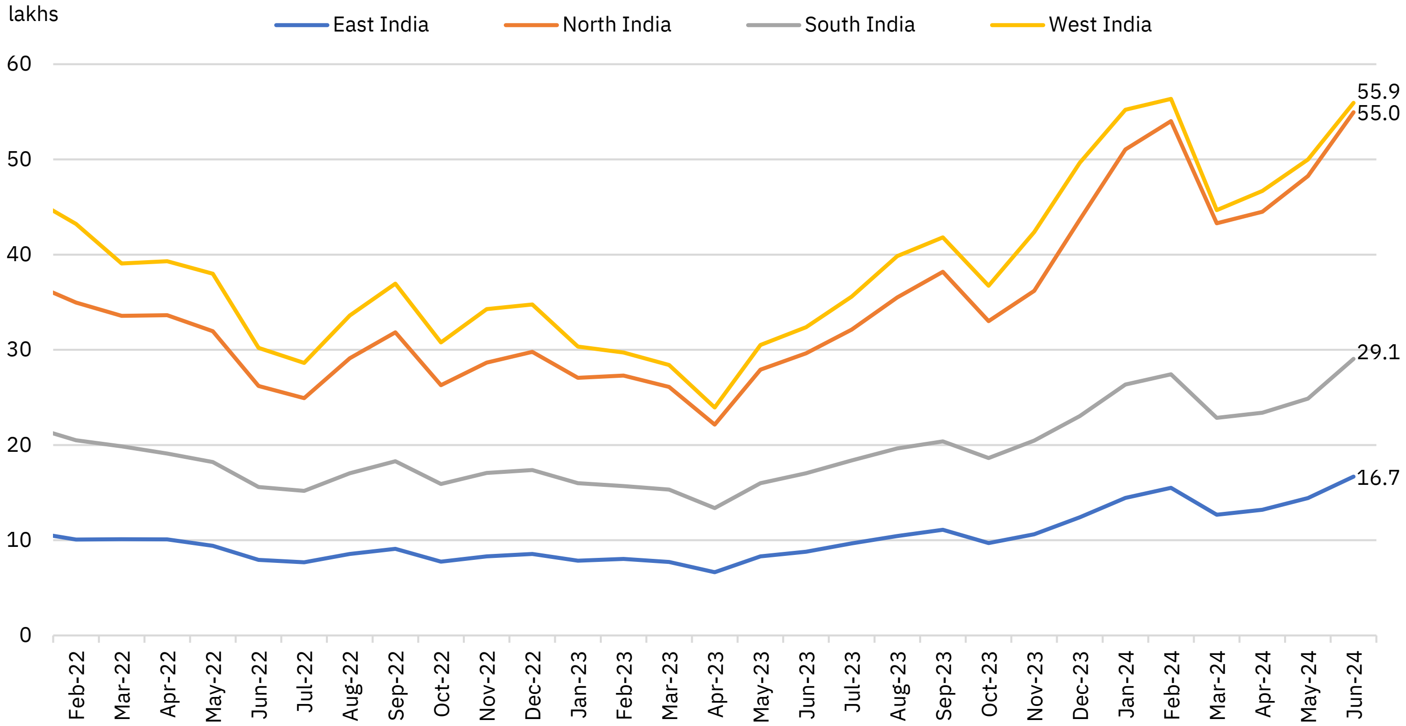
...accompanied with an increase in the number of investors who traded at least once during the month: The number of individual investors who traded at least once in June increased across regions. This individual investor base rose by 13.9% MoM to reach 1.5 crore in Jun'24. Region-wise, the Southern and Eastern India saw an increase of 16.8% MoM to 29.1 lakh and 15.6% MoM to 16.7 lakh, respectively. This was followed by Northern and Western regions, that saw investor base rising to 55 lakh and 56 lakh respectively in June 2024.

Figure 224: 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 225: 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 Western region in individual turnover rose in June 2024: The distributional pattern of turnover across regions witnessed an incremental concentration in Western and Northern regions. The share of Western India in overall individual investors' turnover saw a marginal rise of 73bps MoM to 36% (vs 35.2% in May'24). On the other hand, the share of Eastern, Northern and Southern region experienced a marginal fall of 16bps, 52bps and 5bps, bringing its share to 9.2%, 32.4 and 21.2%, respectively inJun'24.

The distributional shift has been starker in terms of investors who traded at least once in the last month: The distributional pattern of individuals over the past three years has witnessed a notable shift. The Northern region's share of investors inched up by 1bps MoM to 34.6% in June 2024, while the Western region saw a dip of 61bps MoM to 35.2% in the same month. Notably, the gap between the two regions has fallen in the last two years from 4.9% in Jun'22 to an all-time low of 62bps in Jun'24. The Southern region saw its share increase by 46bps MoM to 18.3% in June, which has been steadily falling for the last three years. The Eastern region's share also inched up by another 16bps to 10.5%.

Figure 226: Region-wise share of individual investors' turnover in cash market (%)

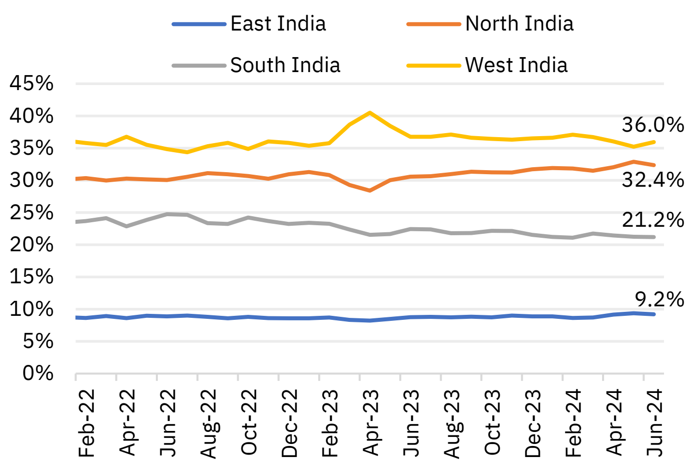
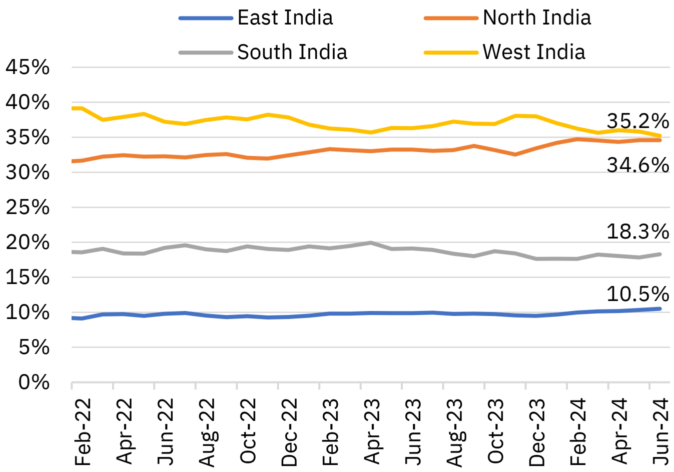


Figure 227: Region-wise share of individual investors traded in cash market (%)

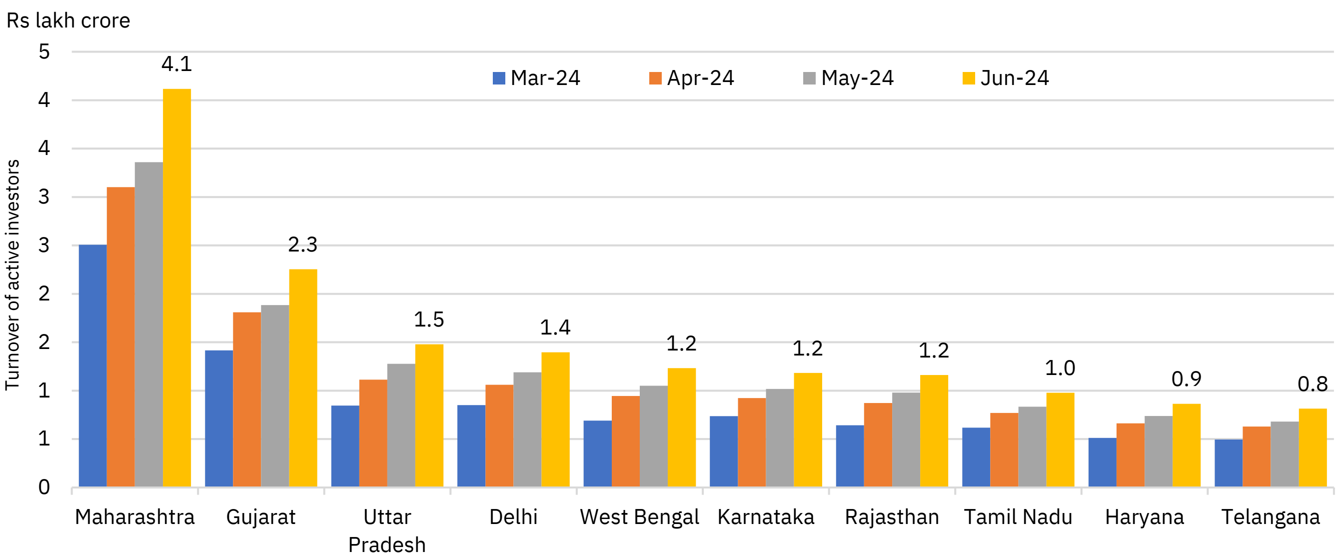


Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF.

Turnover of individuals from the top-10 states surged in June 2024: Individual turnover witnessed a rise in the top 10 states as the total turnover within the individual segment increased by 18.9% MoM to Rs 15 lakh crore. Maharashtra Gujarat, and Uttar Pradesh held on to their positions as the top three states in terms of total individual turnover, with turnover of Rs 4.1 lakh crore, Rs 2.3 lakh crore and 1.5 lakh crore respectively. Notably, Uttar Pradesh surpassed Delhi in March in terms of total individuals' turnover in Mar'24 and has maintained its position since then.

...accompanied by a rise in the number of investors who traded at least once in the month: Following a decline in Mar'24, the count of individuals who traded at least once has been on a steady rise, increasing by 13.1% MoM to 1.2 crore for the top 10 states in Jun'24. Maharashtra upheld its lead, with active investors rising 15.1% MoM to 29.5 lakh. Following closely, Gujarat saw 19.3 lakh (+5.8% MoM) investors trading at least once during the month. Additionally, the active investor counts of Uttar Pradesh (+14.9% MoM), West Bengal (15.1% MoM) and Rajasthan (12.4% MoM), increased to 15.7 lakh, 10 lakh and 9.5 lakh investors respectively.

