Market Pulse

A monthly review of Indian economy and markets

Market Pulse

Volume 6, Issue 10

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 at a glance

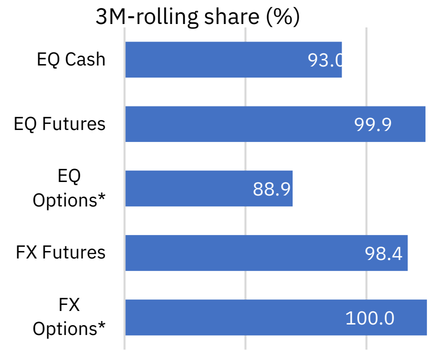
NSE's positioning and reach

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 September 30th, 2024

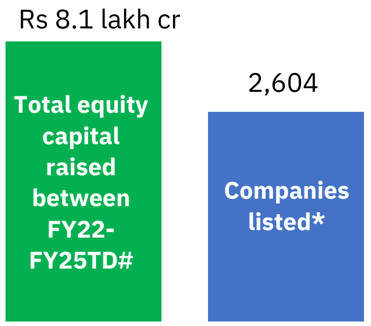
Reach

1,294	Trading members
99.84%+	Pin codes covered
10.37 Crore	Unique registered PANs
US$88.8bn	Total passive AUM tracking Nifty indices (As of Aug 31st, 2024)
US$5.6trn	Market cap (As of September 2024)

As of Septemebr 30th, 2024, unless specified otherwise

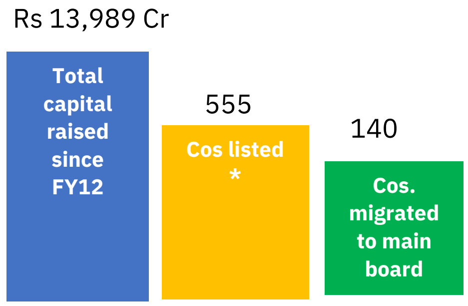
NSE's contribution to the economy

Catalyst for capital formation



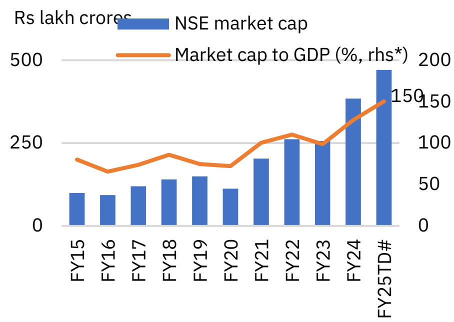
* Data is as of September 30th, 2024
# The data does not include business trusts

Dedicated MSME platform



* Data is as of September 30th, 2024

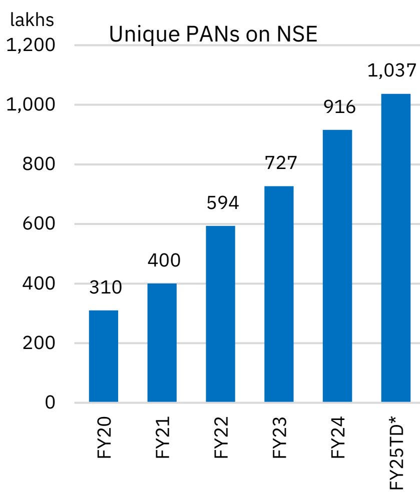
Market capitalisation



* Market cap to GDP is based on 3M avg. market cap and nominal GDP for last tree quarters. # As of September 30th, 2024

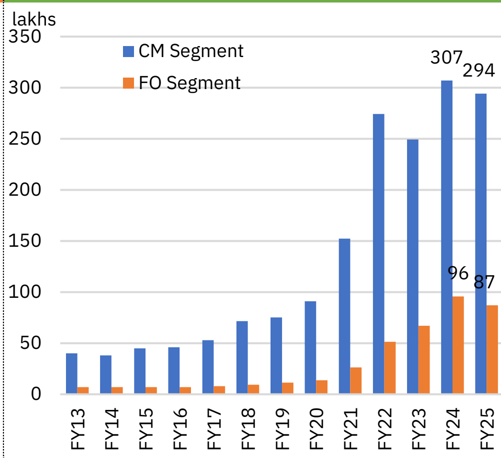
Investor growth

Unique investor base



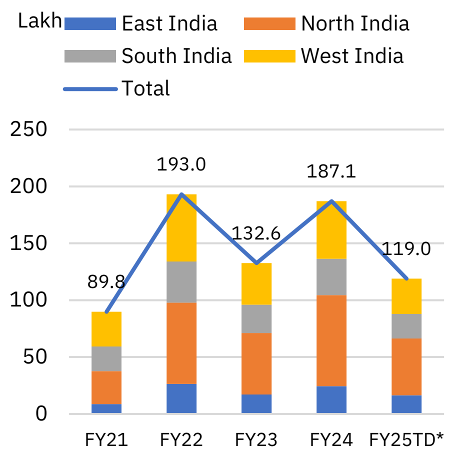
* As of September 30th, 2024

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 September 30tht, 2024.

New investor registrations



Top five states (UP, MH, WB, GJ, RJ) accounted for ~53% of new investor registrations in FY25TD.

NSE

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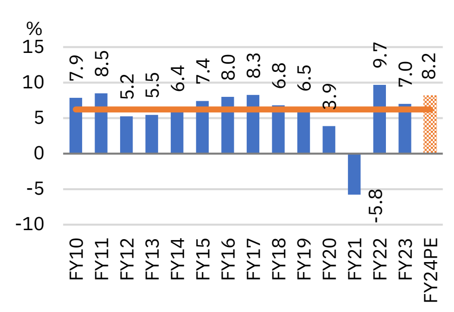
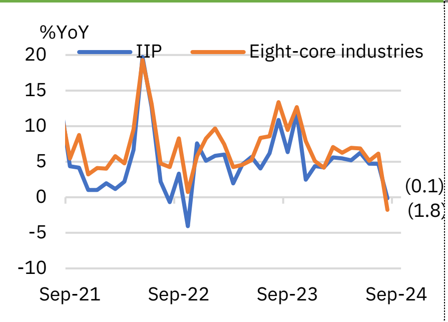
Key macro charts

Growth outlook robust

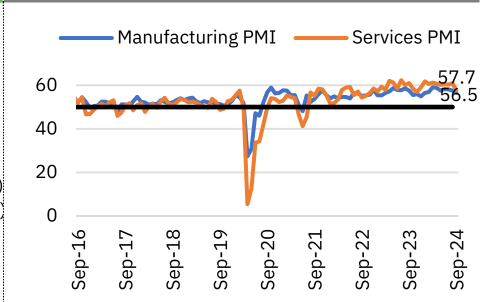
Annual GDP growth



Industrial activity contracts

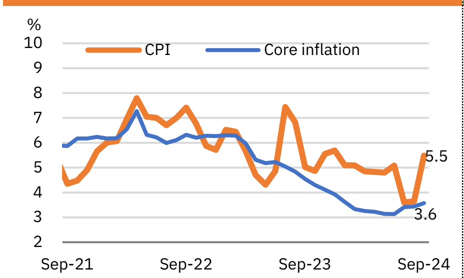


PMI in the expansion zone

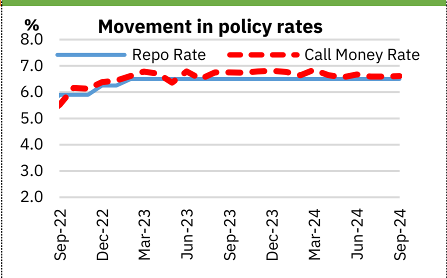


Inflation surges led by food; policy options equally balanced

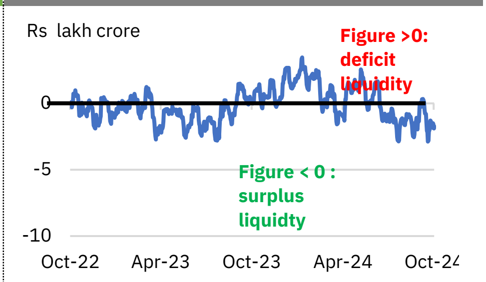
Inflation inches up



Call money rate aligned with repo

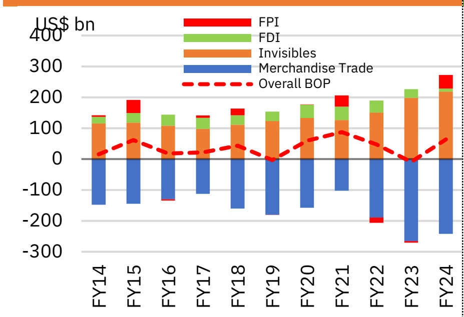


Liquidity in surplus

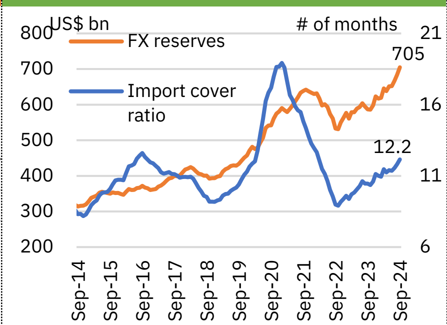


External situation comfortable; rupee stable

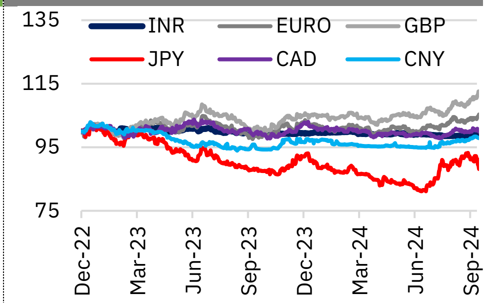
Overall BOP



Forex reserves

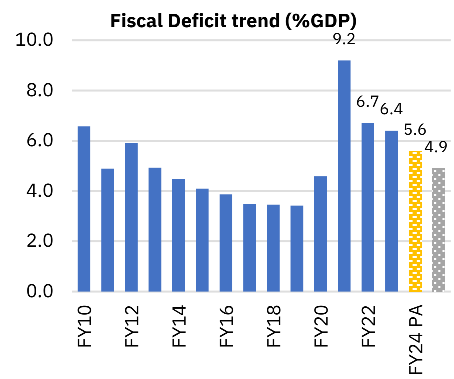


Rupee volatility contained

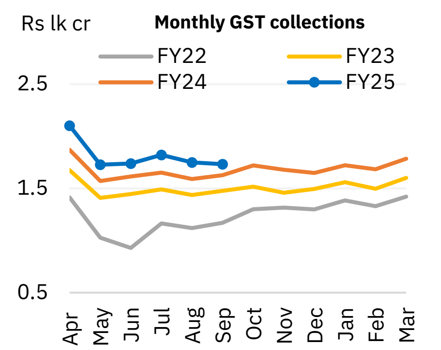


Fiscal prudence but with higher capex

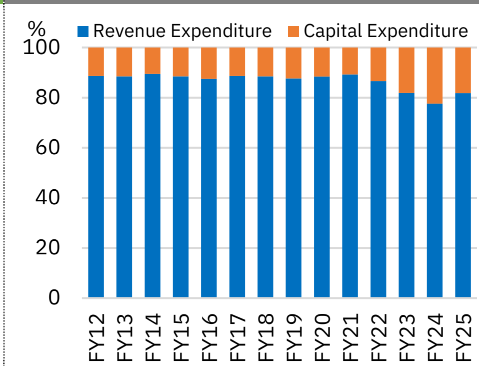
Fiscal consolidation underway



GST collections robust



Share of capex rising



Key market charts

Performance across asset classes

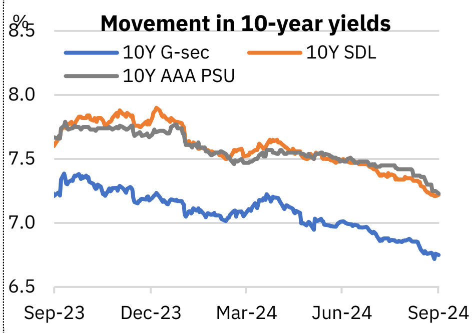
Equity

Returns of key equity indices (%)

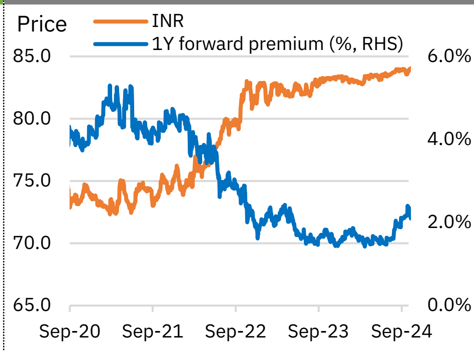
Indices	1M	6M	12M
Nifty 50	**2.3**	**15.6**	**31.4**
Nifty 50 USD	**2.4**	**15.1**	**31.3**
MSCI World	1.7	8.3	30.5
MSCI EM	6.4	12.2	22.9
S&P 500	2.0	9.7	34.4
Euro Stoxx 50	0.9	-1.6	19.8
FTSE 100	-1.7	3.6	8.3

* As of September 30th, 2024

Fixed income

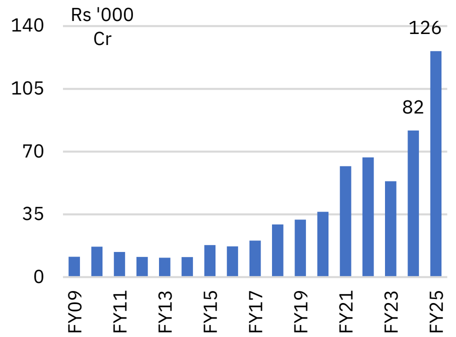


Currency



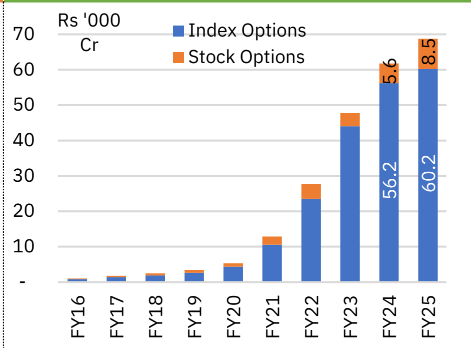
Segment-wise turnover trend

ADT in NSE's CM segment



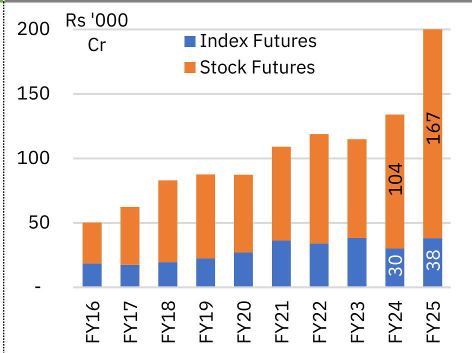
* Data for FY25 is as of September 30th, 2024

ADT in Equity options (premium)



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

ADT in Equity futures



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

Market activity

Category-wise gross turnover and share in FY25TD

Client category	CM		Equity options#		Equity futures	
	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)
Corporates	1,578	5%	762	4%	4,373	9%
DIIs	3,648	12%	15	0.1%	3,978	8%
FIs	4,536	14%	1,682	10%	12,827	25%
Individuals	11,149	35%	5,849	34%	9,756	19%
Others	1,448	5%	518	3%	2,616	5%
Prop	9,146	29%	8,356	49%	17,794	35%

Based on premium turnover. Data for FY25TD is as of September 30th, 2024

Average open interest

Instruments	Sep'24		Aug'24	
	Contracts ('000)	Value (Rs crore)	Contracts ('000)	Value (Rs crore)
Index Futures*	878	58,570	837	54,728
Stock Futures	5,523	4,38,182	5,495	4,28,337
Index Options*	21,693	14,74,472	19,346	12,71,767
Stock Options	3,934	3,15,472	4,299	3,37,671

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	1,00,609
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	3,41,505
Individuals#	-24,900	-22,000	-30,100	-8,243	-26,382	-37,988	-8,523	-25,280	52,897	1,42,755	88,376	5,243	1,09,657
In US$bn													
FIIs	24.4	20.1	16.1	3.2	3.2	7.5	-4.6	14.4	23	3.8	-16.5	20.7	10.7
DIIs	-10.6	-12.8	-4.8	10.4	5.2	14	16	6	-4.8	12.6	35.7	22	40.9
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	13.2

* As of September 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

In the wake of the Fed rate cut and the China stimulus

With the Fed rate cut in September, and the economic stimulus announced by China, the two largest economies of the world have been supported to improve or maintain their growth trajectory as growth falters. The extent of this support remains uncertain for either country, for now. In the US, expectations on the extent of rate cuts have varied with inflation and jobs data over the past many months. While the first cut in September was expected to be followed by more, the latest NFP data points to persistent strengths in the economy, tempering expectations. The latest Fed commentary shows risks on inflation and growth are roughly balanced for now. In China, the stimulus measures in September were necessitated by headwinds on decelerating growth, sustained weakness in the property sector and the links with local government debt, and weak consumer spending. Questions remain on the extent of the stimulus there, while the impending November elections add to policy uncertainty in the US, particularly on global trade, which has lately seen a nascent recovery, according to the WTO. With the two largest economies slowing down, global growth in 2025 is expected to be supported by Euro Area, where the IMF expects growth to have bottomed out in 2024, and countries with a domestic consumption story like India.

Global markets rallied on the 50bps rate cut by the Fed, and positive corporate earnings data in the US, after the carry trade unwind scare in Japan in August. Emerging market equities fared much better in September than their developed market counterparts, thanks to the belated rally in Chinese shares after the stimulus announcement. MSCI EM had its best month in ten and is up ~12% YTD despite a muted October. Led by the US, DM equities have done better this year, with the MSCI World up ~18% this year. Global debt's sustained rally of four months was tempered to some extent in October with the September NFP data.

Indian markets were up 2.3% in September on the benchmark NIFTY 50 index (life-time high of 26,216 on September 26th), buoyed by foreign inflows in the wake of the Fed rate cut that proved to be fair weather friends, reversing as they did in October, with rising geopolitical tensions and a resurgent Chinese market. Outflows in October at ~Rs 80,000 crore (US$ 8.4bn as of October 17th, 2024) have been the highest ever in a month—higher than in March 2020 (US$ 8.3bn)—but the sheer size of the FPI portfolio in India today (~US$929bn, as of September 2024) means that the market impact has been ~3.3% this month. Our Market Roundup section has far more detail on performance across size, sectors, geography and asset class.

On the macro front, the new MPC stayed put on rates in early October but shifted its stance after years from 'Withdrawal of accommodation' to 'Neutral', paving the way for an easier cost of funds going forward. The RBI Governor's recent comments on a rate cut now are noteworthy in this regard. CPI inflation rose to 5.5% in September on an unfavourable base and a near-term rise in food prices. On the external front, the trade deficit dropped to US$21 bn in September, on lower gold demand. On the fiscal side, buoyant revenues have kept the fiscal deficit at 27% of the FY25BE. The South-West monsoon this year has resulted in a surplus of 7.6% over the LPA, with lower variance across states as well, resulting in the net sown area rising by 1.9% YoY to ~111 m ha. Reservoir levels at 157 bcm are up 19% YoY.

After many moons, we have presented a fresh view of the bouquet of high-frequency indicators used to gauge the health of the economy. Our quartet of Consumption, Investment, External and Financial indexes provides a ready and well-rounded picture of the recent path followed by the economy. A near-term top in rural consumption is matched by a resilient urban segment. The External segment remains comfortable despite the recent drop into deficit on the current account, while the Financials index has a differentiated growth trajectory.

In our Markets section, fund mobilisation across debt and equity in September 2024 was at near three-year high of Rs1.85 lakh crore. On the equity mainboard, 13 companies raised a total of Rs14,825 crore of which 54% were new issuances, while 28 SME companies raised a record high of Rs1,194 crore on NSE Emerge. Total debt capital raising stood at Rs1.37 lakh crore. From a state-wise perspective, Maharashtra and Gujarat lead on the EMERGE platform, with a 56% share of the 555 companies listed on it. The two states also account for ~53% of the total capital raised (Rs13,989 crore). Turnover in the secondary markets eased marginally across equity and derivatives. Across the broad categories, while foreign investors were buyers in September (and sellers in October MTD), DIIs (Domestic Institutional Investors) were buyers across both the months. Individual investors turned sellers for the first time in five months, in September; their monthly inflows have averaged Rs9517 crore this fiscal. Activity in the cash segment remained highly skewed with over 77% of the turnover of Rs25.6 lakh core contributed by 20bps of the all the 1.58 crore investors.

In the Insights section, we have seven papers this month, the first three are from the CBS team at IIM Ahmedabad, and the rest from your very own EPR team. The first study investigates if communication improves coordination and increases earnings, especially when there are higher penalties for not coordinating by a lab experiment. The second paper explores safe withdrawal rate (SWR) for retirement planning. One major finding is that dynamics of a high inflation economy like India made retirement planning nuanced and challenging. The third paper is a study about the effects of overconfidence in financial knowledge and the discrepancy in financial decision-making in the context of US. An association between overconfidence and increased risk-taking in investments is demonstrated. Our fourth paper investigates women representation in firm value using the mandatory representation rule under the Companies Act 2013.

The fifth paper shows that lottery allotment in IPO results in higher trading in non-IPO stocks in case of gain and subsequently higher participation in IPO. The sixth paper presents evidence of financial democratisation in Norway, and the seventh paper dives into information, market frictions and welfare with large and small traders. Competition can sometimes reduce welfare, particularly when detailed private information diminishes the informativeness of prices. When there are informational frictions in the market, the central premise of this paper is that large traders can diminish the informativeness of prices.

The Nobel prizes announced earlier this month underlined the rising importance of a phenomenon in our lives today. More than the study of institutions recognized in the Economics prize—where despite the compelling arguments, there are notable and hard-to-explain exceptions—it is the acknowledgement of Artificial Intelligence as a field of study and its far-reaching consequences that were visible in the Chemistry and Physics Nobels. This isn't the first time this is being said, but we are well and truly in the "Age of AI" today. This is not an ideal claim in the technological world today. While the RSA and other algorithms in cryptography are safe from quantum decryption, for now, we did see the precise landing and then the 'catching' of a 71m, 3600t (when filled) first-stage booster rocket since the last Market Pulse was released. On that upbeat note, our October edition of the Pulse is presented for your kind perusal. As always, we welcome comments and suggestions.

Tirthankar Patnaik
Chief Economist

What's new in this edition!

In this edition of the Market Pulse, we have enhanced our analysis of Initial Public Offerings (IPOs), by providing category-wise allocation, and sector/state-wise distribution of capital raised on the Mainboard as well as the SME platform. These visual representations, coupled with our regular insights on IPOs (Mainboard and NSE Emerge), provide a comprehensive overview of the primary market activity on NSE. We invite you to engage with these insightful additions to our monthly report. Further details on the same are available in the section Primary markets.

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Chart of the month

Tracking high-frequency indicators: Resilient urban consumption

India's economy is projected to grow by 7.2% in FY25, according to RBI estimates, positioning it as the fastest emerging large economy despite ongoing global challenges and geopolitical risks. In recent months, high frequency indicators (HFIs) have demonstrated a mixed picture; rural consumption has moderated slightly while urban consumption remains resilient. That said, the rural consumption index in August is above the lowest point seen in December'23 led by strong growth in two-wheeler sales and reduced work demand by households under MGNREGA, which provides optimism. Above normal rainfall, healthy reservoir levels and encouraging sowing activity should result in an uptick in rural demand. Barring the sustained deceleration observed in passenger car sales, most urban high-frequency indicators demonstrate a robust performance led by domestic air passenger traffic, petrol consumption, gold and silver imports and net payroll additions under EPFO, indicating resilient urban consumption demand, which should get further fillip in the ongoing festive season.

The investment index (An equal-weighted index computed 13 high-frequency investment-linked indicators) which peaked in March 2024, has displayed some moderation, particularly reflected in industrial production, which has eased from the peak. On the other hand, business activity is bolstered by double-digit growth in international air-cargo, E-way bills, and GST collections, partly offset by subdued performance in diesel consumption and rail freight traffic. The external sector outlook is stable, bolstered by solid foreign exchange reserves, while the financial market index (An equal-weighted index computed using 16 financial market-linked indicators) has shown significant growth, driven by buoyant equity issuances and record mutual fund SIP inflows. The ongoing festive season is expected to reverse the ephemeral blip in economic activity, while rising capacity utilization and capex thrust by the Government should ensure investment activity remains robust. The RBI's MPC also revised upward its GDP growth projections for Q3 and Q4 FY25, bolstered by improved agricultural conditions, revival in rural demand, uptick in private investment activity supported by sustained thrust on government capex and buoyant services demand.

- **Rural consumption activity moderated marginally in July-August...:** Pursuant to the sustained increase in the rural consumption activity during December'23 to June'24 — reflected in the rural consumption index (An equal-weighted index computed using seven high-frequency indicators) primarily — led by two and three-wheeler and tractor sales, a notable fall was observed in July, only to reverse in August. Nonetheless, the index remains above the levels in Q4FY24, hinting towards green shoots in the rural economy. Robust double-digit growth in two-wheeler sales, coupled with sustained reduction in the work demanded by households under MGNREGA, is in indication of green shoots in rural consumption. On the other hand, tractor sales experienced negative growth in five of the eight months this year, while fertilizer sales were weak, except for the strong growth during the pre-sowing months of May-June'24. A part of this slowdown in rural consumption can be ascribed to higher retail inflation, which averaged 5.1% YoY in H1-FY25, and rural food inflation, which averaged 7.2% over the same period.

- **...While urban consumption growth remains intact:** Urban consumption activity has gradually picked up in recent months following a peak in February 2024. The spike observed in August has been driven primarily by a 123.2% YoY surge in gold and silver imports, attributed to increased festive demand and the customs duty reduction announced in the Union Budget. Barring passenger car sales, most high-frequency indicators—notably domestic air passenger traffic, non-oil, non-gold imports, petrol consumption, and the broadband subscriber base—have remained resilient, contributing to overall consumption in the economy. On the other hand, passenger car sales have contracted for 16 consecutive months through August, with the index remaining approximately 25% below the FY23 base. The relatively stronger performance of urban indicators compared to rural ones suggests the continuation of a K-shaped consumption recovery, a trend seen post-pandemic. On the employment front, indicators related to urban labour markets have shown relatively better performance, with the urban unemployment rate at 8.7% in August, lower than the FY24 average of 9.1%, and robust growth in EPFO additions.

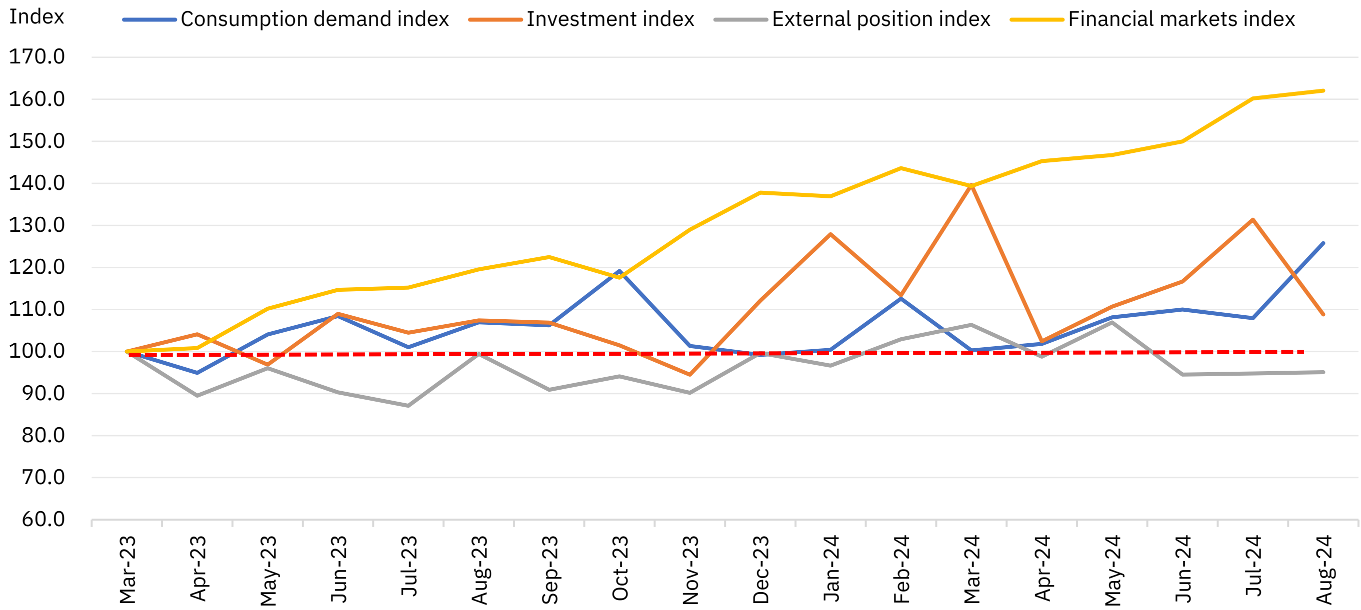
- **Investment activity moderates but sentiments remain strong:** The investment index, which peaked in March 2024, has shown some weakness lately, as reflected in moderation in industrial production growth, while business activity remains robust. Industrial production, following an average growth of 5.2% in the first four months of FY25, contracted by 0.1% in August, driven by a high base effect and rainfall-induced slowdown. The slowdown in business activity in August is evident in diesel consumption, rail freight and domestic air cargo, while the YoY growth in international air cargo, GST collections and E-way bills have remained in double-digits. International air cargo and E-way bills have seen consistent double-digit YoY growth for nine consecutive months, with the latter hitting record levels in August.

- **External position remains largely stable:** The external sector outlook remains stable, supported by strong foreign exchange reserves. However, merchandise exports have contracted recently due to ongoing geopolitical issues, longer shipping routes, and a general slowdown in global economic activity. Import growth has been steady, reflecting strong consumer demand, particularly from urban areas, leading to a 15.3% widening of the trade deficit to US$ 137.4 billion in the first half of FY25. Meanwhile, both services exports and imports have maintained momentum, resulting in a surplus of US$ 82.6 billion in H1-FY25, a 10% increase from H1-FY24. Barring the recent depreciation in the rupee below Rs 84/$, the currency has remained broadly stable supported by FPI inflows and RBI's intervention to contain the volatility.

- **Financial index continues to display strength:** Among the four different indices, the financial market index (An equal-weighted index computed using 16 high-frequency market-linked indicators) has surged, in contrast to the performance of the other indices. On the equity front, equity issuances have remained buoyant while bank credit offtake has been in double-digits across key heads, albeit with some moderation in recent months. This can be ascribed to a slowdown in personal loans and credit to NBFCs amidst the recent concerns raised by the RBI. Investor participation in the secondary equity market has been robust with strong growth in investor accounts, record level of MF flows via SIPs, translating into market capitalization of NSE-listed companies surpassing US$5.5 trn. Notwithstanding the concerns around deposit mobilization by banks, deposit growth (4.1%) so far this fiscal has outpaced the credit growth (3.2%). On the cost of credit, the weighted average lending rates for both new loans and O/S loans have inched up marginally since Mar'24 while the yields on T-bills and GSecs have seen some moderation.

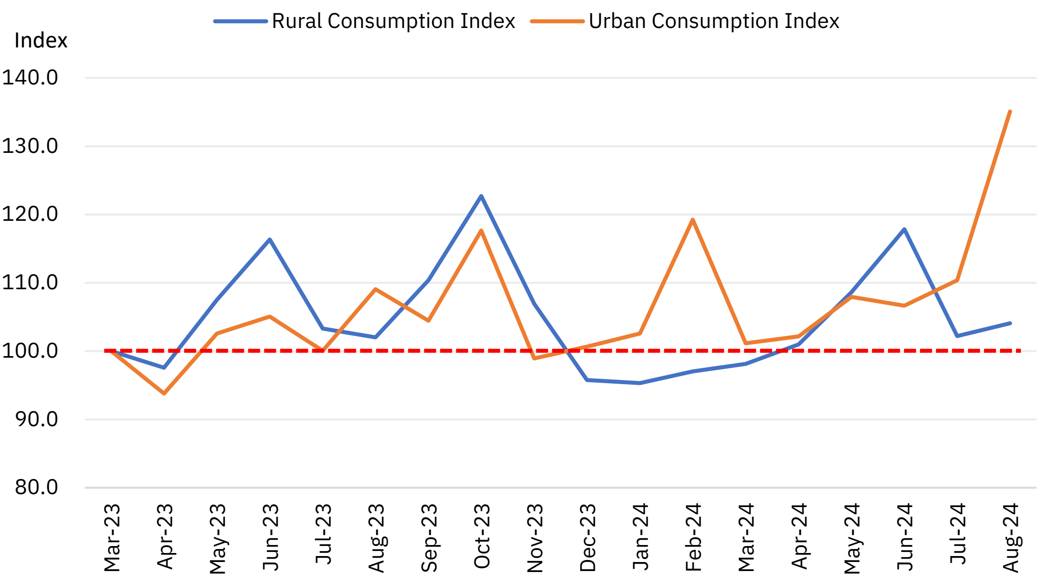
- **Looking ahead:** Global growth outlook remains benign amid risks emanating from ongoing geopolitical risks. Countries are increasingly adopting idiosyncratic policy measures based on domestic fundamentals while monitoring policy actions in advanced economies. Despite a slowdown in the GDP growth in Q1FY25 to 6.7%, India remains the fastest-growing large economy, with the recent softness in consumption demand is likely to see some reversal during the ongoing festive season. Further, an above normal monsoon, coupled with strong prospects for the upcoming rabi season, should provide further impetus to rural demand. The investment outlook also remains robust, supported by resilient credit demand, rising capacity utilization, healthy balance sheets of banks and corporates and continued focus on capital spending by the Centre. India's robust economic potential is also reflected in the recent upward revisions in GDP growth forecasts by several multi-lateral institutions. The RBI, in the recent policy review, also revised its growth forecasts for Q3 and Q4 upwards by 10bps and 20bps respectively to 7.4% each, even as the full-year estimate was retained at 7.2%.

Figure 1: Movement in consumption, investment, external and financial market indices
(100= average of Apr'22-Mar'23)



Source: CMIE Economic Outlook, RBI, SEBI, AMFI, Refinitiv Datastream, Bloomberg, MGNREGA website.
Note: Data has been extracted on October 15th, 2024. The indices are constructed using 55 high-frequency indicators using an equal-weighted approach.

Figure 2: Movement in rural and urban consumption demand indicators



The lag in rural high frequency indicators relative to a better performance of the urban indicators substantiates the hypothesis of a K-shaped recovery.

Source: CMIE Economic Outlook, RBI, SEBI, AMFI, Refinitiv Datastream, Bloomberg, MGNREGA website
Note: 1. Data has been extracted on October 15th, 2024.
2. Rural and Urban Consumption Index are equal-weighted indices computed using seven (7) and nine (9) high-frequency indicators respectively.

Table 1: Monthly trend of movement in high-frequency macro/market indicators

(Average of Apr'22-Mar'2023 = 100, unless specified otherwise)

	2023									2024							
Index	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**
Consumption	**94.9**	**104.1**	**108.4**	**101.0**	**107.0**	**106.2**	**119.2**	**101.3**	**99.2**	**100.4**	**112.6**	**100.2**	**101.8**	**108.1**	**110.0**	**107.9**	**125.8**
Rural	97.6	107.5	116.3	103.3	102.0	110.4	122.7	106.9	95.8	95.3	97.0	98.1	101.0	108.6	117.8	102.2	104.1
Urban	93.8	102.6	105.1	100.1	109.1	104.4	117.6	98.9	100.7	102.6	119.3	101.1	102.2	107.9	106.6	110.4	135.1
Perceptions	121.3	121.5	124.8	124.6	123.2	130.5	134.1	134.9	138.0	136.8	136.4	136.2	140.2	141.6	141.8	143.6	140.2
Investment	**104.1**	**96.9**	**109.0**	**104.5**	**107.4**	**106.9**	**101.5**	**94.5**	**112.1**	**127.9**	**113.4**	**139.6**	**102.4**	**110.7**	**116.7**	**131.4**	**108.8**
Ind. production	98.4	103.9	104.7	103.4	107.5	108.1	106.6	98.6	106.6	110.0	107.5	120.0	104.8	110.8	110.7	110.9	109.9
Activity	109.8	89.9	113.3	105.5	107.3	105.7	96.4	90.3	117.6	145.8	119.3	159.2	100.0	110.6	122.6	151.9	107.7
External Sector	**89.5**	**96.0**	**90.3**	**87.1**	**99.4**	**90.9**	**94.1**	**90.2**	**99.6**	**96.7**	**102.9**	**106.3**	**98.8**	**106.9**	**94.5**	**94.8**	**95.1**
Financial mkts	**100.8**	**110.2**	**114.7**	**115.2**	**119.5**	**122.5**	**117.5**	**129.0**	**137.8**	**136.9**	**143.6**	**139.4**	**145.3**	**146.7**	**150.0**	**160.2**	**162.1**
Cost of credit	103.8	103.5	104.1	105.2	105.7	105.4	107.6	106.7	105.6	105.8	105.2	104.9	106.2	104.5	104.6	104.2	103.6
Access to capital	96.7	109.4	117.1	109.2	115.5	120.2	111.6	137.7	142.2	123.2	139.0	137.5	141.2	132.4	123.9	140.0	151.3
Participation	99.6	113.2	114.6	122.2	127.9	129.6	123.8	130.1	148.3	162.5	164.2	151.6	162.1	172.4	186.5	197.3	189.4
Share of wallet	106.2	108.0	112.3	114.2	115.2	117.6	117.2	119.1	122.9	125.1	127.6	129.0	132.5	135.4	139.4	143.4	145.5

Source: CMIE Economic Outlook, RBI, SEBI, AMFI, Refinitiv Datastream, Bloomberg, MGNREGA website.
Note: Data has been extracted on October 15th, 2024.

Table 2: Movement in high-frequency indicators in consumption and external sectors

(Average of Apr'22-Mar'23 = 100, unless specified otherwise)

	2023									2024							
Indicators	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**
Consumption																	
Rural																	
2W sales	98.2	106.5	98.7	97.0	114.2	126.2	134.5	117.0	92.2	108.0	113.7	111.6	127.5	118.9	117.0	108.7	126.1
3W sales	92.7	104.5	109.1	116.3	127.4	145.3	143.9	120.6	103.3	103.3	113.0	113.8	100.6	110.3	120.2	121.0	138.8
Tractor sales	97.5	102.4	119.6	75.2	69.7	118.3	140.7	88.6	58.5	70.4	58.1	83.6	94.7	102.9	123.8	76.2	65.9
Fertilizer sales	71.2	94.7	101.8	113.7	111.1	103.6	113.1	111.6	107.4	97.2	73.1	87.3	68.6	104.6	109.2	112.1	
Daily work demand	113.1	144.3	158.5	106.8	87.0	87.0	83.5	83.1	90.6	89.4	103.1	82.9	97.9	123.6	120.1	86.0	73.1
Daily work provided	115.3	154.4	170.4	113.1	93.2	91.3	86.6	85.3	92.7	88.0	100.7	79.8	99.1	130.4	123.4	88.0	76.0
Avg rural wage	103.0	103.8	105.0	105.7	105.9	106.0	106.3	106.8	107.5	108.0	108.3	109.1	109.1	109.6	110.2	110.7	
Rural unemployment	107.3	96.4	121.7	108.5	98.9	86.1	136.9	120.8	110.9	91.0	110.0	98.6	108.6	90.4	124.2	100.7	116.6
Urban																	
Passenger car sales	96.4	92.2	89.2	84.2	92.0	85.7	99.7	78.6	57.9	96.9	88.8	85.5	73.8	82.0	76.9	74.1	74.5
Dom. air pass. traffic	113.3	116.9	110.4	108.0	110.2	108.5	111.4	112.6	121.8	116.3	112.9	119.4	117.7	123.9	118.0	116.2	117.6
Imports ex oil, gold, silver	88.1	98.3	92.4	98.2	105.3	93.3	99.7	91.7	103.3	91.2	91.0	97.0	89.9	99.6	98.7	103.7	108.0
Gold & silver imports	33.4	110.8	150.1	105.2	151.7	125.6	254.4	116.9	94.1	71.2	234.4	69.9	96.7	103.3	97.5	98.1	338.7
Broadband subscribers	103.9	104.6	105.2	106.0	107.0	108.1	108.5	109.5	110.5	111.3	112.0	112.9	113.4	114.2	114.9	115.6	
Petrol consumption	98.7	114.9	108.1	102.4	106.1	104.9	107.7	107.4	102.6	106.4	103.7	114.0	112.7	118.8	113.1	113.1	115.3
Naukri Jobspeak Index	93.3	97.9	96.1	88.5	91.7	97.5	85.4	81.9	83.9	84.4	95.6	91.3	90.9	96.2	88.8	98.9	88.6
Urban unemployment	121.3	107.3	95.0	94.8	118.8	112.5	100.0	109.5	119.3	106.7	100.8	95.3	102.3	102.1	106.4	101.0	103.0
EPFO net payroll add.	95.6	80.2	99.1	113.3	98.7	103.9	92.1	82.2	112.6	138.8	134.1	124.8	122.0	131.3	145.4	172.7	
Perceptions																	
Rural Cons. Sent. Index	118.7	119.4	121.2	124.0	120.8	130.6	132.7	134.3	137.3	134.3	135.0	135.4	147.3	147.8	141.1	144.1	139.3
Rural Cons. Exp. Index	118.9	117.8	121.9	126.1	121.2	132.2	136.0	138.3	140.9	138.7	138.3	139.8	148.9	148.9	141.3	146.3	143.2
Urban Cons. Sent Index	123.3	124.4	127.5	124.6	124.1	128.2	133.3	133.3	136.0	135.6	134.9	134.5	132.0	134.5	141.6	141.6	138.5
Urban Cons. Exp. Index	124.2	124.6	128.4	123.9	126.9	131.0	134.3	133.6	137.7	138.8	137.3	135.1	132.5	135.1	143.3	142.5	139.9
External Sector																	
Merchandise imports	82.2	96.4	89.7	89.7	104.4	91.3	106.3	91.3	94.6	89.4	100.7	96.0	91.7	104.1	95.0	96.3	107.8
Oil imports	78.5	89.3	72.1	67.7	93.4	80.2	92.5	85.6	85.6	89.0	96.8	98.7	94.6	114.3	86.2	79.5	63.1
Merchandise exports	92.1	93.0	91.3	91.8	101.8	91.5	89.0	89.8	102.1	99.3	110.1	111.0	93.9	105.4	93.5	90.1	92.3
Agri exports	97.0	93.3	83.3	86.2	91.5	81.4	84.6	80.6	95.8	90.0	105.0	112.1	90.8	97.4	86.8	85.2	87.1
Services imports	92.0	104.7	102.9	90.6	99.5	96.1	88.7	90.2	103.0	97.8	100.4	109.4	110.4	111.2	99.7	104.8	108.3
Services exports	95.1	99.6	102.5	96.7	105.9	104.8	103.5	103.7	116.7	114.4	104.5	110.7	111.3	109.2	105.8	112.8	111.9
USDINR (eop)	101.5	102.6	101.8	102.1	102.6	103.1	103.3	103.4	103.1	103.1	102.9	103.4	103.6	103.4	103.5	103.9	104.1

Source: CMIE Economic Outlook, RBI, SEBI, AMFI, Refinitiv Datastream, Bloomberg, MGNREGA website. Note: Data has been extracted on 15th Oct 2024.

Table 3: Movement in high-frequency investment indicators
(Average of Apr’22-Mar’23 = 100, unless specified otherwise)

	2023									2024							
Indicators	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**
Investment																	
Industrial Production																	
IIP	101.6	105.1	103.9	103.0	105.3	102.8	104.6	101.9	110.0	110.9	106.2	115.5	106.9	111.6	108.8	107.9	105.1
IIP: Manufacturing	101.2	104.4	103.3	103.6	105.3	103.2	103.6	101.6	110.6	110.0	105.3	113.9	105.5	109.5	106.6	108.2	106.4
IIP: Capital Goods	92.2	102.3	107.1	101.8	107.1	112.3	105.8	97.8	103.5	108.0	106.4	131.3	94.8	105.3	111.2	113.8	107.8
IIP: Const. & Infra. Goods	105.7	107.8	106.4	106.0	110.0	107.6	109.5	102.2	112.2	116.1	111.7	121.5	114.7	114.6	114.0	110.9	112.2
IIP: Cons. Durables Goods	94.4	101.0	102.0	102.2	107.6	109.2	107.4	93.0	100.0	106.0	106.5	113.5	104.4	113.7	110.9	110.7	113.2
Eight-core sector output	103.1	107.3	106.3	104.4	108.1	103.4	106.6	102.5	109.9	112.8	107.5	119.3	110.2	114.7	111.7	110.9	106.2
Steel production	107.4	108.1	107.7	107.6	111.4	111.4	113.1	108.1	116.1	122.3	113.9	123.4	117.9	117.7	115.0	114.5	116.4
Steel consumption	100.0	104.4	101.4	106.4	111.4	112.5	115.8	113.5	121.3	115.9	117.5	124.6	112.9	120.2	122.2	122.2	126.2
Coal production	98.6	102.5	99.3	93.4	91.9	90.5	105.6	113.6	124.9	133.9	129.8	156.6	106.0	113.0	114.0	99.7	84.5
Cement production	112.5	112.4	114.3	97.4	106.7	97.4	106.4	91.7	112.5	112.7	113.9	128.6	112.7	111.7	116.5	102.7	103.4
Electricity production	103.8	108.8	110.8	110.1	119.0	111.2	110.0	95.2	98.0	106.5	101.1	110.2	114.4	123.8	120.3	118.9	113.0
Activity																	
Diesel consumption	109.2	114.8	110.4	96.2	93.2	90.7	106.6	105.1	106.2	103.7	104.0	111.9	110.7	117.5	111.5	100.5	90.8
Rail freight traffic	100.4	106.5	97.7	98.4	100.7	98.0	102.4	101.9	110.3	113.3	108.4	124.3	101.8	110.5	107.5	102.9	95.7
Domestic air cargo	105.3	102.3	99.1	103.8	107.0	100.0	112.3	105.1	107.0	99.6	100.6	107.7	94.1	112.9	109.4	112.9	107.5
International air cargo	100.9	103.5	104.5	103.7	106.2	106.7	110.6	101.1	111.2	107.5	119.5	137.9	117.2	123.4	125.1	129.0	128.2
Port cargo	100.8	104.1	98.9	101.4	99.7	94.7	107.8	108.4	106.9	110.8	102.3	113.1	102.9	110.2	105.7	107.2	106.4
Daily E-way bills	105.8	110.4	107.8	110.2	117.0	115.3	125.6	109.7	119.3	120.2	121.9	129.7	121.1	129.2	125.4	131.3	132.1
GST collections	124.3	104.4	107.3	109.7	105.7	108.1	114.3	111.6	109.6	115.7	111.8	118.6	139.7	114.8	115.5	121.0	116.3
New orders (machinery)	161.4	14.3	232.8	35.4	132.7	134.1	22.4	33.9	220.8	469.5	199.2	465.2	22.4	100.3	232.0	472.4	120.9
New orders (Ind/Infra)	80.3	48.6	60.9	190.9	103.6	103.5	65.2	36.1	66.9	71.7	105.9	124.4	90.5	76.4	71.5	89.8	71.2
Perceptions																	
BIZ Assessment Index*			102.6			105.1			104.1			104.4			101.3		
BIZ Expectations Index*			93.7			98.3			100.4			96.6			94.3		
Manufacturing PMI	102.9	105.6	104.0	103.8	105.5	103.5	99.9	100.8	98.8	101.7	102.4	106.4	105.8	103.5	104.9	104.6	103.5
Services PMI	108.2	106.8	102.1	108.8	104.9	106.5	101.9	99.3	103.0	107.9	105.8	106.8	106.1	105.1	105.6	105.3	106.3

Source: CMIE Economic Outlook, RBI, SEBI, AMFI, Refinitiv Datastream, Bloomberg, MGNREGA website.
Note: Data has been extracted on October 15th, 2024.

Table 4: Movement in high-frequency financial market indicators

(Average of Apr'22-Mar'23 = 100, unless specified otherwise)

	2023										2024							
Indicators	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**
Financial markets																		
Cost of credit																		
WALR (new loans)	100.0	106.4	108.7	107.8	110.7	111.0	110.0	111.4	110.3	109.3	110.5	109.7	109.8	111.9	110.1	109.3	110.2	110.3
WALR (O/S loans)	100.0	105.5	105.7	106.2	106.2	106.2	105.9	106.2	106.0	106.0	106.3	106.2	106.3	106.0	106.0	106.9	106.9	106.9
1Y T-bill	100.0	106.3	104.3	105.5	106.2	107.8	107.4	112.9	111.2	109.5	109.2	108.3	107.4	108.7	106.8	106.8	105.3	103.8
10Y G-sec yield	100.0	97.0	95.2	96.9	97.7	97.6	98.2	100.2	99.2	97.8	97.3	96.4	96.1	98.0	95.2	95.5	94.3	93.5
Access to capital																		
Equity issuances	100.0	22.2	95.3	104.1	110.8	128.5	183.9	83.7	228.8	216.8	88.4	207.5	143.9	316.0	159.6	72.6	200.9	359.8
Debt issuances	100.0	73.9	119.0	160.4	49.2	84.2	91.0	57.7	157.6	185.0	118.9	151.3	171.5	54.8	96.4	99.8	118.8	73.5
Agri credit (O/S)	100.0	110.2	109.8	114.8	114.0	114.5	113.8	119.4	120.5	124.5	125.6	127.0	129.3	131.9	133.5	134.8	134.6	134.9
Ind. credit (O/S)	100.0	103.6	103.1	104.9	102.9	104.2	105.6	108.7	109.6	111.5	111.2	111.7	111.2	111.3	112.7	113.5	113.3	114.3
Serv. credit (O/S)	100.0	112.5	113.3	119.5	120.4	121.5	120.1	125.5	127.1	131.3	131.7	133.9	136.7	136.9	139.5	140.3	137.2	138.4
Cons. Dur. Loans (O/S)	100.0	101.4	102.5	107.0	105.6	105.9	100.1	106.0	112.7	116.1	115.4	114.5	113.2	112.6	117.9	115.2	117.5	116.5
Credit card O/S	100.0	118.3	119.0	124.1	126.6	129.3	121.7	134.9	137.1	141.2	144.9	144.7	144.0	145.5	150.2	153.0	154.5	155.0
Vehicle loans (O/S)	100.0	110.9	111.5	114.7	116.0	117.1	118.4	120.8	123.3	127.3	126.0	127.1	128.6	129.7	131.5	131.8	135.0	133.3
Housing loans (O/S)	100.0	108.0	108.3	110.6	134.2	135.0	133.4	138.2	139.8	142.2	143.3	144.5	146.6	147.8	150.1	150.8	151.4	152.6
Dig. retail payments	100.0	105.7	112.3	110.5	112.7	115.2	114.1	121.0	120.3	125.7	126.0	127.6	149.9	125.4	132.6	127.7	136.6	134.4
Participation																		
Inv. Acc. (NSDL, CDSL)	100.0	112.3	114.4	116.6	119.5	122.6	125.5	128.0	130.7	134.8	139.2	143.4	146.5	149.4	152.9	157.0	161.4	165.5
SIP inflows	100.0	105.6	113.5	113.4	117.3	121.7	123.4	130.2	131.4	135.5	144.9	147.6	148.3	156.7	160.8	163.6	179.5	181.2
Market cap	100.0	101.3	105.7	110.5	114.3	115.2	118.8	115.8	124.8	135.4	141.2	144.2	144.1	151.2	153.3	163.4	172.0	172.9
Trading vol on NSE	100.0	79.3	119.2	118.1	137.7	151.9	150.7	121.2	133.7	187.6	224.7	221.7	167.5	191.2	222.6	262.0	276.1	237.9
Share of wallet																		
MF avg. net AUM	100.0	105.4	109.0	113.8	117.5	119.1	121.3	121.3	123.7	129.7	134.3	138.4	139.6	144.7	148.7	155.7	164.2	167.6
Agg. deposits (O/S)	100.0	106.9	107.0	110.8	110.9	111.3	114.0	113.2	114.5	116.2	116.0	116.9	118.4	120.3	122.0	123.1	122.6	123.4

Source: CMIE Economic Outlook, RBI, SEBI, AMFI, Refinitiv Datastream, Bloomberg, MGNREGA website.
Note: Data has been extracted on October 15th, 2024

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Table 5: Growth/change in high-frequency macro/market indicators

Indicators	Δ	2023									2024							
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Consumption																		
Rural																		
2W sales	% YoY	1.8	8.2	-5.9	-9.1	-0.2	1.1	17.2	24.8	13.8	25.0	35.5	18.1	29.8	11.6	18.6	12.0	10.4
3W sales	% YoY	16.2	32.6	28.0	19.3	9.9	24.3	15.9	12.2	13.3	2.1	14.9	9.9	8.5	5.6	10.2	4.0	8.9
Tractor sales	% YoY	-13.0	-2.4	-0.7	0.0	-4.1	-15.6	-5.3	1.5	-21.3	-14.5	-25.7	-19.5	-2.9	0.5	3.5	1.4	-5.5
Fertilizer sales	% YoY	-13.9	2.1	1.7	4.4	2.7	5.7	10.4	-5.5	-3.1	-9.1	-13.5	0.6	-3.7	10.5	7.3	-1.4	
Work demand	% YoY	3.4	3.2	6.1	15.1	19.7	10.6	18.1	-4.7	-5.9	-5.0	-3.2	-19.2	-13.4	-14.3	-24.2	-19.5	-16.0
Work provided	% YoY	10.9	9.4	10.9	19.2	25.6	14.1	19.8	-3.4	-6.8	-2.1	0.8	-21.9	-14.1	-15.5	-27.6	-22.2	-18.4
Rural wages	% YoY	5.7	6.3	7.0	6.9	6.7	6.5	5.9	5.7	6.0	6.2	6.0	6.4	5.9	5.6	5.0	4.7	
Rural unemployment	bps	53.0	30.0	68.0	163.0	-57.0	36.0	165.0	107.0	53.0	11.0	69.0	-72.0	1.3	-6.2	2.1	-7.2	17.9
Urban																		
Passenger car sales	% YoY	11.4	-3.0	-12.1	-23.5	-10.1	-21.6	-7.7	-21.2	-27.8	-7.6	-18.5	-8.7	-23.4	-11.1	-13.7	-12.0	-19.0
Dom. air traffic	% YoY	22.6	15.7	19.2	26.3	23.6	19.3	10.7	8.7	8.1	5.0	5.8	4.7	3.8	5.9	6.9	7.6	6.7
Imports ex oil, gold, solver	% YoY	-11.3	0.4	-14.3	-8.7	1.6	-11.3	4.0	-4.4	-0.9	-2.0	3.8	-4.6	2.0	1.3	6.9	5.7	2.5
Gold & silver imports	% YoY	-38.9	-42.5	43.0	2.4	18.9	-14.0	99.5	16.2	134.6	194.7	197.9	-30.3	189.9	-6.7	-35.0	-6.7	123.2
Broadband subscribers	% YoY	7.9	7.8	7.6	7.5	7.7	8.4	8.1	8.6	8.7	8.6	9.2	9.2	9.1	9.1	9.2	9.0	
Petrol consumption	% YoY	2.9	11.0	6.2	6.2	2.9	8.2	4.8	9.4	0.2	9.6	8.9	6.9	14.2	3.4	4.6	10.5	8.6
Naukri Jobs Index	% YoY	-5.2	-0.5	-2.9	-18.8	-5.7	-8.6	1.2	-23.3	-15.6	-11.1	-7.5	-10.8	-2.7	-1.8	-7.6	11.8	-3.4
Urban unemployment	bps	106.0	85.0	73.0	-19.0	50.0	182.0	113.0	36.0	2.0	49.0	62.0	-51.0	-15.7	-4.8	12.0	6.6	-13.3
EPFO net payroll add	% YoY	-7.4	-12.9	-7.9	-1.5	-3.0	2.9	35.2	-15.1	24.9	35.4	27.1	7.5	27.6	63.8	46.7	52.4	
Perceptions																		
Rural Cons Sent. Index	% YoY	32.5	36.4	37.8	30.7	27.9	31.0	26.4	29.1	34.0	24.7	20.0	18.4	24.1	23.8	16.5	16.3	15.4
Rural Cons. Exp. Index	% YoY	32.6	33.6	39.6	35.0	28.1	33.8	30.7	32.4	36.9	29.0	22.1	20.7	25.2	26.4	15.9	16.0	18.2
Urban Cons. Sent. Index	% YoY	54.9	43.4	44.4	34.6	35.4	27.1	24.0	26.1	31.4	25.5	17.3	11.5	7.1	8.1	11.1	13.7	11.6
Urban Cons. Exp. Index	% YoY	54.9	44.0	46.4	34.4	41.1	31.5	26.3	26.5	31.8	29.2	17.2	10.0	6.6	8.4	11.6	15.1	10.3
Investment																		
Ind. Production																		
IIP	% YoY	4.6	5.7	4.0	6.2	10.9	6.4	11.9	2.5	4.4	4.2	5.6	5.5	5.2	6.2	4.7	4.7	-0.1
IIP: Manufacturing	% YoY	5.5	6.3	3.5	5.3	10.0	5.1	10.6	1.3	4.6	3.6	4.9	5.9	4.2	5.0	3.2	4.4	1.0
IIP: Capital Goods	% YoY	4.4	8.1	2.9	5.1	13.1	8.4	21.7	-1.1	3.7	3.2	1.7	7.0	2.8	2.9	3.8	11.8	0.7
IIP: Const, infra goods	% YoY	13.4	13.0	13.3	12.6	15.7	10.1	12.6	1.5	5.5	5.5	8.3	7.4	8.5	6.3	7.1	4.6	1.9
IIP: Cons. Durables	% YoY	-2.3	1.5	-6.8	-3.6	6.0	1.0	15.9	-4.8	5.2	11.6	12.6	9.5	10.5	12.6	8.7	8.3	5.2
Eight-core output	% YoY	4.6	5.2	8.3	8.6	13.4	9.5	12.7	7.9	5.1	4.2	7.1	6.3	6.9	6.9	5.1	6.1	-1.8
Steel production	% YoY	16.6	11.9	21.3	14.9	16.4	14.8	13.6	9.7	8.3	9.2	9.4	7.5	9.8	8.9	6.7	6.4	4.5
Steel consumption	% YoY	8.4	8.6	16.7	15.8	16.0	18.6	13.6	15.4	6.5	3.8	12.7	11.2	13.0	15.1	20.6	14.9	13.2
Coal production	% YoY	9.1	7.2	9.7	15.0	17.9	16.0	18.4	10.9	10.7	10.2	11.6	8.7	7.5	10.2	14.8	6.8	-8.1
Cement production	% YoY	12.3	16.0	9.9	6.9	19.7	4.7	16.9	-4.7	3.8	4.1	7.8	10.6	0.2	-0.6	1.9	5.5	-3.0
Electricity production	% YoY	-1.1	0.9	4.2	8.0	15.3	9.9	20.4	5.8	1.2	5.7	7.6	8.6	10.2	13.7	8.6	7.9	-5.0
Activity																		
Diesel consumption	% YoY	8.6	12.8	3.0	3.8	5.2	3.8	9.3	-3.1	-2.4	3.4	6.3	2.7	1.4	2.4	1.0	4.5	-2.5
Rail freight traffic	% YoY	3.5	1.9	-1.9	1.5	6.4	6.7	8.5	4.3	6.4	6.4	10.1	8.4	1.5	3.7	10.1	4.6	-5.0
Domestic air cargo	% YoY	7.6	-4.5	-5.7	-4.1	6.0	-4.5	10.6	9.0	8.7	10.0	11.5	8.7	-10.6	10.3	10.4	8.8	0.5
International air cargo	% YoY	-4.9	2.7	2.7	1.0	7.4	2.7	15.0	4.9	12.2	19.4	30.2	22.5	16.2	19.3	19.6	24.4	20.7
Port cargo	% YoY	1.3	3.2	-2.0	4.2	4.1	0.3	13.8	16.9	0.6	3.2	2.1	2.7	2.1	5.9	6.9	5.7	6.7
E-way bills	% YoY	12.2	19.7	15.5	16.4	19.5	9.5	30.5	8.5	13.2	16.4	18.9	13.9	14.5	17.0	16.3	19.2	12.9
GST collections	% YoY	11.6	11.5	11.7	10.8	10.8	10.2	13.4	15.1	10.3	11.7	12.5	11.5	12.4	10.0	7.6	10.3	10.0
New orders (machinery)	% YoY	684.5	-91.2	1082.3	10.8	909.5	250.6	103.8	848.0	679.2	528.6	99.9	-33.3	-86.2	598.9	-0.3	1234.9	-8.9
New orders (Ind/Infra/Const.)	% YoY	113.1	-46.5	-79.4	355.6	87.2	176.8	27.6	-52.3	17.9	14.1	-12.0	-54.7	12.7	57.2	17.5	-52.9	-31.3
Perceptions																		
BIZ Assess. Index	% YoY			1.9			7.8			4.8			1.8			-1.3		
BIZ Exp. Index	% YoY			-6.2			-3.6			0.7			-1.9			0.6		
Manufacturing PMI	+/- 50	7.2	8.7	7.8	7.7	8.6	7.5	5.5	6.0	4.9	6.5	6.9	9.1	8.8	7.5	8.3	8.1	7.5
Services PMI	+/- 50	12.0	11.2	8.5	12.3	10.1	11.0	8.4	6.9	9.0	11.8	10.6	11.2	10.8	10.2	10.5	10.3	10.9

Indicators		2023									2024							
	Δ	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
External																		
Merchandise imports	% YoY	-15.5	-5.9	-16.8	-16.1	0.7	-14.0	9.6	-4.3	-7.8	1.0	12.2	-6.0	11.5	8.0	5.9	7.5	3.3
Oil imports	% YoY	-22.4	-6.2	-33.6	-36.3	-6.0	-20.3	-1.1	-8.5	-22.8	-2.2	0.0	-4.4	20.5	28.0	19.6	17.4	-32.4
Merchandise exports	% YoY	-12.8	-10.4	-18.8	-10.0	3.4	-2.8	5.9	-3.3	0.8	4.3	11.9	-0.5	2.0	13.3	2.4	-1.8	-9.3
Agri exports	% YoY	-13.8	-13.7	-24.7	-8.1	-3.1	-3.5	8.6	-11.8	-10.5	-9.4	0.1	-3.1	-6.4	4.4	4.3	-1.1	-4.8
Services imports	% YoY	-0.7	4.5	-1.0	-2.3	-0.9	-10.4	-0.4	-11.1	-1.2	0.1	1.7	-2.1	20.0	6.2	-3.1	15.7	8.8
Services exports	% YoY	7.2	7.4	3.2	8.1	8.3	-2.7	10.9	4.4	1.4	10.7	3.4	-1.4	17.1	9.7	3.2	16.6	5.7
USDINR (eop)	% YoY	7.0	6.5	3.9	3.6	3.7	1.9	1.1	2.1	0.4	1.6	0.3	1.4	2.1	0.7	1.7	1.8	1.4
Merchandise imports	% YoY	-15.5	-5.9	-16.8	-16.1	0.7	-14.0	9.6	-4.3	-7.8	1.0	12.2	-6.0	11.5	8.0	5.9	7.5	3.3
Financial Markets																		
Cost of credit																		
WALR on new loans	YTD (bps)	157.0	141.0	129.0	126.0	114.0	79.0	81.0	55.0	44.0	43.0	12.0	5.0	47.0	12.0	12.0	-4.0	-6.0
WALR on O/S loans	YTD (bps)	104.0	99.0	90.0	84.0	70.0	58.0	47.0	39.0	29.0	25.0	15.0	11.0	5.0	3.0	7.0	7.0	7.0
1Y T-bill	YTD (bps)	209.1	76.1	64.9	55.0	66.0	27.5	51.7	46.9	36.5	32.5	-26.2	-16.3	15.4	16.5	8.0	-5.8	-26.0
10Y G-sec yield	YTD (bps)	-2.3	-42.6	-34.0	-14.8	-2.2	-18.8	-9.4	-0.1	-15.1	-19.9	-37.9	-26.3	7.9	-0.3	-10.2	-24.8	-30.3
5Y AAA corp yield	YTD (bps)	74.4	2.0	-12.0	30.0	45.0	11.0	20.0	39.0	20.0	4.0	-12.0	-10.0	15.2	11.6	25.0	7.0	0.0
Access to capital																		
Equity issuances	% YoY	-71.2	-77.5	804.2	109.6	96.3	189.4	139.1	88.4	184.2	248.6	27.6	69.4	1323.4	67.5	-30.2	81.3	180.0
Debt issuances	% YoY	82.6	184.6	67.6	-52.1	18.9	-17.7	4.5	-7.1	1.6	37.9	69.5	10.2	-25.9	-19.0	-37.8	141.6	-12.7
Agri credit (O/S)	% YoY	19.5	16.0	19.7	16.7	19.1	16.8	17.5	18.2	19.5	20.1	20.1	20.0	19.7	21.6	17.4	18.1	17.7
Industry credit (O/S)	% YoY	8.1	6.0	7.4	5.2	7.2	7.1	5.9	6.6	8.6	8.3	9.1	8.5	7.4	9.4	8.1	10.1	9.7
Services credit (O/S)	% YoY	25.3	21.3	26.8	23.4	28.9	25.1	23.6	25.4	22.9	23.9	24.0	23.4	21.7	23.2	17.4	14.0	13.9
Cons. durable loans O/S	% YoY	-26.5	13.7	16.7	10.8	16.1	10.9	7.7	10.8	13.7	14.4	14.7	13.0	11.0	15.0	7.6	11.3	10.1
Credit card O/S	% YoY	36.7	31.5	37.6	32.4	37.7	29.9	28.0	34.2	32.6	31.3	31.0	25.6	23.0	26.2	23.3	22.0	19.9
Vehicle loans (O/S)	% YoY	22.9	21.5	23.0	21.0	21.1	21.2	20.0	20.8	20.5	16.3	17.5	17.4	16.9	17.9	14.9	16.4	13.9
Housing loans (O/S)	% YoY	17.6	13.8	14.8	37.0	40.5	37.3	36.9	37.0	35.6	37.2	36.7	36.7	36.9	38.7	36.3	12.8	13.1
Digital retail payments	% YoY	15.8	21.6	17.1	20.1	23.1	13.4	22.3	22.0	17.5	22.9	27.0	18.4	18.7	18.1	15.6	21.2	16.7
Participation																		
Acc. (NSDL, CDSL)	% YoY	26.6	25.4	24.9	25.6	26.0	26.3	26.8	27.3	28.7	30.3	31.7	32.2	33.1	33.7	34.7	35.1	35.0
SIP inflows	% YoY	15.7	20.0	20.0	25.6	24.6	23.6	29.8	28.3	29.7	36.0	40.2	35.0	48.4	41.7	44.3	53.0	48.9
Market cap	%YoY	2.1	10.2	21.7	15.2	10.5	17.4	11.2	16.1	28.9	40.4	50.3	49.9	49.2	45.1	47.9	50.5	50.1
Trading vol (NSE)	% YoY	-32.0	9.1	33.4	56.0	45.3	23.4	47.2	23.5	79.1	144.1	144.5	80.5	141.1	86.8	121.9	100.6	56.6
Share of wallet																		
MF avg. net AUM	% YoY	6.8	14.9	21.2	22.5	18.7	19.8	20.9	20.4	25.3	29.6	34.0	37.4	37.3	36.4	36.8	39.8	40.7
Deposits (O/S)	% YoY	10.1	11.4	15.5	12.9	13.2	12.3	13.2	14.2	13.3	13.2	13.1	13.5	12.6	14.0	11.1	10.6	10.8

Source: CMIE Economic Outlook, RBI, SEBI, AMFI, Refinitiv Datastream, Bloomberg, MGNREGA website.
Note: Data has been extracted on October 15th, 2024

Macroeconomy

Macro round-up

Economic growth to get a festive boost

India's economic trajectory continues to show resilience as the festive season approaches. While an unfavourable base and rainfall has resulted in a contraction in industrial activity in August, recent PMI prints point to continued expansion in output and new orders. Retail inflation accelerated in September, largely led by a sharp rise in food inflation, particularly vegetables and edible oils. While inflation may remain elevated in the near-term, arrival of Kharif harvest, and expectations of a good rabi season on the back of robust reservoir levels, should help ease food prices. GST collections also seem to have been impacted by heavy rain in September, even as the average monthly collections in the first half has been 7.8% higher than that in FY24. The festive season should also revive passenger car sales which otherwise dropped in September due to seasonal effects, while two-wheeler sales have registered a strong growth in the first half. Externally, the current account deficit (CAD) widened to 1.1% of GDP in Q1 FY25, primarily driven by an expanding merchandise trade deficit and lower net services receipts. On a positive note, the central government's fiscal deficit remains well-contained, the merchandise trade deficit narrowed sequentially in September, and the agricultural outlook is favourable, supported by above-normal monsoon rainfall, promising sowing activity, and healthy reservoir levels. Considering the prevailing growth-inflation dynamics, the RBI's MPC maintained status quo on policy rates, unanimously shifting its stance from 'withdrawal of accommodation' to 'neutral' stance, opening up space for a rate cut. The growth and inflation forecast were retained at 7.2% and 4.5%, respectively. On the global front, fiscal and monetary stimulus measures were introduced to restore confidence in the Chinese economy, following a series of weak data releases that raised concerns about a prolonged structural slowdown.

- **Industrial activity contracts to a multi-month low:** Both IIP growth (-0.1% YoY) and core sector growth (-1.8% YoY) registered a notable contraction, falling to a 22-month and 42-month low respectively, primarily led by a high base along with heavy monsoon. While sector-wise classification highlights a sharp deceleration in mining and electricity growth, a contraction in primary goods and consumer non-durables was observed under the use-based classification. The composite PMI-index has also fallen to a 10-month low of 58.3, driven by a fall in both manufacturing (56.5) and services (57.7) PMI.

- **Retail inflation surges, wholesale inflation inches up:** Retail inflation expectedly jumped to a nine-month high of 5.5% YoY in September as the favorable base effect waned along with sequential increase in most of the sub-components, particularly vegetables, edible oils and personal care products. Core inflation inched up to an eight-month high of 3.6% YoY but nonetheless remains benign, barring a sustained surge in gold and silver prices. WPI came in marginally higher at 1.8% YoY as a surge in wholesale food inflation (14-month high: 11.5%) was partly offset by subdued inflation in the manufacturing segment and deflation in fuel & power.

- **RBI holds policy rates stable while changing stance to "neutral":** On expected lines, the RBI's MPC decided to maintain status quo on policy rates for the 10th consecutive time with a 5:1 majority while unanimously deciding to revise the stance from "withdrawal of accommodation" to "neutral". Both the GDP and inflation projections for FY25 were retained at 7.2% and 4.5% respectively. Although the current growth-inflation dynamics opens space for a rate cut as early as December, the probability remains evenly balanced for now given the MPC's unwavering focus on bringing down inflation on a durable basis.

- **Robust receipts and subdued capex keep fiscal deficit in check:** Fiscal deficit for the 5MFY25 came in at 27% of the budget estimates (vs. 36% in same period last year), thanks to robust collections in personal income tax, GST and non-tax revenues along with subdued growth in revenue expenditure (4.1% YoY) and contraction in capital expenditure (19.5% YoY).

- **Merchandise trade deficit narrowed to a five-month low:** Merchandise trade deficit narrowed to US$ 20.8bn in September from a 10-month high of US$ 29.7 bn in August led by sizeable contraction in imports (13.9% MoM) to a five-month low. Export growth has been tepid at 0.5% YoY/ 1% YoY in Sept'24/H1-FY25 reflecting global uncertainty and geo-political concerns. Oil imports have fallen sharply by 10.4% YoY led by lower oil prices.

- **CAD moves into deficit; external sector outlook manageable:** Current account deficit slipped back into deficit of US$ 9.7 bn (1.1% of GDP) in Q1FY25 primarily led by widening merchandise trade deficit, thanks to sequential contraction in merchandised exports along with lower net service receipts. On the capital account front, the surplus has nearly halved to US$ 14.4 bn led by FPI outflows, partly offset by FDI flows. Overall BOP position is likely to remain stable while record levels of foreign exchange reserves (US$ 701.1 bn as of Oct 4th, 2024) act as a buffer against external vulnerabilities.

- **Bank deposit growth inched up while credit growth was marginally lower:** Bank credit growth registered a marginal fall to 13.6% YoY in August with a broad-based slowdown across key heads. The credit growth to industries has been largely driven by micro, small and medium enterprises while credit to large enterprises has seen some moderation. The credit offtake in loans against gold jewellery has seen a surge in recent months with RBI flagging irregularities in this segment. In FY25 so far, deposits have grown by 4.2%, outpacing credit growth of 3.1% while on a YoY basis, the credit-deposit growth gap is at a 14-month low.

- **Southwest monsoon concludes with a 7.6% surplus:** As of September 30th, the cumulative rainfall surplus stood at 7.6% compared to the LPA, the highest in the last four years. Region-wise analysis shows a rainfall surplus in both Central (19.5%), Northwestern (7%) and Southern peninsula (14%) while the Eastern and Northeastern regions ended with a 14% deficit. Only 3 divisions have reported a deficient rainfall, accounting for 11% of the area. Above normal rainfall along with encouraging sowing (+1.9% YoY) and robust reservoir (~88% of the FRL) levels bode well for the agriculture sector.

- **Policy stimulus in the world's two largest economies:** US Fed announced a sizeable rate cut of 50bps in Sept'24 while projecting another 50bps rate cut by the end of 2024. Recent economic data hints at economic resilience with future rate cuts are likely to be gradual. In response to the mounting challenges, China unveiled a mix of monetary (Sept) and fiscal stimulus (Oct), designed to boost domestic, address deflationary pressures and revive the ailing property sector amid a broader economic slowdown.

IIP growth decelerates in August on a high base

Industrial activity moderated in August, as indicated by the Index of Industrial Production (IIP), which fell by 0.1% YoY (vs. 4.7% YoY in July), the first contraction in 22 months. A high base, coupled with heavy monsoon, weighed on overall industrial activity during the month. This decline was primarily led by a significant contraction in the electricity and mining sectors, falling by 3.7% and 4.3% YoY. Manufacturing was the only sector to record an expansion of 1% YoY in August, with 12 out 23 sectors registering an expansion. The use-based classification pointed to some slowdown in investment activity, as reflected from an 11.8% YoY drop in capital goods production, while consumption remained resilient as witnessed from 5.2% YoY/2.3% MoM growth in consumer durables production. Core sector growth turned negative at -1.8% YoY, marking the first contraction in 42 months, albeit off a low base. The composite PMI, while moderating sequentially, remained well in the expansion zone at 58.3 in September. An expected improvement in rural demand and resilient urban consumption demand in the run up to the festive season should result in a revival in industrial activity, partly offset by an unfavourable base over the next two months.

- **IIP contracts for the first time in 22 months in August:** IIP contracted by a modest 0.1% YoY in September after registering an average 5.2% growth in the previous four months, marking the first contraction in 22 months. A large part of this is attributed to an unfavourable base (+10.9% in Aug'23), and heavy rainfall during the month. While mining output contracted by 4.3% YoY for the first time in 24 months, electricity production fell by 3.7%, the steepest YoY drop in the last 50 months. Manufacturing, on the other hand, grew by a modest 1% YoY in August, but off a 10% YoY growth in the same period last year. 12 out of 23 sub-industries, with a cumulative weight of 62%, registered a YoY expansion in August led by electrical equipment (+17.7% YoY), furniture (+13.9% YoY) and computer electronics (+11.6% YoY). Expansion in the output of base metals, having a 12.8% weight, also contributed positively, highlighting areas of resilience within the manufacturing landscape.

- **Use-based classification points to resilient discretionary consumption demand:** Within use-based classification, while primary goods output declined by 2.6% YoY, the sharpest fall in the last 42 months, capital goods grew by a modest 0.7% YoY vs. 11.8% growth in the previous month and 13.1% in the same period last year. Growth in infrastructure/construction goods also moderated to a nine-month low of 1.9% YoY, as heavy monsoon affected construction activity. Discretionary consumption demand remained strong, as reflected from a 5.2% YoY/2.3% MoM growth in consumer durables production, while consumer non-durables fell by 4.5% YoY. A large part of the YoY drop in use-based sectors is a consequence of an unfavorable base and rain-induced disruptions.

- **Core sector growth contracts to a 42-month low:** Core sector growth turned negative in Aug'24, falling to a 42-month low of -1.8% YoY, compared to 6.1% YoY in July 2024, thanks to a broad-based decline. An unfavourable base (+13.4% in Aug'23), coupled with heavy downpour during the month, weighed on core sector output. That said, fertilizers and steel showed growth at 3.2% YoY and 4.5% YoY, respectively. Slowdown in construction activity resulted in the growth in the steel sector output decelerating to a 26-month low while cement production declined to a nine-month low. While coal (-8.1% YoY) and electricity (-5%) production growth has fallen to a 50-month low each, crude oil (-3.4% YoY) and natural gas production (3.6% YoY) has seen a fall in growth to a 16 and 22-month low respectively. On a MoM basis, barring steel and cement, all sub-segments of the core sector experienced a MoM contraction, with coal production witnessing the steepest contraction of 15.2% MoM.

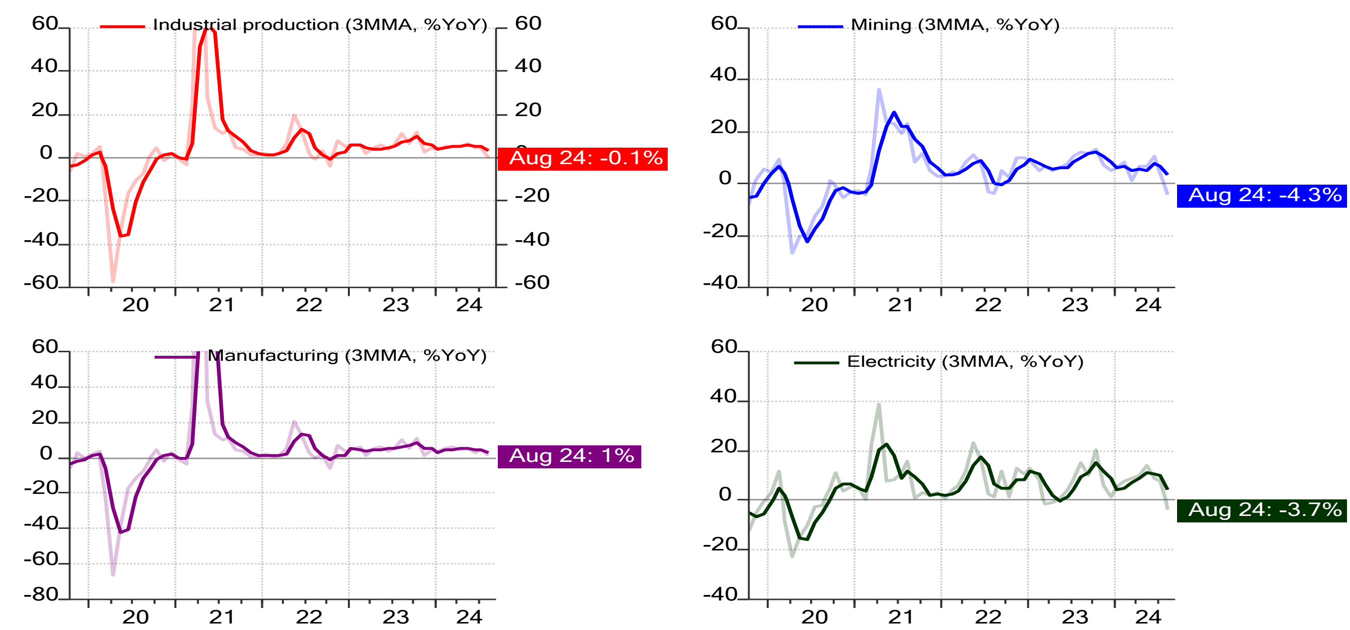
- **Composite PMI hits 10-month low but remained deep in the expansion zone:** India's composite PMI fell to a 10-month low of 58.3 in Sep'24, driven by a slowdown in both the manufacturing and services sectors. The Manufacturing PMI dropped to an eight-month low of 56.5 (vs 57.5 in Aug'24), a third consecutive fall, reflecting softer growth in new orders and a decline in international sales. Similarly, the Services PMI reached a 10-month low of 57.7 (vs. 60.9 in Aug'24), likely due to a relatively moderate increase in new export orders. Despite the slowdown, India's Manufacturing PMI remained well in the expansion zone for the 38th consecutive month and continued to outperform several major global economies. In comparison, the Manufacturing PMI figures were notably lower in the US (47.3), the UK (51.5), China (49.3), the Eurozone (45), Japan (49.7), and Indonesia (49.2).