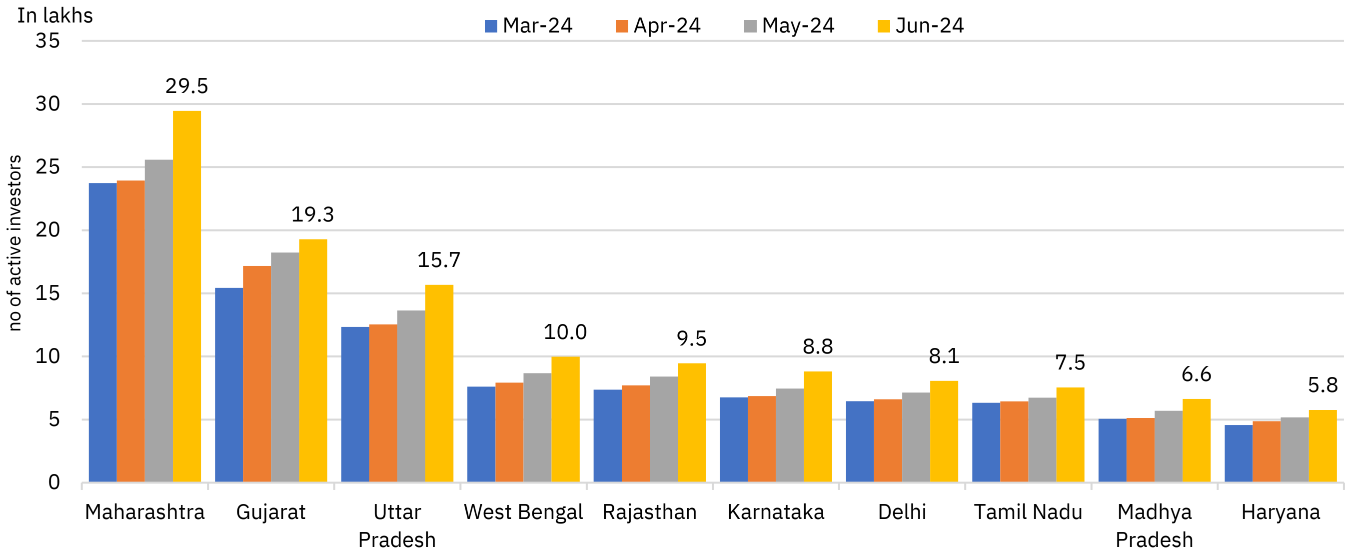
Figure 228: Top 10 states based on turnover of individual investors in the cash market



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 229: Top 10 states based on individual investors traded in the cash market

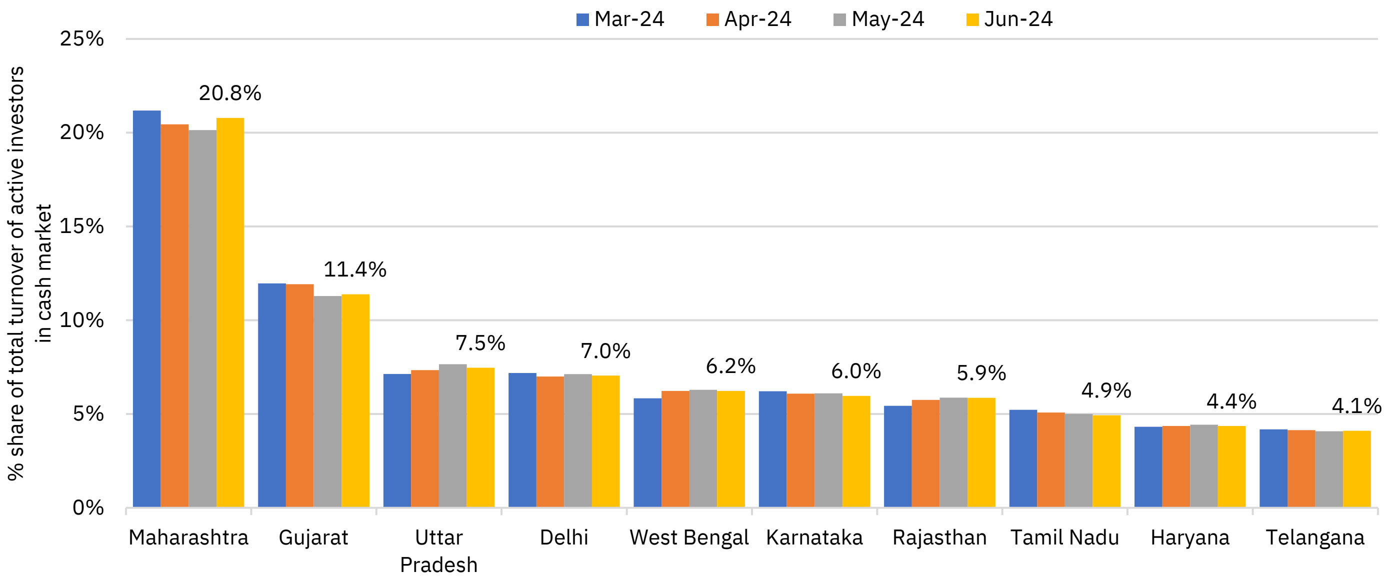


Source: NSE EPR
Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on last month's data.

Contribution of top 10 states in individuals' turnover increased marginally in June...: The share of total turnover and volume of individual investors in the cash segment continues to be concentrated in a handful of states. The top 10 states collectively accounted for 78.2% of the total turnover in Jun'24, a marginal increase from the previous month's 78%. The contributions of Maharashtra (+65bps MoM) and Gujarat (9bps MoM) experienced marginal upticks, increasing their turnover share to 20.8% and 11.4% respectively. Uttar Pradesh was the third-largest state, albeit with a marginal decline of 19bps, reducing its turnover share to 7.5% (compared to 7.7% in May'24).

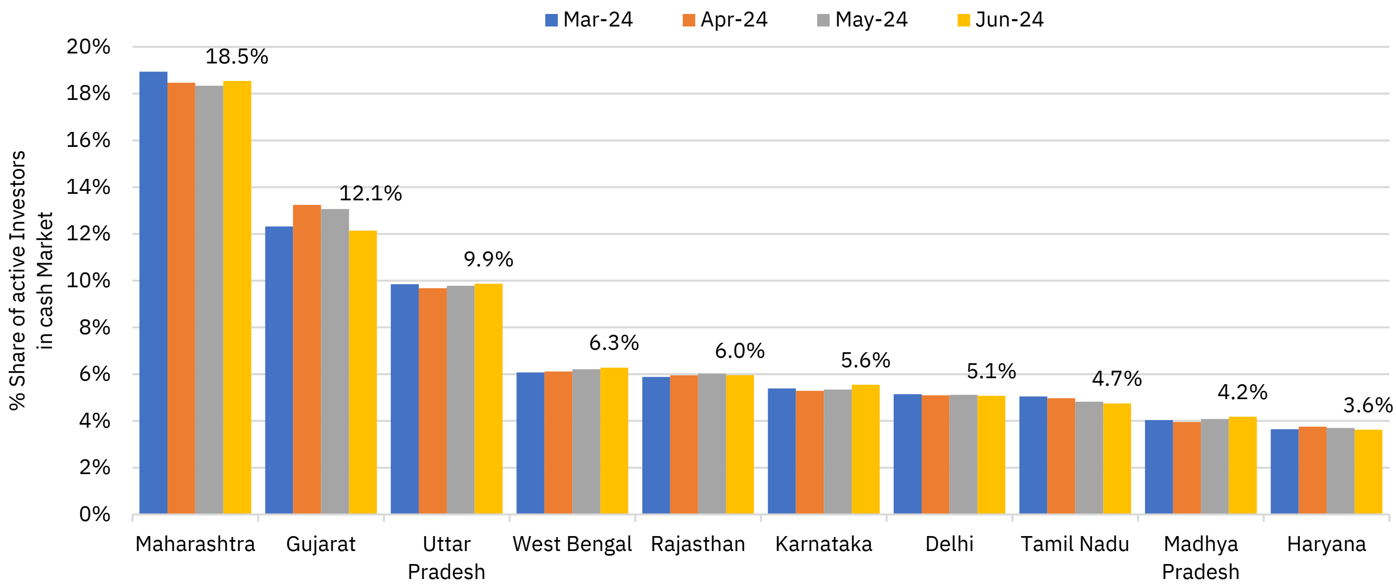
...accompanied by mixed trends in investor base share: The contribution of the top 10 states dropped marginally to 76% in Jun'24. Although Maharashtra's share increased by 21bps MoM to 18.5% in Jun'24, Gujarat's share declined by 92bps to 12.1% in June. Uttar Pradesh, West Bengal, and Rajasthan maintained their positions at the third, fourth and fifth positions with shares of 9.9% (+9bps MoM), 6.3% (+7bps MoM), and 6% (-7bps MoM) respectively.

Figure 230: 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 231: Share of the top 10 states based on number of individual investors traded in the cash market

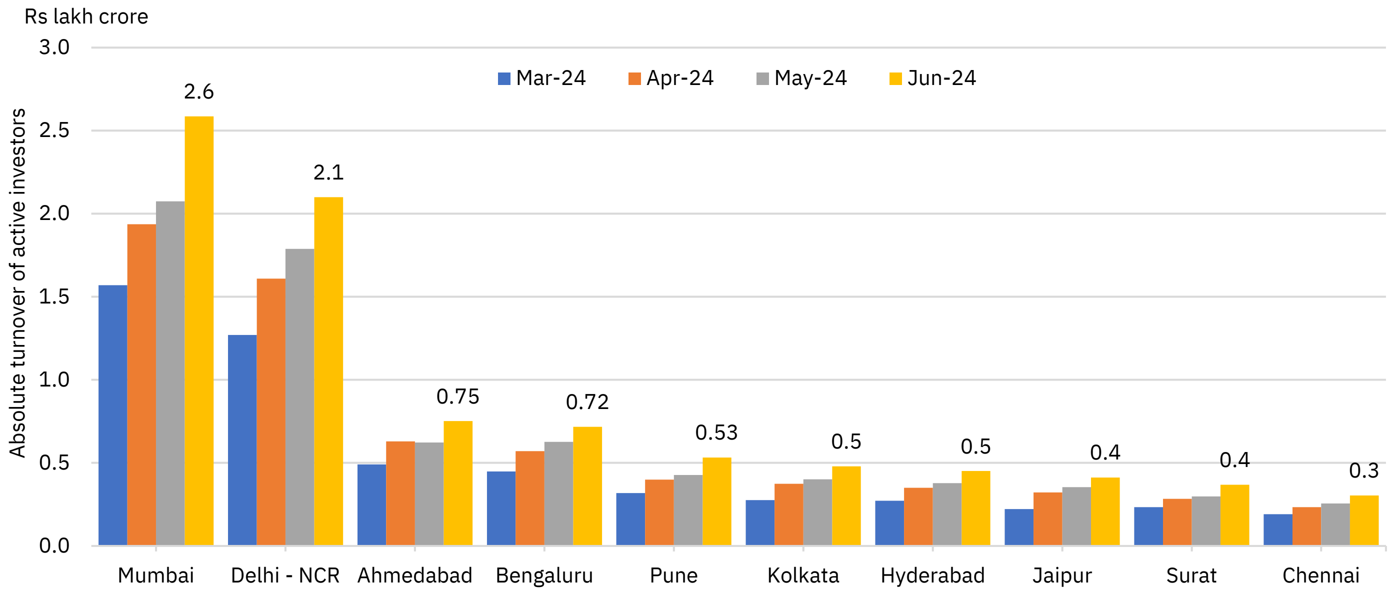


Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on last month's data.

Individuals' turnover in the top 10 districts continued to grow in June 2024…: Individual investors' turnover in the top 10 districts (by turnover) continued to grow, with a substantial growth of 20.4% MoM to Rs 8.7 lakh crore. Mumbai and Delhi held their positions as the top two districts, with a turnover of Rs 2.6 lakh crore (+24.7% MoM) and Rs 2.1 lakh crore (+17.4% MoM) respectively. Among other top five districts, the turnover in Ahmedabad (+20.7% MoM), Bengaluru (14.5% MoM) and Pune (24.7% MoM) witnessed notable upswings in individual investors' turnover, increasing to Rs 75,000 crore, 72,000 crore and 53,000 crore respectively in June 2024.