Table 6: India industrial production for August 2024 (%YoY)

	%YoY	Weight (%)	Aug-24	Jul-24	Aug-23	FY25	FY24
	IIP		**(0.1)**	**4.7**	**10.9**	**4.1**	**6.2**
Sector-based indices	Mining	14.4	(4.3)	3.8	12.3	4.8	8.2
	Manufacturing	77.6	1.0	4.4	10.0	3.6	6.1
	Electricity	8.0	(3.7)	7.9	15.3	7.1	5.4
Use-based Goods	Primary Goods	34	(2.6)	5.9	12.4	4.8	6.0
	Capital Goods	8.2	0.7	11.8	13.1	4.3	6.7
	Intermediate Goods	17.2	3.0	6.4	7.4	4.0	4.2
	Infra/Construction Goods	12.3	1.9	4.6	15.7	5.9	13.6
	Consumer Goods	**28.2**	**(0.6)**	**0.6**	**8.3**	**2.3**	**4.1**
	Consumer Durables	12.8	5.2	8.3	6.0	9.0	(1.2)
	Consumer non-durables	15.3	(4.5)	(4.3)	9.9	(2.0)	7.7

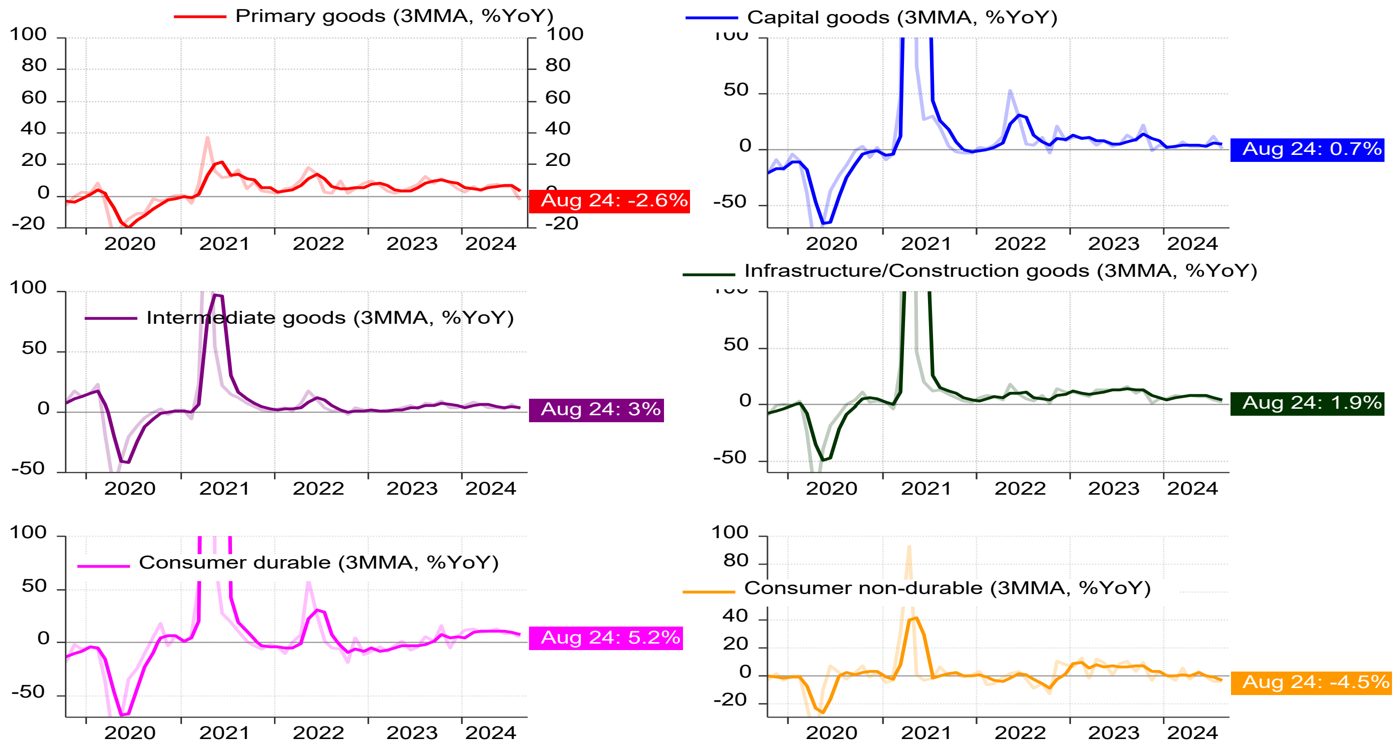
Source: CMIE Economic Outlook, NSE EPR.

Figure 3: India industrial production (3MMA)



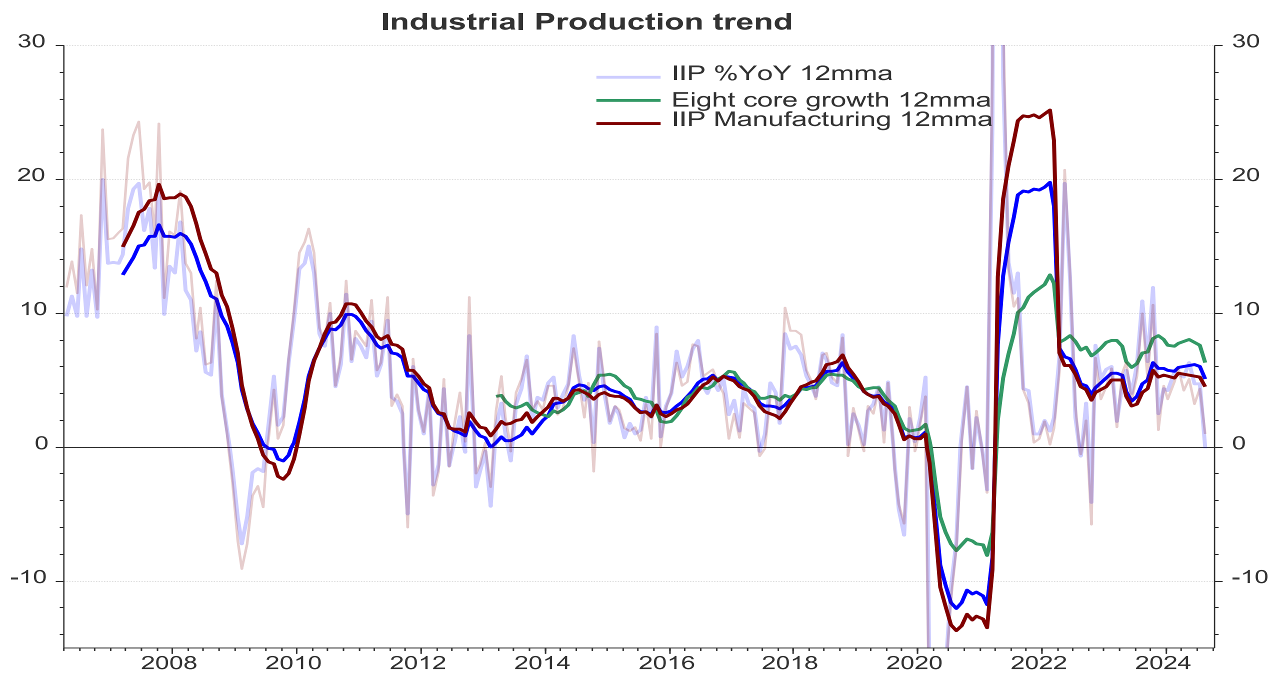
Source: LSEG Workspace, NSE EPR.

Figure 4: India industrial production use-based goods (3MMA)



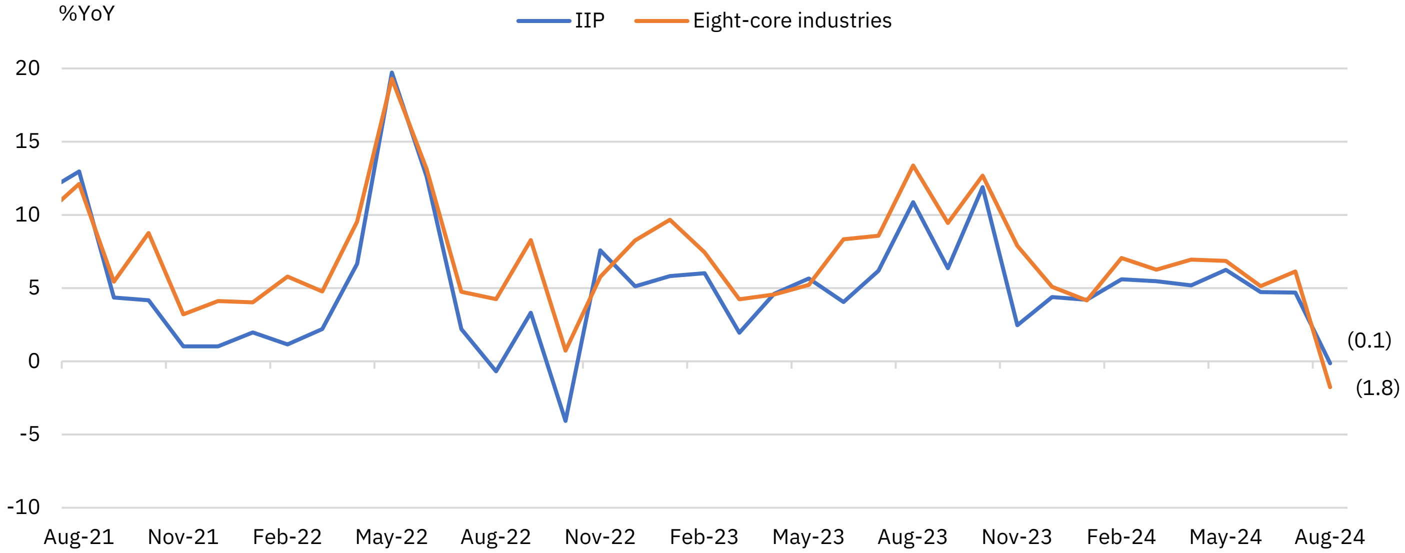
Source: LSEG Workspace, NSE EPR.

Figure 5: Long-term industrial production trend (12MMA)



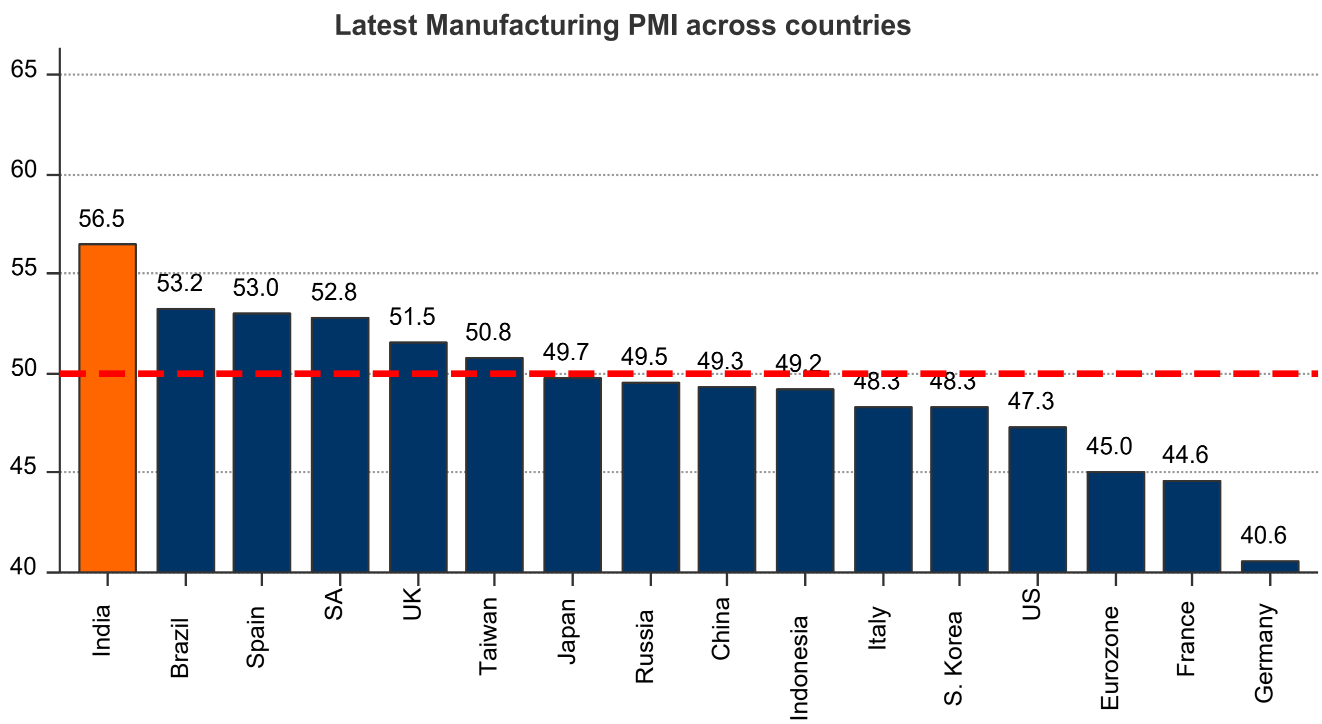
Source: LSEG Workspace, NSE EPR.

Figure 6: Eight core industries and IIP growth trend (% YoY)



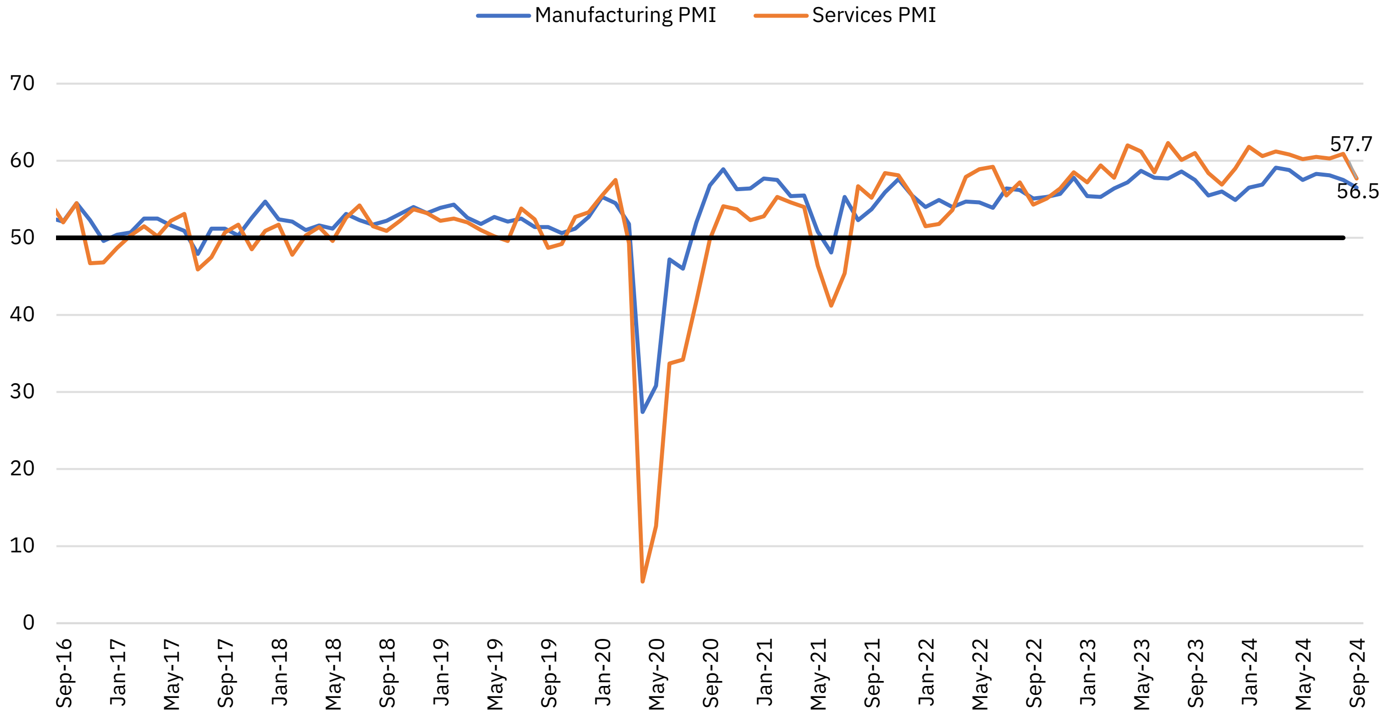
Source: CMIE Economic Outlook, NSE EPR.

Figure 7: Manufacturing PMI across countries



Source: LSEG Workspace, NSE EPR.

Figure 8: India's Manufacturing and Services PMI trend



Source: CMIE Economic Outlook, NSE EPR.

Retail inflation rises on the back of higher food prices

Headline retail inflation rose to 5.5% YoY in September from 3.7% in August, a large part of which is attributed to waning favourable base effect and increase in food prices, particularly vegetable prices. Food inflation, which accounts for around half of the overall CPI basket, increased to 8.4% YoY in September from 5.3% YoY in August, primarily led by vegetable inflation that came in at a 14-month high of 36%. Excluding vegetables, food inflation actually dropped by 33bps MoM to a 59-month low of 3.9%, and headline inflation remained low at 3.4% in September, rising by a modest 30bps MoM. On a sequential basis too, the headline index grew by 0.6% MoM led largely by a 1.0% MoM rise in food prices. Core inflation also saw an uptick, rising to an eight-month high of 3.6% YoY, while also maintaining sequential momentum (0.3% MoM). Our analysis shows that out of the 183bps increase in inflation prints between September and August, slightly shy of two-third (118bps) was due to low base, while the balance 65bps was on account of sequential momentum. Wholesale inflation also increased to 1.8% YoY in September from 1.3% in the previous month, primarily due to higher food inflation, partly offset by deflationary pressures in the fuel component. The gap between CPI and WPI has now widened to a five-month high of 3.6%.

Going forward, the arrival of the *kharif* harvest, coupled with an above normal monsoon, higher reservoir levels and its likely positive effect on rabi sowing, should help keep inflationary pressures in check. The RBI's MPC unanimous decision to revise the stance from "withdrawal of accommodation" to "neutral" provides them greater flexibility to act as needed depending on growth-inflation dynamics, even as the rate cut probability remains evenly balanced for now.

- **Retail inflation accelerates to a nine-month high of 5.5% in September:** India's retail inflation rose to a nine-month high of 5.5% YoY in September from 3.7 % YoY in the previous month, thanks to waning of favourable base effect and spike in food prices, particularly vegetables. Excluding vegetables, headline inflation remained low at 3.4%, rising by a modest 30bps MoM. Among the non-food categories, the rise was led by personal care & effects which registered an inflation of 9% YoY, while fuel & light inflation remained in the contractionary zone for the 13th month in a row. Core inflation also saw an uptick, even as it remained below the 4% threshold for the 10th consecutive month. Despite the recent uptick, the headline inflation has averaged lower at 4.6% YoY in H1FY25 vs. 5.5% YoY in the previous fiscal year.

- **Food inflation jumps on higher vegetable prices:** Food & beverages inflation jumped to a three-month high of 8.4% YoY in September (vs. 5.3% YoY in August). Within food, the increase was broad based but led primarily by veggies which spiked to a 14-month high (36% YoY) due to TOP veggies, followed by pulses (9.8% YoY), fruits (7.6% YoY) cereals (6.8 % YoY) and eggs (6.3%). On a sequential basis, food and beverages inflation picked up by 1% MoM in September after declining by 0.3% MoM in August, led by an increase in prices of vegetables (3.5% MoM), particularly onion and garlic which saw their prices shoot up by 18.5% MoM and 21.3% MoM respectively. Apart from veggies, edible oil prices have also risen by +2.9% MoM mainly due to the recent changes in customs duty on soybean oil, palm oil and sunflower oil. Going forward, inflationary pressures can continue to persist due to the firmness in the veggies as indicated by daily retail prices which saw prices of TOP picking up in October. Excluding vegetables, food inflation actually declined by 33bps on a sequential basis to a 59-month low of 3.4%.

- **Core inflation inches up to an eight-month high:** Core inflation rose sharply by 3.6% YoY to reach an eight-month high in September. On a sequential basis also, core inflation rose albeit at a slower pace by 0.3% MoM. The recent uptick has been led by the personal care and effects segment which increased by 9% YoY and 1.2%

MoM primarily due to surge in gold and silver prices (22.9% YoY & 18.9% YoY). Some of the segments including housing (2.8%YoY), household goods & services (2.5% YoY) and transportation & communication (2.8% YoY) have registered an increase in the YoY inflation from the previous month. Barring the above, the other segments of the core saw their YoY inflation moderate from the previous month, thus keeping the headline figure below 4% target.

- **Wholesale inflation accelerates due to base effect:** Wholesale price inflation for September increased to 1.8% YoY (vs 1.3% YoY in Aug'24). The recent increase of 53bps in the WPI figure between September and August 2024 was primarily due to the base effect which contributed 46bps while sequential momentum contributed only 6bps. Category-wise, primary articles saw the strongest growth, rising by 6.6% YoY in Sept'24 (vs 2.4% in Aug'24) followed by manufacturing products (1% YoY) while fuel and power reached a ten-month low as it registered a contraction of -4.1% YoY. Amongst the primary articles, the largest increase was led by food articles which jumped to a 14-month high by 11.5% YoY while petroleum and natural gas saw a sharp downturn declining by 13% YoY due to fall in prices across most categories. Sequentially, the WPI rose by 0.1% MoM with the mineral oils segment registering the strongest increase of 1.8% MoM while crude petroleum & natural gas declined sharply by -5.7% MoM. The recent rise in WPI takes the FY25TD figure to 2.2% compared to -2.1% experienced during the same period last fiscal year.

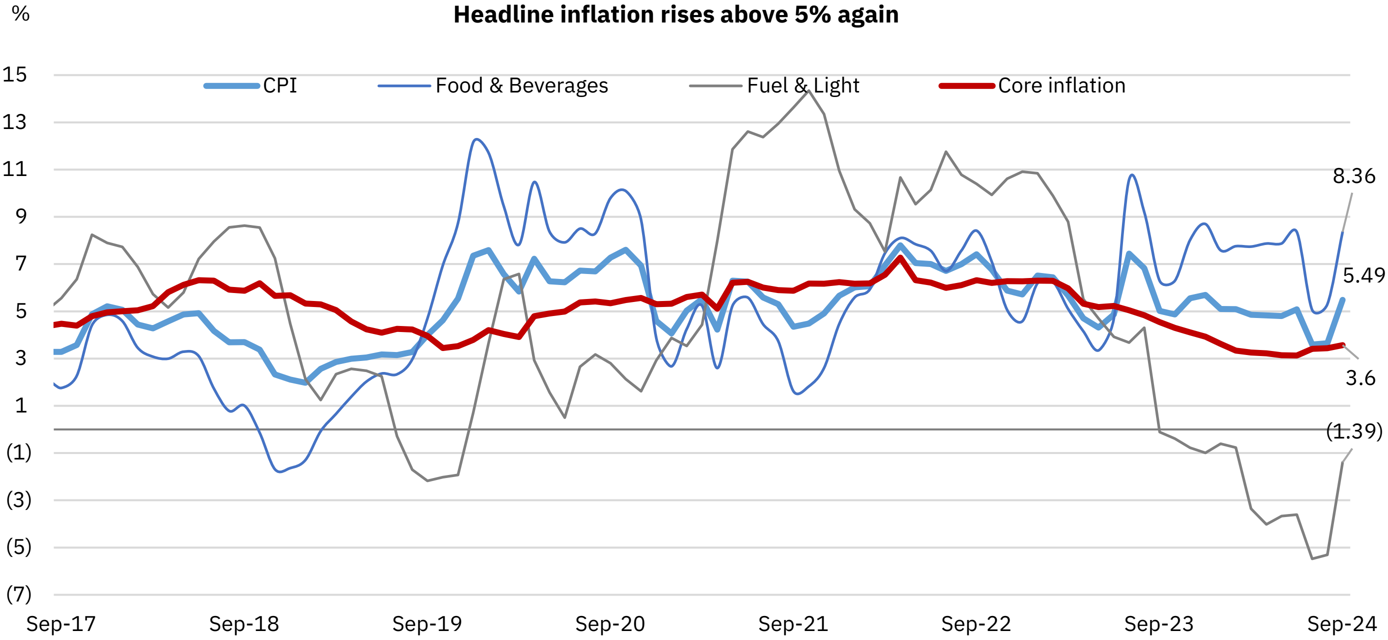
- **Headline inflation to subside at a gradual pace:** Food inflation for FY25TD stood at +6.8% YoY, higher than +6% YoY during the same period in the last fiscal year and may remain elevated in the near-term owing to seasonal, with possible risks emerging from both domestic and external fronts. That said, the arrival of the *Kharif* harvest, coupled with an above normal monsoon, comfortable reservoir levels and consequently buoyant outlook for the rabi season, is likely to provide some relief to food prices after a transitory spike. The RBI's MPC unanimous decision to revise the stance from "withdrawal of accommodation" to "neutral" to have balanced focused on growth and inflation, and incipient signs of slowdown in some high-frequency indicators open space for a rate cut as early as December. That said, the probability remains evenly balanced for now.

Table 7: Consumer price inflation in September 2024 (%YoY)

%YoY	Weight (%)	Sep-24	Aug-24	Sep-23	FY25TD	FY24TD
CPI		**5.5**	**3.7**	**5.0**	**4.6**	**5.5**
Food & Beverages	45.9	8.4	5.3	6.3	6.8	6.0
Pan, Tobacco & Intoxicants	2.4	2.5	2.7	3.9	3.0	3.6
Clothing & Footwear	6.5	2.7	2.7	4.6	2.7	5.9
Housing	10.1	2.8	2.7	4.0	2.7	4.5
Fuel & Light	6.8	(1.4)	(5.3)	(0.1)	(3.9)	3.6
Miscellaneous	28.3	**4.0**	**3.9**	**4.8**	**3.7**	**5.0**
Core CPI inflation[1]	**44.9**	**3.6**	**3.4**	**4.5**	**3.3**	**5.0**

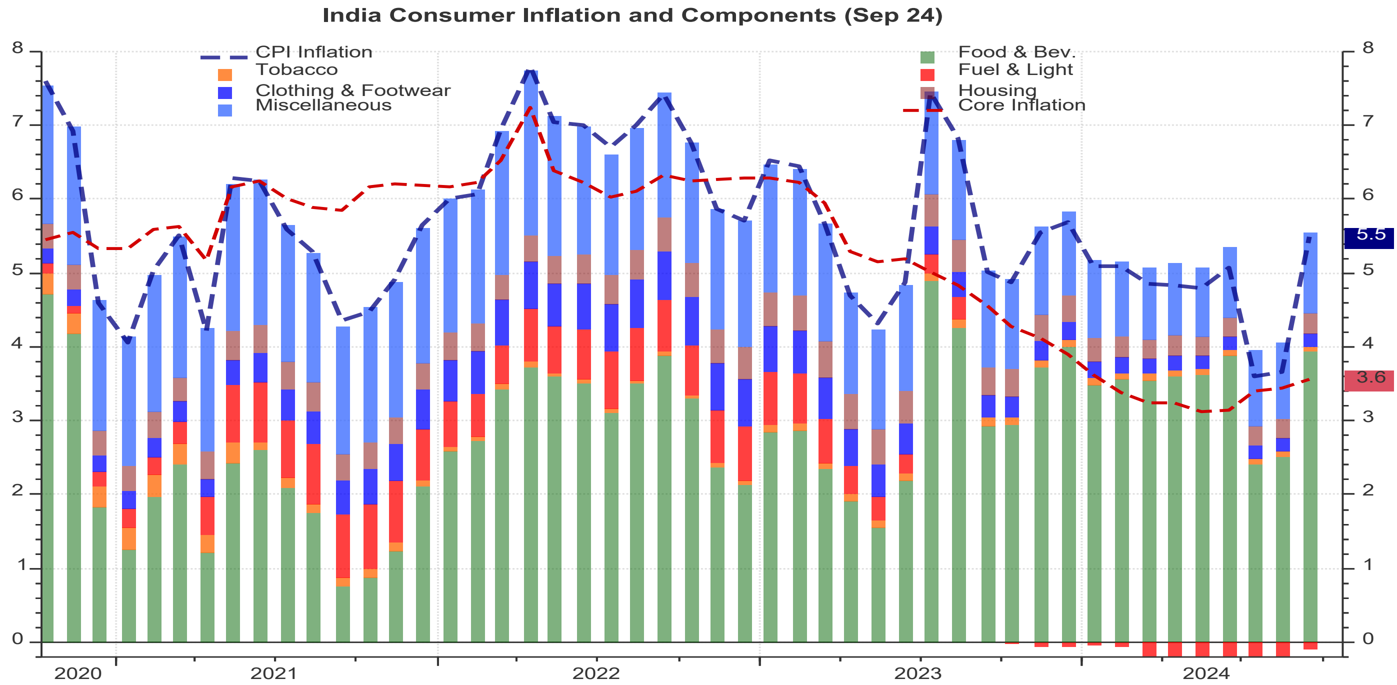
Source: CSO, NSE EPR; Note: [1] Headline inflation excluding food & beverages, pan, tobacco & intoxicants and fuel & light.

Figure 9: Headline CPI inflation trend



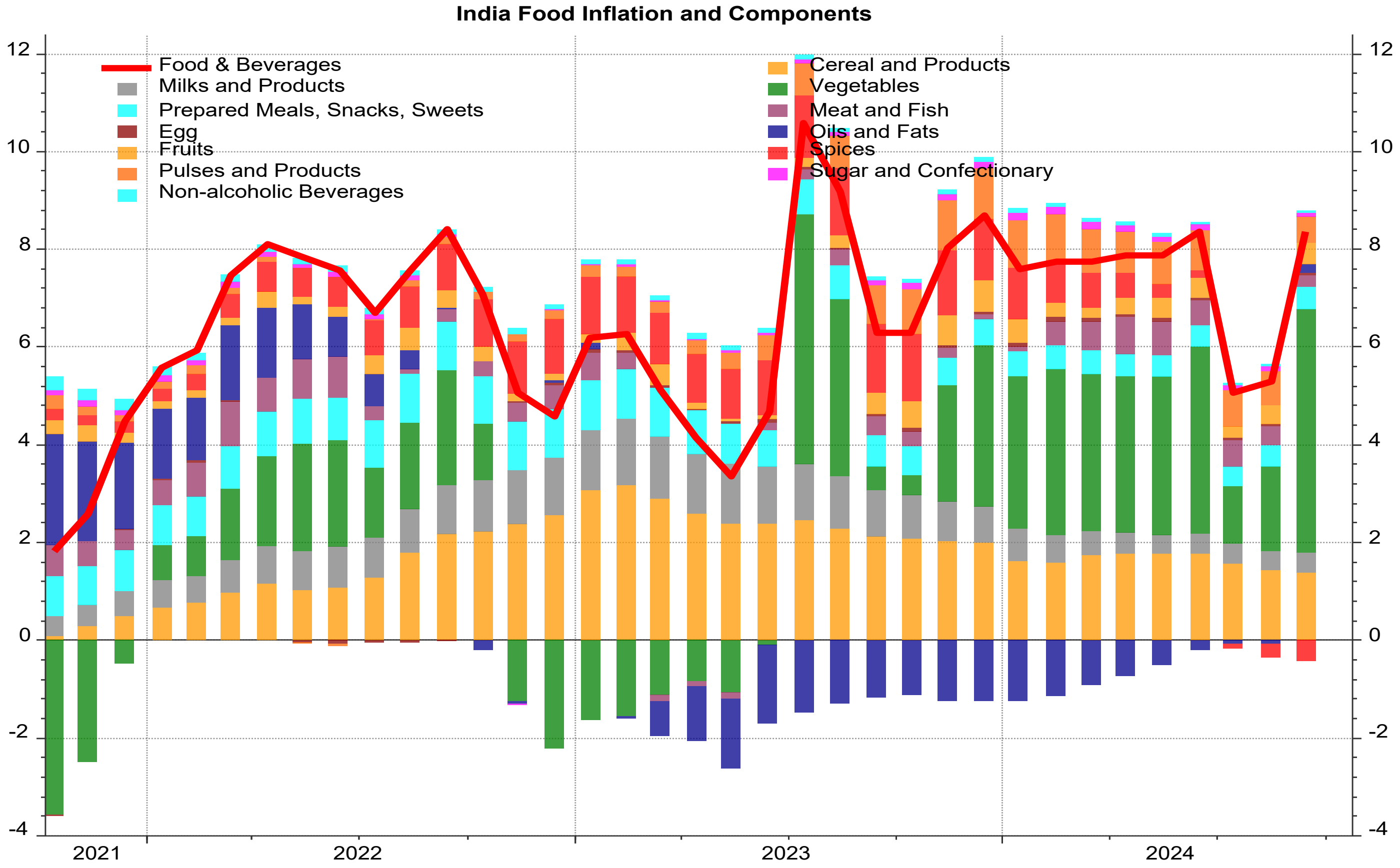
Source: CMIE Economic Outlook, NSE EPR.

Figure 10: Category-wise contribution to India consumer price inflation (CPI)



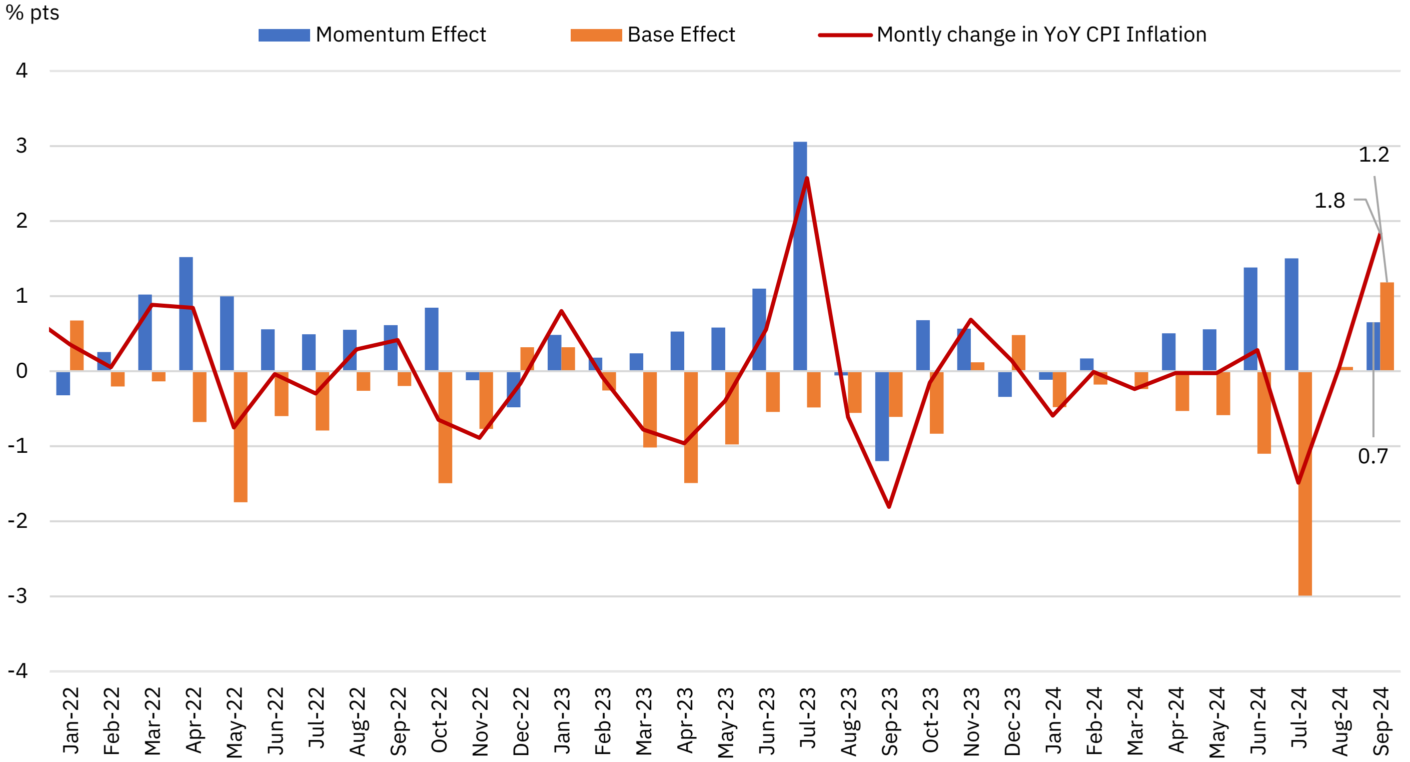
Source: LSEG Workspace, NSE EPR.

Figure 11: Category-wise contribution to India Food and Beverages inflation (CPI)



Source: LSEG Workspace, NSE EPR.

Figure 12: Monthly Change in CPI inflation broken down by base and momentum



Source: CMIE Economic Outlook, NSE EPR.

Figure 13: Trend in retail prices of TOP (Rs/kg)

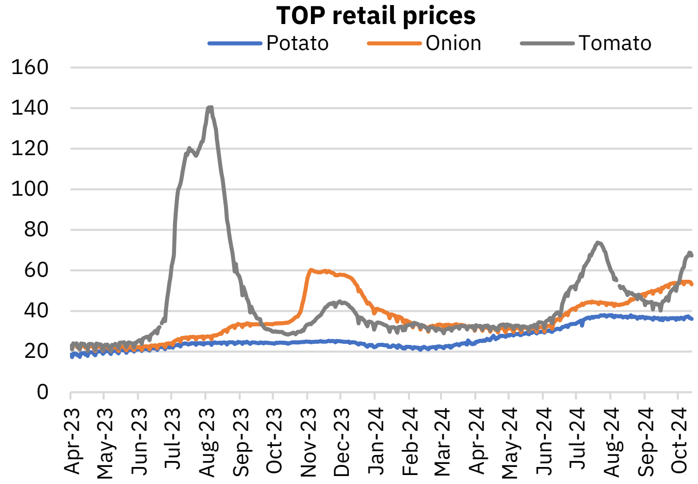
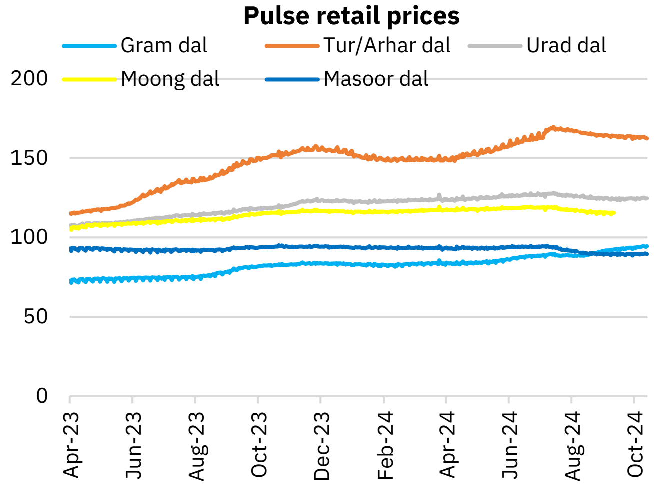


Figure 14: Trend in retail prices of pulses (Rs/kg)



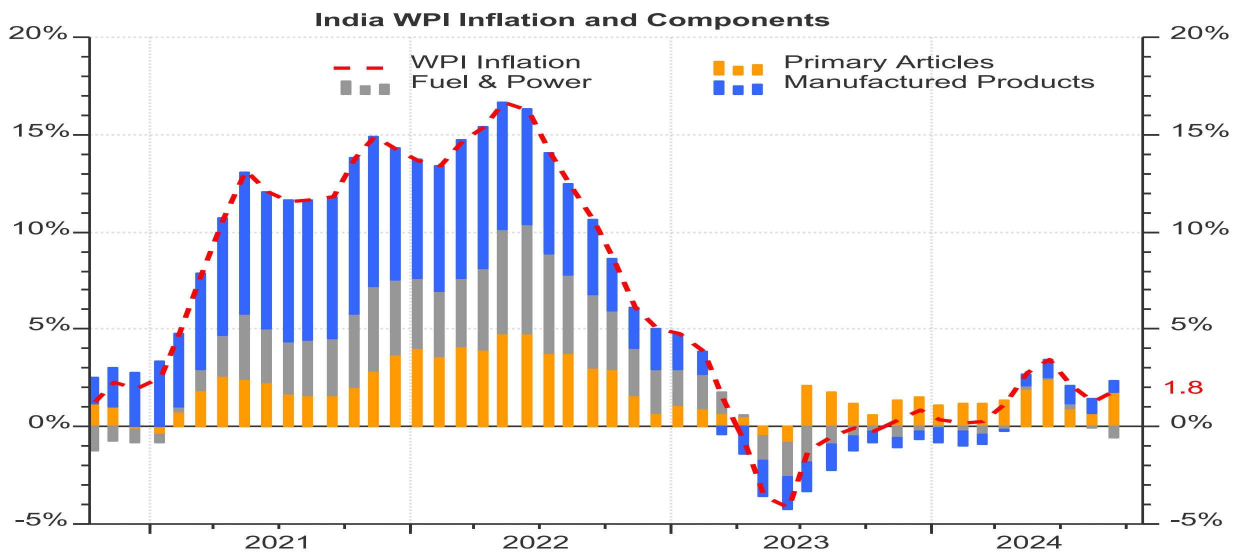
Source: CMIE Economic Outlook, NSE EPR. TOP: Tomato, Onion, Potato

Table 8: Wholesale price inflation for September 2024 (%YoY)

	Weight (%)	Sep-24	Aug-24	Sep-23	FY25TD	FY24TD
WPI		**1.8**	**1.3**	**-0.1**	**2.2**	**-2.1**
Primary articles	**22.6**	**6.6**	**2.4**	**4.4**	**5.6**	**2.4**
Food articles	15.3	**11.5**	3.1	3.8	7.4	6.7
Non-food articles	4.1	**-1.6**	-2.1	-2.1	-2.7	-7.7
Minerals	0.8	**3.0**	8.8	19.0	5.8	5.2
Crude petroleum & natural gas	2.4	**-13.0**	1.8	15.6	6.2	-10.3
Fuel & power	**13.2**	**-4.0**	**-0.7**	**-3.3**	**0.2**	**-8.1**
Coal	2.1	**-0.8**	-1.5	1.8	-0.6	3.7
Mineral oils	8.0	**-5.8**	-0.4	-4.7	1.0	-14.3
Electricity	3.1	**-0.9**	-0.8	-2.6	-1.4	5.7
Manufactured products	**64.2**	**1.0**	**1.2**	**-1.3**	**1.0**	**-2.6**
Food group	**24.4**	**9.5**	**3.3**	**1.9**	**6.3**	**2.4**

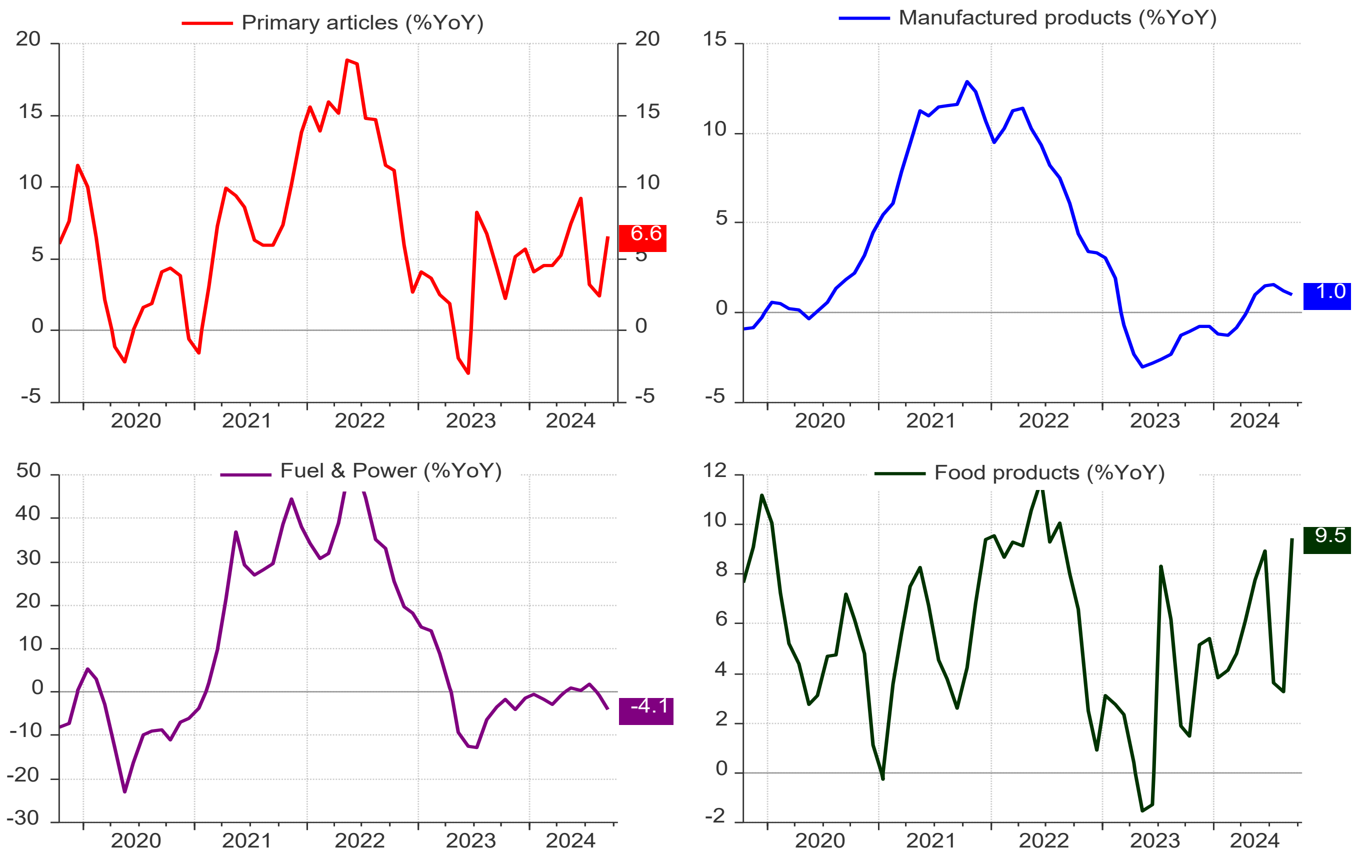
Source: CSO, CMIE Economic Outlook. NSE EPR.