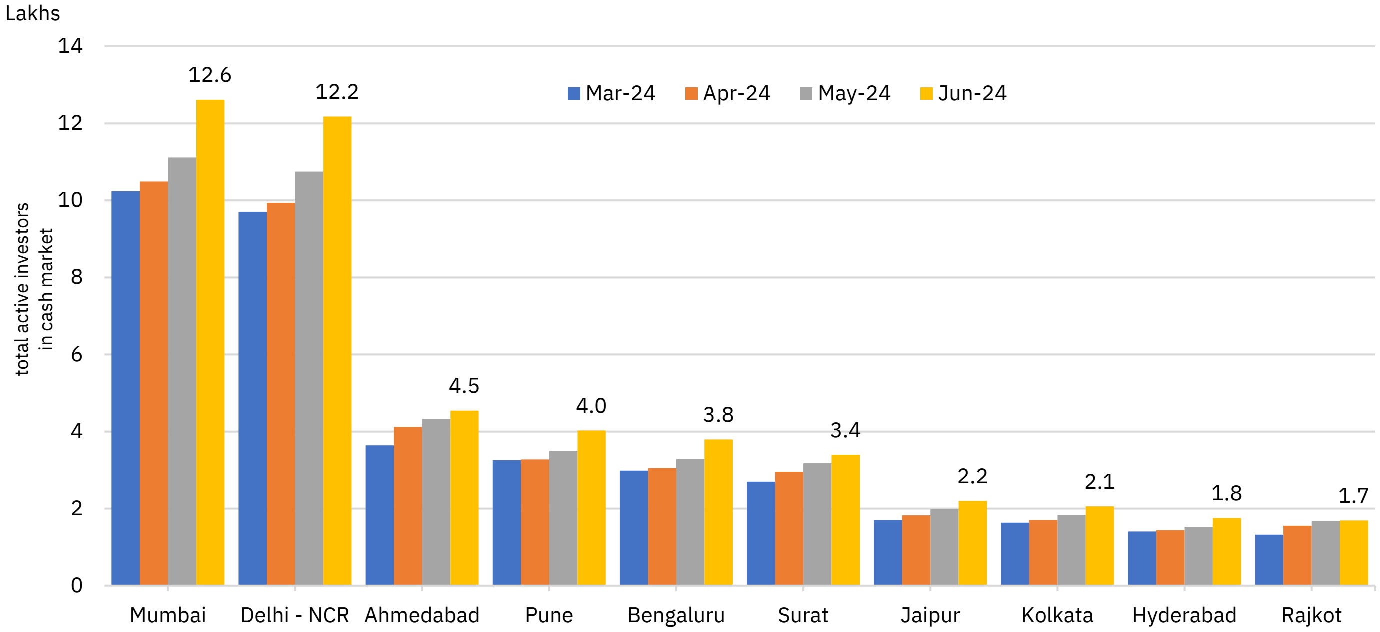
…Accompanied by a higher number of investors who traded during the month: After a drop in Mar'24, the number of individual investors which traded at least once in the last month registered an increased across the top 10 districts, with a total rise of 11.8% MoM to 48.3 lakh in June 2024. Mumbai continued to lead, with a 13.5% MoM rise to 12.6 lakh investors, while Delhi retained the second spot with 12.2 lakh active investors during the month (+13.3% MoM). Ahmedabad, who stood at the third position, recorded an increase of 5% MoM to 4.5 lakh investors. Bengaluru experienced the highest growth across the top 10 districts, registering an increase of 15.6% MoM to 3.8 lakh investors who traded last month.

Figure 232: Top 10 districts based on cash turnover of individual investors



Source: NSE EPR
Note: 1. 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 233: Top 10 districts based on individual investors traded in the cash market



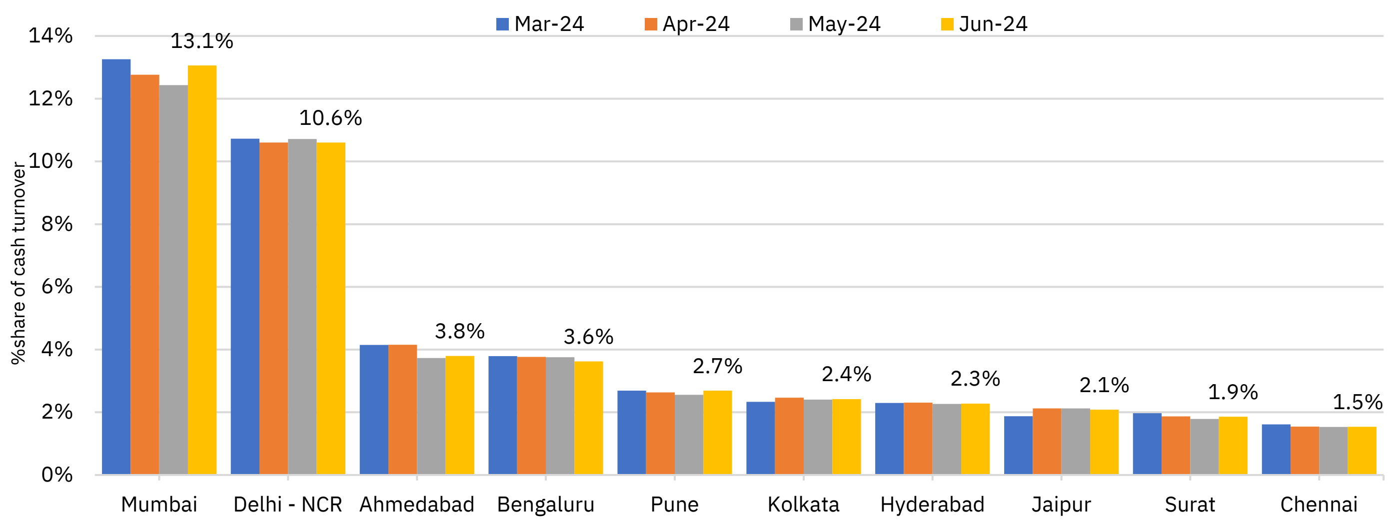
Source: NSE EPR
Note: 1. Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on last month's data.

Contribution of top 10 districts to individual turnover rose marginally in June 2024: The total turnover of individual investors continues to be concentrated in a few districts. The contribution of the top 10 districts to the total cash market turnover of individuals experienced a marginal increase to 43.95% in Jun'24 from 43.3% in May'24. The share of Mumbai increased by 63bps MoM to 13.1%, while Delhi's share fell by 11bps to 10.6%

in Jun'24 (compared to 10.7% in May'24). Ahmedabad (+6bps MoM) reclaimed the third place with a share of 3.8%, overtaking Bengaluru, whose share declined 13bps MoM to 3.6% in June. Pune remained at the fifth position with a share of 2.7%.

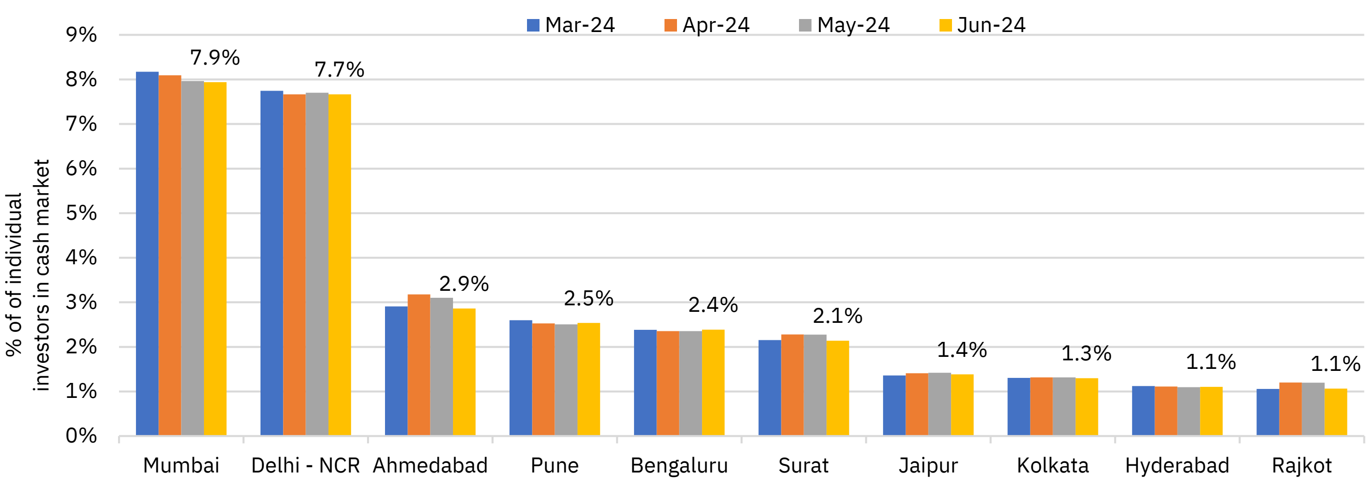
...along with a marginal fall in the share of active individuals last month: The contribution of the top 10 districts continued to fall marginally in the month of June to 30.3%, compared to 32.2% in Mar'24. The share of Mumbai declined to 7.9%, down from 8% in May'24, while that of Delhi-NCR remained broadly steady at 7.7%. Ahmedabad, Pune, and Bengaluru remained at the third, fourth and fifth place with shares of 2.9%, 2.5%, and 2.4% respectively.

Figure 234: Share of the top 10 districts based on individual turnover in the cash market



Source: NSE EPR
Note: 1. 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 235: Share of the top 10 districts based on individual investors traded in the cash market



Source: NSE EPR
Note: 1. 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 symbols during the month

The turnover of the top 10 traded scrips increased 55.7% MoM to Rs 4.6 lakh crore in Jun'24, as compared to 17.7% MoM rise in overall turnover to Rs 29.1 lakh crore in NSE cash market segment. Additionally, the share of these top 10 scrips turnover increased to 15.9% (+388bps MoM) in Jun'24 as compared to these scrips turnover last month. HDFC Bank remained as the highest traded scrips in the segment with 33.3% MoM rise in turnover. Notably, all ten scrips recorded increase in turnover including five scrips that recorded a MoM growth of over 50%.

Table 90: Top 10 symbols based on total turnover of NSE CM segment in June 2024

Securities (Rs Cr)	Jun-24	May-24	%Change
HDFC Bank Limited	73,704	55,287	33.3
Hindustan Aeronautics Limited	52,402	36,385	44.0
ICICI Bank Limited	50,926	33,569	51.7
State Bank of India	47,479	33,344	42.4
Reliance Industries Limited	46,959	34,504	36.1
Indus Towers Limited	42,523	10,632	299.9
Vodafone Idea Limited	40,305	25,406	58.6
Mazagon Dock Shipbuilders Limited	38,864	22,467	73.0
Bharat Electronics Limited	36,205	25,777	40.5
Bharti Airtel Limited	32,200	18,992	69.5
Top 10 scrips turnover	**4,61,567**	**2,96,363**	**55.7**
Total turnover	**29,05,226**	**24,67,941**	**17.7**
% share of overall turnover	**15.9**	**12.0**	**3.9**

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.

The top 10 scrips in stock futures held 24.7% share of the overall turnover and its turnover rose 19.3% MoM to Rs 9 lakh crore in June 2024, higher than the overall turnover growth in stock futures during the month. HDFC Bank remained the top traded scrip in stock futures with a rise of 15.9% MoM to Rs 1.9 lakh crore. Barring Tata Motors and PFCL, remaining eight scrips recorded a rise in turnover during the month. Remarkably, the monthly turnover of stock futures in June 2024 was highest since inception.

Table 91: Top 10 symbols based on total turnover of stock futures in June 2024

Securities (Rs Cr)	Jun-24	May-24	%Change
HDFC Bank Limited	187,635	161,907	15.9
ICICI Bank Limited	115,184	85,301	35.0
Reliance Industries Limited	106,964	79,427	34.7
State Bank of India	103,365	92,999	11.1
Hindustan Aeronautics Limited	87,207	81,335	7.2
Tata Motors Limited	65,239	79,761	(18.2)
Power Finance Corporation Limited	61,519	72,380	(15.0)
Axis Bank Limited	60,824	50,356	20.8
Vodafone Idea Limited	59,061	18,764	214.8
Bharti Airtel Limited	57,880	36,340	59.3
Top 10 scrips turnover	**9,04,878**	**7,58,570**	**19.3**
Total Turnover	**36,62,528**	**34,64,430**	**5.7**
% share of overall turnover	**24.7**	**21.9**	**2.8**

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 of top 10 scrips in stock options recorded 10.5% MoM rise to Rs 57,159 crore in June 2024, higher than overall turnover rise of 2.5% for stock options premium turnover. Hindustan Aeronautics Ltd remained as the top traded scrip in stock options with 5% MoM surge to Rs 9,055 crore premium turnover. Seven out of the top 10 scrips recorded a MoM expansion in their premium turnover while the remaining three scrips experienced a moderation.

Table 92: Top 10 symbols based on total premium turnover of stock options in June 2024

Securities (Rs Cr)	Jun-24	May-24	%Change
Hindustan Aeronautics Limited	9,055	8,621	5.0
State Bank of India	7,042	5,500	28.0
Reliance Industries Limited	6,579	3,917	68.0
HDFC Bank Limited	5,944	3,975	49.5
Adani Enterprises Limited	5,666	5,897	(3.9)
Power Finance Corporation Limited	5,601	6,429	(12.9)
REC Limited	4,637	4,781	(3.0)
Adani Ports and SEZ Ltd	4,332	2,811	54.1
Bharat Electronics Limited	4,320	3,964	9.0
Tata Motors Ltd	3,983	5,853	(32.0)
Top 10 scrips turnover	**57,159**	**51,749**	**10.5**
Total turnover	**1,91,370**	**1,86,613**	**2.5**
% share of overall turnover	**29.9**	**27.7**	**2.1**

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

A new record in stock futures turnover on July 23rd, 2024: In our last edition, we reported that on June 4th, 2024, the NSE Capital markets recorded the highest daily turnover of Rs 2,71,245 crore, which was 2.2 times higher than the average daily turnover (ADT) for FY25 (As on June 30th, 2024), thanks to the surge in trading activity on general election results' day. Consequently, the number of trades also soared to new heights on the same day, reaching an all-time high of 8.8 crore trades on June 4th, 2024. On that same day, both index derivatives and stock options also achieved their highest single-day turnover. However, in terms of number of trades in equity derivatives segment, the highest record was registered on June 19th, 2024.

Continuing this trend, on July 23rd, 2024, stock futures recorded their highest daily turnover of Rs 3,98,161 crore, which was 2.4 times higher than the ADT in FY25 (As on June 30th, 2024).

Table 93: Segment-wise record turnover till July 30th, 2024

Particulars	Value	Date of Record
Capital market turnover (Rs crore)	2,71,245	04-Jun-24
Number of trades in cash market segment	8,85,05,365	04-Jun-24
Index futures turnover (Rs crore)	1,57,036	04-Jun-24
Stock futures turnover (Rs crore)	3,98,161	23-Jul-24
Index options turnover (Rs crore)	2,13,406	04-Jun-24
Stock options turnover (Rs crore)	20,683	04-Jun-24
Number of trades in equity derivatives segment	24,25,13,525	19-Jun-24
Currency futures turnover (Rs crore)	99,346	22-Mar-24
Currency options turnover (Rs crore)	635	11-Nov-22
Commodity futures turnover (Rs crore)	145	29-Aug-19
Commodity options turnover (Rs crore)	21	18-Mar-24

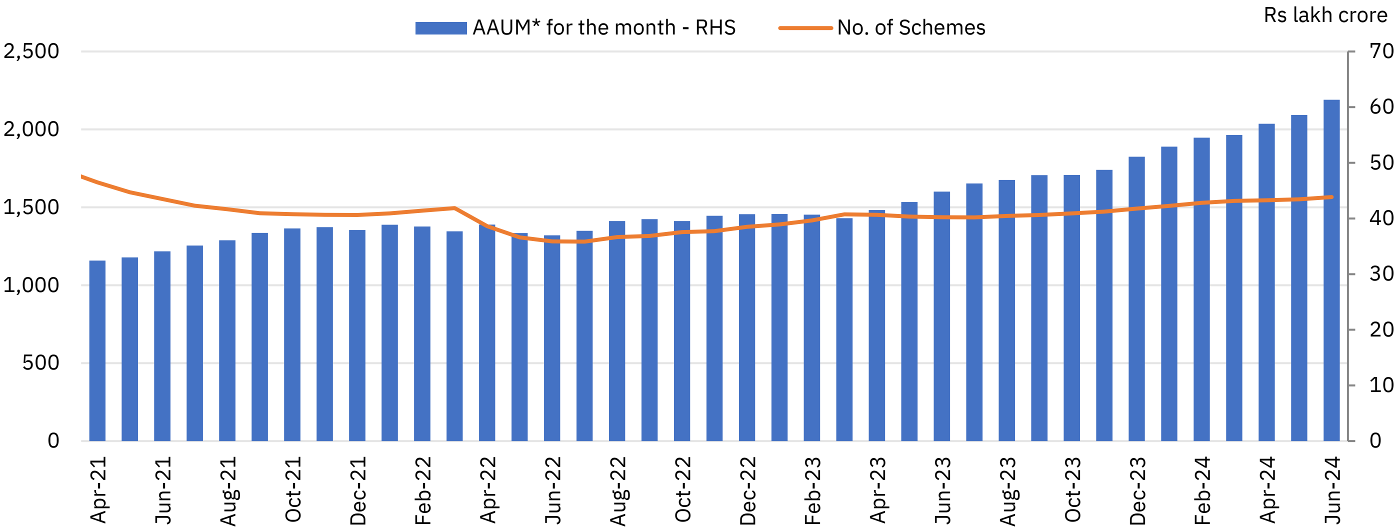
Source: NSE EPR
Note: Premium turnover has been considered for options contracts.

Investment through mutual funds in India

Mutual funds' asset under management (AUM) crossed Rs 61 lakh crore mark in Jun'24: The overall AUM of Indian mutual funds saw an increase of 4.7% MoM to Rs 61.3 lakh crore in June. On a YoY basis, the AUM was up by 37% and is 148% higher from the post-pandemic lows. The month of May saw a net inflow of Rs 1.1 lakh crore (54% MoM drop from April) followed by a net outflow of Rs 43,637 crore in Jun'24. This was owing to a 26% MoM increase in redemptions while funds mobilized increased only by 7% MoM in Jun'24. Net SIP inflows into mutual funds touched a fresh record high of Rs 21,262 crores in June, up 1.7% on a MoM basis. The SIP AUM stood at Rs 12.4 lakh crore and is now nearly one-fifth of the overall industry AUM.

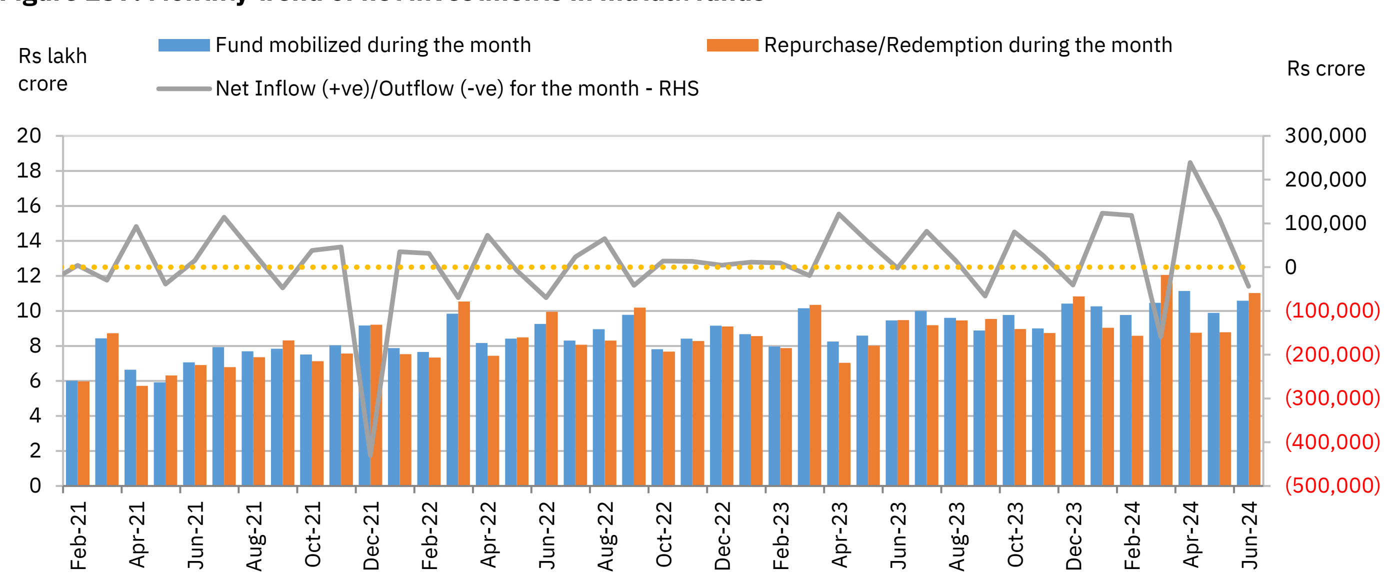
The AUM of close-ended schemes increased marginally after a three-month fall to Rs 26,148 crore in June and contributed only 0.4% to the total mutual fund AUM. Of the total number of schemes, 1,452 were open-ended schemes, 102 were close-ended and the rest 12 were interval schemes.

Figure 236: Monthly trend of total MF schemes and average AUM



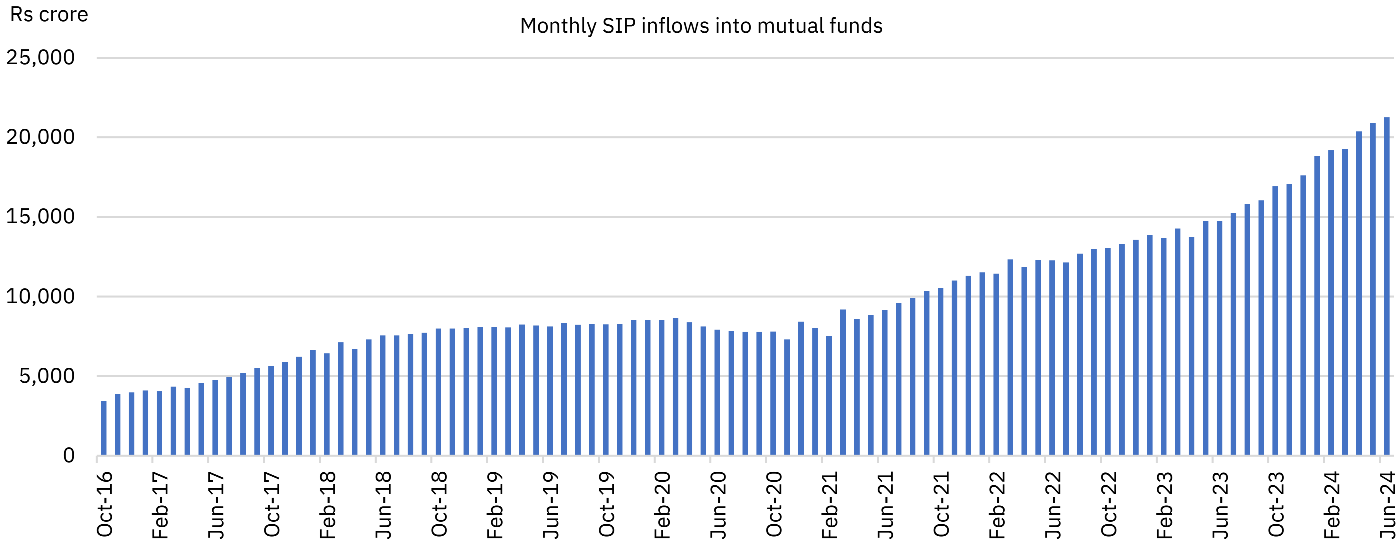
Source: AMFI, NSE EPR. *AAUM-Average Assets under Management.

Figure 237: Monthly trend of net investments in mutual funds



Source: AMFI, NSE EPR.

Figure 238: Monthly trend of total investment through mutual funds



Source: AMFI, NSE EPR

A significant portion of the mutual fund AUM is actively managed: Out of the overall industry AUM of Rs 61.3 lakh crore as of Jun'24, nearly Rs 50.6 lakh crore or 86% is actively managed. Within the pure equity AUM of Rs 34.3 lakh crore (+6.9% MoM), passive equity funds comprised Rs 7.4 lakh crore (+6.7% MoM), of which ETFs accounted for an 83% share. The balance of Rs 26.9 lakh crore was in active equity funds (+7% MoM). The total debt AUM stood at Rs 17.5 lakh crore as of June-end (+1% MoM, 28.5% of the overall AUM), out of which only 12% or Rs 2.1 lakh crore (+0.7% MoM), was managed passively, with the balance Rs 15.4 lakh crore (+1.1% MoM) being actively managed. The AUM of hybrid funds stood at Rs 8.3 lakh crore (+3.5% MoM) in June, with its share decreasing marginally to 13.6% in Jun'24 from 13.7% in the previous month.