Figure 15: Category-wise contribution to India wholesale price index (WPI)



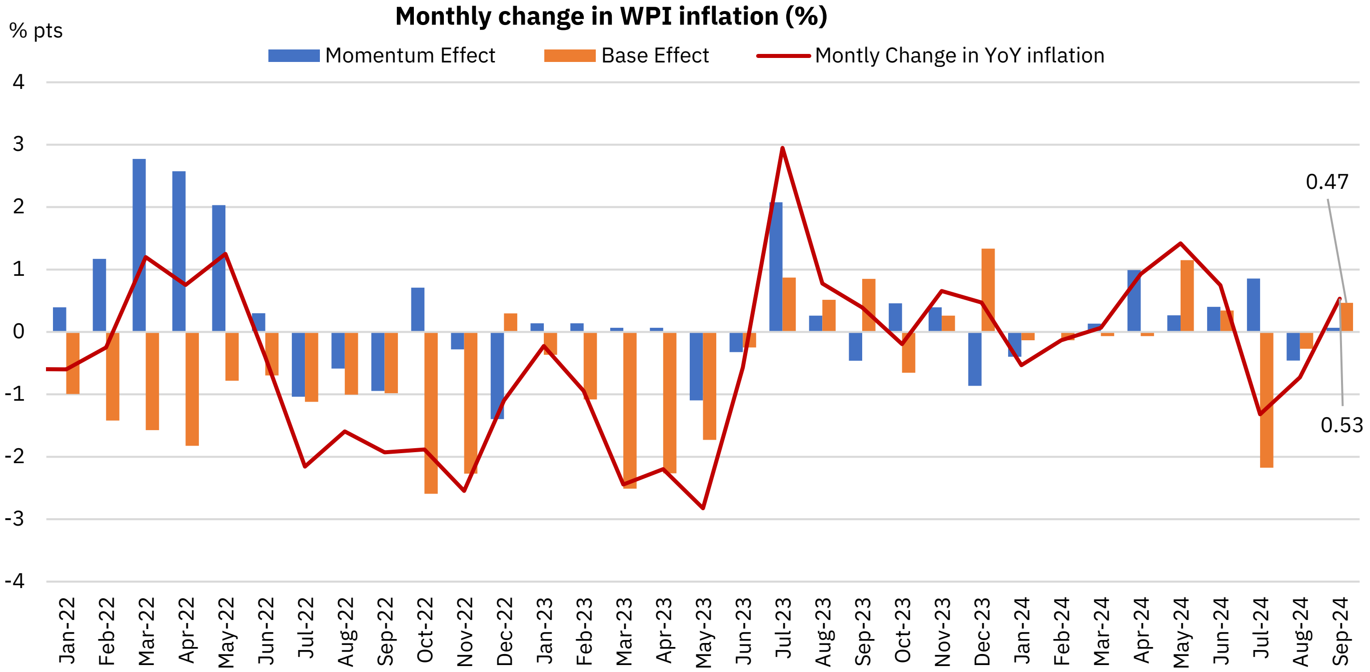
Source: LSEG Workspace, NSE EPR.

Figure 16: India wholesale price inflation (WPI)



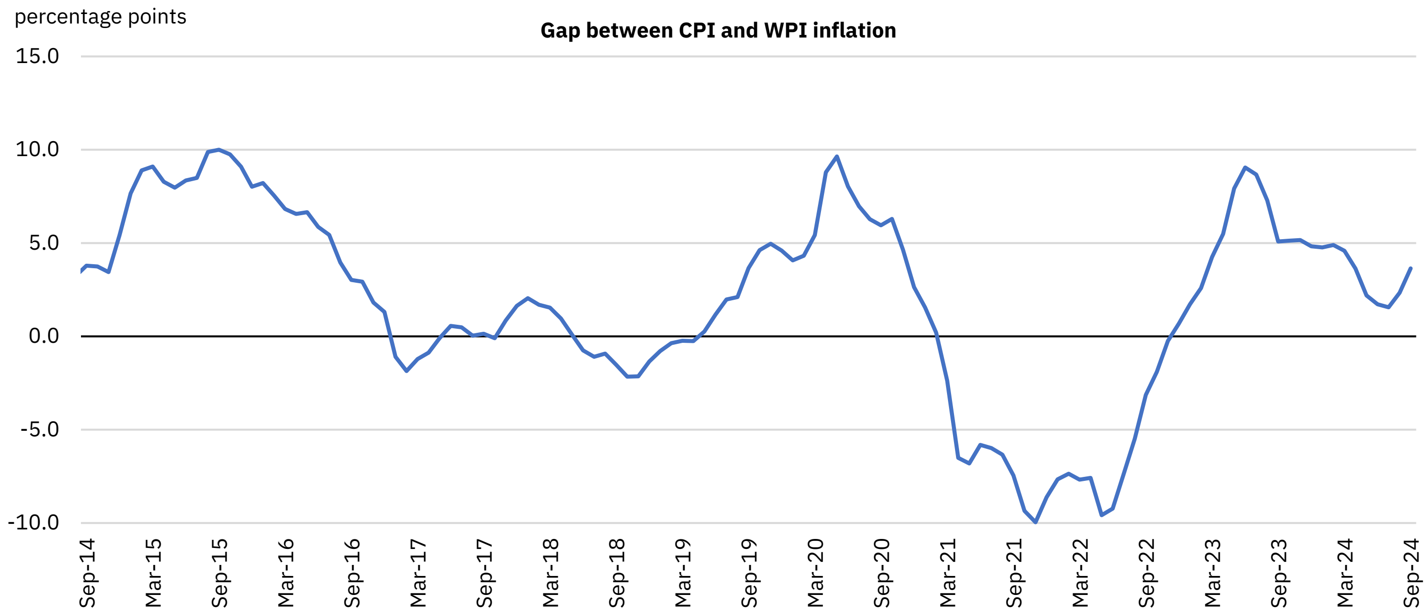
Source: LSEG Workspace, NSE EPR.

Figure 17: Monthly Change in WPI inflation broken down by base and momentum



Source: CMIE Economic Outlook, NSE EPR.

Figure 18: Gap between retail and wholesale inflation



Source: CMIE Economic Outlook. NSE EPR.

RBI Monetary Policy: Status quo on rates; stance shifts to "neutral"

The RBI's MPC, with a new set of external members, expectedly decided to retain the policy repo rate at 6.5% for the 10th consecutive time with a 5:1 majority. Dr Nagesh Kumar was the only member who dissented by voting for a 25bps rate cut. The stance, however, was unanimously revised from "withdrawal of accommodation" to "neutral", reflecting increased confidence in the disinflation trajectory later in the fiscal year. The GDP growth forecast for FY25 was retained at 7.2%, with resilience primarily fueled by momentum in consumption (festive season demand, revival in rural demand) and investment activities (strong government capex and signs of pick-up in private investment aided by healthy corporate balance sheets). Similarly, the inflation forecast for FY25 was kept unchanged at 4.5%. A temporary spike in the near term, thanks to unfavorable base and rising food prices, is likely to be followed by a moderation in Q4. The RBI's nimble and flexible approach towards liquidity management via variable rate repo (VRR) and reverse repo (VRRR) operations has ensured alignment of liquidity conditions with the monetary policy stance. Despite the improved performance of banks and NBFCs, the RBI governor explicitly highlighted the stress build-up in certain segments of NBFCs, underscoring the need for sustainable business goals and strong risk management framework.

The RBI's MPC is expected to balance global and domestic developments, closely monitoring the tensions in the Middle East and its impact on crude oil prices along with the near-term food inflation risks. On the domestic front, despite resilient economic growth, emerging signs of demand weakness add uncertainty to the outlook. That said, the ongoing festive season could help ease the incipient weakness. Given the current growth-inflation dynamics, the change in stance grants the MPC increased flexibility, allowing it to closely observe the continuing, albeit incomplete, progress of disinflation, while supporting growth if required. While it opens space for a rate cut as early as December, the probability remains evenly balanced for now given the MPC's unwavering focus on bringing down inflation within target levels on a durable basis. During this period, the RBI is likely to remain nimble and flexible in liquidity management to ensure orderly money market rates and maintain financial stability.

- **MPC remains status quo on rates; shifts stance to "neutral":** The RBI's MPC — with a new set of external members — expectedly decided to retain the policy repo rate at 6.5% for the tenth consecutive time with a 5:1 majority while unanimously deciding to revise the monetary policy stance to *"neutral"*, first time since April 2019. The MPC's increased confidence in the disinflation trajectory in the later part of the financial year faciliated the change the stance. That said, the MPC reiterated its commitment to ensure price stability on a durable basis, which in turn would provide a conducive environment for sustainable growth. With this, the Standing Deposit Facility (SDF) and the Marginal Standing Facility (MSF) rates—the upper and lower bounds of the Liquidity Adjustment Facility (LAF) corridor—remained unchanged at 6.25%, and 6.75% respectively.

The RBI expectedly kept the policy repo rate unchanged at 6.5% with a 5:1 majority while the monetary policy stance has been changed to "neutral"

- **Inflation forecast retained at 4.5% for FY25:** Headline inflation projection for FY25 is unchanged at 4.5% with a downward revision in Q2 (4.1%; -30 bps), Q4 (4.2%; -10 bps) while the Q3 projection has been revised upward by 10 bps to 4.8%. Inflation forecast for Q1FY26 has also been revised lower by 10bps to 4.3%. Notwitstanding the recent moderation (3.6% in June-July), the headline inflation is expected to witness a noticeable jump in the near term on the back of unfavorable base-effect and food price momentum in some commodities. Subsequently, the headline inflation is projected to sequentially moderate due to good kharif harvest while encouraging monsoon, sowing and reservoir level data augur well for ensuing rabi crop and overall agriculture production. Upside risks emanate from unexpected weather events, worsening geopolitical conflicts, volatility in crude oil prices and uptick in metal prices.

Inflation and growth forecast for FY25 retained at 4.5% and 7.2% respectively.

- **GDP growth forecast kept unchanged at 7.2% for FY25:** The RBI also retained the FY24 GDP growth forecast at 7.2%, with a downward revision of 20bps in Q2 to 7% offset by upward revisions of 10bps/20bps in Q3/Q4 to 7.4% each. The Monetary Policy Report projects India's GDP growth at 7.1% in FY26 (higher than 7% in April's MPR). The resilience in growth is likely to be fuelled by momentum in consumption and investment activity. Key drivers include a) improved agriculture outlook and revival in rural demand, b) pick-up in government expenditure, c) continued thrust on government capex, d) healthy balance sheets of banks and corporates, e) visible signs of private investment pick-up, f) festive season spending momentum, and f) buoyancy in services to support urban consumption. Key downside risks to growth emerge from lingering geopolitical conflicts.

- **Banking liquidity remains largely in surplus:** Systemic liquidity during Aug-Sep'24 remained in surplus, averaging Rs 1.3 lakh crore, with a brief deficit in late September due to tax-related outflows. By early October (up to October 7th, 2024), the surplus rebounded to Rs 2.3 lakh crore, aided by increased government spending and a decline in currency in circulation. During this period, the RBI conducted two-way operations to manage shifting liquidity conditions, including VRRR auctions absorbing Rs 11.5 lakh crore (up to October 7th, 2024) and VRR operations injecting Rs 2.1 lakh crore (during September 17-24th, 2024). The weighted average call rate (WACR) averaged 6.53% in August-September as against 6.55% during June-July, before decreasing to 6.44% in early October (up to October 7th, 2024). However, it remained well anchored within the LAF corridor of 6.25%-6.75%. The RBI is likely to remain flexible in its approach to liquidity management to ensure orderly money market conditions and financial stability.

- **Regulatory measures:** The RBI has broadened its regulations to prohibit banks and NBFCs from levying foreclosure charges on floating rate loans, extending the coverage to loans provided to Micro and Small Enterprises (MSEs). A discussion paper on capital-raising avenues for Primary (Urban) Co-operative Banks is also set to be issued, focusing on the issuance of special shares and premium shares, following recommendations from the RBI's expert committee. In response to climate-related financial risks, the RBI proposed a public directory and a data portal for regulated entities namely the Reserve Bank Climate Risk Information System (RB-CRIS). Additionally, the RBI plans to raise UPI123Pay's transaction limit to Rs 10,000 and expand UPI Lite's wallet limit to Rs 5000. Finally, a beneficiary account name look-up feature will be introduced for RTGS and NEFT transactions to reduce payment fraud and enhance customer confidence.

- **Rate cut in the offing?:** The RBI's MPC is expected to balance global and domestic developments, closely monitoring the tensions in the Middle East and its impact on crude oil prices along with the near-term food inflation risks. On the domestic front, despite resilient economic growth, emerging signs of demand weakness add uncertainty to the outlook. That said, the ongoing festive season could help ease the incipient weakness. Given the current growth-inflation dynamics, the change in stance grants the MPC increased flexibility, allowing it to closely observe the continuing, albeit incomplete, progress of disinflation, while supporting growth if required. While it opens space for a rate cut as early as December, the probability remains evenly balanced for now given the MPC's unwavering focus on bringing down inflation within target levels on a durable basis. During this period, the RBI is likely to remain nimble and flexible on liquidity management to ensure orderly money market rates and maintain financial stability.

Table 9: Current policy rates

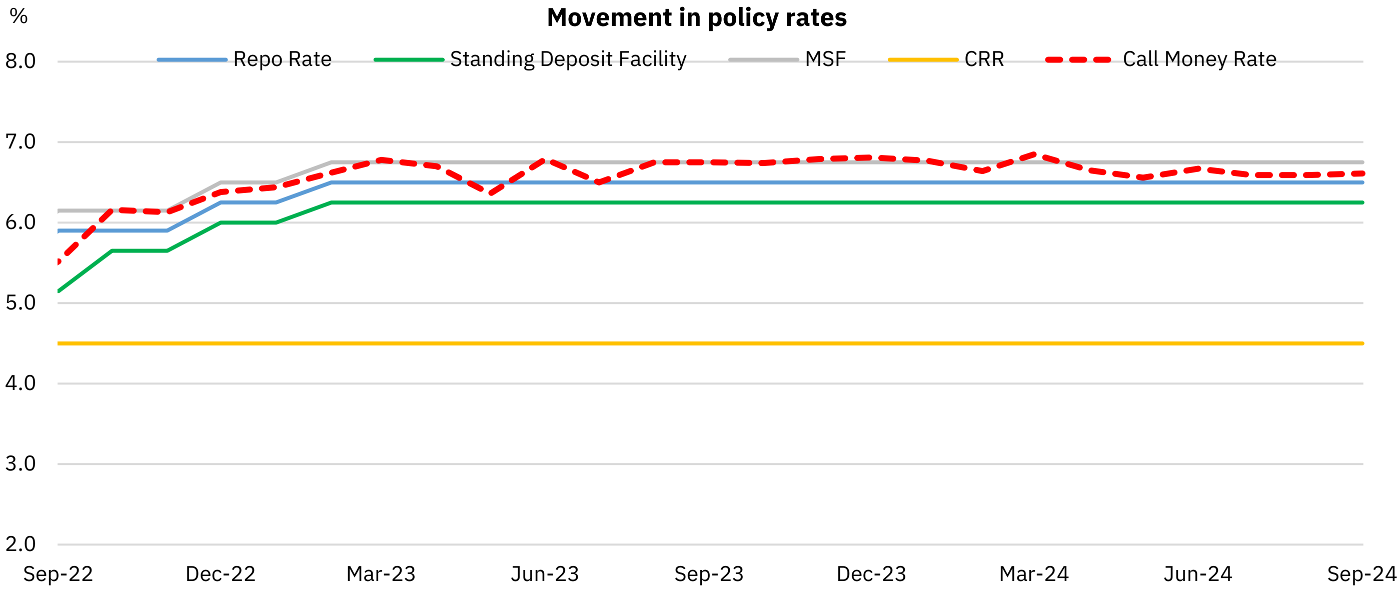
The policy repo rate was retained at 6.5% in the October policy with a 5:1 majority, while the policy stance has been unanimously changed to "neutral".

Key rates	Apr 2024	June 2024	August 2024	October 2024
Repo Rate	6.50%	6.50%	6.50%	6.50%
Standing Deposit Facility (SDF)*	6.25%	6.25%	6.25%	6.25%
Marginal Standing Facility (MSF)	6.75%	6.75%	6.75%	6.75%
Bank Rate	6.75%	6.75%	6.75%	6.75%
Cash Reserve Ratio (CRR)	4.50%	4.50%	4.50%	4.50%

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

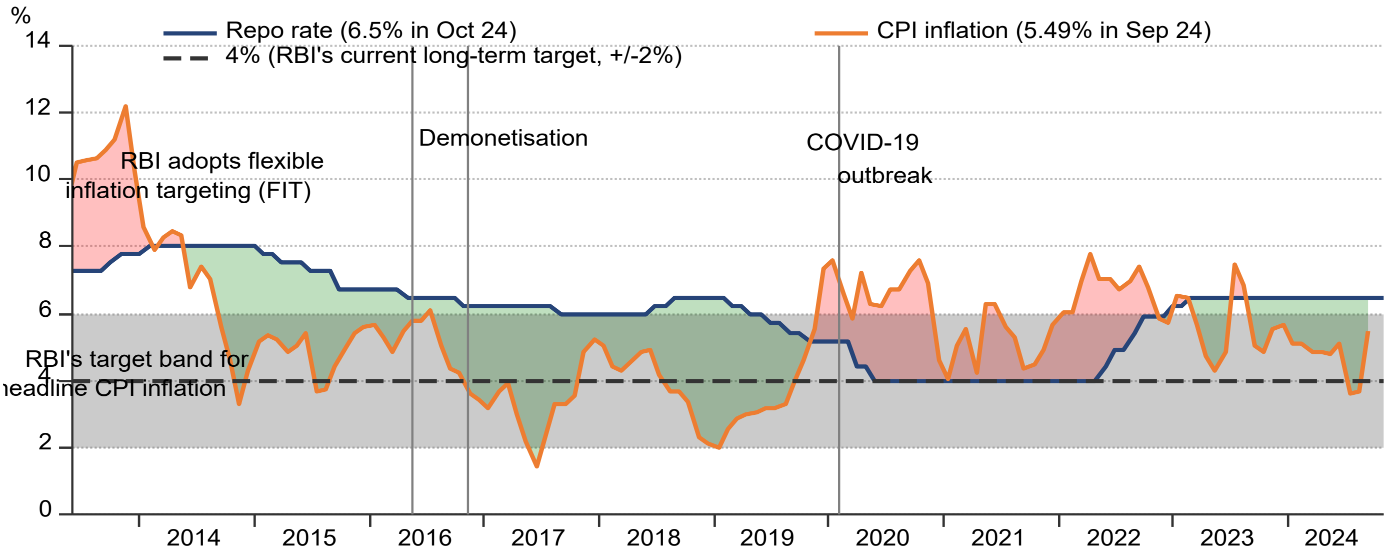
Figure 19: Movement in key policy rates

Flexible liquidity management by the RBI has helped bring down money market rates closer to the policy repo rate. The average Weighted Average Call Money Rate (WACR) fell to 6.53% during August-September from 6.55% during June-July. The WACR averaged 6.44% during October (up to October 7th).



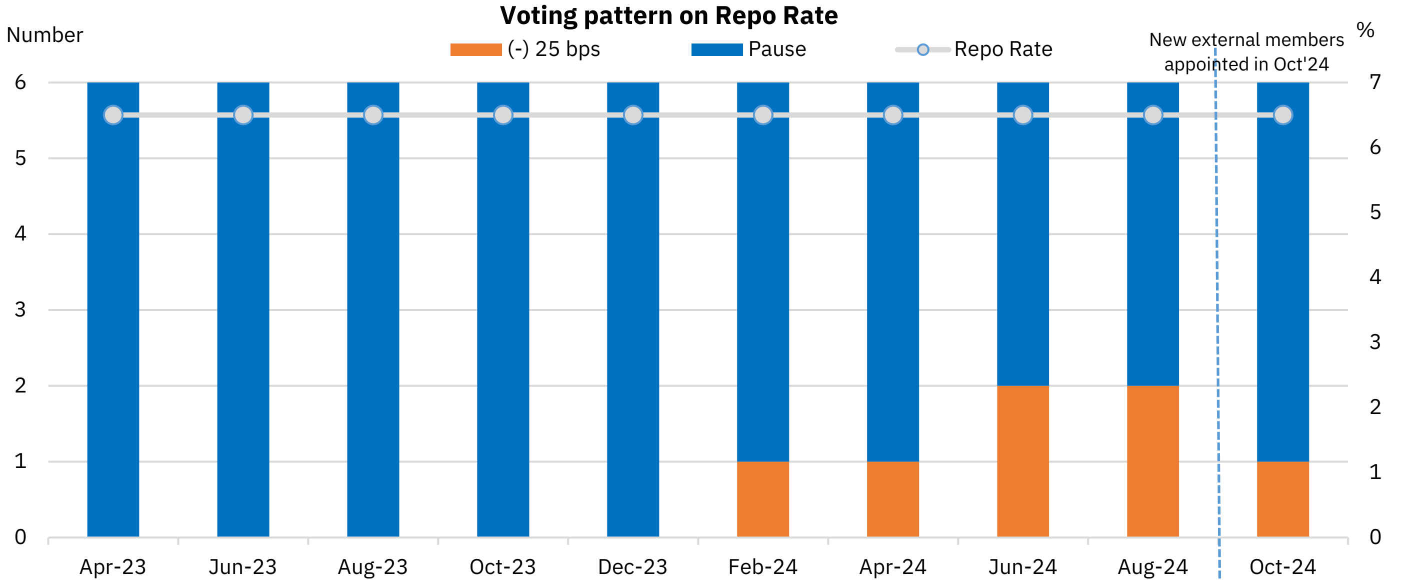
Source: LSEG Workspace, NSE EPR.

Figure 20: Real interest rates



Source: Refinitiv Workspace, NSE EPR.

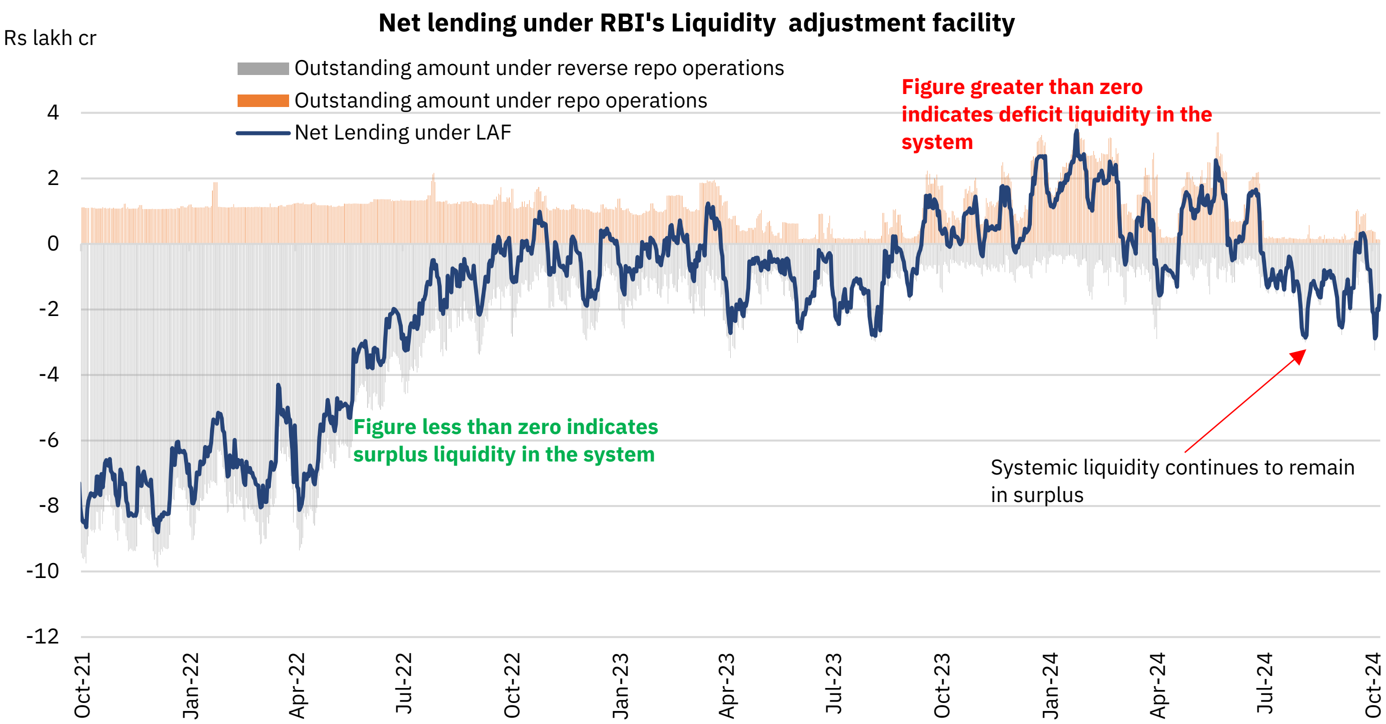
Figure 21: MPC members' voting pattern



Source: RBI, NSE EPR.

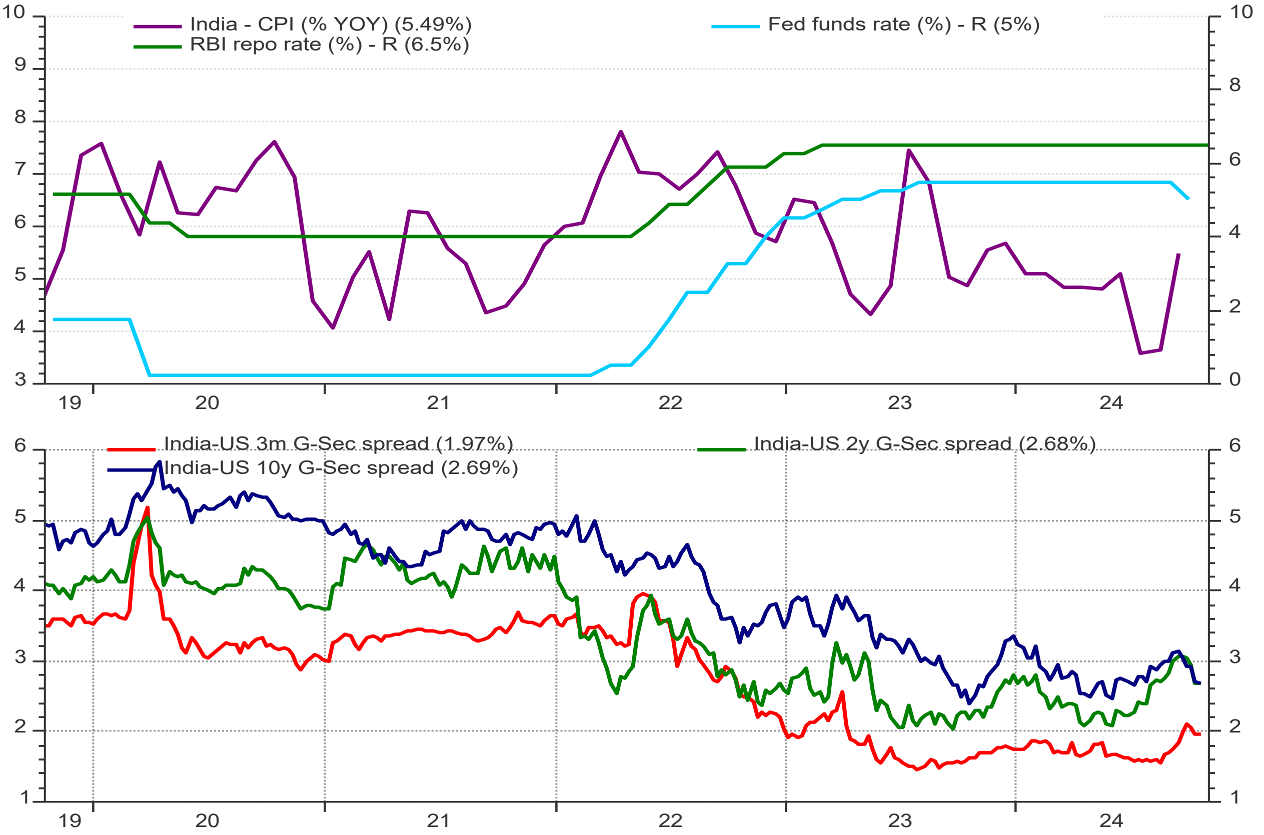
Figure 22: Net lending under RBI's Liquidity Adjustment Facility

System liquidity remained in surplus during August-September, averaging Rs 1.3 lakh crore. It moved from a surplus of Rs 2.7 lakh crore during early August to a deficit of Rs 0.2 lakh crore during late September and then back to a surplus of Rs 2.3 lakh crore in early October (up to October 6th). This surplus is mainly due to pick up in government spending and decline in currency in circulation.



Source: CMIE Economic Outlook, NSE EPR.

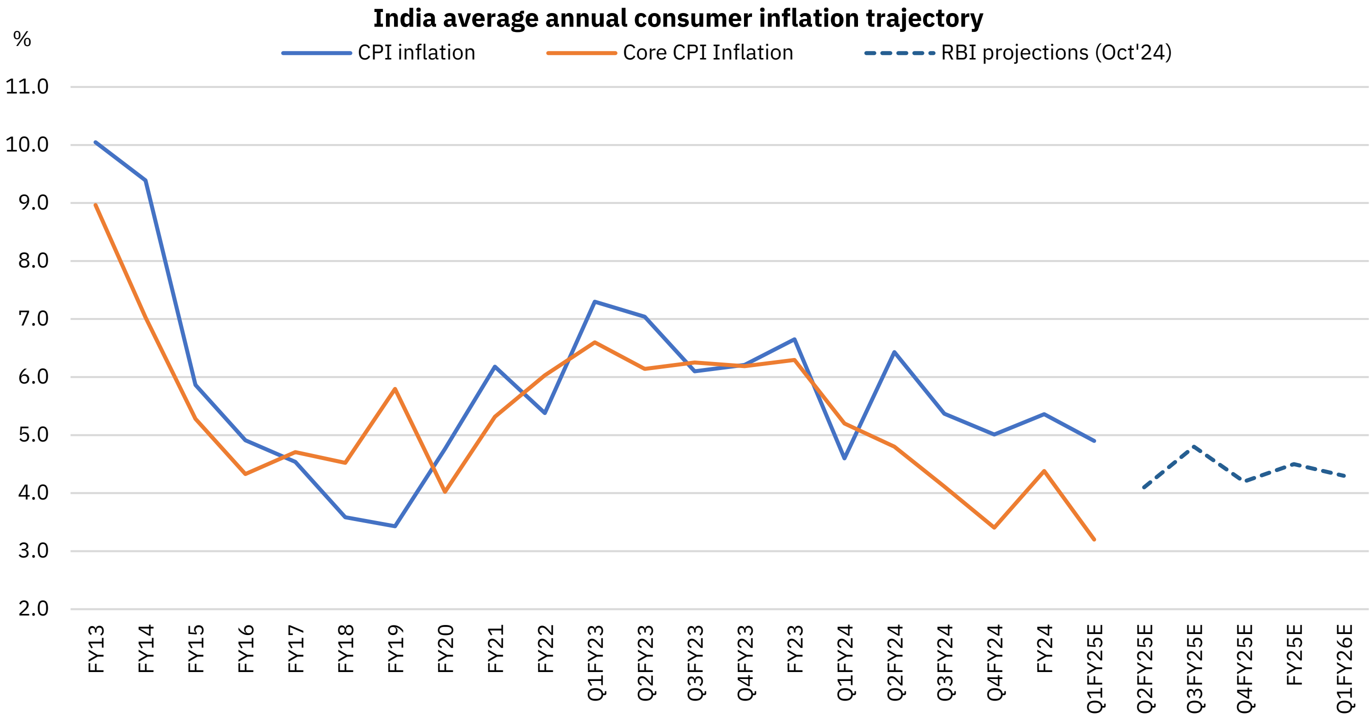
Figure 23: India vs. US policy rates and yield differential



Source: LSEG Workspace, NSE EPR.

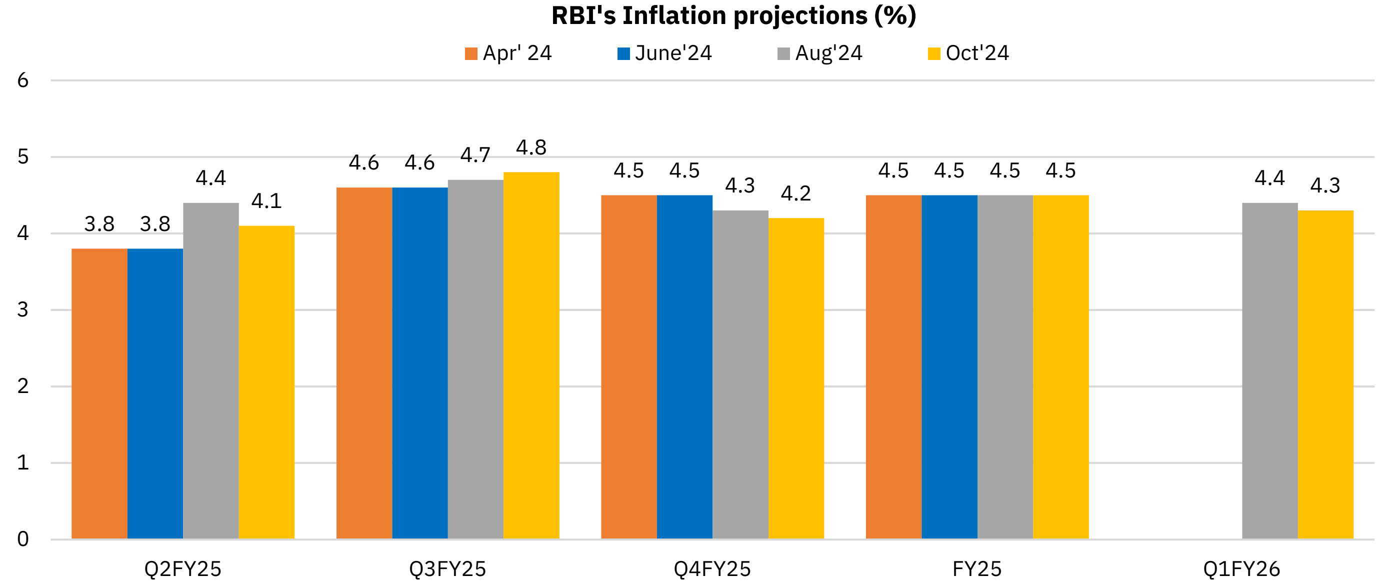
Figure 24: India's consumer inflation trajectory and RBI's forecasts

Headline inflation projection for FY25 is unchanged at 4.5%, with a downward revision in Q2, Q4 and Q1-FY26 while the Q3 projection has been revised upward.



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

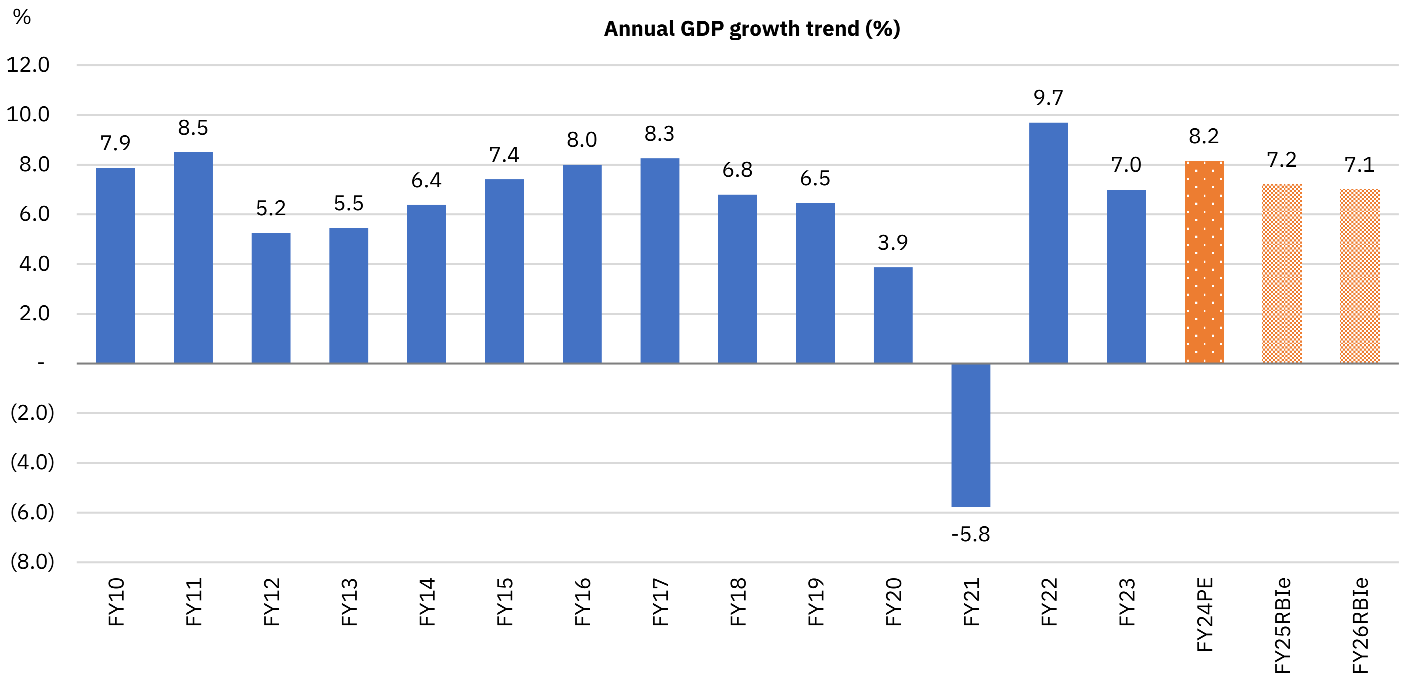
Figure 25: Quarterly inflation forecasts by RBI for FY25



Source: RBI, NSE EPR.

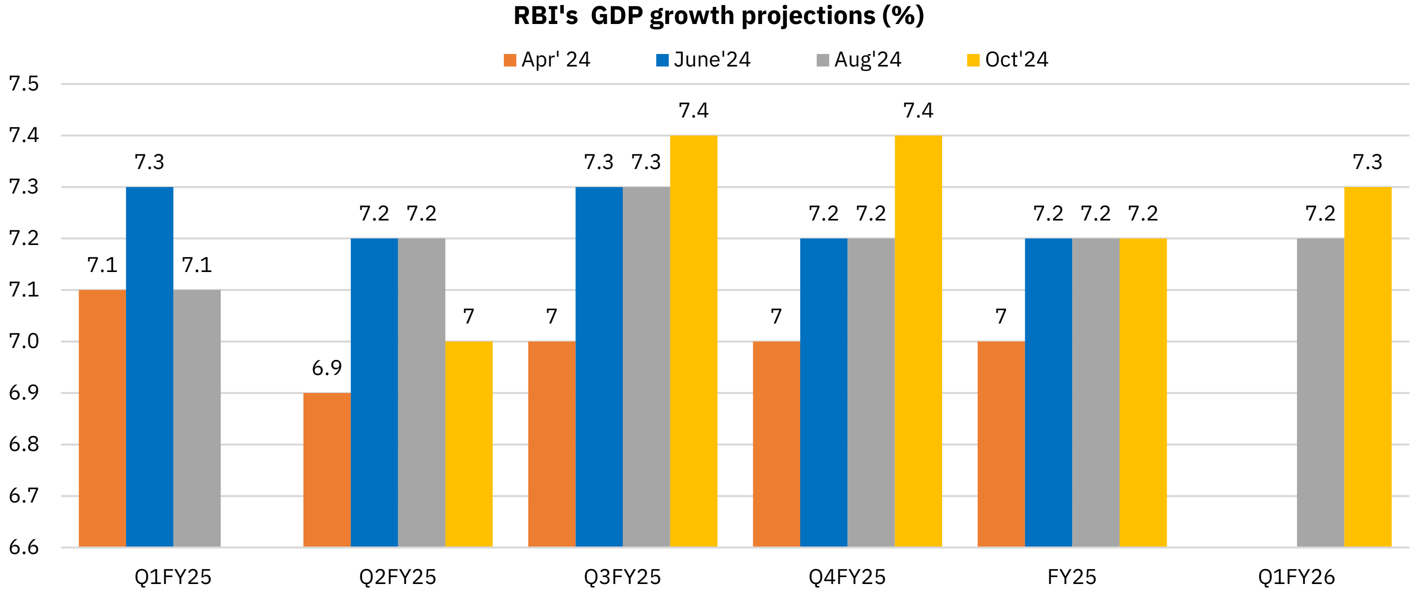
Figure 26: GDP growth trend and RBI's estimates

The GDP growth projection for FY25 has been retained at 7.2%.



Source: CMIE Economic Outlook, RBI, NSE EPR. RBIe = RBI estimate, PE= Provisional Estimate.

Figure 27: RBI's quarterly GDP growth forecasts for FY25



Source: RBI, NSE EPR.

RBI Surveys: Business and consumer sentiments remain strong

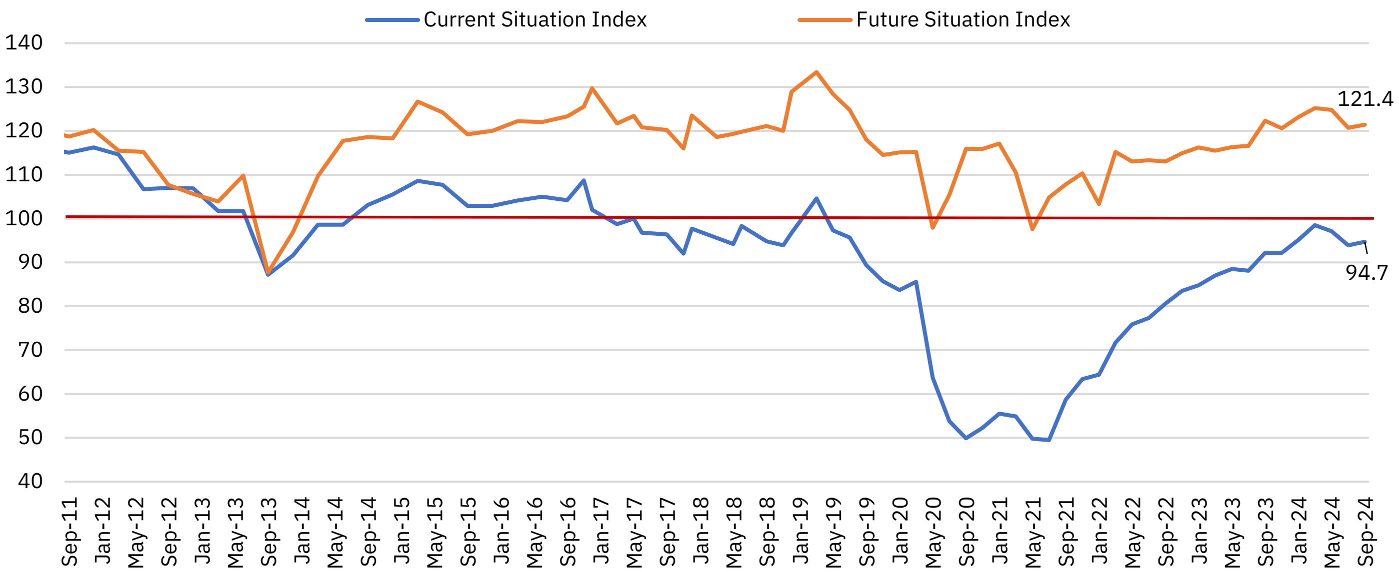
The RBI released the results of the recently conducted forward-looking surveys including the Consumer Confidence Survey (September 2024), Households' Inflation Expectations Survey (September 2024), Survey of Professional Forecasters on Macroeconomic Indicators (round 90th), Industrial Outlook Survey of the Manufacturing Sector (Q2 FY25), Order Books, Inventories, Capacity Utilisation (OBICUS) Survey on the Manufacturing sector (Q1FY25), Bank Lending Survey (Q2FY25) and Services and Infrastructure Outlook Survey (Q2FY25). The survey results point to improved consumer confidence and business expectations, increase in capacity utilization (seasonally adjusted basis) order inflows and improved bank lending amongst other findings. Key highlights of the survey results are as follows.

- **Consumer Confidence Survey (September 2024 round)[1]:** Consumer confidence, as measured by the Current Situation Index (CSI), after falling consecutively for the previous two rounds, marginally inched up by 0.8 points to 94.7. The index had been in recovery since the lows seen in July'21 during the pandemic and had scaled its post-pandemic peak of 98.5 in March 2024, moderating marginally since then. The index continues to remain below the threshold of 100 and last crossed it in March 2019, indicating an incomplete recovery.

  Respondents, however, remained optimistic about future prospects, expecting the general economic situation to improve going forward. The Future Expectations Index (FEI) for the one-year ahead period also reached its local peak in March 2024 at 125.2 and has given up some of the gains since then. The recent round saw the FEI inch up by 0.7 pts to 121.4 with sentiment on discretionary spending, income and employment remaining positive with the only exception of price level, which also saw improvement compared to the last round.

Consumer confidence, as measured by the current situation index (CSI) improved in the recent survey, signaling improved outlook about the overall economic situation.

Figure 28: Consumer confidence indices



Source: RBI, CMIE Economic Outlook, NSE EPR. CSI and FEI are compiled based on net responses on the economic situation, income, spending, employment and the price level for the current period and a year ahead, respectively. CSI/FEI = 100 + Average of Net Responses of the above parameters

[1] Consumer Confidence Survey: Perceptions and expectations on the general economic situation, the employment scenario, the overall price situation and own income and spending were obtained from physical interviews with 6087 households during September 1-10th, 2024 across 19 major cities.

Table 10: Summary of survey responses

	Current perception compared to one-year ago		One-year ahead expect. compared with current situation	
	Jul-24	Sep-24	Jul-24	Sep-24
Economic Situation	-5.0	-4.4	26.1	26.9
Employment	-8.1	-7.3	26.8	27.3
Price level	-92.6	-92.4	-74.3	-73.3
Change in price level	-74.6	-74.5	-75.0	-73.4
Income	-0.5	-0.3	49.1	49.9
Spending	75.8	77.6	75.6	76.0
Essential items	85.1	86.2	82.0	82.2
Non-essential items	-5.4	-4.7	10.3	10.6
Consumer Confidence Index	**93.9**	**94.7**	**120.7**	**121.4**

Source: RBI, CMIE Economic Outlook, NSE EPR.

- **Households' Inflation Expectations Survey[2]:** After hardening by 20bps in the previous round, the median inflation perception declined by 10bps to 8.1% in the latest round. Contrary to the hardening of the retail and wholesale inflation trajectory over the last few months, household inflation expectations for the three-month as well as 12-month ahead periods saw a moderation. The three-month ahead inflation expectations inched downwards by 20bps to 9.2%, and for the one-year ahead period, median household inflation expectations moderated by 10bps to 10% in the latest survey.

  That said, uncertainty in inflation expectations went up for one year ahead periods. Additionally, since the survey was conducted in early September, it possibly does not account for the recent surge in vegetables prices and the tariff hikes seen in the edible oil segment. Nearly 80% and 89% of the respondents expect general inflation to harden across categories over the next three and 12 months respectively, marginally lower than the previous survey. At the gender level, females consistently had lower perceptions and expectations as compared to their male counterparts.

Household inflation expectations softened in the September survey despite hardening retail and wholesale inflation trajectory.

Figure 29: Median inflation rate: Perception and three-months ahead expectations

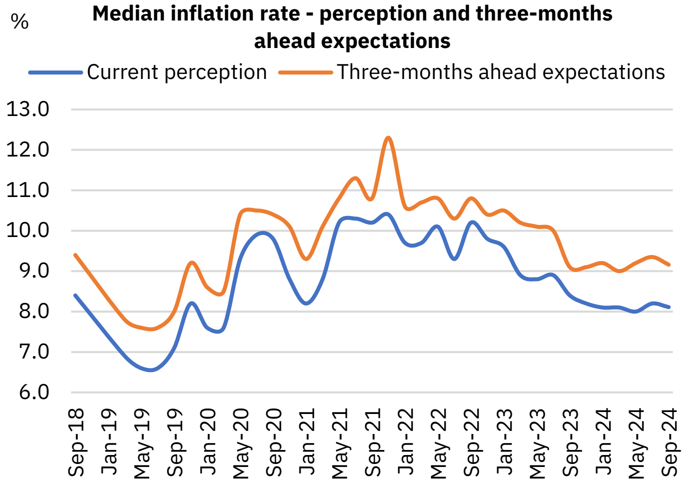
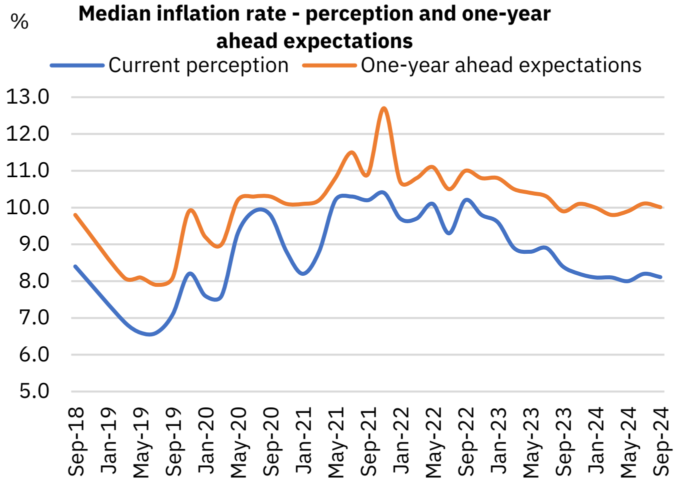


Figure 30: Median inflation rate: Perception and one-year ahead expectations



Source: RBI, CMIE Economic Outlook, NSE EPR.

[2] It is a bi-monthly survey conducted by the RBI. It provides directional information on near-term inflationary pressures as expected by the respondents and may reflect their own consumption patterns. Hence, they should be treated as households' sentiments on inflation. The survey was conducted during September 1-10, 2024, in 19 major cities, with 6,076 valid responses, where female participation was 52.6 per cent.

Table 11: Household median inflation expectations

Survey period (%)	Current perception	Three-months ahead expectations	One-year ahead expectations
Sep-23	8.8	10.1	10.4
Nov-23	8.2	9.1	10.1
Jan-24	8.1	9.2	10
Mar-24	8.1	9	9.8
May-24	8	9.2	9.9
Jul-24	7.6	8.6	9.2
Sep-24	8.1	9.2	10.0

Source: RBI, CMIE Economic Outlook, NSE EPR.

Table 12: Households expecting general price movements in coherence with movements in price expectations of various product groups: Three months ahead and one-year ahead (percentage of respondents)

Survey period	Food	Non-food	Household durables	Housing	Cost of services
Three-months ahead					
Sep-23	62	64.3	60.7	63.2	66.3
Mar-24	65.4	66.1	61.2	64.6	66.8
May-24	67.4	67.2	63.2	67.2	68
Jul-24	66.3	66.2	61.7	66.3	68.4
Sep-24	66	66.4	61.6	65.6	67.5
One-year ahead					
Sep-23	69.8	71.2	66.8	72.2	71.5
Mar-24	74.6	73.6	68.3	75	74.2
May-24	76.1	74.5	69.5	76.8	75
Jul-24	76.3	74.6	69.6	77.1	76.2
Sep-24	78.8	75.1	68.7	77.9	75.9

Source: RBI, CMIE Economic Outlook, NSE EPR.

- **Survey of Professional Forecasters (SPF)[3] on macroeconomic indicators:** The results of the 90th round of the Survey of Professional Forecasters points to 10 bps downward revision in FY25 median GDP growth forecast to 6.9%, lower than the RBI's estimate of 7.2%, even as the range was very wide (6.0-8.1%). The growth forecast for private consumption (PFCE) has seen a sharp 50bps increase, reflecting the impact of recent pick-up in rural demand and sustained urban consumption demand. The GDP growth forecast for FY26 remained flat at 6.7% compared to the last survey round. Forecasts for FY25 and FY26 real GVA growth have been revised upwards by 10bps to 6.8% and 6.5% respectively, primarily led by increased growth projections for the Agriculture and Allied Activities sector, reflecting the impact of an above-normal monsoon and higher sowing levels leading to higher incomes in the sector.

  Headline inflation for FY25 is estimated at 4.5%, same as that in the previous round, but the forecast for FY26 has been lowered by 10bps to 4.4%. On a quarterly basis, forecasts for Q4FY25 and Q1FY26 have been revised downwards significantly by 20bps, with expectation that above normal monsoon will bode well for food inflation. The core inflation forecasts have also seen downward revisions of 10bps to 3.9% in Q3FY25 and 30bps to 4.2% in Q1FY26. On the fiscal front, the general government deficit is expected to be 7.9% and 7.4% of GDP in FY25 and FY26, same as projected in the previous survey. On the external front, the current

The RBI's SPF points to a downward revision in FY25 GDP growth forecasts by 10 bps from 7% to 6.9% while the forecast for FY26 was retained at 6.7%

[3] Thirty-three panelists participated in the 90th round of the survey conducted during September 2024. The survey results are summarized and consolidated in terms of their median forecasts.

account deficit for FY25 was retained at 1% and was revised lower by 10bps to 1% for FY26.

Table 13: Annual forecasts (median) for FY25 and FY26

	FY25			FY26		
	Forecasts issued on			Forecasts issued on		
	07-Jun-24	08-Aug-24	09-Oct-24	07-Jun-24	08-Aug-24	09-Oct-24
# of respondents	43	44	47	43	44	47
Real GDP at constant prices (% YoY)	6.8	7.0	6.9	6.7	6.7	6.7
PFCE (% YoY)	6.0	6.0	6.5	6.2	6.4	6.5
GFCF (% YoY)	8.6	8.0	7.9	7.5	7.8	8.0
Real GVA at basic prices (% YoY)	6.6	6.7	6.8	6.4	6.4	6.5
Agriculture & allied activities (% YoY)	3.6	3.7	3.9	3.1	3.2	3.5
Industry (% YoY)	7.0	7.0	7.0	6.6	6.7	6.8
Services (% YoY)	7.4	7.4	7.5	7.2	7.0	7.1
Combined CPI inflation (avg, %)	4.5	4.5	4.5	4.5	4.5	4.4
Core CPI inflation (avg., %)	3.8	3.8	3.7	4.3	4.3	4.2
Wholesale inflation (avg, %)	3.0	3.0	2.5	3.5	3.5	3.1
WPI non-food mfg. products (avg, %)	1.9	1.9	1.3	2.8	2.7	2.5
Bank credit (% YoY)	14.0	14.0	13.5	13.0	13.0	13.0
Combined fiscal deficit (% of GDP)	8.1	7.9	7.9	7.5	7.5	7.4
Centre's fiscal deficit (% of GDP)	5.1	5.0	4.9	4.5	4.5	4.5
Merchandise exports (% YoY)	3.9	3.8	3.4	5.1	5.4	5.5
Merchandise imports (% YoY)	5.2	5.3	4.6	6.0	5.8	5.9
Current account balance (% of GDP)	-1.0	-1.0	-1.0	-1.1	-1.1	-1.0

Source: RBI, CMIE Economic Outlook, NSE EPR.

- **Industrial Outlook Survey (IOS) for the manufacturing sector[4]:** The assessment of the business climate in the quarter gone pointed to a moderation in the demand as their assessments turned incrementally less positive for production, order books, capacity utilisation, employment and overall business situation while also falling short of expectation in Q2FY25. Sentiments on the growth in selling prices and profit margins also remained muted. As a result, the Business Assessment Index (BAI)[5] came off marginally but remained in the expansion zone at 108.3 in Q2, down from 110.8 in Q1.

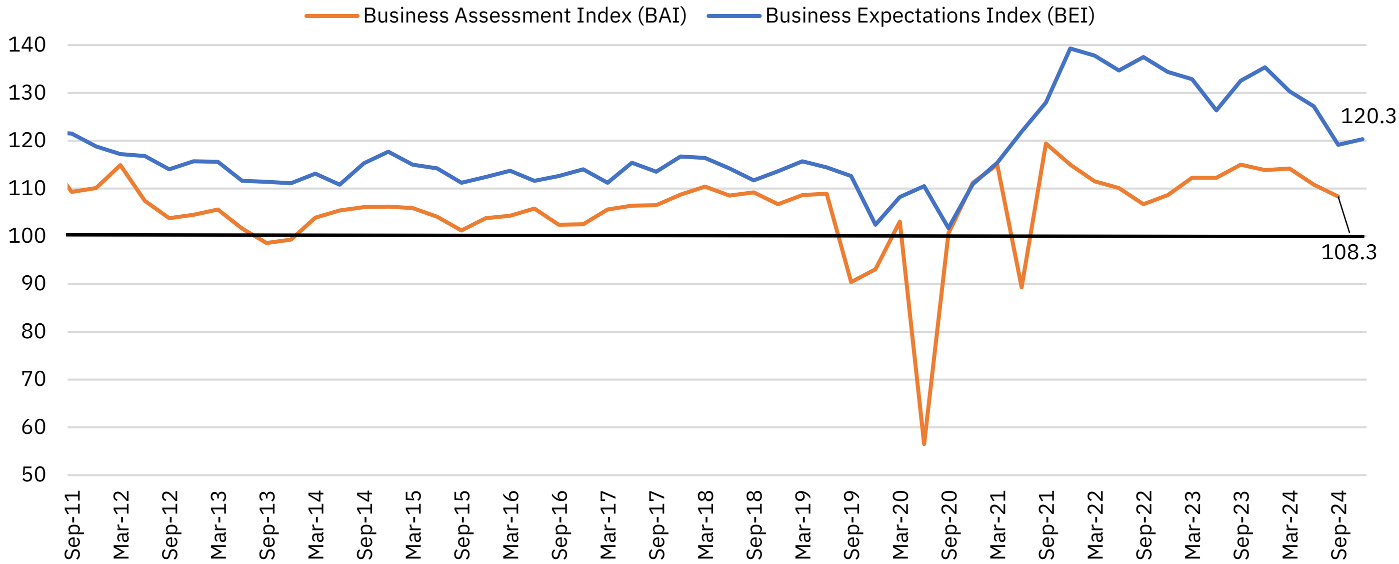
  The respondents expect the demand conditions to remain strong in Q3FY25, with lower input costs to help margins, even as they expect the cost of finance and labor to increase. Accordingly, the Business Expectations Index (BEI) improved slightly to 120.3 in Q3FY25 from 119.1 in Q2FY2, reflecting some improvement in business optimism. The respondents expect further improvement in the overall business situation and production, new orders, and job situation over the coming quarters.

Business sentiments have come off marginally, even as they remain in the expansion zone.

[4] The IOS, conducted during July-September 2024., encapsulates qualitative assessment of the business climate by 1,300 companies in the manufacturing sector for Q2FY25 and expectations for Q3Y25 based on nine business indicators: overall business situation, production, order books, inventory of raw material, inventory of finished goods, profit margins, employment, exports, and capacity utilisation.

[5] Calculated as a weighted (share of GVA of different industry groups) net response of business indicators mentioned above, BAI/BEI gives a snapshot of the business outlook in every quarter and takes values between 0 and 200, with 100 being the threshold separating expansion from contraction.

Figure 31: RBI's Industrial Outlook Survey: Business sentiments



Source: RBI, CMIE Economic Outlook, NSE EPR.

Table 14: RBI's Industrial Outlook Survey: Net responses* across parameters (%)

Parameters	Assessment period		Expectations period	
	Q1FY25	Q2FY25	Q2FY25	Q3FY25
Production	27.9	22.9	36.3	36.3
Order Books	25.6	19.5	35.2	33.3
Pending Orders	5.9	8	1.8	1.8
Capacity Utilisation	18.7	15.1	29.2	29.5
Inventory of Raw Materials	-5.9	-2.7	-8.3	-9.6
Inventory of Finished Goods	-5.5	-3	-7.7	-9.9
Exports	10.9	5.3	24.8	26.2
Imports	13.9	9.1	22.8	24.3
Employment	11.2	9.7	15.6	17.6
Financial Situation (Overall)	28.5	25.6	42.2	46.4
Availability of Finance (from internal accruals)	23	18.1	31.8	32.1
Availability of Finance (from banks and other sources)	20	14.4	27.2	26.7
Availability of Finance (from overseas, if applicable)	9.8	5.1	16.9	20.2
Cost of Finance	-49.3	-38.7	-51	-47.6
Cost of Raw Materials	-16.6	-10.2	-19.2	-20.2
Salary/ Other Remuneration	-41.7	-17.4	-26.1	-27.4
Selling Price	8	0.2	17.2	17.1
Profit Margin	-12.3	-10.2	9.9	13.6
Overall Business Situation	29.6	26.3	45	47.4

Source: RBI, CMIE Economic Outlook, NSE EPR. * Net Response is the difference in percentage of the respondents reporting optimism and that reporting pessimism. The range is -100 to 100. Any value greater than zero indicates expansion/optimism and any value less than zero indicates contraction/pessimism.

- **OBICUS Survey[6]:** The 66th round of the OBICUS survey conducted by the RBI points to strong demand conditions in India's manufacturing sector in Q3FY22, thanks to recovery in the private capex spending. Key highlights are: 1) Capacity utilisation: At an aggregate level, capacity utilisation witnessed a seasonal drop to 74% in Q1FY25 (vs 76.8 % in Q4FY24), after rising consecutively over the previous three quarters. On a seasonally adjusted basis, however, it rose by 120 bps over the same period to 75.8% in Q1FY25 (vs 74.6% in Q4FY24), 2) Order books: Inflow of new orders witnessed a strong YoY rebound, rising by 12.4% YoY even as it declined by 0.4% QoQ, 3) Finished goods inventory (FGI) to sales ratio and raw material inventory (RMI) to sales ratio: The share of average finished goods inventory to average sales and average raw material to average rales have remained largely stable across the last few quarters.

Inflow of new orders witnessed a strong YoY increase of 12.3% in Q1FY25.

Figure 32: Average order backlog trend and growth

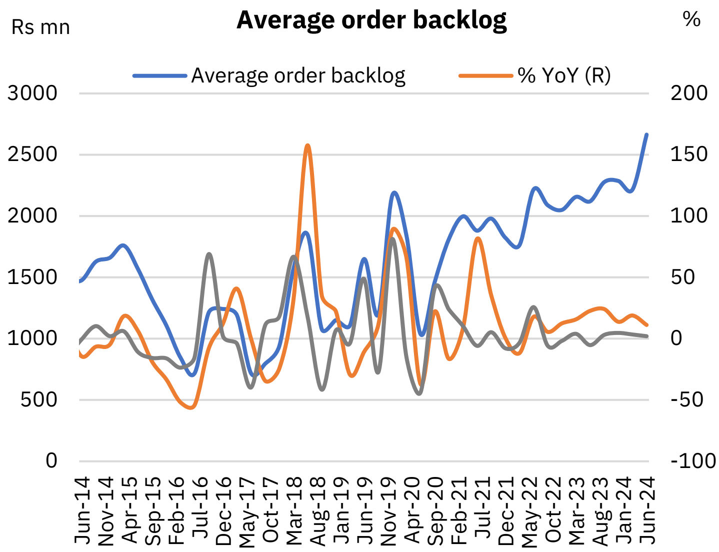
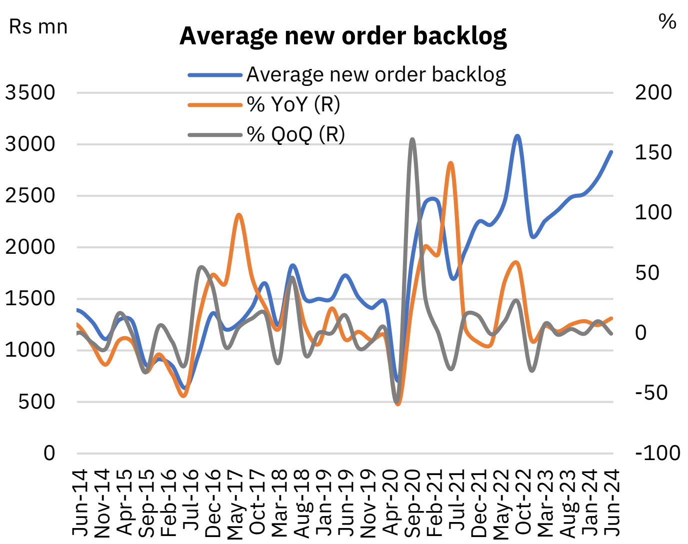


Figure 33: Avg. new order backlog trend and growth



Source: RBI, CMIE Economic Outlook, NSE EPR.

Figure 34: Inventory to sales ratio

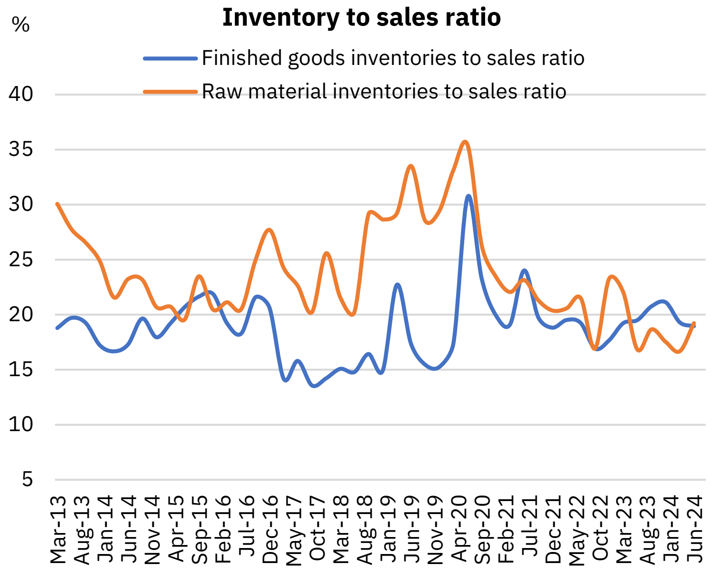
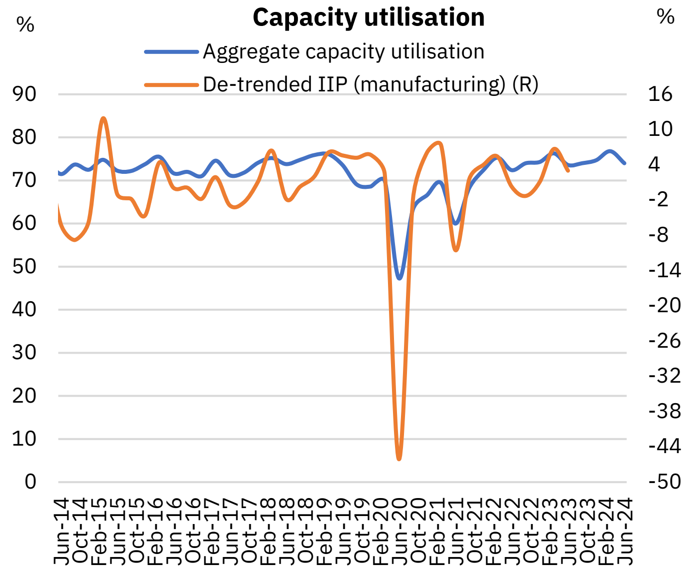


Figure 35: Capacity utilisation and de-trended IIP



Source: RBI, CMIE Economic Outlook, NSE EPR.

[6] The 66th round of the OBICUS survey, covering 905 manufacturing companies with reference period as April-June 2024., provides a snapshot of demand conditions in India's manufacturing sector.

- **Bank Lending Survey[7]:** The 29th round of the Bank Lending survey points to a continued recovery in loan demand in Q2FY25. The improvement was broad-based and in-line with expectations from the previous survey, led by Mining & Quarrying and infrastructure sectors. Even though all major sectors reported an improvement in loan demand, most of them did not see any change in terms and conditions. Banks continue to expect a general improvement in loan demand over the next three quarters across all major sectors, largely led by retail and personal loans, followed by manufacturing and infrastructure sectors. This increase is expected to be accompanied by sequential easing in terms and conditions for all major sectors in next quarter.

Loan demand is expected to improve over the next quarters followed by a slump in the fourth quarter of FY25.

Figure 36: Loan demand for all sectors: Net responses*

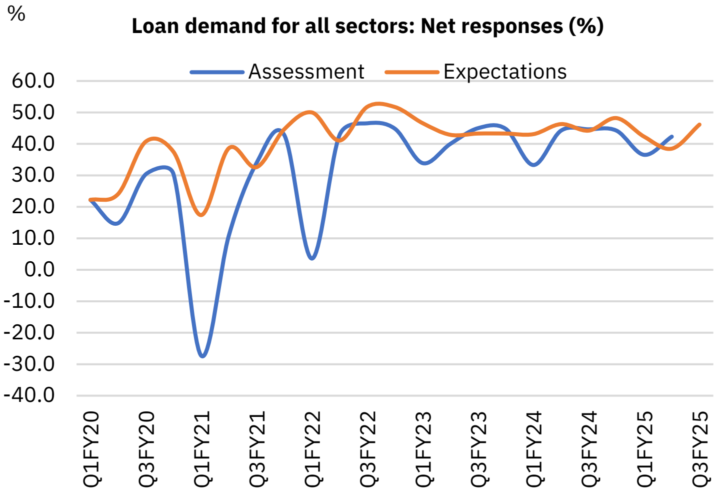
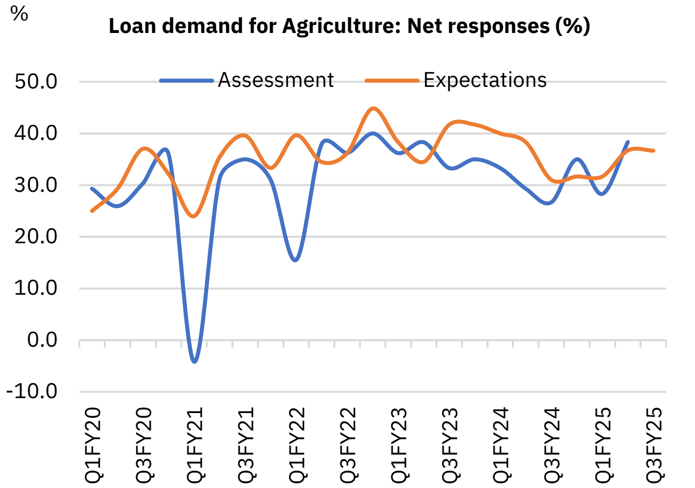


Figure 37: Loan demand for Agriculture: Net responses*



Source: RBI, NSE EPR. * Net Response (NR) is computed as the difference of percentage of banks reporting increase/optimism and those reporting decrease/pessimism in respective parameter.

Figure 38: Loan demand for Mining & Quarrying: Net responses*

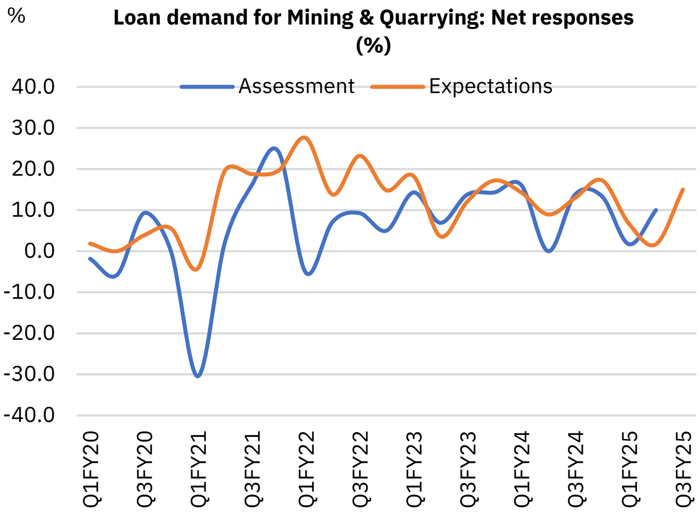
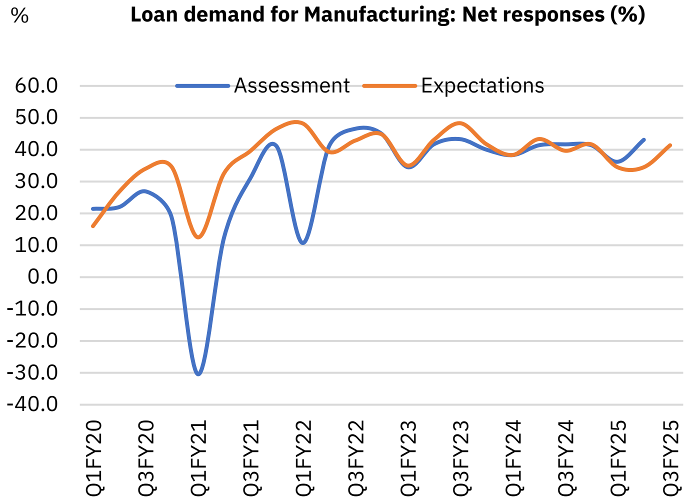


Figure 39: Loan demand for Manufacturing: Net responses*



Source: RBI, NSE EPR. * Net Response (NR) is computed as the difference of percentage of banks reporting increase/optimism and those reporting decrease/pessimism in respective parameter.

[7] The Bank Lending Survey—sent to 30 scheduled commercial banks (SCBs) for responses, accounting for 90% of credit by SCBs—provides qualitative assessment and expectations of these SCBs on credit parameters such as loan demand and terms and conditions of loans for major economic sectors.

Figure 40: Loan demand for Infra: Net responses*

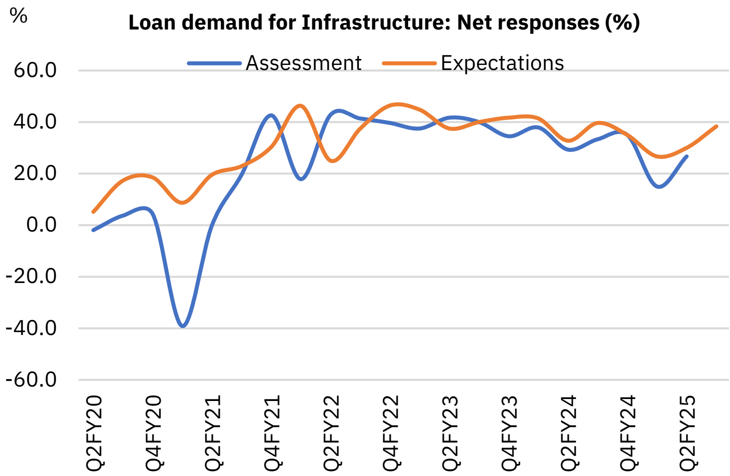
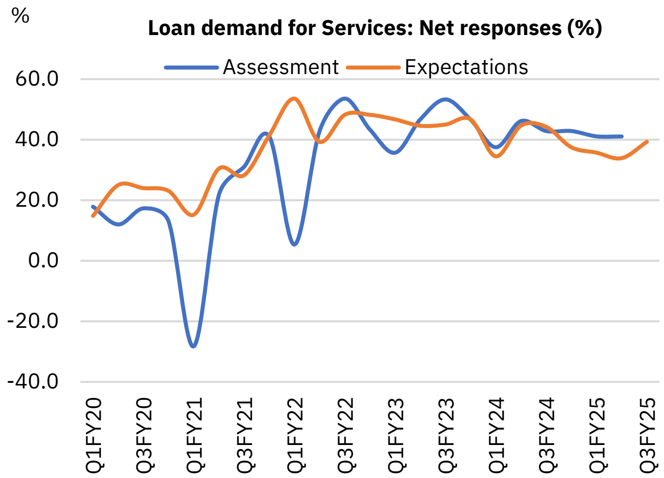
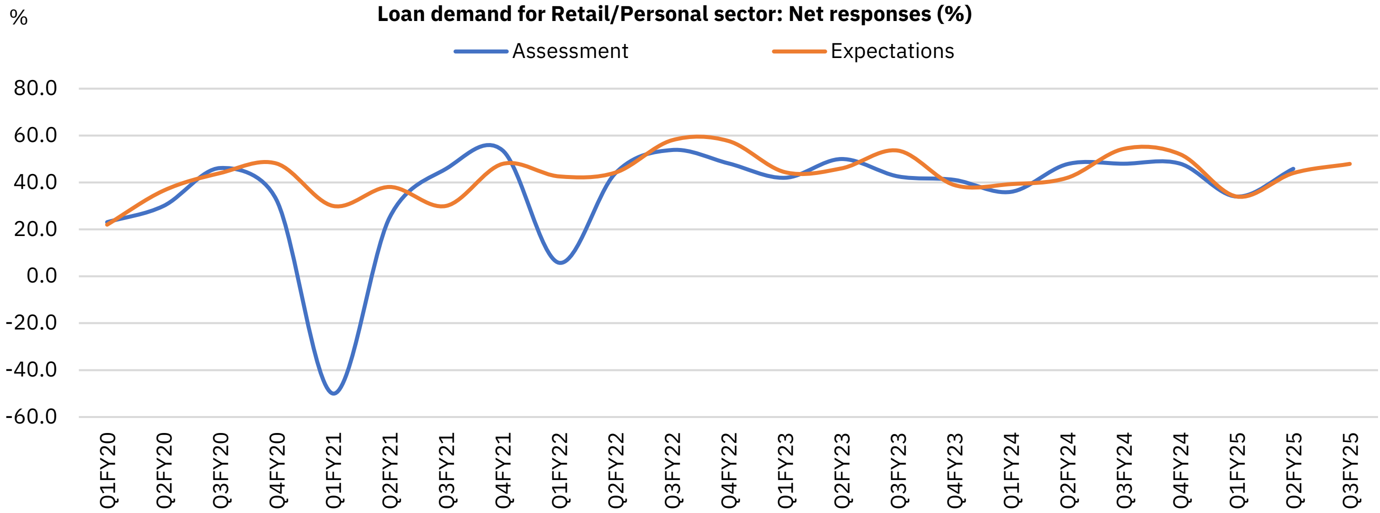


Figure 41: Loan demand for Services: Net responses*



Source: RBI, NSE EPR. * Net Response (NR) is computed as the difference of percentage of banks reporting increase/optimism and those reporting decrease/pessimism in respective parameter.

Figure 42: Loan demand for Retail/Personal sector: Net responses*



Source: RBI, NSE EPR. * Net Response (NR) is computed as the difference of percentage of banks reporting increase/optimism and those reporting decrease/pessimism in respective parameter.