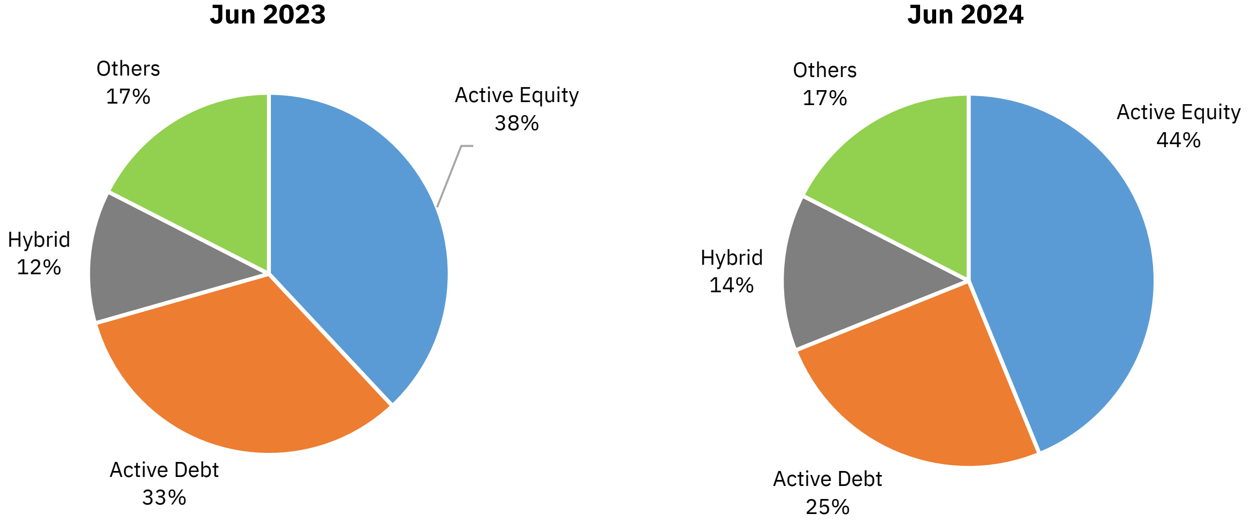
Table 94: Monthly trend of average AUM of mutual funds across categories

Rs crore	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	% share
Total MF AUM	**52,89,008**	**54,52,487**	**55,00,728**	**57,01,359**	**58,59,951**	**61,33,227**	**100.0**
Equity	**28,30,247**	**29,33,269**	**29,79,946**	**31,03,415**	**32,08,739**	**34,31,691**	**56.0**
Active	22,13,373	22,95,989	23,24,502	24,25,708	25,10,895	26,87,142	43.8
Passive	6,16,875	6,37,281	6,55,445	6,77,707	6,97,845	7,44,548	12.1
Index funds	90,096	96,121	1,00,528	1,07,214	1,14,345	1,25,731	2.0
Domestic	86,039	91,899	96,164	1,02,865	1,09,846	1,21,036	2.0
International	4,057	4,222	4,364	4,349	4,499	4,695	0.1
ETFs	5,26,779	5,41,159	5,54,917	5,70,493	5,83,500	6,18,818	10.1
Domestic	5,16,764	5,30,478	5,43,953	5,59,677	5,72,249	6,07,133	9.9
International	10,014	10,682	10,964	10,816	11,251	11,685	0.2
Debt	**16,54,389**	**16,81,748**	**16,63,502**	**17,08,477**	**17,30,387**	**17,48,162**	**28.5**
Active	14,54,256	14,79,320	14,59,503	15,03,887	15,24,429	15,40,597	25.1
Passive	2,00,133	2,02,428	2,03,999	2,04,590	2,05,958	2,07,566	3.4
Index funds	1,07,976	1,08,213	1,08,174	1,07,602	1,08,789	1,09,098	1.8
ETFs	92,158	94,215	95,825	96,987	97,169	98,468	1.6
Hybrid	**7,00,302**	**7,33,273**	**7,49,653**	**7,77,148**	**8,05,619**	**8,33,978**	**13.6**
Others*	**1,04,069**	**1,04,196**	**1,07,626**	**1,12,319**	**1,15,205**	**1,19,396**	**1.9**

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.

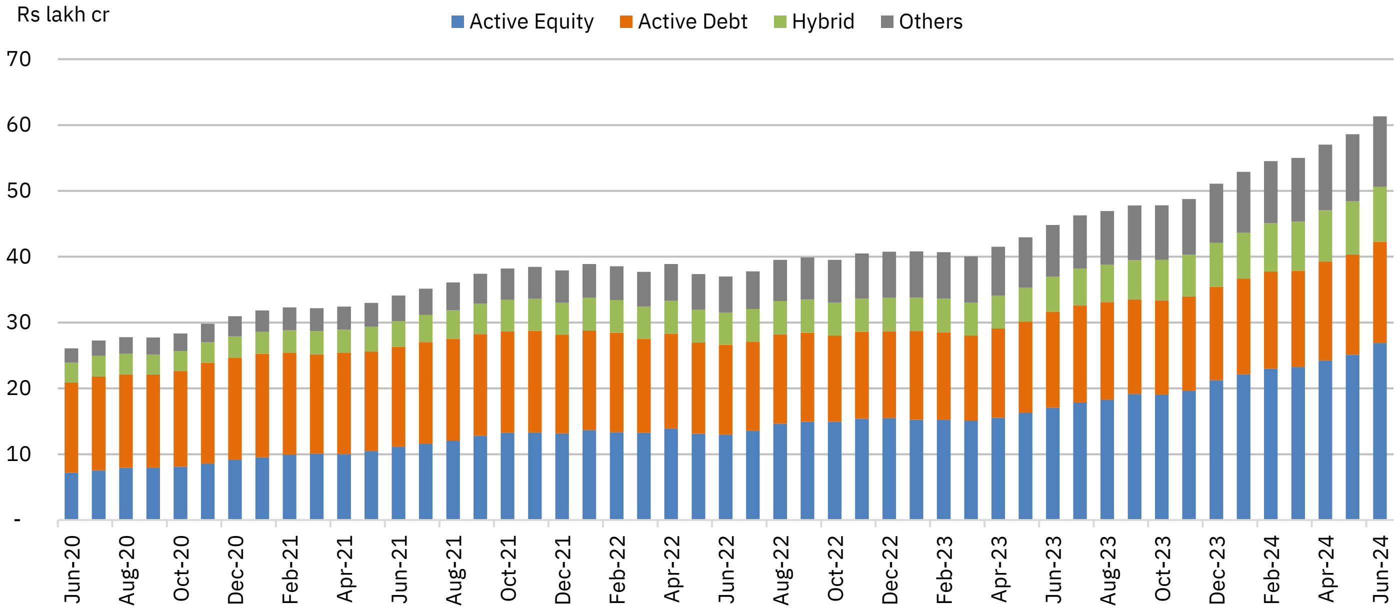
Growth is primarily led by active equity schemes: The active equity AUM rose 7% MoM/58% YoY to Rs 27 lakh crore, higher than a 4.7% MoM increase in the overall industry's AUM. A large part of this is attributed to robust inflows into equity mutual funds through SIPs as mentioned above. The share of active equity funds in the overall AUM rose further to 43.8% in Jun'24 from 38% in the year-ago period. The AUM of active debt-oriented schemes also increased by 1.1% MoM (+5.5% YoY, +18.7% since Mar'20) to Rs 15.4 lakh crore in Jun'24. Despite the increase in AUM, the share of debt funds dropped for the 12th month in a row to 25.1% in Jun'24 as compared to 26% in the previous month. On a YoY basis, the share dropped 746bps from 32.6% in Jun'23. This significant decline in share of active debt AUM can be attributed to the removal of indexation benefits introduced in 2023.

Figure 239: Share of overall mutual fund AUM across asset classes



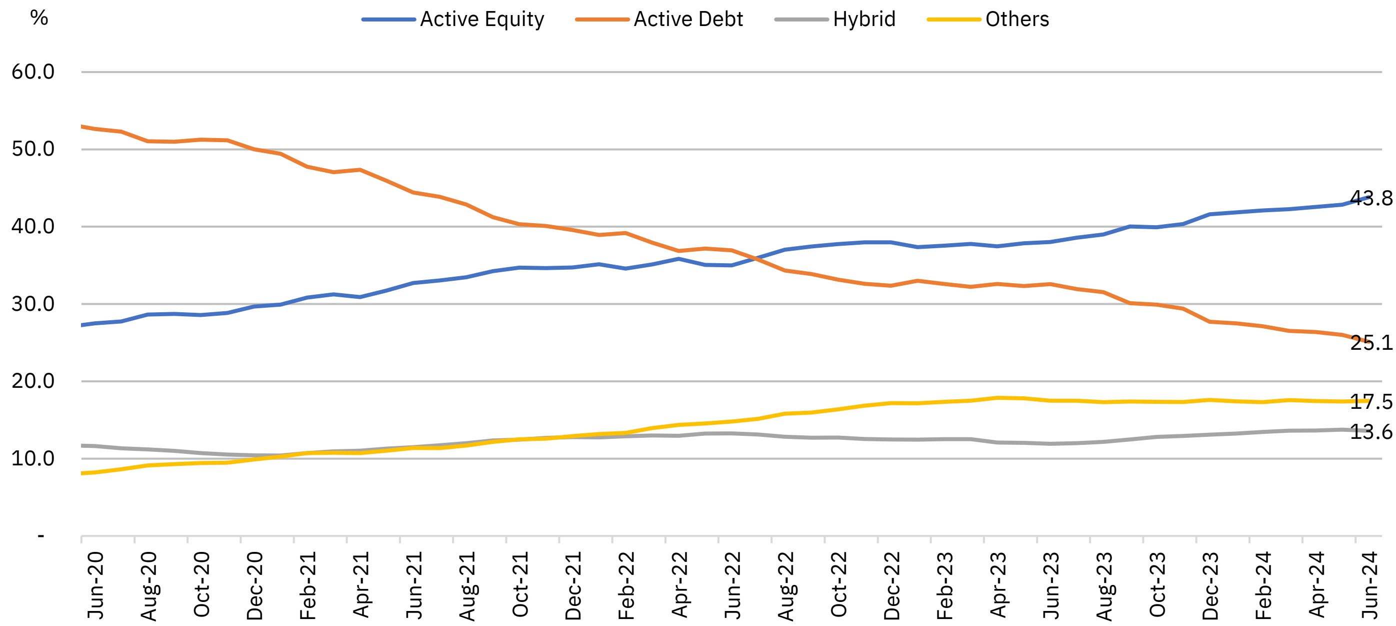
Source: CMIE Economic Outlook, AMFI, NSE EPR
Note: Others include all passive funds (Index funds and ETFs), solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Figure 240: 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 241: Category-wise share in MF AUM*

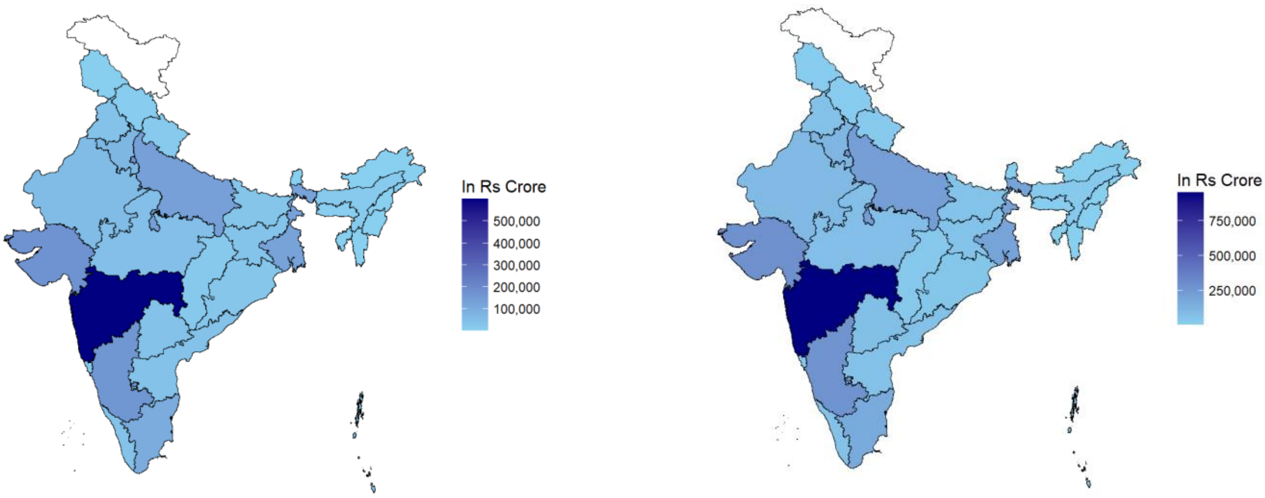


Source: CMIE Economic Outlook, AMFI, NSE EPR
*Others include all passive funds (Index funds and ETFs), solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Equity AUM continued to remain concentrated in a few states: Maharashtra and Gujarat together accounted for 37.1% of the overall equity mutual fund AUM in Jun'24, 10bps lower than the previous month. Among the top five states, Gujarat (+1bps, 8.3%), Delhi (+1bps, 7.8%) and Uttar Pradesh (+3bps, 6.5%) saw an increase in share while Maharashtra (-11bps, 28.8%) and Karnataka (-3bps, 8.1%) recorded a decrease in share of equity AUM. The remaining states contributed less than 5% each to the overall equity AUM of the mutual fund industry.