Table 15: Sector-wise expectations for the next three quarters: Summary of net responses*

Sectors	Loan demand (%)			Loan terms & conditions (%)		
	Q3FY25	Q4FY25	Q1FY26	Q3FY25	Q4FY25	Q1FY26
All Sectors	46.2	38.5	42.3	21.2	19.2	19.2
Agriculture	36.7	37.9	41.4	24.1	15.5	20.7
Mining and Quarrying	15.0	14.3	19.6	1.8	-3.6	-1.8
Manufacturing	41.4	37.9	37.9	22.4	20.7	19
Infrastructure	38.3	33.9	39.3	13.8	12.5	12.5
Services	39.3	40.7	42.6	21.4	17.9	19.6
Retail/Personal	47.9	39.3	42.9	10.9	14.3	21.4

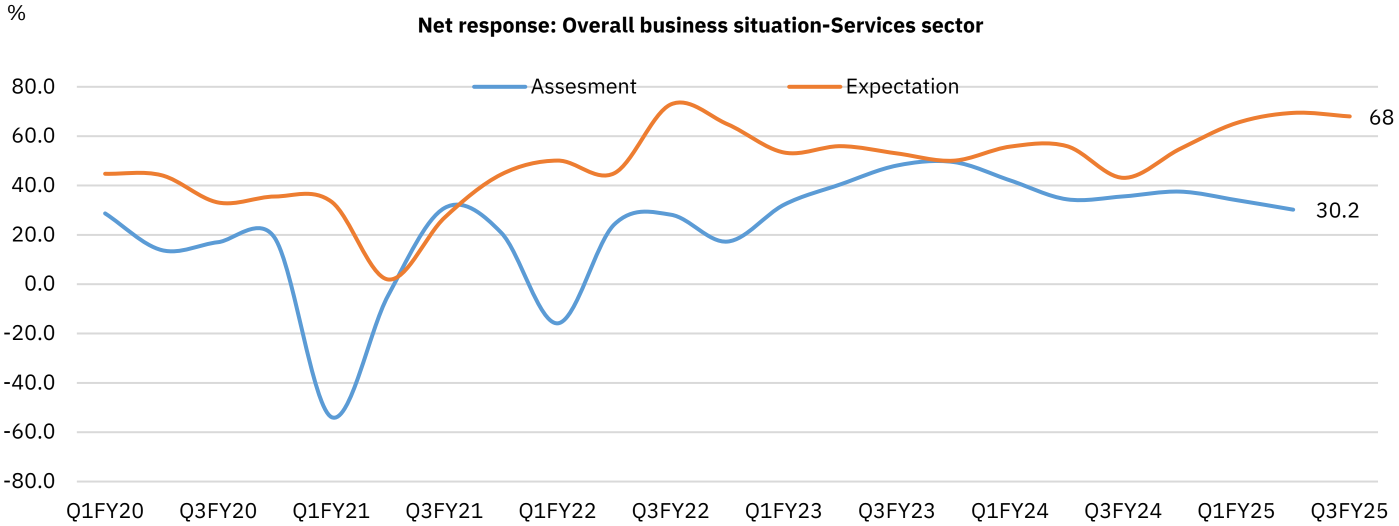
Source: RBI, NSE EPR. * Net Response (NR) is computed as the difference of percentage of banks reporting increase/optimism and those reporting decrease/pessimism in respective parameter.

- **Services and Infrastructure Outlook Survey[8]:** The latest round (42nd) of Services and Infrastructure Outlook survey shows that services companies maintained their optimism about the overall business situation while turning incrementally less positive about turnover, employment conditions. While demand for services remains strong, input cost pressures have continued to sustain, with significant deterioration in the pricing power. As a result, sentiments on profit margins fell compared to the last round. The responding services companies continue to be highly optimistic about demand environment as well as overall business and employment conditions in Q3FY25, albeit lower than the previous round. They will however remain cautious of the elevated input and financing costs even as they expect wage cost burden to ease considerably.

  Infrastructure companies also maintained their overall business situation and turnover, albeit with sequentially lower optimism due to higher input costs. Sentiments on employment conditions have remained muted. Respondents expect the demand conditions to improve with input cost pressures to remain high. Growth in selling price is expected to come off, resulting in weaker profit margins. Additionally, majority respondents are now expecting significant moderation in employment conditions compared to the previous round.

Overall business situation in Services as well as Infra sector remained positive in Q2FY25 with further improvement expected ahead.

Figure 43: Overall business situation in the Services sector: Net responses*



Source: RBI, NSE EPR. * Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100. Positive value indicates expansion/optimism and negative value indicates contraction/pessimism.

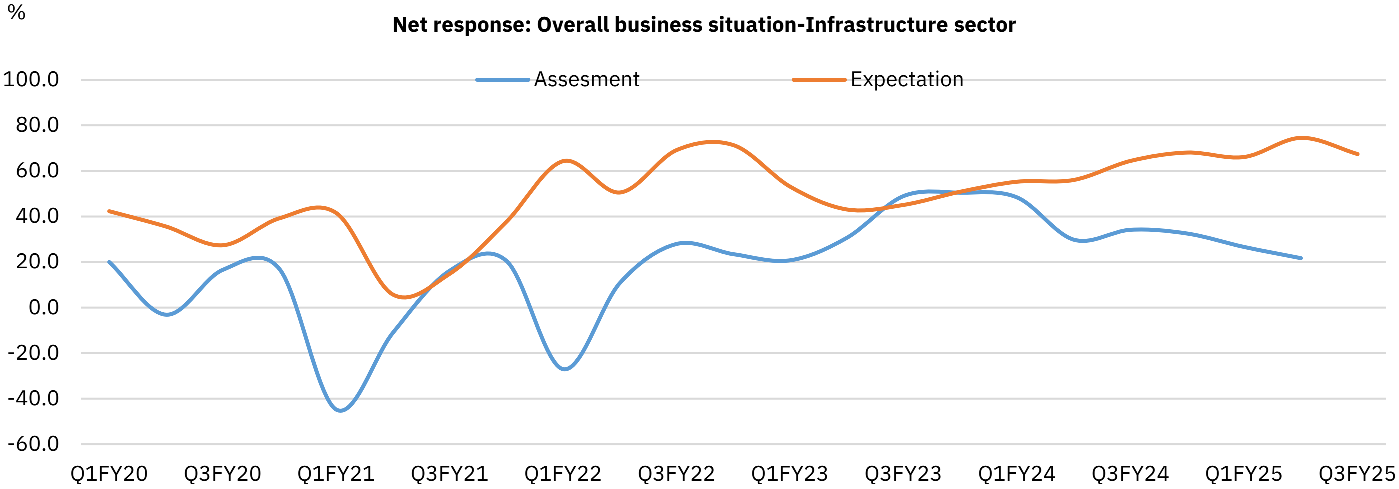
[8] The Services and Infrastructure Outlook Survey captures qualitative assessment of Indian companies in the services and infrastructure sector on a set of parameters relating to demand conditions, price situation and other business conditions. 761 companies provided their assessment and expectations in the 42h round of the survey.

Table 16: Summary of net responses* across parameters for the Services sector

Parameters	Assessment period		Expectations period	
	Q1FY25	Q2FY25	Q2FY25	Q3FY25
Overall Business Situation	**34.1**	**30.2**	**69.4**	**68.0**
Turnover	33.5	30.7	68.7	68.9
Full-time Employees	27.8	20.1	50.5	44.0
Part-time Employees	22.7	13.9	52.9	52.1
Availability of Finance	32.0	19.8	57.6	50.1
Cost of Finance	-35.1	-32.3	-56.9	-54.3
Salary & Wages	-42.6	-25.8	-53.8	-44.5
Cost of Inputs	-44.7	-40.6	-65.9	-64.2
Selling Price	21.7	12.1	54.1	48.0
Profit Margin	10.5	4.2	45.4	38.4
Inventories	24.3	18.4	52.0	46.6
Technical/Service Capacity	26.2	18.5	57.0	58.3
Physical Investment	24.2	16.1	55.4	56.7

Source: RBI, NSE EPR. * Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100. Positive value indicates expansion/optimism and negative value indicates contraction/pessimism.

Figure 44: Overall business situation in the infrastructure sector: Net responses*



Source: RBI, NSE EPR. * Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100. Positive value indicates expansion/optimism and negative value indicates contraction/pessimism.

Table 17: Summary of net responses* across parameters for the infrastructure sector

Parameters	Assessment period		Expectations period	
	Q1FY25	Q2FY25	Q2FY25	Q3FY25
Overall Business Situation	**26.6**	**21.7**	**74.5**	**67.4**
Turnover	26.6	25.4	69.6	71.0
Full-time Employees	21.4	18.1	62.7	39.3
Part-time Employees	25.5	9.7	60.7	48.9
Availability of Finance	29.2	18.2	68.0	54.4
Cost of Finance	-29.1	-26.6	-62.4	-60.3
Salary & Wages	-34.4	-26.8	-70.6	-43.1
Cost of Inputs	-36.1	-40.8	-75.2	-70.8
Selling Price	21.5	10.9	66.7	50.0
Profit Margin	16.9	5.8	61.8	40.6
Inventories	29.0	20.5	70.1	56.4
Technical/Service Capacity	31.9	19.1	79.1	72.5
Physical Investment	27.3	25.7	75.8	75.3

Source: RBI, NSE EPR. * Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100. Positive value indicates expansion/optimism and negative value indicates contraction/pessimism.

Trade deficit narrows to a five-month low

India's merchandise trade deficit contracted to a five-month low of US$ 20.8 bn in September from US$ 29.6 bn in the previous month. This was on the back of a steep 13.9% MoM drop in imports, thanks to a 56.3% MoM decline in gold imports, while exports remained broadly steady. On a YoY basis, import growth momentum slowdown to a six-month low of 1.6% YoY to US$ 55.4bn from a 22-month high of US$64.4bn in the previous month. Conversely, non-oil, non-gold imports continued to grow, increasing by 5.7% YoY to US$ 38.4bn in September, reflecting stable domestic demand. Exports, after declining sharply in the previous month, grew by a modest 0.5 % YoY to US$ 34.6 bn in Sept'24, with strong growth observed in engineering and electronic goods. Oil exports, however, fell by a steep 10.4% YoY, partly attributed to a decline in oil prices during the month. For the first half of this fiscal, the merchandise trade deficit widened to US$ 137.5 bn, 15.3% higher than the corresponding period last year.

The services trade surplus increased by 2.7%MoM to US$ 14.3 bn, on account of sequential rise in the services receipts and decline in payments. Consequently, the overall trade deficit, merchandise and services, narrowed to a four-month low of US$ 6.5 bn in Sept'24 from US$ 15.7 bn in the previous month. India's foreign exchange reserves also crossed US$ 700bn in Sept'24 for the first time, increasing the import cover ratio to 12.2, reflecting adequate buffers against any future global risks.

- **Trade deficit narrows after a ten-month high last month:** India's merchandise trade deficit in September reduced to a five-month low of US$ 20.8bn after widening to a 10-month high of US$ 29.7 bn in Aug'24, led by a sharp sequential decline in imports, thanks to steep drop in gold imports, while exports remained broadly steady. On a YoY basis, imports grew by a modest 1.6% YoY to US$55.4bn, led by higher gold & silver imports and non-oil, non-gold imports, partly offset by lower oil imports. Exports, after falling sharply on a YoY basis in August, grew by 0.5% YoY to US$34.6bn in September, led by strong growth in engineering and electronic goods exports, partly offset by lower oil imports. Overall, the merchandise trade deficit in H1FY25 has widened to US$ 137.5 bn, 15.3% higher than the corresponding period last year.

- **Subdued growth in merchandise exports:** Longer shipping routes amidst lingering geopolitical tensions, coupled with a slowdown in global economic activity, have weighed on India's export performance. Petroleum exports declined by 26.7% YoY to a 32-month US$4.7bn in September. Further, exports of gems & jewellery recorded a decline of 11.5% YoY, though it increased by 41.4% compared to Aug'24. Conversely, the non-oil exports registered a 6.8% YoY increase to US$ 29.9 bn in September led by improvement in engineering goods (10.6% YoY) and electronic goods (7.9% YoY) with the growth in the latter aided by the Government's PLI scheme.

- **Imports declines to a five-month low:** The sharp sequential decline in imports in September was primarily led by dip in non-oil imports which stood at US$42.8 bn (vs. US$ 53.3 bn in Aug'24), with gold imports (-56.3% MoM) registering a notable decline. Oil imports have also been easing, declining by 10.4% YoY to US$ 12.5 bn in September, owing to lower crude oil prices. Non-oil non-gold imports, however, continued to see strong growth, registering a 5.7% YoY increase to US$38.4 bn in September despite some recent sequential slowdown.

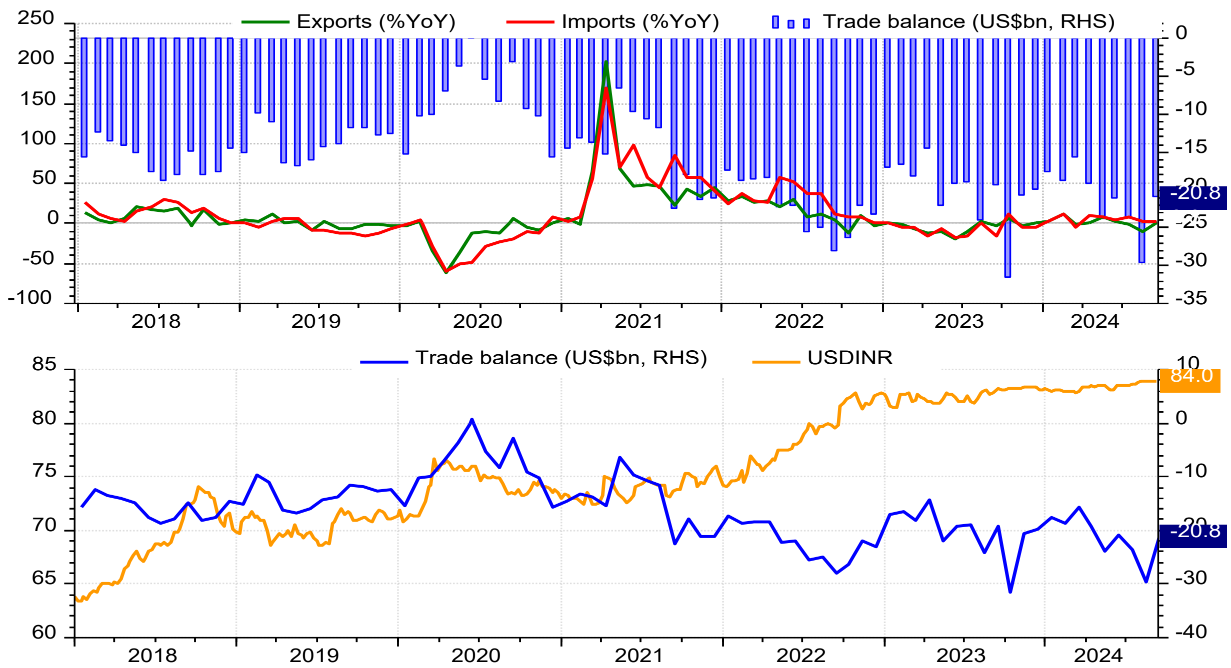
- **Service trade surplus improves; overall trade deficit narrows to a four-month low:** Services imports increased by 12% YoY to US$ 16.3 bn in September, while services exports grew by 7.7% YoY to US$30.6 bn. Net services trade balance improved by 3.2 YoY% to US$ 14.3bn, particularly due to a steady increase in service exports. The overall trade balance has narrowed to a five-month low of US$ 6.5bn in Sept'24 (vs. US$15.7 bn in Aug'24).

Table 18: India monthly trade balance for September 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
Sep-24	34.6	0.5	55.4	1.6	12.5	-10.4	43.6	5.8	4.4	6.9	-20.8
Aug-24	34.7	-9.4	64.3	3.3	11.0	-32.4	53.3	15.9	10.1	103.7	-29.6
Sep-23	34.4	-2.8	54.5	-14.0	14.0	-20.3	40.5	-11.6	4.1	6.9	-20.1
FY24TD	211.1	-8.9	330.3	-11.3	84.0	-21.3	246.4	-7.4	22.3	9.8	-119.2
FY25TD	213.2	1.0	350.7	6.2	88.9	5.9	261.8	6.2	27.1	21.8	-137.4

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

Figure 45: India monthly trade balance trend



Source: LSEG Workspace, NSE EPR.

Figure 46: Non-oil, non-gold imports

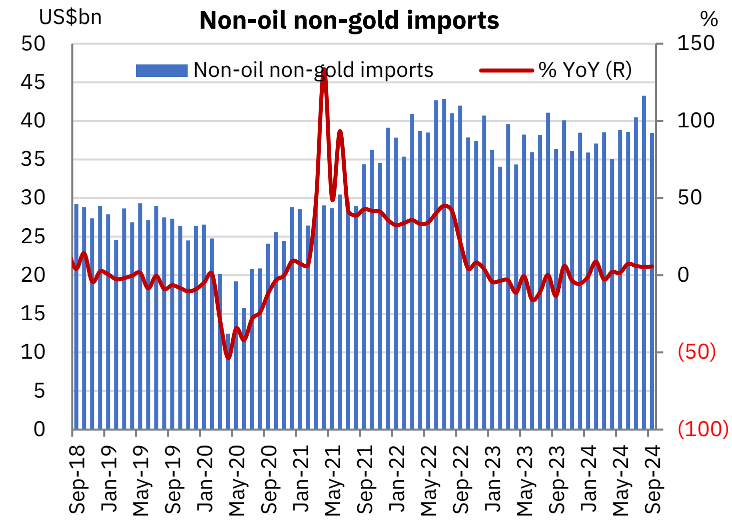
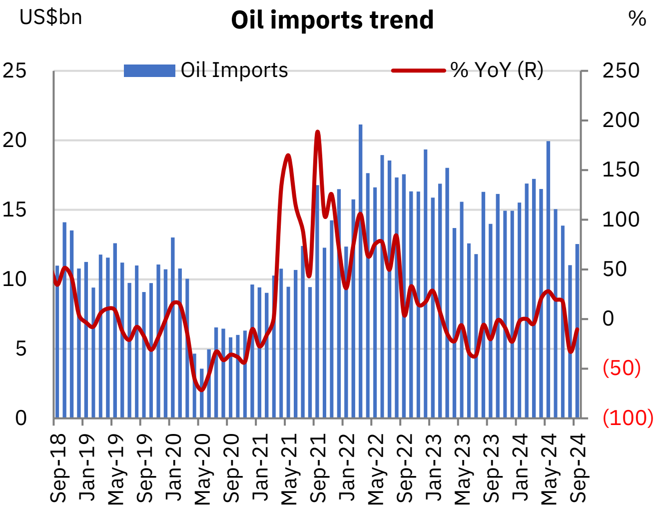
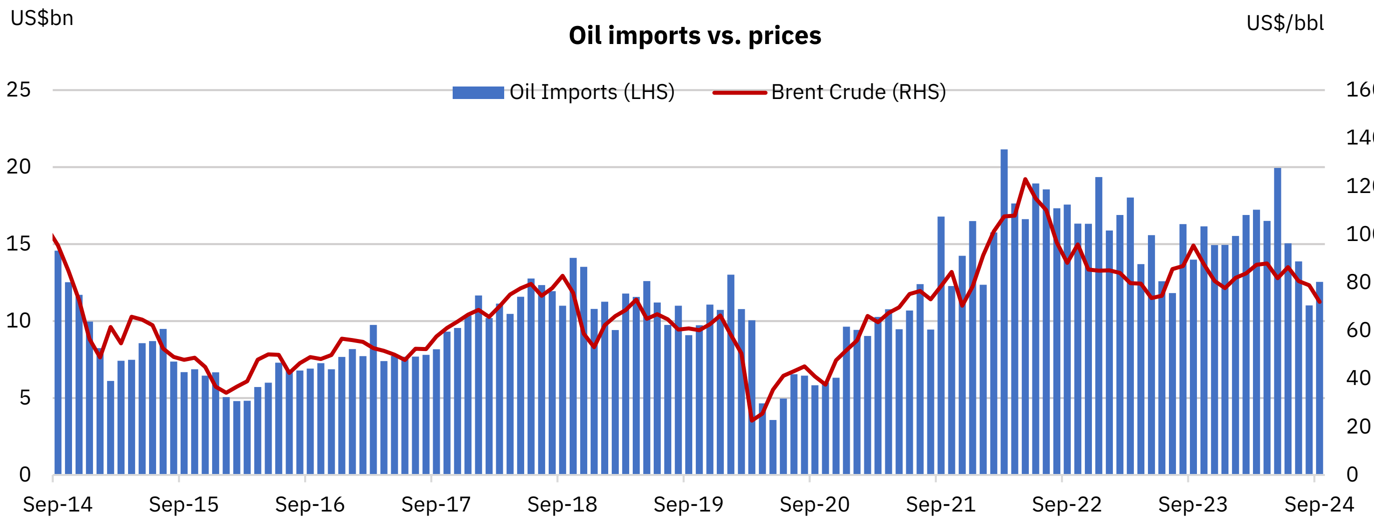


Figure 47: Oil imports trend



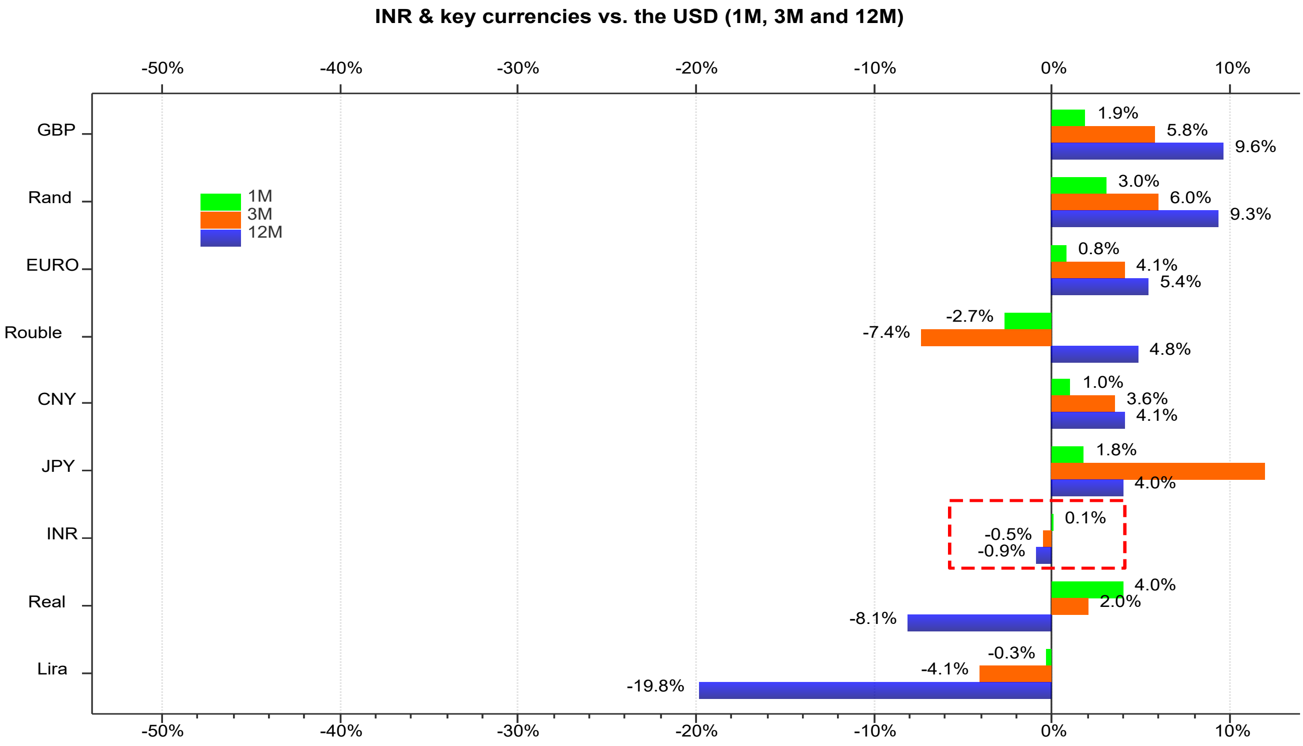
Source: Ministry of Commerce, CMIE Economic Outlook. NSE EPR.

Figure 48: Oil imports vs. Brent crude oil prices trend



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

Figure 49: INR vs. other key Asian market currencies



Source: LSEG Workspace, NSE EPR. As of September 30th, 2024.

Current account moves into deficit in Q1; external sector outlook manageable

India's current account deficit slipped back into deficit of US$ 9.7bn (1.1% of GDP) in Q1FY25 after registering a downwardly revised surplus of US$ 4.6bn (0.5% of GDP) in the previous quarter. This is primarily on the back of widening of merchandise trade deficit (+25.2% QoQ) and lower net service receipts (four-quarter low). While growth in merchandise imports came in at a modest 1.5% QoQ, merchandise exports witnessed a sequential contraction of 8.6%, reflecting weak global demand and geopolitical tensions translating into longer shipping routes. Invisibles also declined marginally on a QoQ basis, even as the YoY growth came in at a robust 16%, higher than the last 20-year average growth of 12.5% (excluding the COVID year). Strong YoY growth in software services was partly offset by net outflows from travel-related services. The surplus in capital account nearly halved to US$ 14.4 bn, thanks to lower banking capital inflows and foreign portfolio outflows from Indian equities, weighed down by geopolitical tensions and election-led uncertainty. This was partly offset by a recovery in foreign direct investment (FDI), that rose to an eight-quarter high of US$ 6.3bn. Consequently, the overall BOP surplus moderated to US$ 5.2bn in Q1, almost one-sixth of the figure reported in the previous quarter.

Notwithstanding the lingering geopolitical tensions and its implications for India's exports, the overall BOP position is likely to remain broadly stable led by buoyant services exports, benign crude oil prices, renewed foreign portfolio inflows (particularly in debt markets) and revival in FDI flows. Higher imports in this fiscal thus far (+7.1% in Apr-Aug'24), however, may see further upside led by festive season demand, even as benign crude and commodity prices is likely to keep the deficit contained. Inclusion of domestic sovereign bonds in global indices, coupled with strong macro-economic fundamentals and widening interest rate differential between the US and India, should keep foreign inflows strong. Foreign exchange reserves touched a record high of US$705bn on September 27th, only to drop over the following two weeks. This, in turn, provides a strong buffer against external vulnerabilities. This, along with proactive intervention by the RBI, should reduce unwarranted rupee volatility amidst unfavorable global cues.

India's current account balance recorded a deficit of US$9.7 bn or 1.1% of GDP in Q1FY25.

- **Higher merchandise trade deficit led to expansion in CAD…:** India's current account moved from a downwardly revised surplus of US$ 4.6bn or 0.6% of GDP in the last quarter of FY24 to a deficit of US$ 9.7bn or 1.1% of GDP in Q1FY25. This was primarily on account of the sequential widening of merchandise trade deficit (US$ 65.1bn or 7% of GDP), thanks to a steep drop in exports, as well as moderation in net services' receipts. The export bill fell by 8.6% QoQ (last 20Y avg: -0.7% QoQ), led by a broad-based moderation, with petroleum and non-petroleum exports falling by 7.2% and 8.9% QoQ respectively. On a YoY basis, exports growth came in at a modest 6%. This reflects weak global demand and geopolitical tensions translating into longer shipping routes for exporters. Imports, on the other hand, rose by 1.5% QoQ/9.1% YoY, primarily led by a strong 23% YoY growth in oil imports, even as non-oil imports—a proxy of domestic demand—grew by a marginal 0.7% QoQ/4.2% YoY.

- **…further widened by lower net services exports:** The net invisible receipts declined marginally by 2.2% QoQ to US$ 55.4bn in Q1FY25 (vs. US$56.6 bn in Q4FY24), primarily on account of lower net services receipts (US$ 39.7bn) and remittances. Net services receipts fell by 6.9% QoQ due to travel-led outflows (net) owing to seasonal effects while business and software receipts (net) were broadly flat on a sequential basis. That said, the YoY growth in invisibles came in at a robust 16%, higher than the average growth of 12.5% during this period over the last 20 years (excluding the pandemic year FY21), led by a resilient growth in software services receipts (10.4% YoY). Net remittances also dropped by 8.2% on a QoQ basis but were higher by a strong 15.4% on a YoY basis. This was partly offset by a lower outgo of the investment income during the quarter.

- **BoP surplus declined significantly led by higher CAD and lower foreign portfolio flows:** The capital account surplus declined significantly to a three-quarter low of US$ 14.4bn in Q1FY25 (-43.6% QoQ; 1.6% of GDP), primarily led by a notable decline in foreign portfolio flows and net banking capital flows (US$2.9bn—five quarter low). The sequential fall in foreign portfolio flows to a five-quarter low of US$ 945m) is primarily due to outflows from domestic equities, weighed down by geopolitical tensions and election-led uncertainty, partly offset by modest net inflows into debt markets, supported by expectation of inclusion of Indian government bonds in the global indices. Net loan inflows widened meaningfully to a nine-quarter high of US$ 6bn, indicating signs of revival in private investment activity, while external commercial borrowings have been broadly flat on a sequential basis but have registered a sharp decline of 70.9% YoY. Consequently, the BoP surplus moderated sharply to US$ 5.3bn from US$ 30.7bn in Q4FY24 and US$ 24.5bn in Q1FY24. Net accretion to foreign exchange reserves stood at US$ 5.2bn in Q1FY25, down from US$ 30.8bn in the previous quarter and US$ 24.4bn in Q1FY24.

- **External outlook remains comfortable:** Notwithstanding the lingering geopolitical tensions and its implications for India's exports, the overall BoP position is likely to remain stable led by buoyant services exports, benign crude oil prices, renewed foreign portfolio inflows (particularly in debt markets) and revival in FDI flows. Higher imports in this fiscal thus far (+7.1% in Apr-Aug'24), however, may see further upside led by festive season demand, even as benign crude and commodity prices is likely to keep the deficit contained. Inclusion of domestic sovereign bonds in global indices, coupled with strong macro-economic fundamentals and widening interest rate differential between the US and India, should keep foreign inflows strong. Record level of foreign exchange reserves at US$ 692.3bn as of September 20th, 2024, provides a strong buffer against external vulnerabilities. This, along with proactive intervention by the RBI, should reduce unwarranted rupee volatility amidst unfavorable global cues.

Table 19: Balance of Payments – Quarterly account

US$ bn	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Current account	**-18.0**	**-30.9**	**-16.8**	**-1.4**	**-8.9**	**-11.3**	**-10.4**	**4.6**	**-9.7**
CAD/GDP (%)	-2.1	-3.8	-2.0	-0.2	-1.0	-1.3	-1.1	0.5	-1.1
Trade balance	-63.1	-78.3	-71.3	-52.6	-56.7	-64.5	-71.6	-52.0	-65.1
Trade balance/GDP (%)	-7.5	-9.7	-8.6	-6.1	-6.6	-7.5	-7.9	-5.5	-7.0
Merchandise exports	122.8	111.8	105.6	115.8	104.9	108.3	106.6	121.6	111.2
Merchandise imports	185.8	190.2	176.9	168.4	161.6	172.8	178.3	173.6	176.3
Oil imports	53.2	53.4	52.0	50.8	41.9	42.1	46.0	49.6	51.5
Non-oil imports	132.7	136.7	124.9	117.6	118.2	128.2	128.4	121.0	122.0
Invisibles	45.1	47.4	54.5	51.2	47.7	53.3	61.2	56.6	55.4
Net services	31.1	34.4	38.7	39.1	35.1	39.9	45.0	42.7	39.7
Software earnings	30.7	32.7	33.5	34.4	33.9	35.2	36.3	36.6	37.4
Transfers	22.9	24.8	28.5	24.8	22.8	24.9	29.3	28.7	26.4
Investment income	-9.8	-12.6	-13.5	-13.4	-11.2	-12.5	-14.2	-15.7	-11.9
Capital account	**22.1**	**1.5**	**28.9**	**6.5**	**33.8**	**12.8**	**17.3**	**25.6**	**14.4**
Capital acc./GDP (%)	2.6	0.2	3.5	0.8	3.9	1.5	1.9	2.7	1.6
Foreign investments	-1.2	12.7	6.6	4.7	20.5	4.1	16.0	13.7	7.3
FDI	13.4	6.2	2.0	6.4	4.7	-0.8	4.0	2.3	6.3
FII	-14.6	6.5	4.6	-1.7	15.7	4.9	12.0	11.4	0.9
Loans	4.1	0.6	0.5	3.1	2.2	3.3	-2.8	3.9	6.0
ECBs	-2.8	-0.2	-2.4	1.6	5.7	-3.0	-4.5	1.7	1.7
Banking capital	19.0	-8.4	14.4	-4.1	12.9	4.3	16.4	6.9	2.9
NRI deposits	0.3	2.5	2.6	3.6	2.2	3.2	3.9	5.4	4.0
Others	0.2	-3.4	7.3	2.8	-1.7	1.1	-12.3	1.1	-1.6
Errors & Omissions	0.5	-0.9	-1.0	0.4	-0.4	1.0	-0.9	0.6	0.6
Overall balance (BoP)	**4.6**	**-30.4**	**11.1**	**5.6**	**24.4**	**2.5**	**6.0**	**30.7**	**5.3**

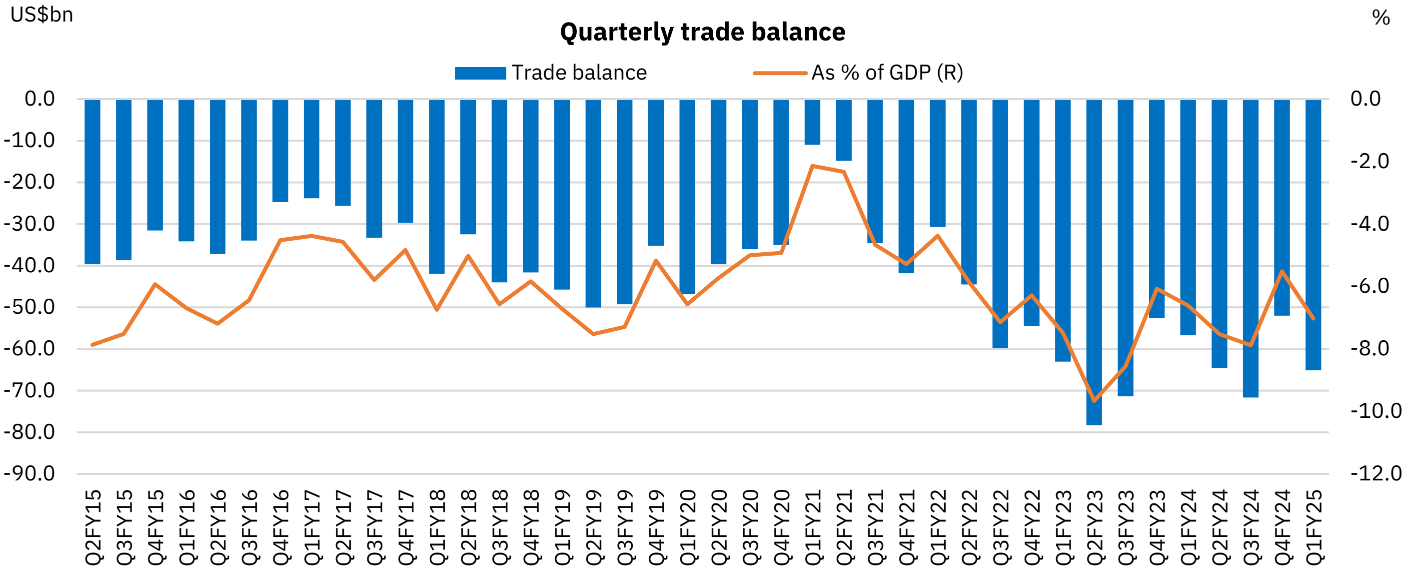
Source: RBI, CMIE Economic Outlook, NSE EPR.

Table 20: Balance of Payments – Annual account

US$ bn	FY21	FY22	FY23	FY24
Current account	**23.9**	**-38.8**	**-67.1**	**-26.0**
CAD/GDP (%)	0.9	-1.2	-2.0	-0.7
Trade balance	-102.2	-189.5	-265.3	-244.9
Trade balance/GDP (%)	-3.8	-6.0	-7.9	-6.9
Merchandise exports	291.0	429.2	456.1	441.4
Merchandise imports	393.0	618.6	721.4	686.3
Oil imports	82.4	162.1	209.3	179.6
Non-oil imports	310.6	451.6	504.0	506.7
Invisibles	126.1	150.7	198.2	218.8
Net services	88.6	107.5	143.3	162.8
Software earnings	89.7	109.5	131.3	142.0
Transfers	73.5	80.4	100.9	105.8
Investment income	-39.2	-40.6	-49.2	-53.6
Capital account	**63.7**	**85.8**	**58.9**	**89.5**
Capital acc./GDP (%)	2.4	2.7	1.8	2.5
Foreign investments	80.1	21.8	22.8	54.2
FDI	44.0	38.6	28.0	10.1
FII	36.1	-16.8	-5.2	44.1
Loans	6.9	33.6	8.3	6.6
Banking capital	-20.9	7.1	21.6	40.5
NRI deposits	0.5	5.1	9.6	14.7
Others	-2.2	23.7	6.9	-11.8
Errors & Omissions	-0.3	0.5	-1.0	0.3
Overall balance (BoP)	**87.3**	**47.5**	**-9.1**	**63.8**

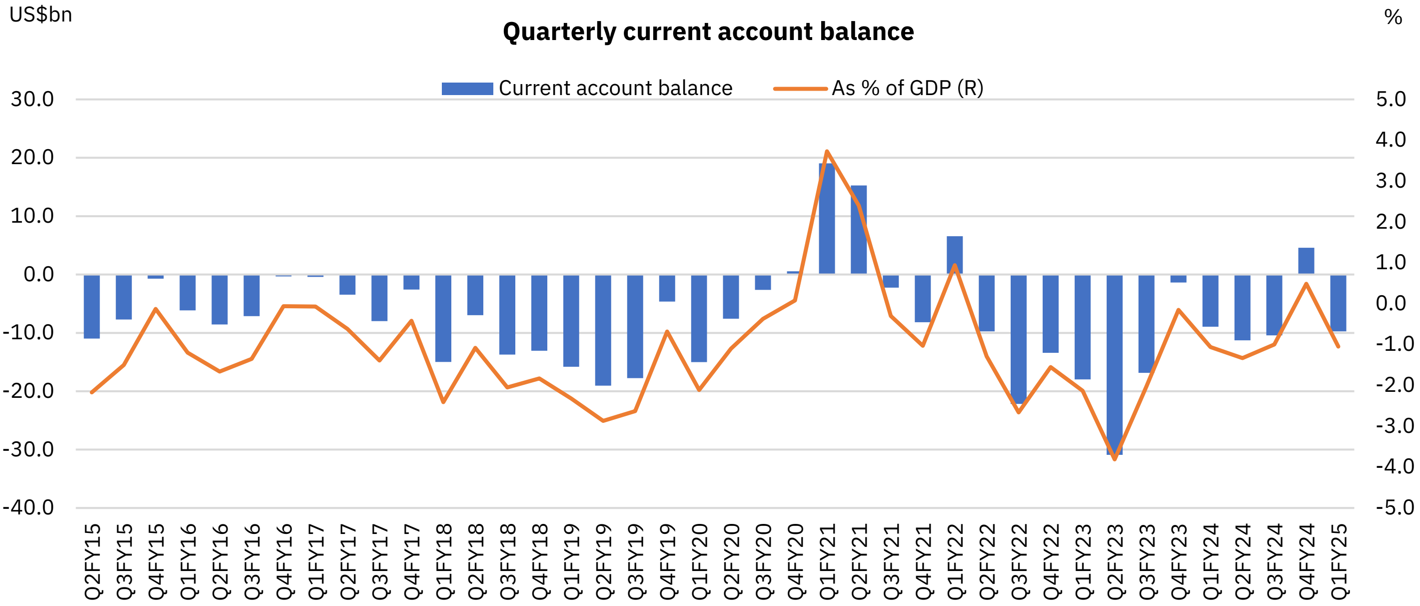
Source: RBI, CMIE Economic Outlook, NSE EPR. *Includes Investment Income.

Figure 50: Quarterly trade balance trend



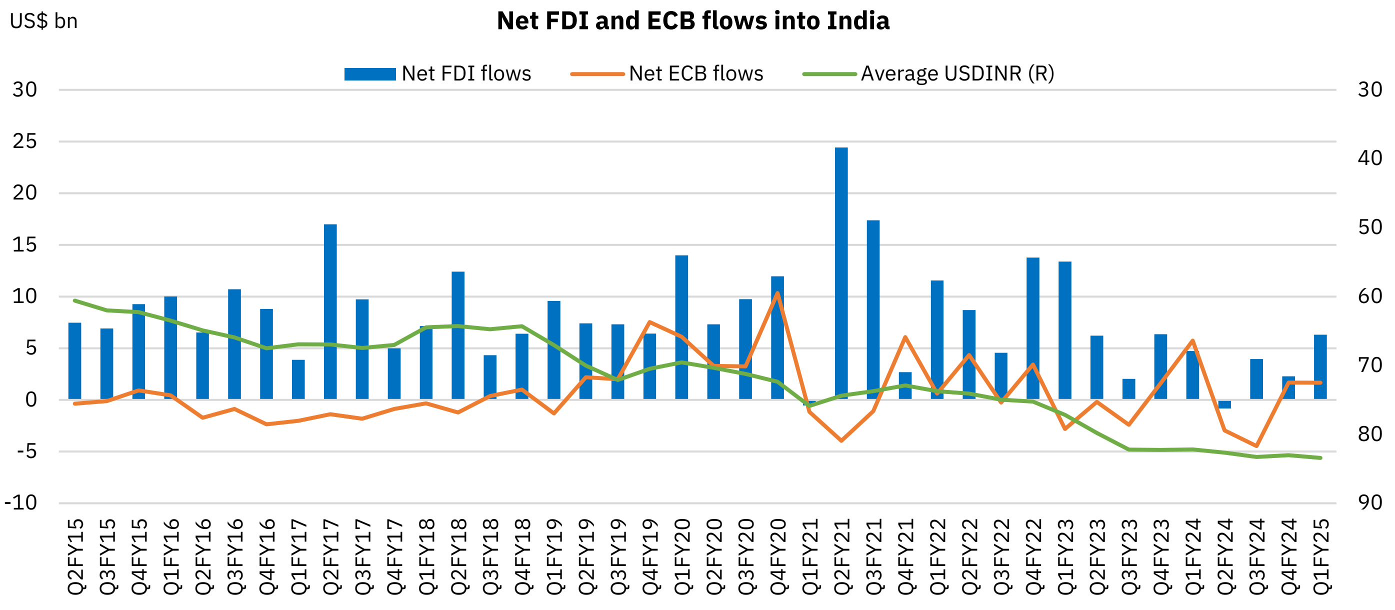
Source: RBI, CMIE Economic Outlook, NSE EPR.

Figure 51: Quarterly current account balance trend



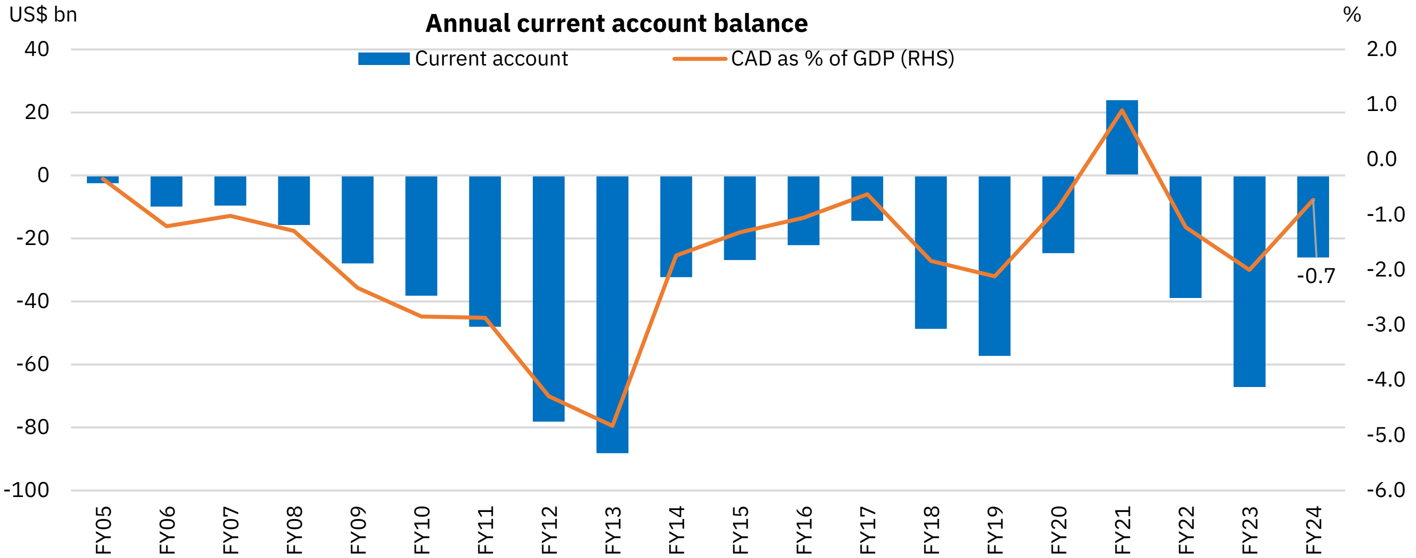
Source: CMIE Economic Outlook, NSE EPR.

Figure 52: Quarterly net FDI and ECB flows vs. INR



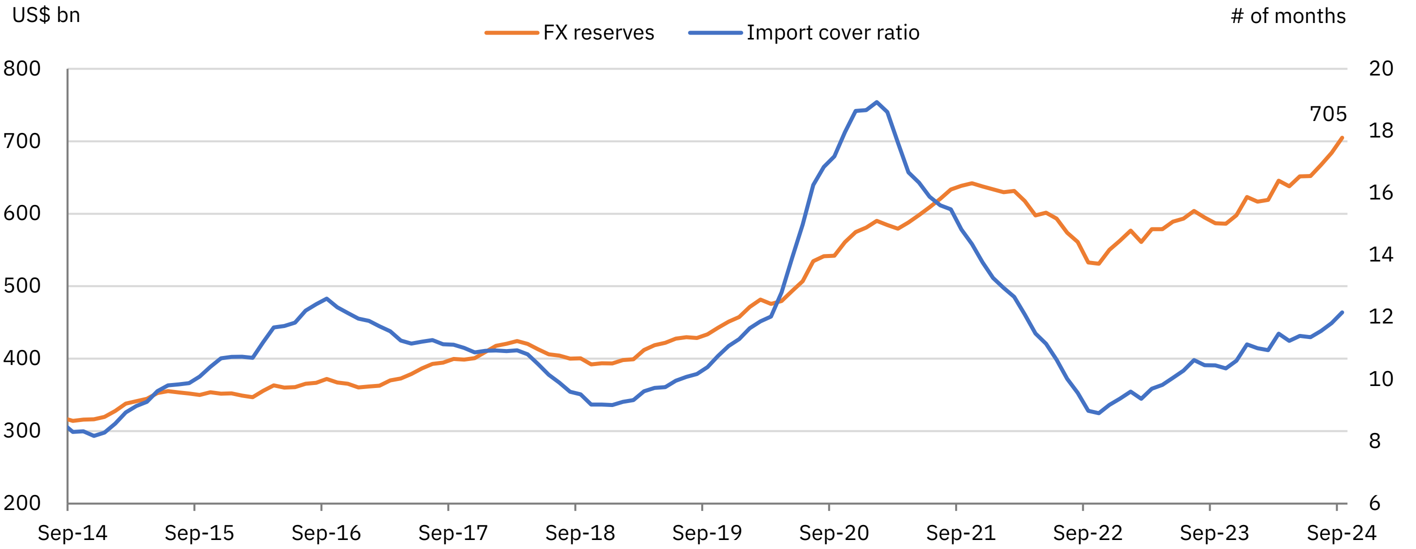
Source: CMIE Economic Outlook, NSE EPR.

Figure 53: Annual current account deficit trend



Source: CMIE Economic Outlook, NSE EPR.

Figure 54: Foreign exchange reserves and import cover



Source: CMIE Economic Outlook, NSE EPR; Data for foreign exchange reserves pertains to the week ending September 27th, 2024

Growth in bank credit further converges with deposit growth

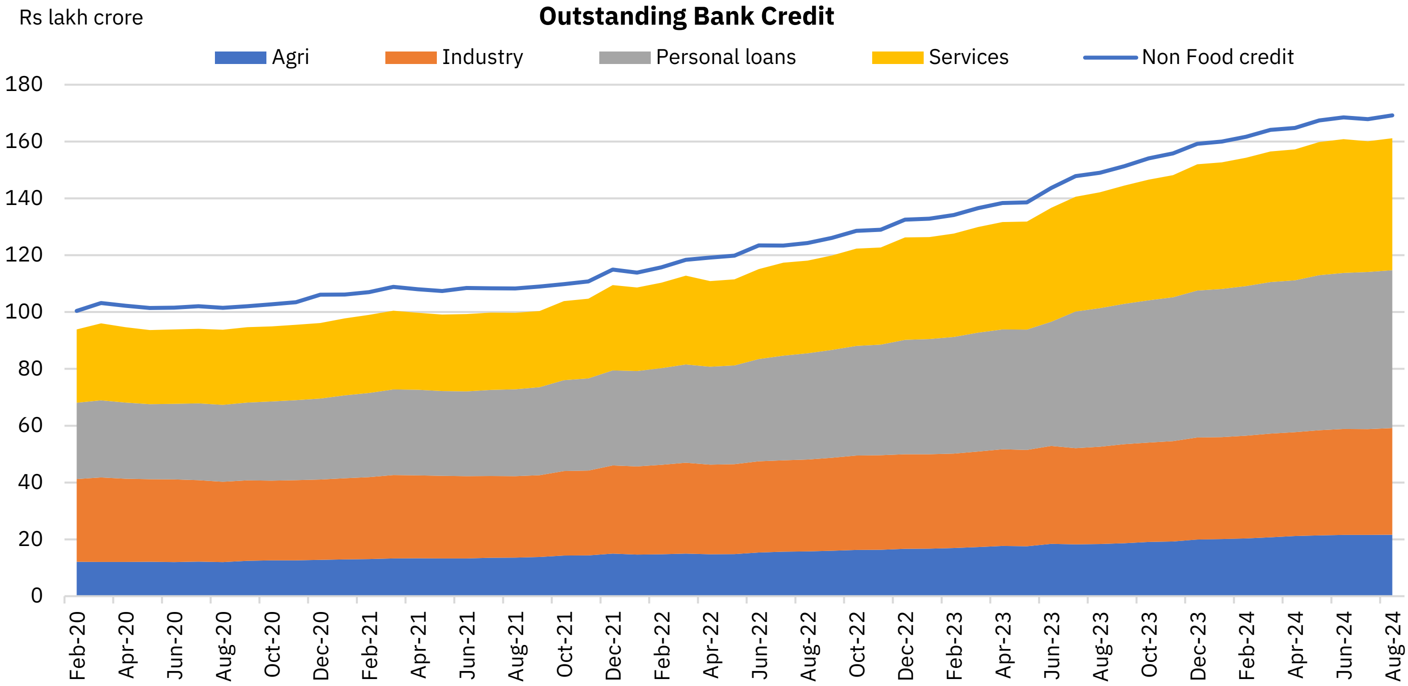
The outstanding bank credit expanded by 13.6% YoY in August'24, marking a marginal deceleration from July'24. The decline was seen across all major sectors, led by personal loans, industry and agriculture loans. This resulted in credit growth further converging towards deposit growth, leading to the credit-deposit growth gap falling to 14-month lows. Notwithstanding the deceleration in YoY growth, the credit off-take in personal loans (13.9% YoY), agriculture (17.7% YoY) and services (13.9% YoY) remains buoyant, reflecting strong credit demand in the economy. The credit growth towards the medium industrial segment (19.2% YoY) has been the highest since May'23 while there has been a noticeable moderation in the credit growth to large industries. The credit-off take in loans against gold jewellery (40.9%) has seen a surge in recent months, leading to RBI flagging irregularities in this segment. The moderation in credit growth in vehicle loans (-2.5pp) and credit card outstanding (-2pp) reflects a slowdown in urban consumption spending. Deposit growth accelerated marginally by 0.2pp to 10.8% YoY on account of a sharp rise in growth of demand deposits to 10.6% (vs 8.2% in July'24). In FY25 so far, deposits have grown by 4.2%, outpacing credit growth of 3.1%, as banks continue to focus on deposit mobilization through innovative measures, while also augmenting their funds by issuing certificates of deposits which have been increasing continuously since Mar'24.

- **Further moderation in bank credit:** Bank credit growth further moderated in August to 13.6% YoY with a broad-based slowdown in growth as compared to July across key heads. Credit to Agriculture and allied activities grew at 17.7% YoY (vs 18.1% YoY in July), while industrial credit growth slowed down marginally to 9.7% (vs 10.1% YoY in July) led by a fall in credit growth to large industries to 7.7% YoY (-0.8pp). Growth in personal loans moderated to 13.9% YoY due to a high base and RBI measures to increase the risk weights on unsecured loans. Key sub-segments to register a slowdown within personal loans include vehicle loans (share in total credit: 3.6%) at 13.9%YoY (-2.5pp), credit card outstanding (share: 1.6%) at 19.9% YoY (-2.1pp) and other personal loans (share: 8.3%) at 12.5% YoY (-1.1pp). In contrast to the sub-segments, the credit off-take in loans against gold jewellery surged to 40.9% in Aug'24 vs. 20.4% in Aug'23 leading to RBI flagging concerns. The growth in credit to the services sector has remained broadly stable, as strong expansion in transport operators (18.1%/+1.9 pp MoM) and trade (15.5%/+0.4pp MoM) was offset by a sharp moderation in the credit offtake in NBFCs (11.9%/-0.8pp MoM) and other services (14.5%/-2.4pp MoM).

- **Marginal slowdown in credit offtake to industry:** Industrial credit growth fell marginally to 9.7% YoY (-0.4 pp from July) primarily led by a fall in credit growth to large industries at 7.7% YoY. Industrial credit to micro & small and medium enterprises was robust at 13.5% (+0.17 pp) and 19.2% (+2pp) respectively, with medium enterprises marking the highest growth since May'23. The key growth drivers are: Infrastructure (share in industrial credit: 34.8%) at 3.7% YoY, basic metal and products (share in industrial credit: 11%) at 16.1%, textiles (share in industrial credit: 6.8%) at 6.4%, and chemical & products (share in industrial credit 6.8%) at 15.9%. All key sub-sectors saw a deceleration in credit growth from the previous month, except for basic metal and products (+2.8pp) and engineering (+5.8pp).

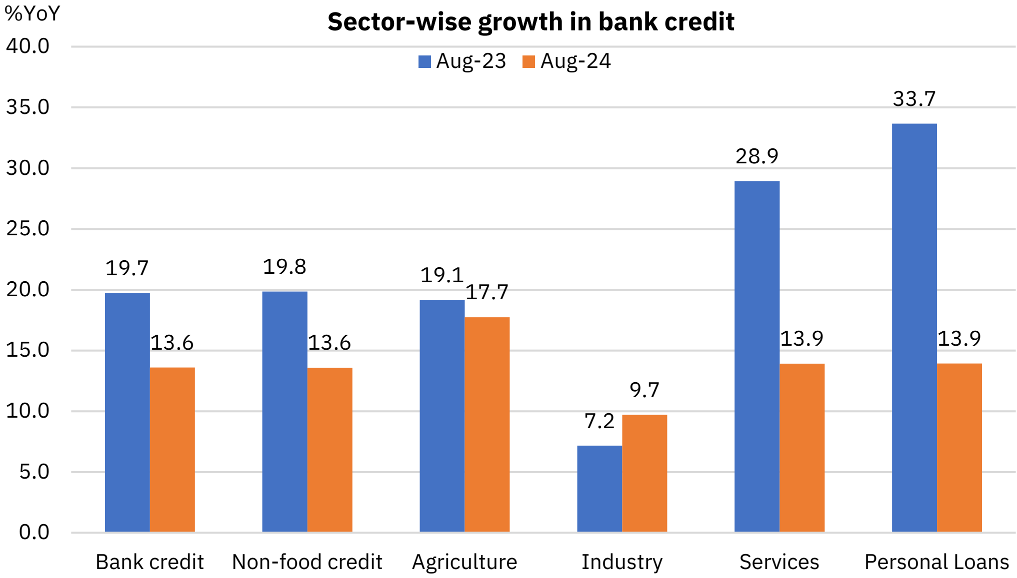
- **Banks focus on deposit mobilization:** Growth in total bank deposits accelerated marginally to 10.8% YoY (+0.2pp from July) on account of a significant uptick in demand deposit growth at 10.6% YoY (+2.4pp from July'24) and the credit-deposit growth gap has narrowed to a 14- month low. Time deposits (share in total deposits: 88.5%) grew by 10.9%, meaningfully lower than the growth of 13.7% in the previous financial year. Credit to Deposit ratio has increased marginally to 79.5%. In FY25 so far, deposit growth at 4.2% has outpaced credit growth at 3.1% as banks prioritize on deposit mobilization using innovative measures, while also augmenting their funds through the issuance of certificates of deposits with outstanding amount witnessing a sustained increase since Mar'24 to stand at Rs 4.7 lakh crore as of September 20th (+26.3% growth in FY25 so far).

Figure 55: Outstanding bank credit



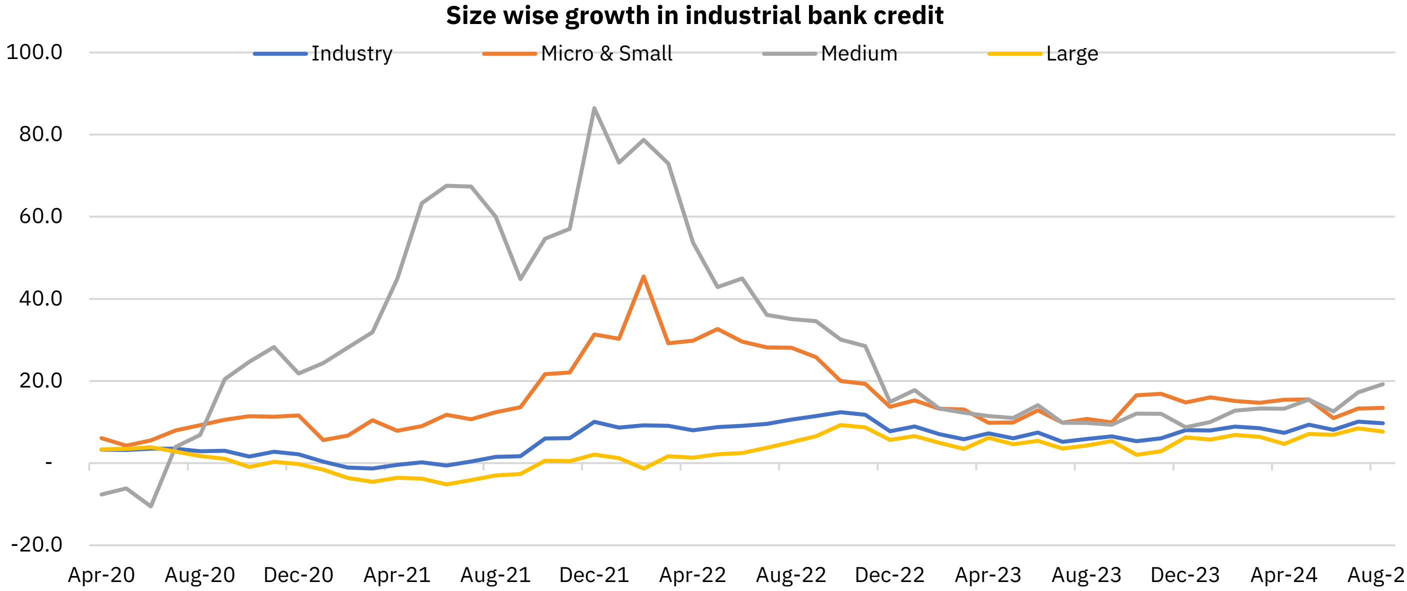
Source: CMIE Economic Outlook, NSE EPR.

Figure 56: Growth in bank credit across key heads



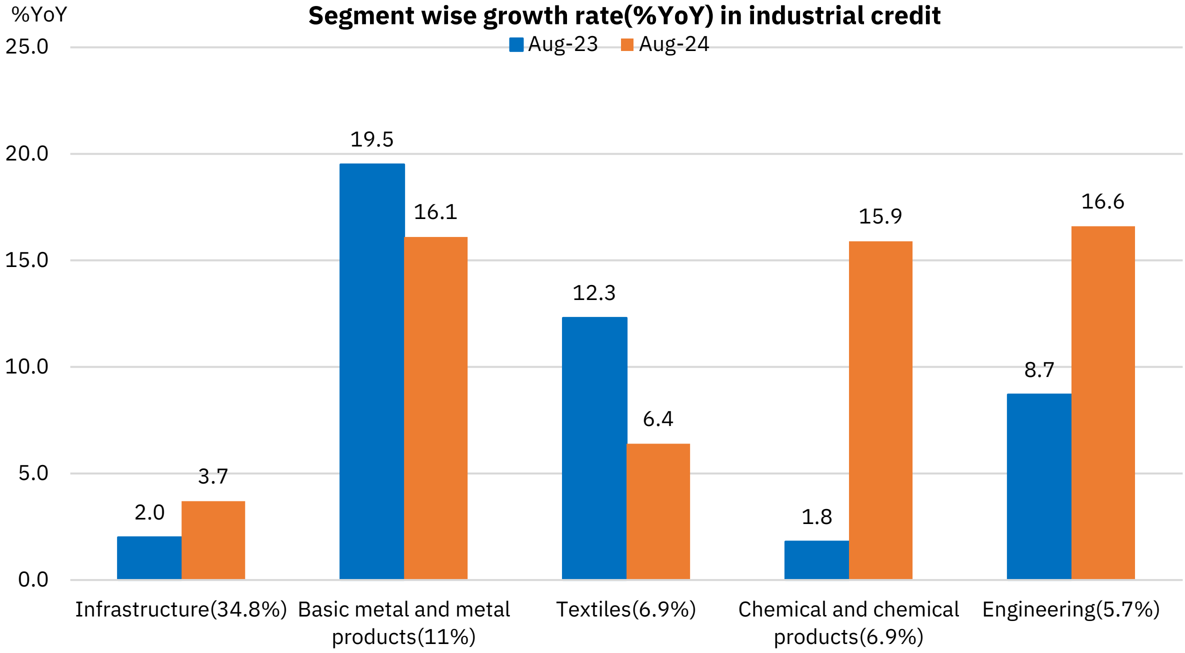
Source: CMIE Economic Outlook, NSE EPR.

Figure 57: Growth in bank credit across size



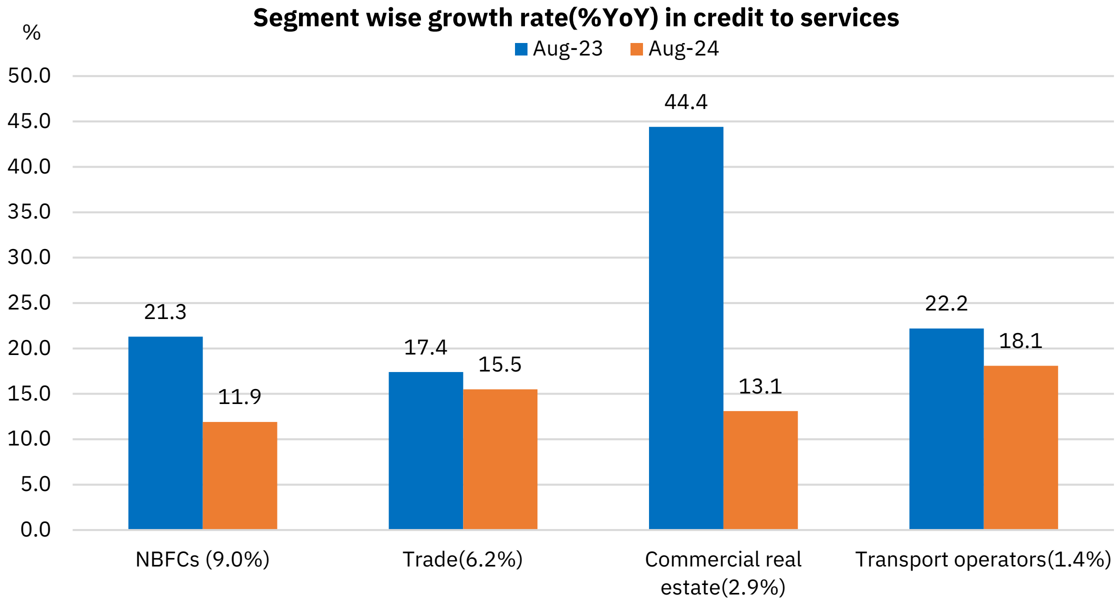
Source: CMIE Economic Outlook, NSE EPR.

Figure 58: Growth in bank credit across segments of industry



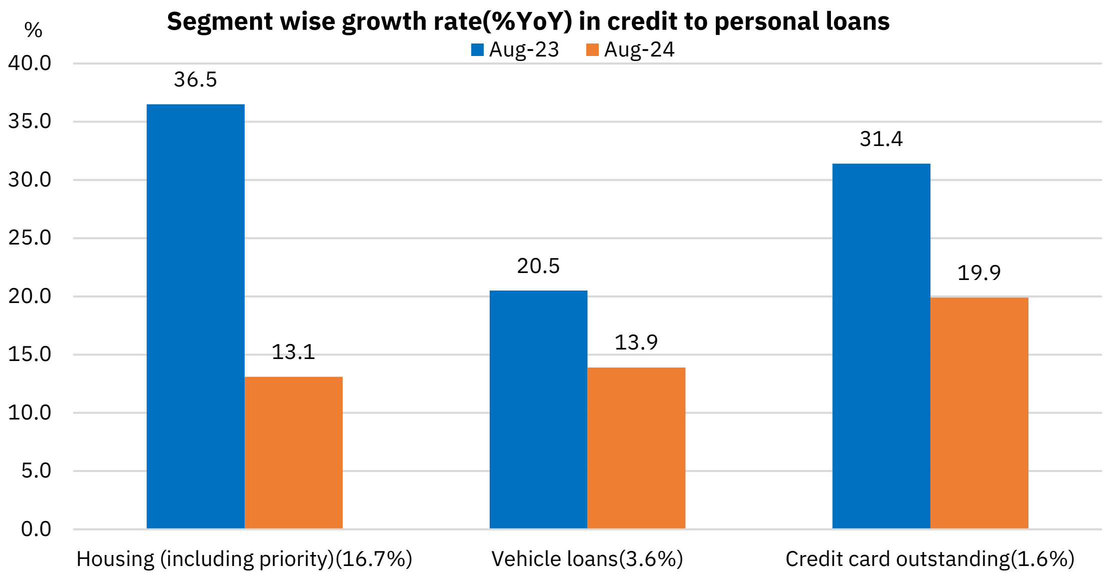
Source: CMIE Economic Outlook, NSE EPR.
Note: Number in parenthesis is share in total credit to industry.

Figure 59: Growth in bank credit across segments of services



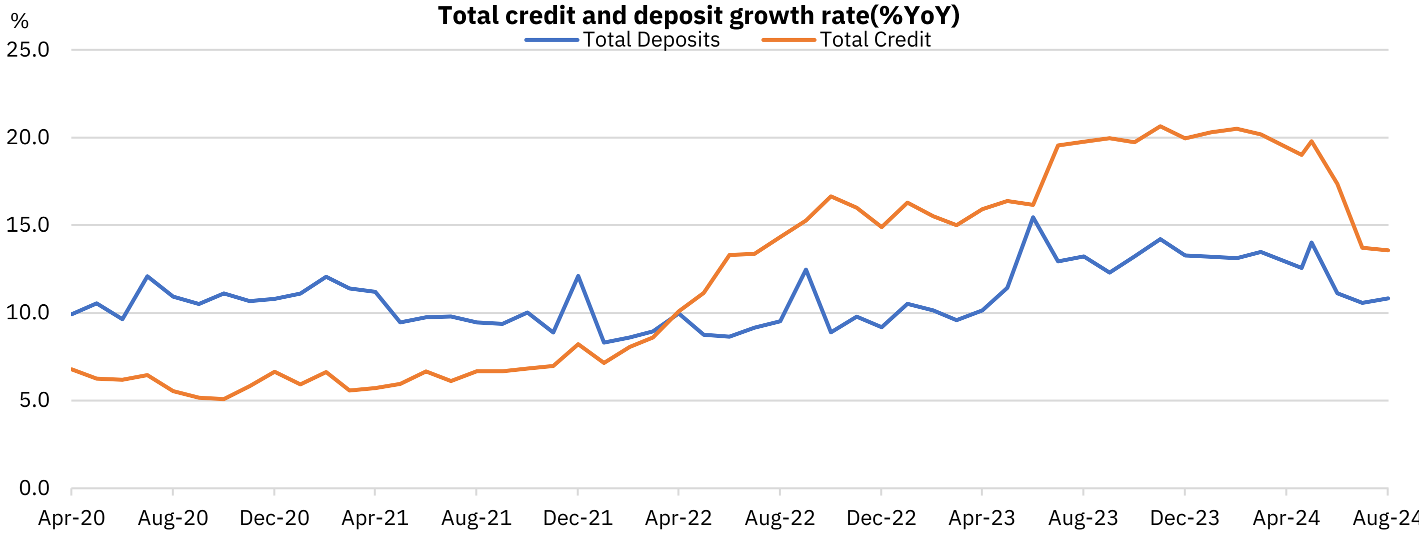
Source: CMIE Economic Outlook, NSE EPR.
Note: Number is parenthesis are shares in total credit.

Figure 60: Growth in bank credit across segments of personal loans



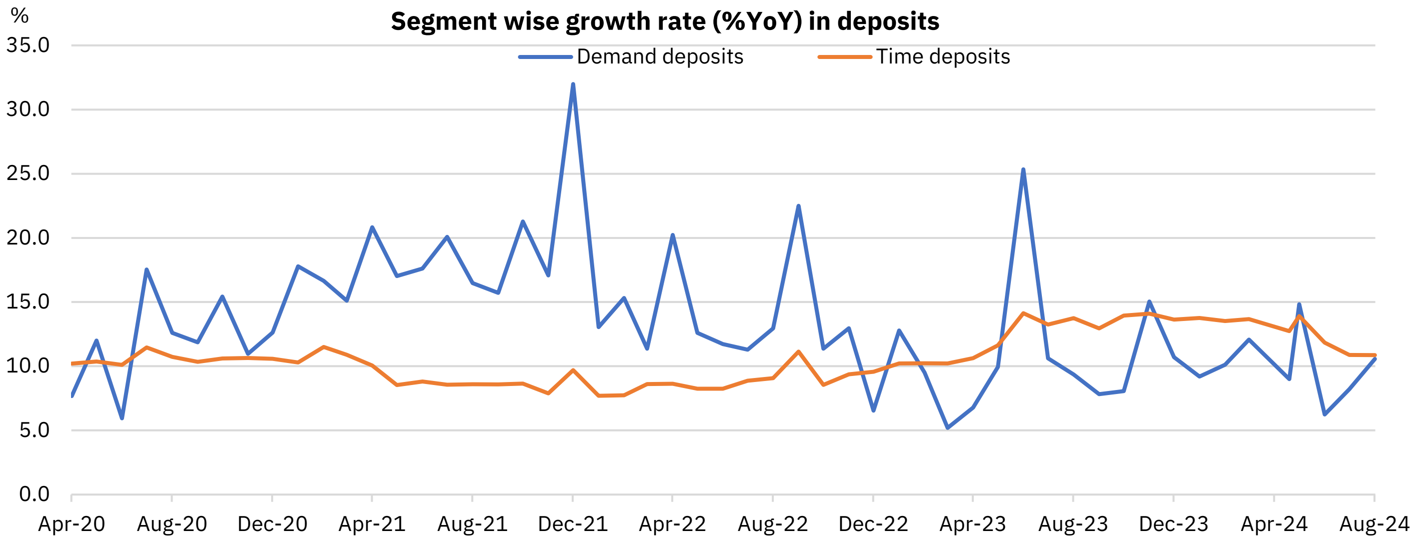
Source: CMIE Economic Outlook, NSE EPR.
Note: Number is parenthesis are shares in total credit.

Figure 61: Credit and Deposit Growth



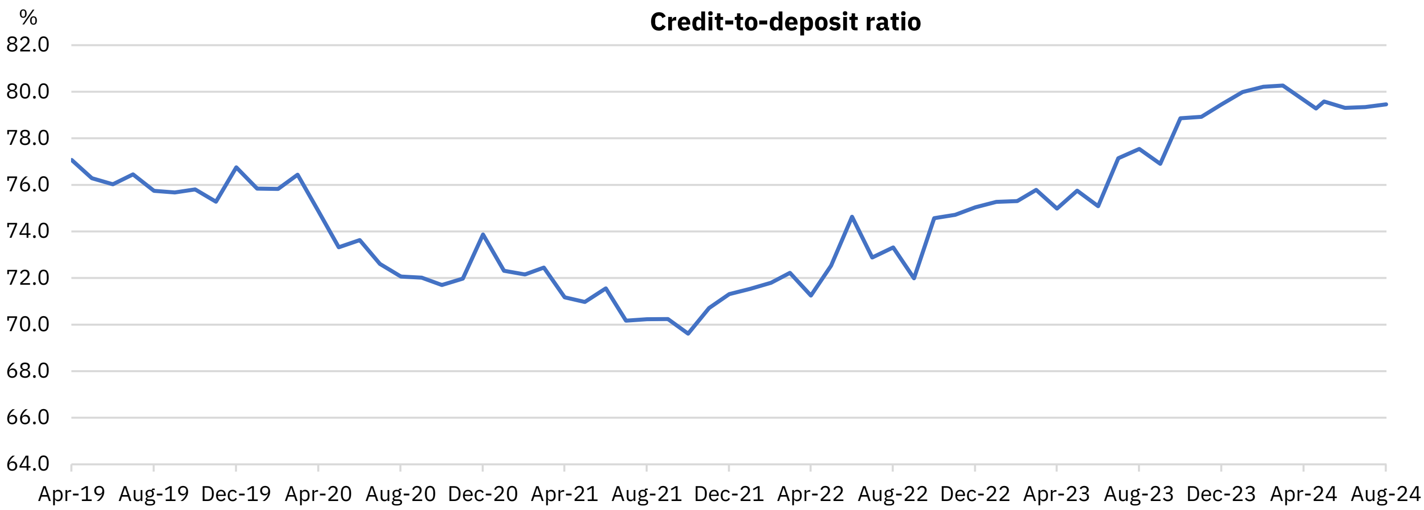
Source: CMIE Economic Outlook, NSE EPR.

Figure 62: Growth in demand and time deposits



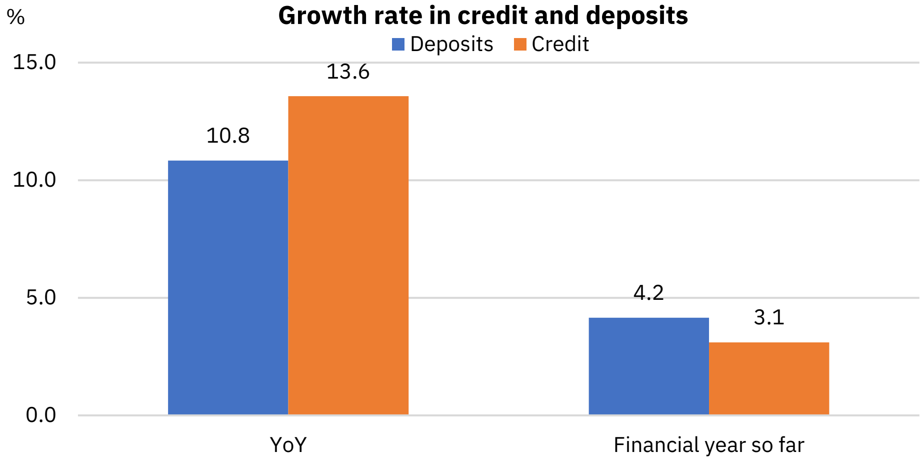
Source: CMIE Economic Outlook, NSE EPR.

Figure 63: Credit-to-deposit ratio



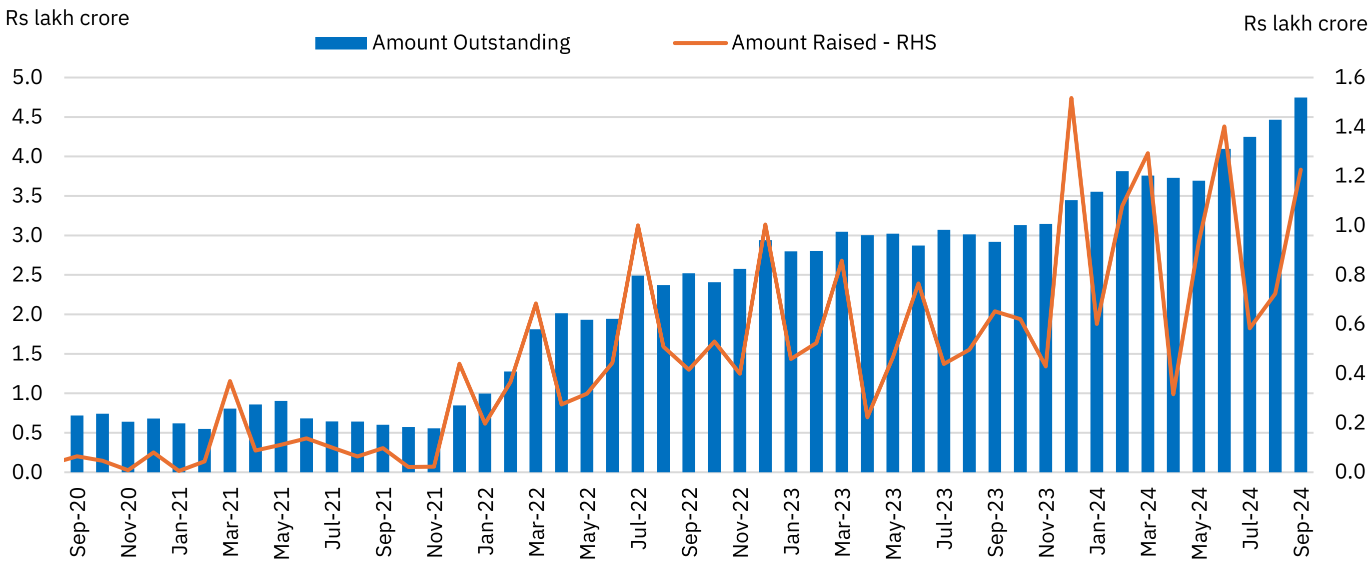
Source: CMIE Economic Outlook, NSE EPR.

Figure 64: Growth rate in credit and deposits (YoY in Aug'24 and FY25 so far)



Source: CMIE Economic Outlook, NSE EPR.

Figure 65: CDs issued and amount outstanding



Source: CMIE, NSE EPR.

Union finances: Buoyant revenues keep deficit in check

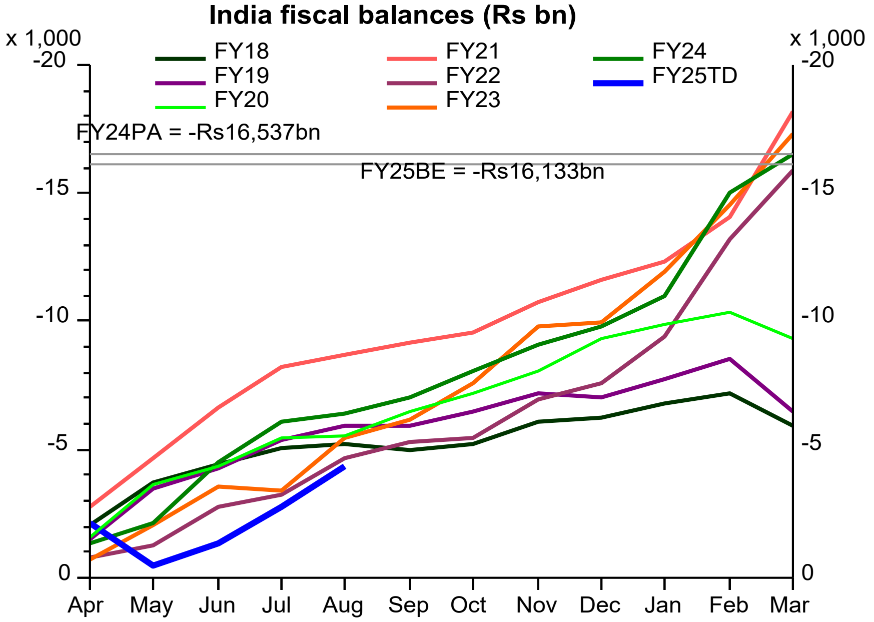
The first five months of the fiscal presents a nuanced picture of financial management by the Union Government. Total receipts during this period grew by a strong 18.3% YoY to Rs 12.2 lakh crore, with both tax and non-tax revenues registered a robust performance. Personal income tax collections have been particularly strong, offsetting a dip in corporate tax revenues. Indirect tax receipts, including GST and customs, have also contributed positively to the overall revenue stream. However, this positive trajectory is somewhat tempered by a noticeable contraction in non-debt capital receipts. On the expenditure side, a slight overall decrease in total expenditure masks divergent trends: while revenue spending has seen a modest increase, capital expenditure has dropped on a YoY basis, a large part of which is attributed to restricted spending during the election period. A modest growth in expenditure, coupled with the strong revenue performance, has resulted in a significant 32.3% YoY decline in fiscal deficit to Rs 4.4 lakh crore during the first five months in FY25, comprising only 27% of the budget estimate (36% of FY24BE). Looking at the current trend, the Centre remains on track to meet or undershoot its fiscal target for the year.