Figure 242: State-wise distribution of Equity schemes AUM in Jun'23 and Jun'24

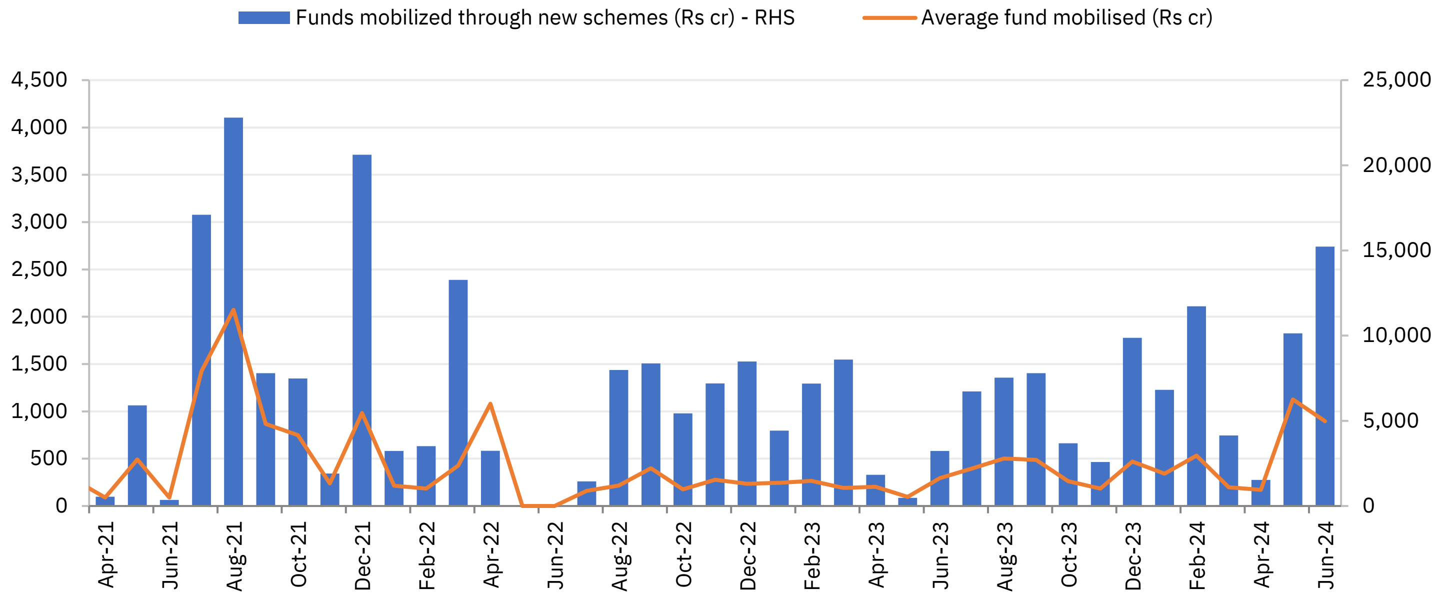
June 2023 **June 2024**



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)](https://github.com/AnujTiwari/India-State-and-Country-Shapefile-Updated-Jan-2020)

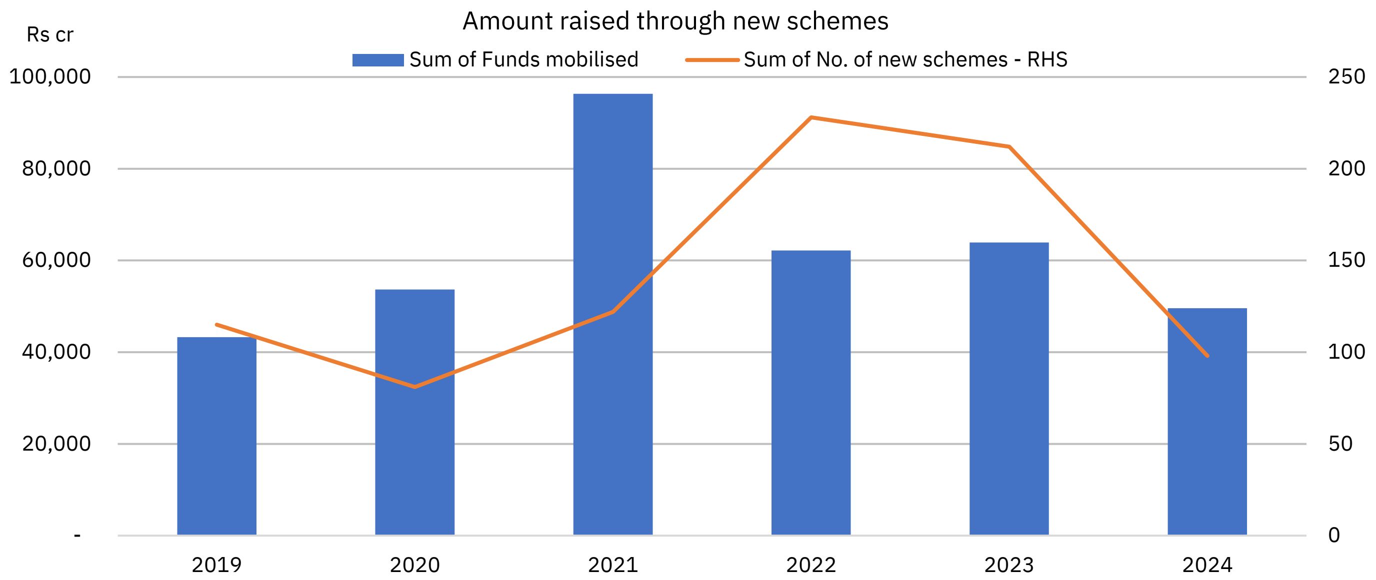
Fund mobilization through new schemes stood at an 18-month high in June: The fiscal year gone by saw the launch of 185 new schemes, mobilizing Rs 66,404 crore as compared to 253 schemes with a mobilization of Rs 62,378 crore in FY23. The average fund mobilized per scheme increased from Rs 246 crore in FY23 to Rs 359 crore in FY24. In June, the number of new schemes stood at 17, a significant increase from the previous month, with the total fund mobilization of Rs 15,227 crore as compared to the fund mobilization of Rs 10,140 crore in the previous month. This led to per scheme mobilization falling from Rs 1,127 crore in May'24 to Rs 896 crore in Jun'24.

Figure 243: Monthly trend of total investment through new schemes



Source: AMFI, NSE EPR

Figure 244: Annual trend of fund mobilization through new schemes*



Source: AMFI, NSE EPR. * Data for 2024 is of Jun 2024.

Comparison of trading activities across major exchanges globally

Markets continued to rise in Jun'24, with developed equities, largely aided by fresh highs in US market fueled by AI-based large cap stocks remained in green. Concurrently, the emerging market equities made notable gains and outperformed with the MSCI EM Index increasing by 3.6% MoM in contrast to a 1.9% MoM increase in MSCI World Index. The gains in emerging markets were led by AI optimism in Taiwan due on increased technology-based demand, policy continuity in Turkey and India and election results in South Africa and India. In India, the surge in Indian equities was evident with Nifty50 Index rising by 6.9% MoM led by robust investor confidence and optimism on account of renewed foreign flows after its inclusion in the JP Morgan's bond index boosted by resilient economic fundamentals.

This section explores the overall trend of trading patterns and shifts in the securities market over the past three years in various segments across global stock exchanges. We used data from the World Federation of Exchanges (WFE) over the period Jan'21-Jun'24, covering a total of 149 exchanges, the majority of which are from EMEA region, followed by Asia-Pacific, and the rest from the Americas. We have also highlighted NSE's share across asset classes in cash and spot markets based on market capitalization and trading activity. The key takeaways of the analysis are as follows.

- **Market capitalization of major exchanges decreased marginally in Jun'24:** Despite moderation in May'24, developing markets outperformed developed markets Jun'24. Emerging markets (MSCI EM Index) saw a 3.6% MoM increase, outperforming the developed markets (MSCI World Index) that saw an increase of 1.9% on a MoM basis in Jun'24. Among the top 10 exchanges, only National Stock Exchange of India Ltd. (NSE) registered a positive growth (+7% MoM) in terms of market capitalization. On a YoY basis, market capitalization of six out of the top 10 exchanges registered a positive growth within a broad range of 1-46% in Jun'24, in contrast to Shanghai Stock Exchange (SSE), Hong Kong Exchange and Clearing (HKEX), Shenzhen Stock Exchange (SZSE) and Saudi's Tadawul registering -7%, -5%, -20% and -8% YoY respectively.

- **NSE maintained its sixth position with US$5.2trn market capitalization in Jun'24:** In Jun'24, the NSE stood at the sixth position in terms of global market capitalization, reaching US$5.2trn (+7% MoM). The NYSE continues to lead as the world's largest stock exchange with market capitalization of US$27.7trn, followed by Nasdaq-US at US$26trn in Jun'24. Euronext remained in the third spot with a market capitalization of US$7.2trn in Jun'24. The Shanghai Stock Exchange (SSE) and Japan Stock Exchange (JPX) ranked fourth and fifth spot respectively with a market capitalization of US$6.4trn (-4% MoM) and US$6.2trn (-1% MoM) in Jun'24. After NSE, seventh and eighth spot were taken by HKEX and SZSE with market capitalization of US$4.1trn (-2% MoM) and US$3.7trn (-7% MoM) respectively as of Jun'24. Both TMX Group and Saudi Exchange (Tadawul) witnessed a 2% decline MoM basis, placing them near the bottom of the top-10 list in the preceding month.

- **NSE reached the first spot in equity market in Jun'24:** NSE stood at the first position for the second time with a 13% MoM growth in no. of trades to 86 crores in Jun'24. NSE was closely followed by SZSE at the second spot with 82 crore trades (-11% MoM), while SSE stood at the third position with 61 crore trades (-11% MoM) this month. Notably, among the top 10 exchanges, only NSE witnessed a positive MoM growth. In the first half of this year, SSE remained at the top with 562 crore trades, followed by SZSE with 464 crore trades and NSE with 424 crore trades. During the same period, NSE's share stood at 17.8%. Among the top 10 exchanges, barring SZSE, KRX, NYSE, and BIST, all the exchanges witnessed an increase in market share in H1 2024 as compared to the preceding year.

- **NSE continues to lead the global markets in equity derivatives segment:** NSE's global market share has seen a significant increase in terms of contracts traded with its share increasing from 36% in 2021 to 74% in 2023. This share further witnessed an increase to 81.8% in 2024 with 5,913 crore contracts traded in the first half of this year. This increase resulted in a decline in the share of the rest of the top 10 exchanges barring Tehran Stock Exchange during the same period. B3 - Brazil Bolsa Balco, stood at second spot with its share dropping from 6.3% in 2023 to 5.4% in 2024 (as of Jun'24), followed by CBOE Global Markets which saw a decline from 2.2% market share in 2023 to 1.7% in 2024 (as of Jun'24) in terms of contracts traded. Concurrently, Tehran Stock Exchange stood at eighth spot with its share increasing from 1.1% in 2023 to 1.4% in 2024 (as of Jun'24).

- **NSE maintained its fourth spot in stock futures in Jun'24:** NSE remained the fourth-largest exchange in the stock futures segment with 4.6 crore (+4% MoM) contracts traded. Borsa Istanbul stayed at the top, albeit with a reduction in contracts traded with 11.6 crore contracts traded (-26% MoM), closely followed by Korea Exchange with 10.9 crore contracts traded (-2% MoM) and B3 for the third spot with 10.7 crore contracts traded. Among the top 10 exchanges, ICE Futures Europe (+100% MoM) and Johannesburg Stock Exchange (+274% MoM) witnessed substantial increases to 38 lakhs and 14 lakhs respectively in the month gone by. Notably, NSE is the fourth-largest exchange in stock futures in H1 2024, with 22.9 (+70.2% YoY) contracts traded.

- **NSE maintained its third spot in stock options in Jun'24:** NSE maintained the third spot with 13.5 crores contracts traded, closely followed by CBOE Global Markets, with 12.1 crore contracts traded in Jun'24. Nasdaq claimed the first spot with 16.4 crore contracts traded, overtaking the Tehran Stock Exchange with 15.6 crore contracts traded (-8% MoM). MIAX Exchange Group (-8% MoM) and Hong Kong Exchanges and Clearing (-36% MoM) observed substantial drops in contracts traded, falling to 7.5 crores and 1.2 crore respectively. NSE is also the third-largest exchange in stock options in H1 2024, with 71.5 crore (+62.7% YoY) contracts traded.

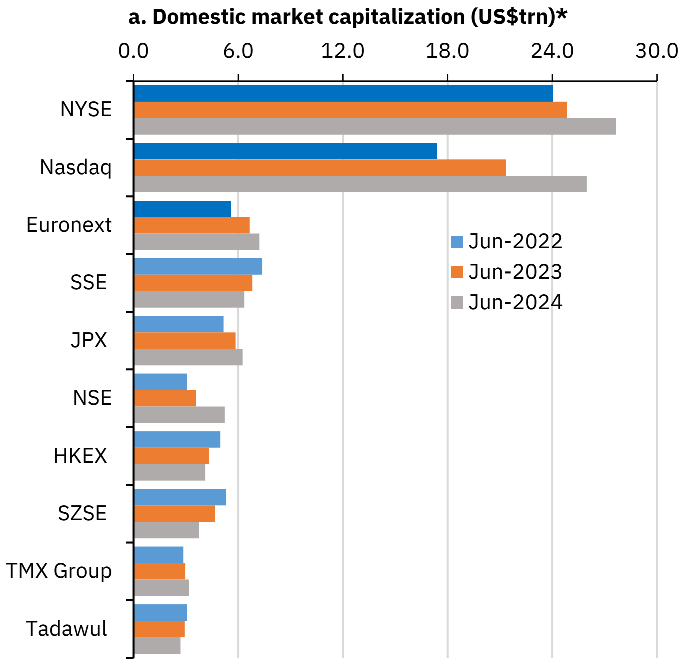
- **NSE upheld its global dominance in equity index options:** NSE has unswervingly maintained its global leadership in equity index options with 98% market share, albeit with a decline in contracts traded to 1,013 crores in Jun'24 as compared to 1,065 crores in the previous month. During the same period, CBOE Global Markets retained its second spot with 7.4 crore (-10.5% MoM) contracts traded, followed by the Korea Exchange with 5.2 crore (-6.3% MoM), DBAG with 3.7 crore (23.7% MoM) and CME Group with 2.8 crore (-7.9% MoM) contracts traded. Remarkably, NSE continues to dominate the index options segment in H1 2024, with 5,812 crore contracts traded (+96.3% YoY).

- **NSE ascended to the fifth spot in equity index futures:** NSE reached the fifth spot in Jun'24 with 1.5 crore contracts traded (+18% MoM). B3 led this segment with 35.3 crore contracts traded, accounting for 59% of the global market share, followed by the CME Group with 10.4 crore contracts traded (+8% MoM). DBAG mounted to the third spot with 5 crore contracts traded (+105% MoM), overtaking JPX which slipped to the fourth spot with 3.3 crore contracts traded (+2% MoM) during the same period. In H1 2024, NSE is the seventh-largest exchange in index futures, with 6.4 crore contracts traded (+50.6% YoY).

- **NSE held its fourth position in currency options in Jun'24:** NSE has been the world's largest exchange in the currency options segment for more than three years. However, due to RBI's directive of trading currency derivatives only for hedging against foreign exchange rate fluctuations, contracts traded at NSE dropped from 27 crore in Mar'24 to 5 lakhs in Jun'24. Consequently, NSE's share dropped from 98.8% in Mar'24 to 12% in the month gone by. Concurrently, Johannesburg Stock Exchange maintained its first spot with 31 lakh contracts traded, followed by the Tel-Aviv Stock Exchange with 10 lakh contracts traded, outperforming the CME group. Remarkably, NSE remains the largest exchange in currency options with 83.1 crore (-57.7% YoY) contracts traded in H1 2024.

- **NSE maintained its third position in currency futures:** NSE maintained its third spot in the currency futures segment with an 10% global share, led by a 4% MoM rise in contracts traded to 1.3 crores in Jun'24. B3 stood at the top position with 5.1 crore contracts traded, followed by the CME group, with 2.5 crore contracts traded in the month gone by. The fourth and fifth positions were held by Korea Exchange and Matba Rofex with 1 crore and 90 lakh contracts traded respectively. Notwithstanding RBI's exposure norms in April this year, NSE holds the second largest position in currency futures with 24.8 crore (-51% YoY) contracts traded in H1 2024.

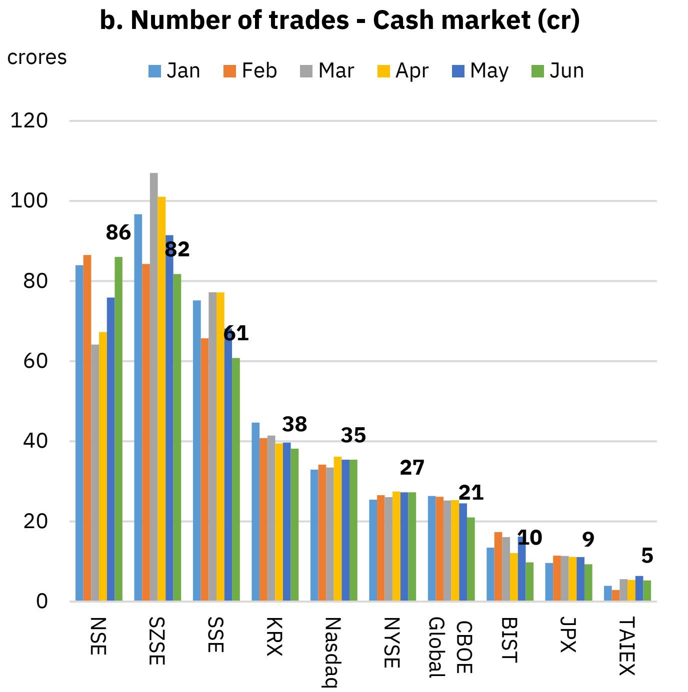
Figure 245: Domestic market cap of top ranked exchanges*



Source: WFE monthly statistics, NSE EPR

Note: May'24 data has been used Nasdaq, NYSE, Euronext for Jun'24 due to its unavailability on the WFE portal.

Figure 246: Number of trades in Cash market of top ten exchanges*



Source: WFE monthly statistics, NSE EPR

Note: May'24 data has been used Nasdaq, NYSE, Euronext for Jun'24 due to its unavailability on the WFE portal.

Table 95: No. of trades (cr) in the top 10 exchanges in cash market*

Exchange	2022	2023	2024 (Jan-Jun)
SSE	811	750	562
SZSE	1,130	1,064	464
NSE	**496**	**553**	**424**
Nasdaq#	454	391	244
KRX	399	473	208
CBOE Global	383	298	160
NYSE #	362	303	149
JPX	92	103	85
BIST	88	166	64
TAIEX	42	44	30

Source: WFE monthly statistics, NSE EPR

May'24 data has been used for Nasdaq, NYSE for Jun'24 due to its unavailability on the WFE portal.

Table 96: Global market share of trades in the top 10 exchanges in cash market*

Exchange	2022	2023	2024 (Jan-Jun)
SSE	16.7%	16.1%	23.5%
SZSE	23.3%	22.8%	19.4%
NSE	**10.2%**	**11.9%**	**17.8%**
Nasdaq#	9.4%	8.4%	10.2%
KRX	8.2%	10.1%	8.7%
CBOE Global	7.9%	6.4%	6.7%
NYSE #	7.5%	6.5%	6.2%
JPX	1.9%	2.2%	3.6%
BIST	1.8%	3.6%	2.7%
TAIEX	0.9%	0.9%	1.2%

Source: WFE monthly statistics, NSE EPR

May'24 data has been used for Nasdaq, NYSE for Jun'24 due to its unavailability on the WFE portal.

Table 97: No. of contracts traded (cr) in the top 10 exchanges in equity derivatives segment*

Exchange	2022	2023	2024 (Jan-Jun)
NSE	**3,378**	**8,021**	**5,913**
B3 #	729	680	393
CBOE Global	226	239	121
KRX	187	185	108
TSE	21	122	103
Nasdaq #	179	178	96
BIST	259	195	86
CME Group	192	167	85
NYSE	109	106	66
DBAG	123	114	57

Source: WFE monthly statistics, NSE EPR

May'24 data has been used for B3 and Nasdaq for Jun'24 due to its unavailability on the WFE portal.

Table 98: Global market share of contracts traded in the top 10 exchanges in equity derivatives segment*

Exchange	2022	2023	2024 (Jan-Jun)
NSE	**56.6%**	**74.4%**	**81.8%**
B3 #	12.2%	6.3%	5.4%
CBOE Global	3.8%	2.2%	1.7%
KRX	3.1%	1.7%	1.5%
TSE	0.4%	1.1%	1.4%
Nasdaq #	3.0%	1.7%	1.3%
BIST	4.3%	1.8%	1.2%
CME Group	3.2%	1.6%	1.2%
NYSE	1.8%	1.0%	0.9%
DBAG	2.1%	1.1%	0.8%

Source: WFE monthly statistics, NSE EPR

May'24 data has been used for B3 and Nasdaq for Jun'24 due to its unavailability on the WFE portal.

Table 99: Number of contracts traded (cr) traded in Stock futures of top-ranked exchanges*

Exchange	2022 (Jan-Jun)	2023 (Jan-Jun)	2024 (Jan-Jun)	% YoY
BIST	108.3	78.2	83.2	6.4
B3 #	73.4	77.3	70.9	-8.3
KRX	45.8	44.5	62.0	39.3
NSE	**14.9**	**13.5**	**22.9**	**70.2**
DBAG	6.8	5.3	6.8	27.4
TFEX	3.3	2.4	1.6	-32.5
IFEU #	1.1	1.1	1.0	-6.2
MX	1.0	0.9	1.0	4.9
BME Spanish #	0.5	0.7	0.8	18.3
JSE	1.0	0.6	0.4	-20.6

Source: WFE monthly statistics, NSE EPR

May'24 data has been used for B3, IFEU and BME for Jun'24 due to its unavailability on the WFE portal.

Table 100: Number of contracts traded (cr) traded in Stock options of top-ranked exchanges*

Exchange	2022 (Jan-Jun)	2023 (Jan-Jun)	2024 (Jan-Jun)	% YoY
B3 #	87.2	82.3	104.9	27.5
TSE	4.0	34.9	103.1	195.0
Nasdaq #	90.3	88.3	95.4	8.0
NSE	**38.0**	**43.9**	**71.5**	**62.7**
CBOE Global	76.6	72.6	70.7	-2.6
NYSE	56.5	54.8	65.9	20.4
MIAX	40.0	48.4	49.1	1.4
ISE	26.9	27.3	37.0	35.6
DBAG	9.6	8.9	8.7	-3.1
HKEX	7.2	7.5	8.3	10.4

Source: WFE monthly statistics, NSE EPR

May'24 data has been used for Nasdaq and B3 for Jun'24 due to its unavailability on the WFE portal.

Table 101: Number of contracts traded (cr) in Index futures of top ranked exchanges*

Exchange	2022 (Jan-Jun)	2023 (Jan-Jun)	2024 (Jan-Jun)	% YoY
B3 #	214.8	188.8	216.6	14.8
CME Group	82.5	67.8	64.1	-5.6
DBAG	28.0	25.3	21.0	-16.7
JPX	18.7	15.8	19.8	25.8
SGX	9.5	7.9	7.9	-0.4
HKEX	6.7	6.8	7.2	6.4
NSE	**6.1**	**4.2**	**6.4**	**50.6**
KRX	5.9	5.7	5.4	-4.8
CFFEX	3.5	3.3	5.1	56.9
IFUS	3.4	2.9	2.6	-9.7

Source: WFE monthly statistics, NSE EPR
May'24 data has been used for B3 for Jun'24 due to its unavailability on the WFE portal.

Table 102: Number of contracts traded (cr) in Index options of top ranked exchanges**

Exchange	2022 (Jan-Jun)	2023 (Jan-Jun)	2024 (Jan-Jun)	YoY (%)
NSE	**1367.1**	**2960.6**	**5812.3**	**96.3**
CBOE Global	31.6	45.1	50.2	11.3
KRX	38.8	33.5	36.4	8.8
CME Group	14.8	16.0	20.5	28.0
DBAG	22.1	21.0	20.2	-4.1
CFFEX	1.7	2.3	3.6	56.5
HKEX	1.4	1.8	1.8	2.9
JPX	1.2	1.5	1.5	3.8
TASE	1.5	1.3	1.3	-0.6
Euronext #	1.0	0.9	1.1	17.6

Source: WFE monthly statistics, NSE EPR
May'24 data has been used for Euronext for Jun'24 due to its unavailability on the WFE portal.

Table 103: Number of contracts traded (cr) in Currency futures of top ranked exchanges**

Exchange	2022 (Jan-Jun)	2023 (Jan-Jun)	2024 (Jan-Jun)	% YoY
B3 #	44.3	37.6	31.2	-16.9
NSE	**58.3**	**50.7**	**24.8**	**-51.0**
CME Group	11.0	11.1	12.2	10.3
MTR.BA	7.3	9.9	6.3	-35.9
KRX	5.7	5.6	5.8	3.5
BIST	4.3	3.3	2.7	-18.1
SGX	1.6	1.8	2.6	45.2
JSE	1.6	1.7	2.0	22.8
HKEX	0.2	0.2	1.0	429.6
GPW	0.2	0.2	0.2	-6.8

Source: WFE monthly statistics, NSE EPR
May'24 data has been used for B3 for Jun'24 due to its unavailability on the WFE portal.

Table 104: Number of contracts traded (cr) in Currency options of top ranked exchanges**

Exchange	2022 (Jan-Jun)	2023 (Jan-Jun)	2024 (Jan-Jun)	% YoY
NSE	**127.6**	**196.4**	**83.1**	**-57.7**
JSE	0.7	1.9	1.2	-36.6
CME Group	0.5	0.5	0.5	10.9
TASE	0.5	0.5	0.4	-13.8
B3 #	0.2	0.2	0.2	-35.7
BIST	0.01	0.02	0.1	249.6
BET	0.000	0.002	0.008	299.8
MX	0.002	0.000	0.003	753.8
SGX	0.001	0.004	0.001	-65.3
BMV	0.001	0.001	0.001	-2.1

Source: WFE monthly statistics, NSE EPR
May'24 data has been used for B3 for Jun'24 due to its unavailability on the WFE portal.

* ASX - Australian Securities Exchange, BIST - Borsa Istanbul, BME - Spanish Exchanges, BSE - BSE India Limited, HKEX - Hong Kong Exchanges and Clearing, ISE - International Securities Exchange, JPX - Japan Exchange Group Inc., JSE - Johannesburg Stock Exchange, KRX - Korea Exchange, LSE – London Stock Exchange, MOEX - Moscow Exchange, NSE - National Stock Exchange of India Ltd., NYSE – New York Stock Exchange, SGX - Singapore Exchange, SSE - Shanghai Stock Exchange, SZSE - Shenzhen Stock Exchange, TMX – TMX Group, TSE - Tehran Stock Exchange, TFE - Taiwan Futures Exchange, Tadawul - Saudi Stock Exchange (Tadawul), TASE - Tel-Aviv Stock Exchange, MIAX - Miami International Securities Exchange, DBAG - Deutsche Boerse AG, India INX - India International Exchange, IFEU – ICE Futures Europe, IFUS – ICE Futures US, BME – BME Spanish, GPW – Warsaw Stock Exchange. Only WFE member exchanges are included in the analysis.

Policy developments

India

Key policy measures by the SEBI during June[21]

June 5th, 2024	**Framework for providing flexibility to Foreign Portfolio Investors in dealing with their securities post expiry of their registration** SEBI has issued a framework to provide flexibility to Foreign Portfolio Investors (FPIs) in handling their securities post the expiry of their registration. Key modifications include provisions for the continuance of FPI registration, reclassification of FPIs, and dealing with changes in the compliance status of jurisdictions. FPIs are required to pay fees, update their information, and comply with KYC and AML/CFT requirements to maintain their registration. Additionally, SEBI has outlined procedures for disposing of securities held by FPIs whose registration has expired or has been deemed non-compliant. This includes specific time frames for selling such securities, imposition of financial disincentives for delayed disposals, and mechanisms for dealing with unsold securities. The custodians and stock exchanges are tasked with operationalizing these procedures and ensuring compliance, with detailed reporting requirements to SEBI. These provisions aim to protect investor interests and ensure the orderly regulation of the securities market.
June 6th, 2024	**Framework of "Financial Disincentives for Surveillance Related Lapses" at Market Infrastructure Institutions** SEBI has issued a framework for imposing financial disincentives on Market Infrastructure Institutions (MIIs) – which include Stock Exchanges, Clearing Corporations, and Depositories – for surveillance-related lapses. These institutions play a critical role in maintaining the integrity of the securities market, especially with the rise in trading activities and new trading techniques. Effective from July 1st, 2024, this framework aims to enhance market integrity by holding MIIs accountable for surveillance lapses. The framework mandates MIIs to monitor market activities, detect market abuse, and take prompt action to prevent it. Lapses include non-implementation or delayed implementation of SEBI decisions, inadequate reporting, and failures in surveillance activities. Based on the MII's annual revenue and the number of lapses, penalties ranging from INR 1 lakh to INR 1 crore will be applied, and MIIs must disclose these penalties on their websites and annual reports. MIIs will have an opportunity to make submissions before SEBI imposes penalties, which must be credited to the Investor Protection and Education Fund (IPEF) within 15 working days. The framework does not apply to market-wide impacts, large investor losses, or market integrity issues, which are subject to separate proceedings.

[21] For more details, please visit http://www.sebi.gov.in:

June 10th, 2024	**Ease of Doing Investments** SEBI's circular introduces measures to facilitate easier investment processes by removing the mandate to freeze demat accounts and mutual fund folios due to the non-submission of 'choice of nomination' forms. This decision, influenced by market participant feedback, means that existing investors will not face account freezes and will still be eligible for dividends, interest, or redemption payments even if they haven't submitted their nomination details. Additionally, any previously withheld payments will be processed, ensuring investors can access their funds without additional hurdles. New investors, however, are still required to provide nomination details for their demat accounts and mutual fund folios. To encourage existing investors to update their nomination information, SEBI has instructed Depository Participants and AMCs/RTAs to send regular email and SMS reminders and to introduce pop-up notifications on web and mobile platforms starting October 1, 2024. This initiative aims to ensure smoother asset transmission and reduce the accumulation of unclaimed assets in the securities market. The provisions of this circular are effective immediately, with detailed formats for providing or opting out of nomination included in the annexures.
June 14th, 2024	**Modification in Framework for Offer for Sale (OFS) of Shares to Employees through Stock Exchange Mechanism** SEBI issued a circular modifying the framework for Offer for Sale (OFS) of shares to employees via the stock exchange mechanism. Previously, employees were directed to place bids on T+1 day at the cut-off price of that day. However, following feedback and discussions in the Secondary Market Advisory Committee (SMAC), SEBI has decided to amend this process. Now, employees will place bids on T+1 day at the cut-off price of T day instead. The allotment price for employees will be determined based on the T day cut-off price, with any applicable discounts applied. This change comes into effect 30 days from the issuance of the circular. SEBI has instructed all Recognized Stock Exchanges, Clearing Corporations, and Depositories to make necessary system changes, amend relevant byelaws, rules, and regulations, and ensure dissemination of this circular to market participants and investors through their respective platforms. This initiative aims to enhance transparency and efficiency in the OFS process for employee shareholders across the securities market.
June 20th, 2024	**Modification in duration for Call auction in pre-open session for Initial Public Offer (IPO) and Relisted scrips** SEBI has modified the call auction framework in the pre-open session for IPOs and relisted scrips to address concerns over potential market manipulation. Previously, there were instances of placing large orders at inflated prices followed by their abrupt cancellation, which could distort market dynamics. The revised rules stipulate a 60-minute session starting at 9:00 a.m., with specific phases: 45 minutes for order entry, modification, and cancellation; 10 minutes for order matching and trade confirmation; and a 5-minute transition period. The session will now close randomly between the 35th and 45th minute to prevent predictability. Additionally, stock exchanges are mandated to enhance surveillance mechanisms and set up alerts based on parameters such as excessive order cancellations and significant price modifications during the pre-open auction, aiming to safeguard market integrity.

June 20th, 2024	**Introduction of a special call auction mechanism for price discovery of scrips of listed Investment Companies (ICs) and listed Investment Holding Companies (IHCs)** SEBI has introduced a special call auction mechanism without price bands for the price discovery of scrips belonging to listed Investment Companies (ICs) and Investment Holding Companies (IHCs). These companies often trade infrequently and at prices significantly lower than their book values based on audited financial statements. The initiative aims to enhance liquidity and ensure fair price discovery by identifying eligible ICs and IHCs based on specific criteria such as minimum asset allocation in listed companies and trading volume criteria. Stock exchanges will coordinate to conduct these auctions annually, with stringent surveillance measures to prevent market manipulation. The first session is scheduled for October 2024, with subsequent auctions aligned to annual financial disclosures of these companies.
June 27th, 2024	**Participation by Non-Resident Indians (NRIs), Overseas Citizens of India (OCIs) and Resident Indian (RI) individuals in SEBI registered FPIs based in International Financial Services Centres in India** SEBI has issued a circular regarding the participation of Non-Resident Indians (NRIs), Overseas Citizens of India (OCIs), and Resident Indian (RI) individuals in Foreign Portfolio Investors (FPIs) based in International Financial Services Centres (IFSCs) in India. The circular modifies the FPI Master Circular in alignment with the SEBI (Foreign Portfolio Investors) Second Amendment Regulations, 2024. Key amendments include allowing up to 100% aggregate contribution by NRIs, OCIs, and RIs in IFSC-based FPIs regulated by the International Financial Services Centres Authority (IFSCA). The amendments specify conditions for such participation, including submission of declarations and identity documents by the applicants to their Designated Depository Participants (DDPs). Additionally, the circular outlines criteria for FPIs regarding diversification of investments, independence of investment managers, and procedural requirements for compliance. These changes are aimed at facilitating easier participation and regulatory clarity for NRIs, OCIs, and RIs in FPIs operating from IFSCs, effective immediately upon issuance.
June 28th, 2024	**Facility for Basic Services Demat Account (BSDA) for Financial Inclusion and Ease of Investing** SEBI has introduced the **Basic Services Demat Account (BSDA)** to enhance financial inclusion and ease of investing. Eligibility requires individuals to hold only one demat account as sole or first holder, with securities valued below ₹10 Lakhs. Existing eligible demat accounts will automatically convert to BSDA unless owners opt for a regular account. BSDA holders enjoy waived annual maintenance charges (AMC) for holdings up to ₹4 Lakhs, with a nominal ₹100 AMC for holdings between ₹4 Lakhs and ₹10 Lakhs. Charges for other services are aligned with regular accounts. Effective from September 01, 2024, this initiative aims to simplify investing, encourage wider demat account adoption, and ensure compliance through revised rules and regulatory oversight.

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.

Our reports on the economy and markets since January 2022

Sr. No.	Date	Report
1	23-Jul-24	Union Budget 2024-25: Roadmap to Viksit Bharat
2	17-Jul-24	EY-NSE The Cost of Capital Survey 2024
3	28-Jun-24	Market Pulse June 2024: The last mile on the inflation path
4	28-Jun-24	Q4FY24 Corporate Earnings Review
5	25-Jun-24	Macro Review: Q4FY24 Balance of Payments
6	07-Jun-24	Macro Review: RBI Monetary Policy
7	01-Jun-24	Macro Review: Q4FY24 India GDP
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We gratefully acknowledge the contribution of Shantanu Sharma, Abhijay Nair, Dhruvi Shah, Mihir Raravikar and Ranjeet Singh (Research Associates) to this publication.

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