- **Revenue receipts remain robust:** In the first five months of the fiscal year, total receipts grew by 18.3% YoY to reach Rs 12.2 lakh crore, comprising ~40% of the budgeted estimate. This growth was driven by a substantial increase in total revenue receipts (+19.2% YoY), largely attributed to non-tax revenues (+59.6% YoY). Net tax revenues were buoyant (+8.7% YoY), propelled by direct taxes (+12.9% YoY, 58% share in GTR), with personal income tax collections showing significant strength (+25.5% YoY), offsetting the decline in corporate tax collections (-6% YoY) during the same period. Indirect tax collections also demonstrated positive momentum (+11.2% YoY), with notable contributions from customs (+12.9% YoY) and GST (+10.2% YoY). Non-tax revenues exhibited considerable growth (+59.6% YoY), particularly in dividend proceeds (+124.8% YoY) to Rs 2.4 lakh crore, bolstered by higher-than-anticipated Rs. 2.1 lakh crore RBI dividend proceeds. However, this upward trajectory was partially offset by a contraction in non-debt capital receipts (-42.4% YoY), attributed to a decrease in loan recoveries and lackluster disinvestment proceeds.

- **Revenue expenditure growth offset by subdued capex:** The Union's total expenditure saw a modest contraction (-1.2% YoY), totaling Rs 16.5 lakh crore in 5MFY25. Revenue expenditure, comprising over three-fourths of total spending, increased to Rs 13.5 lakh crore (+4.1% YoY), driven primarily by higher cumulative interest payments (+8.9% YoY), partly offset by lower subsidy outgo (-1.2% YoY), notably in fertilizers (-37% YoY), which accounts for nearly two-fifths of the budgeted subsidy outlay. Interestingly, petroleum subsidies surged (+397.4% YoY), while food subsidies also rose significantly (+37.2% YoY). On the other hand, capital expenditure experienced a substantial decline (-19.5% YoY) to Rs 3 lakh crore (vs Rs 3.7 lakh crore COPPY), a part of which is attributed to reduced spending in the early part of the year due to due to elections.

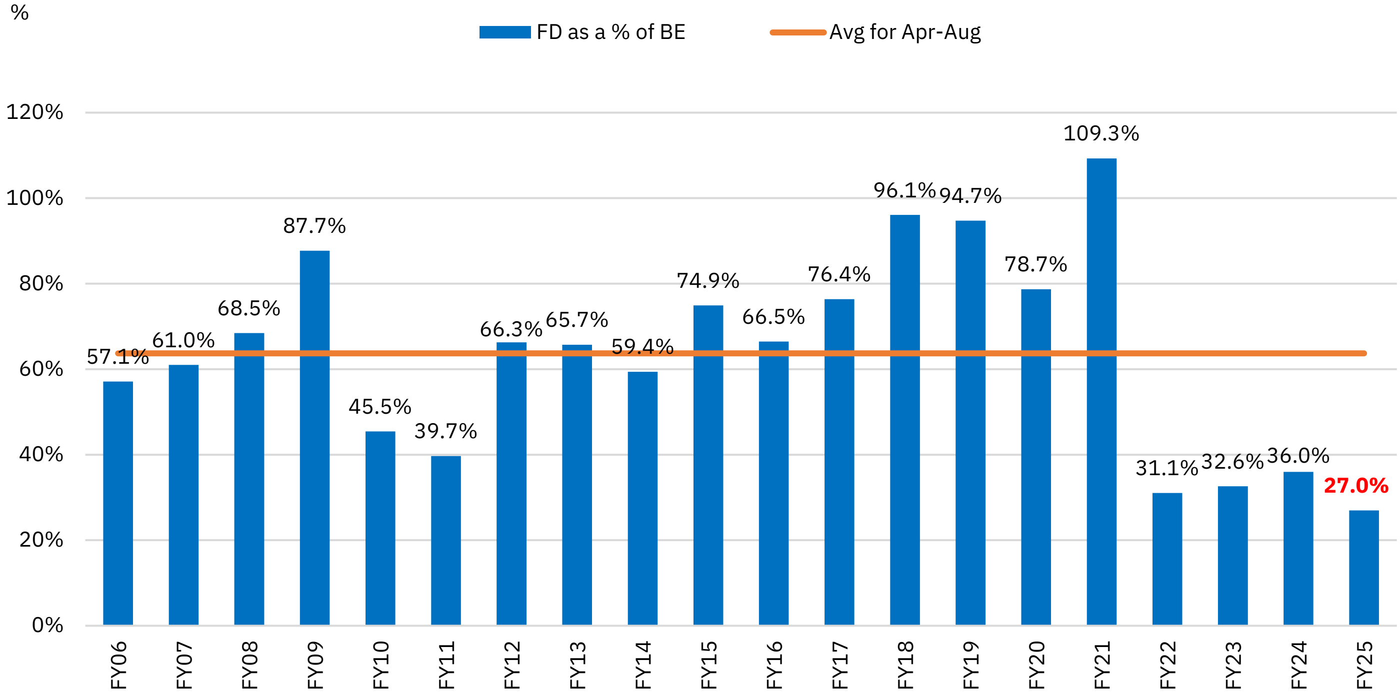
- **Fiscal deficit remains contained at 27% of FY25BE in Aug'24:** The cumulative fiscal deficit contracted by 32.3% YoY to Rs 4.4 lakh crore (27% of FY25BE vs 36% of FY24BE) in 5MFY25. This improvement is attributed to buoyant tax revenues, coupled with an increase in dividend proceeds by the RBI in the beginning of the fiscal, and lower capex. The fiscal deficit remains well within the budgeted 4.9% target, indicating prudent fiscal management by the Union government thus far in FY25.

Figure 66: Yearly trend of India's fiscal balances



Source: LSEG Workspace, NSE EPR.

Figure 67: Gross fiscal deficit as % of budget targets during April-Aug



Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 68: Centre's gross fiscal trend (% GDP)

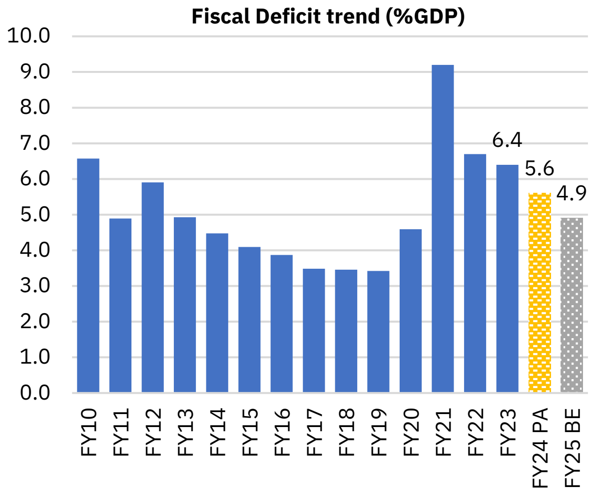
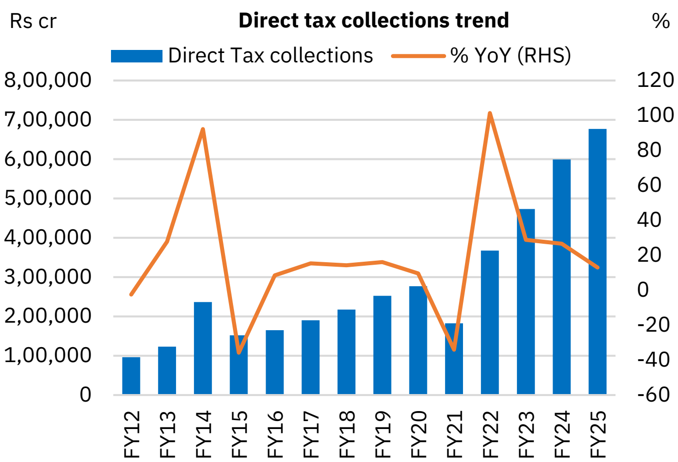


Figure 69: Fiscal Balance Snapshot

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

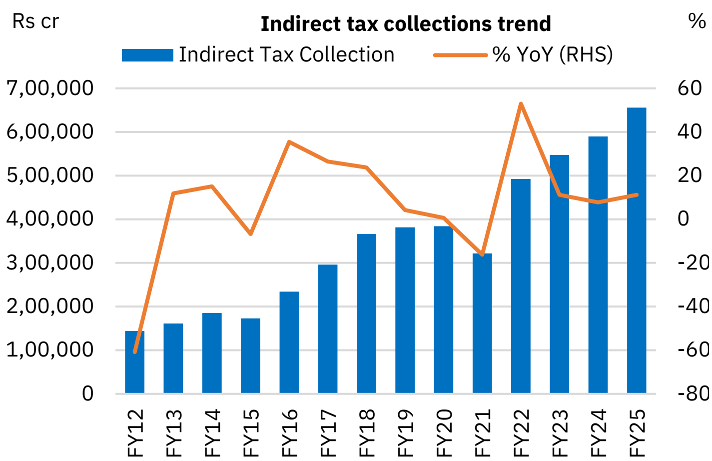
Source: CMIE Economic Outlook, CGA, NSE. BE = Budget Estimates, PA = Provisional Actuals

Figure 70: Direct tax collections during Apr-Aug



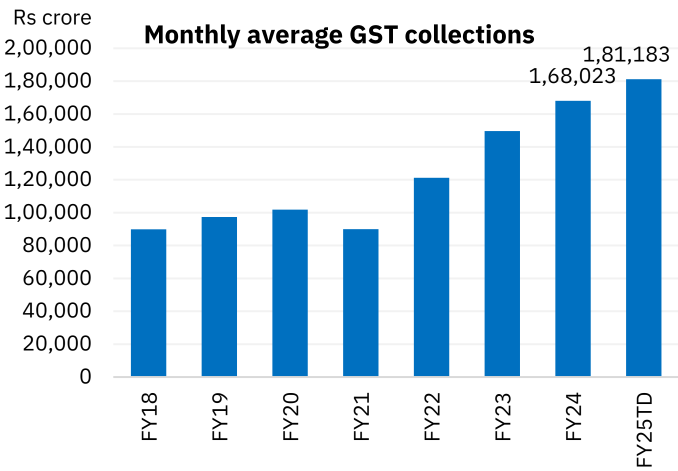
Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 71: Indirect tax collections during Apr-Aug



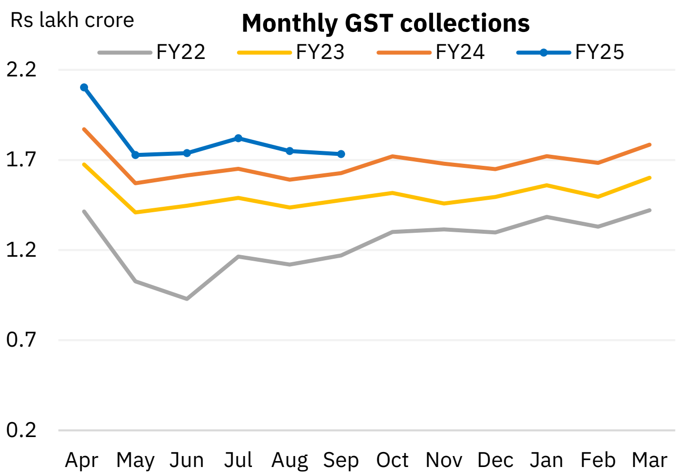
Source: CMIE Economic Outlook, CGA, NSE EPR.

Figure 72: Year average of monthly collections*



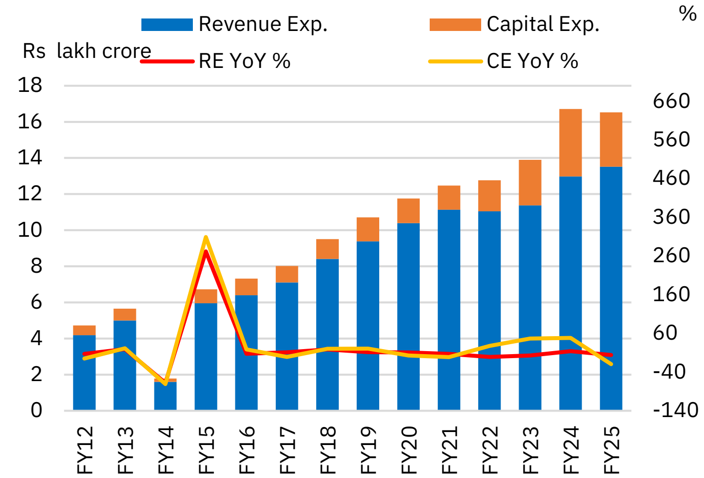
*FY25TD – FY25 Till Date (Apr-Sept)
Source: CMIE Economic Outlook, CGA, PIB, NSE EPR.

Figure 73: GST collections trend



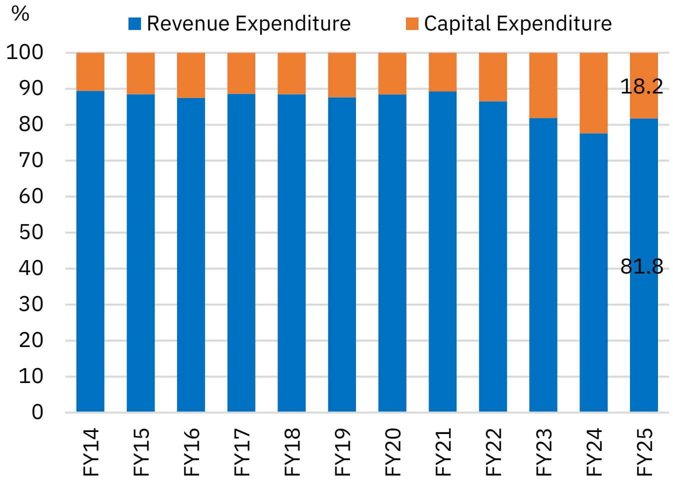
Source: CMIE Economic Outlook, NSE EPR.

Figure 74: Revenue and capital exp during Apr-Aug



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

Figure 75: Expenditure mix during Apr-Aug



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

Table 21: A snapshot of government finances (Apr-Aug FY25)

Items	Apr-Aug'23 Rs crore	Apr-Aug'24 Rs crore	Apr-Aug'24 % YoY	Implied Figure (7MFY25) Rs crore
Net tax revenues	**8,03,944**	**8,73,845**	**8.7%**	**17,09,654**
Gross tax revenues	**11,89,180**	**13,32,722**	**12.1%**	**25,07,448**
Of which:				
Direct Tax	**5,99,329**	**6,76,925**	**12.9%**	**15,35,075**
Corporation tax	2,38,948	2,24,639	-6.0%	7,95,361
Income tax	3,60,381	4,52,286	25.5%	7,34,714
Indirect Tax	**5,89,851**	**6,55,797**	**11.2%**	**9,72,373**
Goods and service tax	3,92,655	4,32,524	10.2%	6,29,375
Custom Duties	83,518	94,329	12.9%	1,43,416
Excise Duties	99,776	1,04,006	4.2%	2,14,994
States Share	-3,82,482	-4,55,717	19.1%	-7,91,494
Transferred to NCCD	-2,754	-3,160	14.7%	-6,300
Non-Tax Revenue	**2,09,582**	**3,34,467**	**59.6%**	**2,11,234**
Dividends and profits	1,06,620	2,39,695	124.8%	49,439
Other non-tax revenues	1,02,962	94,772	-8.0%	1,61,795
Central govt. revenue receipts	**10,13,526**	**12,08,312**	**19.2%**	**19,20,888**
Non-Debt Capital Receipts	15,405	8,866	-42.4%	69,134
Recovery of Loans	9,907	8,046	-18.8%	19,954
Misc. receipts (inc. divestment)	5,498	820	-85.1%	49,180
Total Receipts	**10,28,931**	**12,17,178**	**18.3%**	**19,90,022**
Revenue Expenditure	**12,97,958**	**13,51,367**	**4.1%**	**23,58,034**
Interest Payments	3,67,539	4,00,160	8.9%	7,62,780
Major subsidies	1,80,739	1,78,625	-1.2%	2,49,798
Food	82,922	1,13,791	37.2%	91,459
Fertilizer	97,080	61,170	-37.0%	1,02,830
Petroleum	737	3,664		8,261
Other revenue expenditure	7,49,680	7,72,582	3.1%	13,45,456
Capital Expenditure	**3,73,799**	**3,00,987**	**-19.5%**	**8,10,124**
Total Expenditure	**16,71,757**	**16,52,354**	**-1.2%**	**31,68,158**
Fiscal Deficit	**6,42,826**	**4,35,176**	**-32.3%**	**11,78,136**

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

Table 22: A snapshot of Government finances in 2024-25

Items	FY23 Rs lakh crore	FY23 % YoY	FY24 BE (Rs lakh crore)	FY24 PA (Rs lakh crore)	FY24 % YoY	FY24 % chg. from BE	FY25 BE (Rs lakh crore)	FY25 % YoY over FY24PA
Central govt. net tax revenue	**20.9**	**16.0**	**23.3**	**23.3**	**11.1**	**-0.2**	**25.8**	**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**	**22.1**	**12.3**
Corporation tax	8.3	16.0	9.2	9.1	10.3	-1.3	10.2	12.0
Income tax	8.3	19.7	9.0	10.5	25.4	16.0	11.9	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	10.6	11.0
Custom Duties	2.1	6.8	2.3	2.3	9.2	0.0	2.4	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	-12.5	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**	**3.0**	**4.0**	**40.8**	**33.2**	**5.5**	**35.8**
Dividends and profits	1.0	-37.8	0.9	1.7	70.6	87.3	2.9	69.6
Central govt. revenue receipts	**23.8**	**9.6**	**26.3**	**27.3**	**14.7**	**3.7**	**31.3**	**14.7**
Non-Debt Capital Receipts	0.7	83.4	0.8	0.6	-16.3	-16.3	2.9	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**	**32.1**	**15.0**
Revenue Expenditure	**34.5**	**7.9**	**35**	**34.9**	**1.2**	**1.2**	37.1	6.2
Interest Payments	9.3	15.3	10.8	10.6	14.6	14.6	11.6	9.3
Subsidy outgo	5.8	14.7	4.0	4.4	-23.8	-23.8	4.3	-2.8
Capital Expenditure	**7.4**	**24.8**	**10.0**	**9.5**	**28.2**	**28.2**	**11.1**	**17.1**
Total Expenditure	**41.9**	**10.5**	**45.0**	**44.4**	**5.9**	**5.9**	**48.2**	**8.5**
Fiscal Deficit	**17.4**	**10.0**	**17.9**	**16.5**	**-5.1**	**11.1**	**16.1**	**-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 FY24PA figures are on FY23 actual figures.

Southwest Monsoon Update: Monsoon concludes on a positive note

The 2024 southwest monsoon has concluded on a high note, marking a remarkable resurgence after a sluggish start earlier in the season. As of September 30th, India recorded a cumulative rainfall surplus of 7.6% compared to the long-period average (LPA), with total precipitation reaching 935 mm, highest since 2020. The regional variations in rainfall have also significantly diminished, with only five states/UTs reporting deficit rainfall, down from nine at the end of July. Central India registered a rainfall surplus of 19.5%, followed by the southern peninsula with a 14% surplus. Notably, northwest India also witnessed a turnaround, finishing the season with a 7% surplus after earlier deficits. However, the Eastern and Northeastern regions faced persistent challenges, ending with a 14% deficit. At the state level, Rajasthan stood out with an impressive 55% rainfall surplus, followed by Gujarat (48%) and Goa (46%). On the other hand, significant deficits were reported in Nagaland (-32%), Manipur (-31%) and Punjab (-28%). In terms of area coverage, 54% of the country experienced normal rainfall, while 26% received excess rainfall and 9% reported large excess. However, 11% of the country remained in deficit.

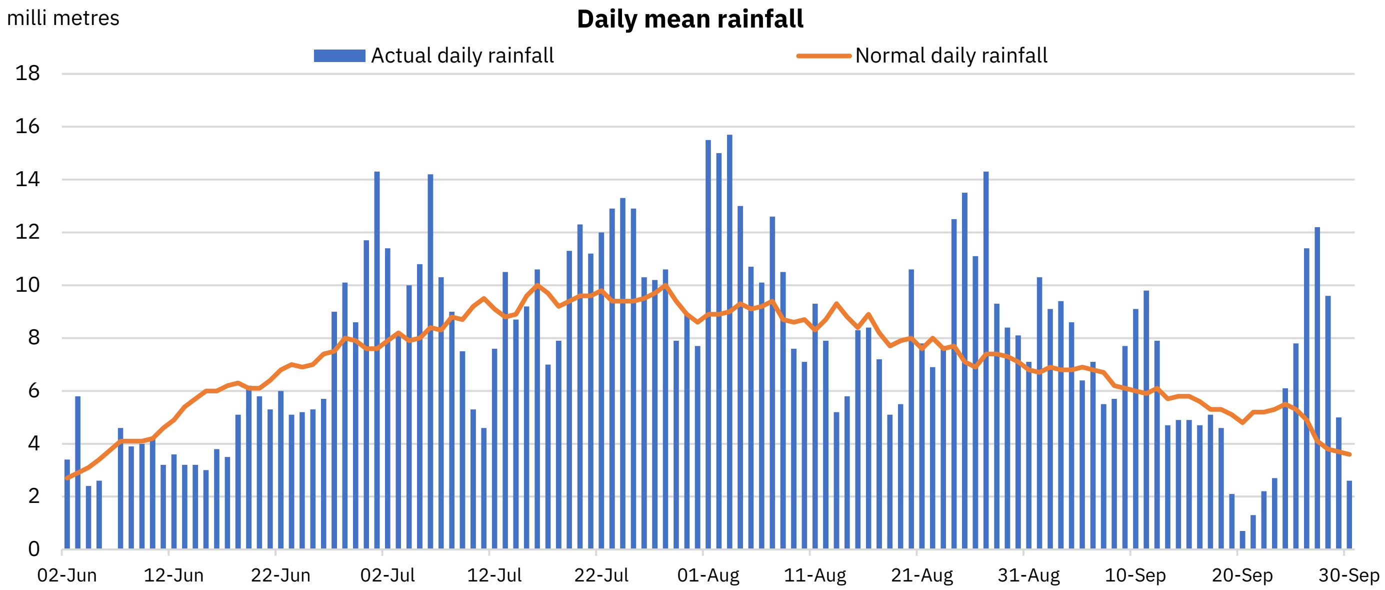
As of September 27th, 2024, the area sown for all agricultural products registered a 1.9% YoY growth. Pulses saw a 7.4% YoY growth, followed by cereals at 4%, oilseeds at 2.7%, and paddy at 2.5%. Sugarcane registered modest growth of 1% YoY, while fibers recorded a 9% YoY contraction. Lastly, reservoir levels also remained significantly high, reaching 157.5 billion cubic meters by October 3rd, 2024 — a 19% increase from the same period last year. As we conclude the 2024 southwest monsoon season, the overall trend reflects a positive outcome for India's agricultural sector and water resources for the months to come.

- **Cumulative rainfall concludes with surplus:** The 2024 southwest monsoon season has concluded on a positive note, maintaining a surplus trend through September. As of September 30th, the cumulative rainfall ended at 7.6% above the long period average (LPA), which is highest in the last four years. This final figure represents a remarkable turnaround from the 18% deficit observed at the end of June. Central India received a 19.5% surplus rainfall, while southern peninsular followed closely with a 14% surplus. Notably, the Northwest region, which had struggled with significant deficits (16% by the end of July'24) earlier in the season, finished with a 7% surplus. However, the East & Northeast region continued to face challenges, ending the season with a 14% deficit. At a subdivisional level, 12 subdivisions, accounting for 35% of India's area, recorded above-normal rainfall (26% excess and 9% large excess), and only 3 subdivisions (11% area) received deficient rains. The remaining 21 subdivisions (54% area) received normal rainfall for the period from June 1st to September 30th, 2024. This marked improvement in rainfall distribution, particularly the recovery of northwest India, can be attributed to the influence of La Nina conditions that developed later in the season and a more widespread distribution of monsoon rains in the latter half. Since the start of July, 54 out of 92 days, witnessed above-normal precipitation across the country.
- **Kharif sowing concludes on a positive note:** As of September 27th, 2024, the overall sowing activity registered a 1.9% year-over-year (YoY) growth. Most crop categories showed growth compared to the previous year, with pulses leading at a 7.4% YoY increase, followed by coarse cereals (4%), oilseeds (2.7%), and paddy (2.5%). Sugarcane recorded a modest growth (1%), while fibers saw a 9% YoY contraction. The recovery in paddy sowing is particularly noteworthy, given the slight decline observed earlier in the season. This positive outcome in sowing activities can be attributed to the overall surplus rainfall, especially in the Southern Peninsula and Central India, as well as farmers' adaptability in leveraging irrigation facilities where needed. Notably, states receiving normal rainfall (54% area)

accounted for 57.8% of total area sown (actual), while states receiving excess rainfall (35% area) accounted for 38.3% of total area sown. States receiving deficient rainfall (11% area) accounted for merely 3.8% of total area sown in 2024.

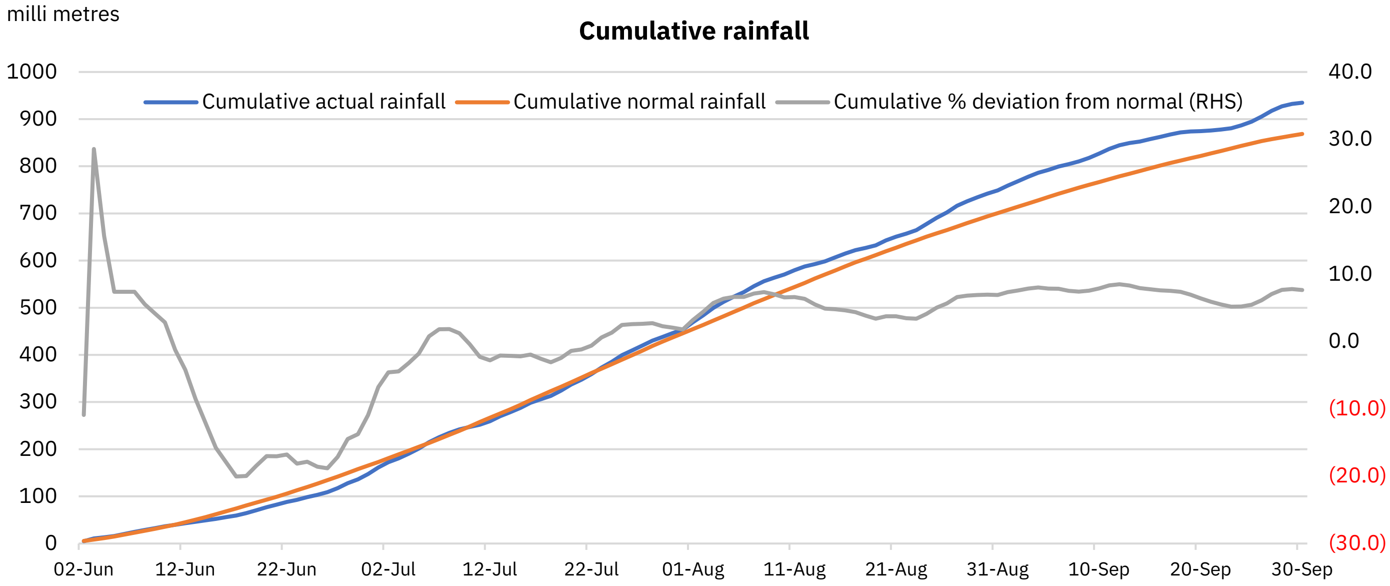
- **Reservoir levels end season at healthy levels:** As of October 3rd, 2024, the current storage in key reservoirs stood at 157.5 billion cubic meters, a substantial 18.6% increase from the same period last year. This comprises 87.7% of the storage capacity at full reservoir level and is higher than the last 10-year average storage of around 77%. The significant improvement in water storage from the deficits reported earlier in the season bodes well for both the concluding kharif season and the upcoming rabi season.
- **Southwest Monsoon concludes:** In conclusion, the 2024 southwest monsoon demonstrated remarkable resilience and recovery. Despite a delayed onset and initial sluggishness in June, the season witnessed a strong resurgence from July onwards. This recovery was characterized by improved spatial distribution of rainfall across the country, a reduction in the number of rainfall-deficient regions, significant improvement in water reservoir levels, and a positive impact on Kharif crop sowing. However, the persistent deficit in the Eastern and Northeastern regions remains a concern.

Figure 76: Daily mean rainfall



Source: CMIE Economic Outlook, IMD, NSE EPR.

Figure 77: Cumulative rainfall (Period: June 1st, 2024, to September 30th, 2024)



Source: CMIE Economic Outlook, IMD, NSE EPR.

Table 23: Subdivision-wise distribution of cumulative rainfall

Divisions	Cumulative rainfall (Period: June 1st to Sep 30th)		
	Actual (mm)	Normal (mm)	% Deviation
East and Northeast India	1178.7	1367.3	-13.8%
Northwest India	628.6	587.6	7.0%
Central India	1168.5	978	19.5%
South Peninsula	815.5	716.2	14%
Total	**934.8**	**868.6**	**7.6%**

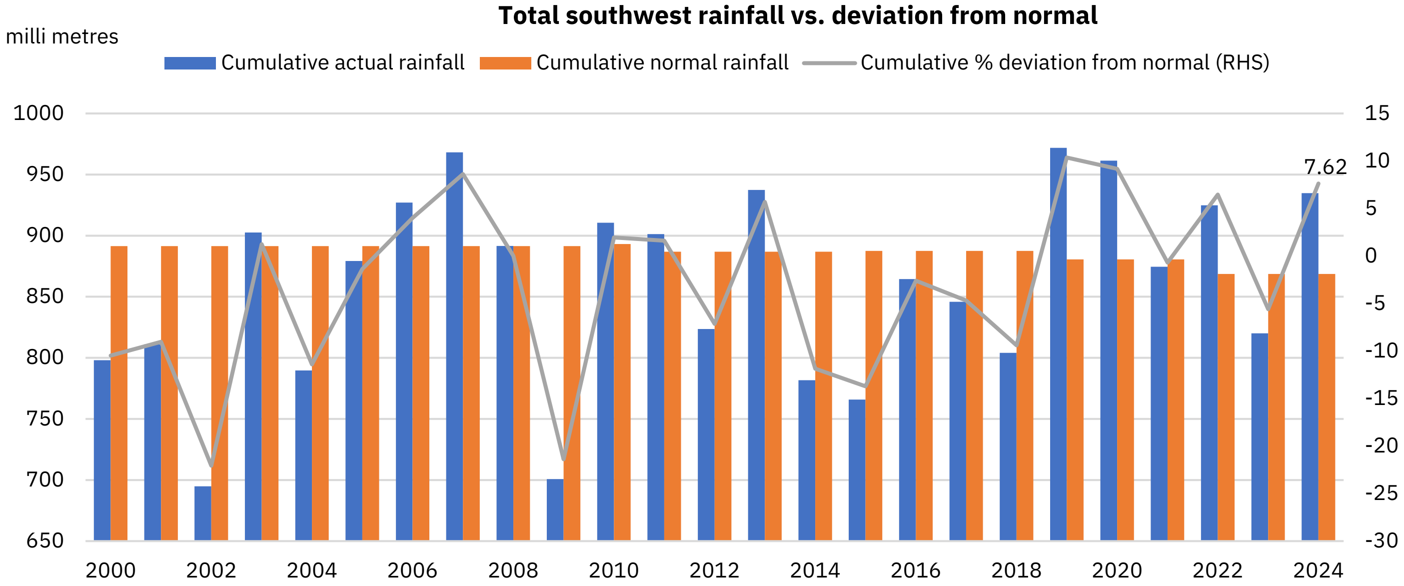
Source: CMIE Economic Outlook, IMD, NSE EPR.

Table 24: Category-wise number of subdivisions and % area (sub-divisional) of the country

Category	Period: June 1st to Sep 30th, 2024	
	No. of subdivisions	% area of the country
Large excess	2	9%
Excess	10	26%
Normal	21	54%
Deficient	3	11%
Large Deficient	0	0%
No rain	0	0%

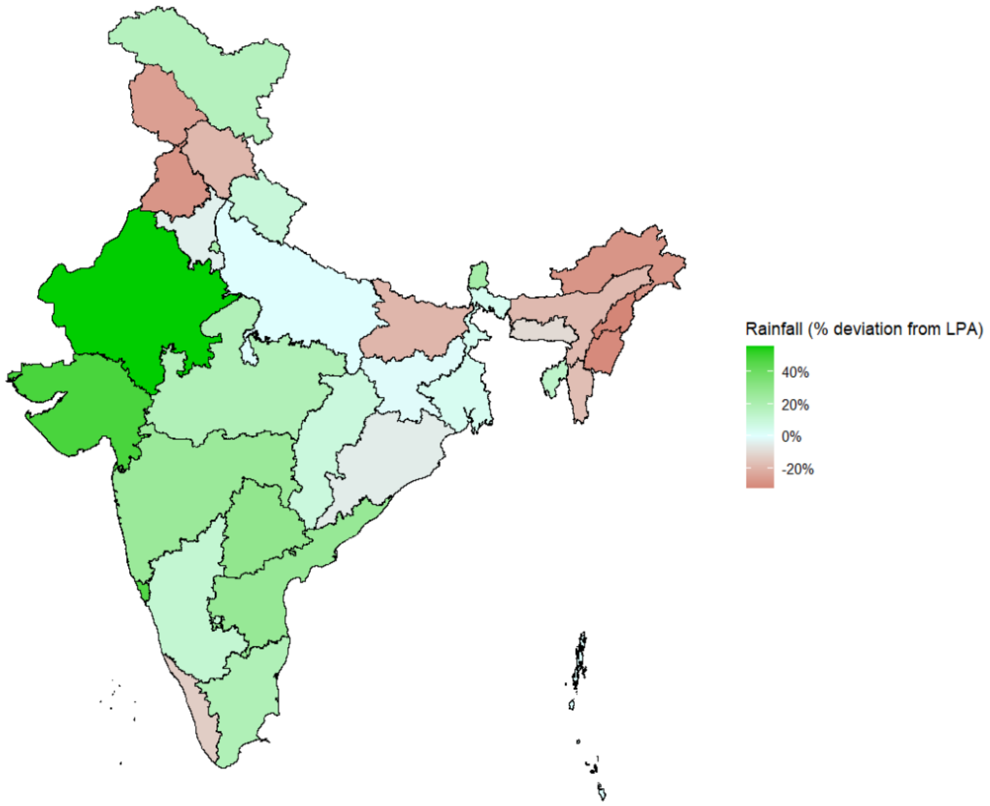
Source: IMD, NSE EPR.

Figure 78: Annual trend in south-west monsoon



Source: CMIE Economic Outlook, IMD, NSE EPR.

Figure 79: Deviation of rainfall activity from long period average as on September 30th, 2024 (in %)

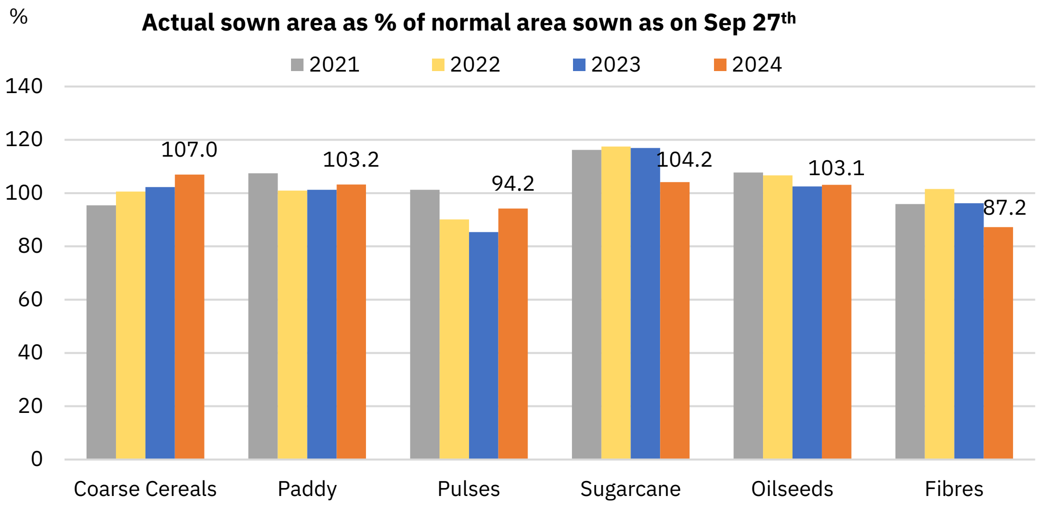


Interstate deviation of rainfall from the LPA remains substantial but with reduced variation. Central (19.5%) and Southern states (14%) received rainfall surplus while certain northern and north-eastern states remained in deficit.

In Southern peninsula, Kerala (-13.4%) is the only state ending the season with a deficit rainfall.

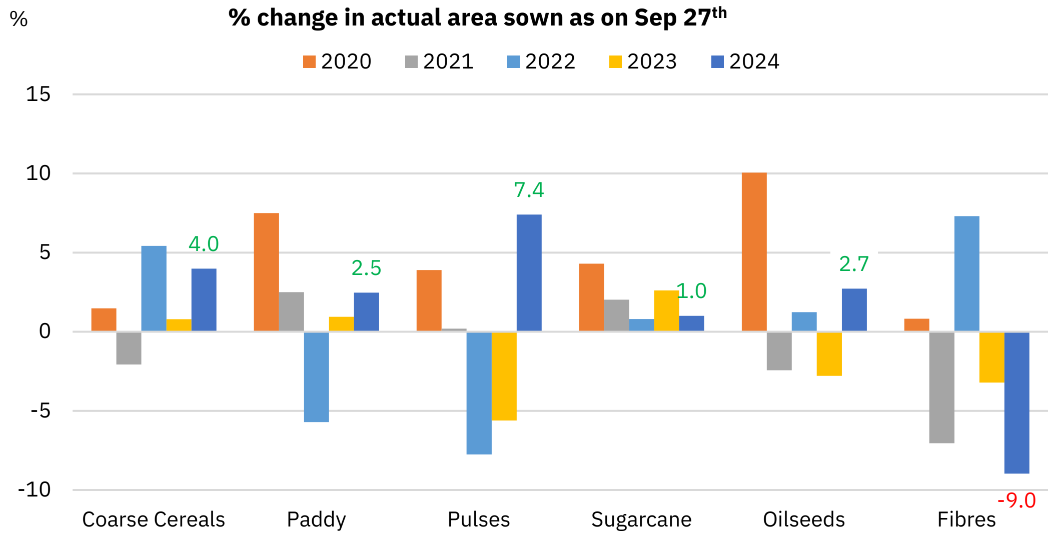
Source: CMIE SoI, NSE EPR.

Figure 80: Actual sown area as % of normal area sown



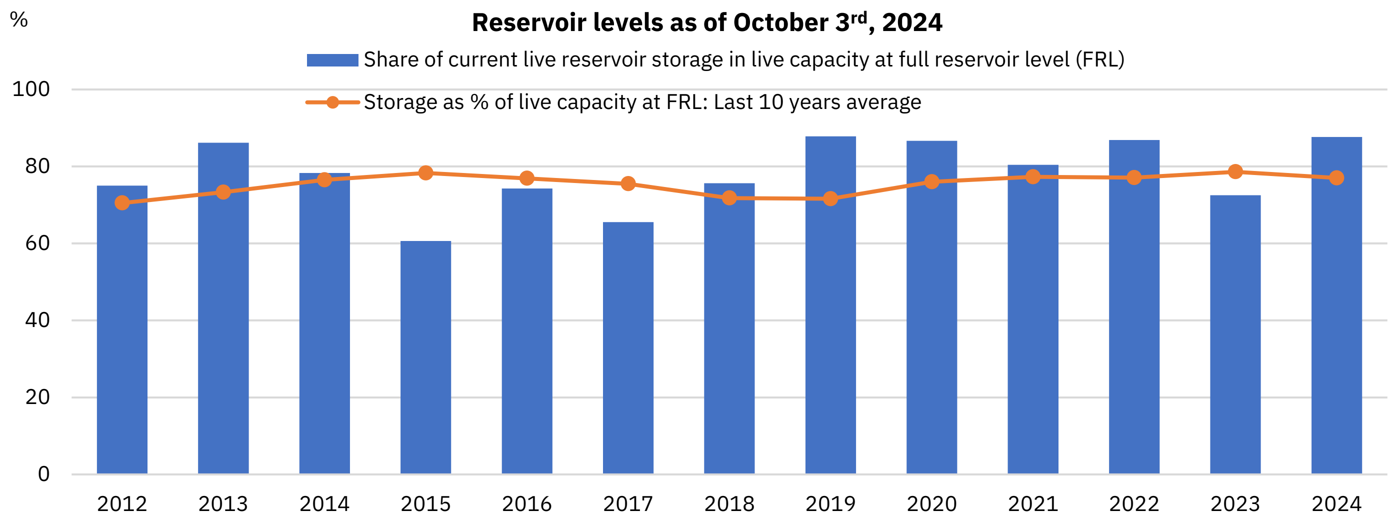
Source: CMIE Economic Outlook, IMD, NSE EPR.

Figure 81: YoY change in actual sown area



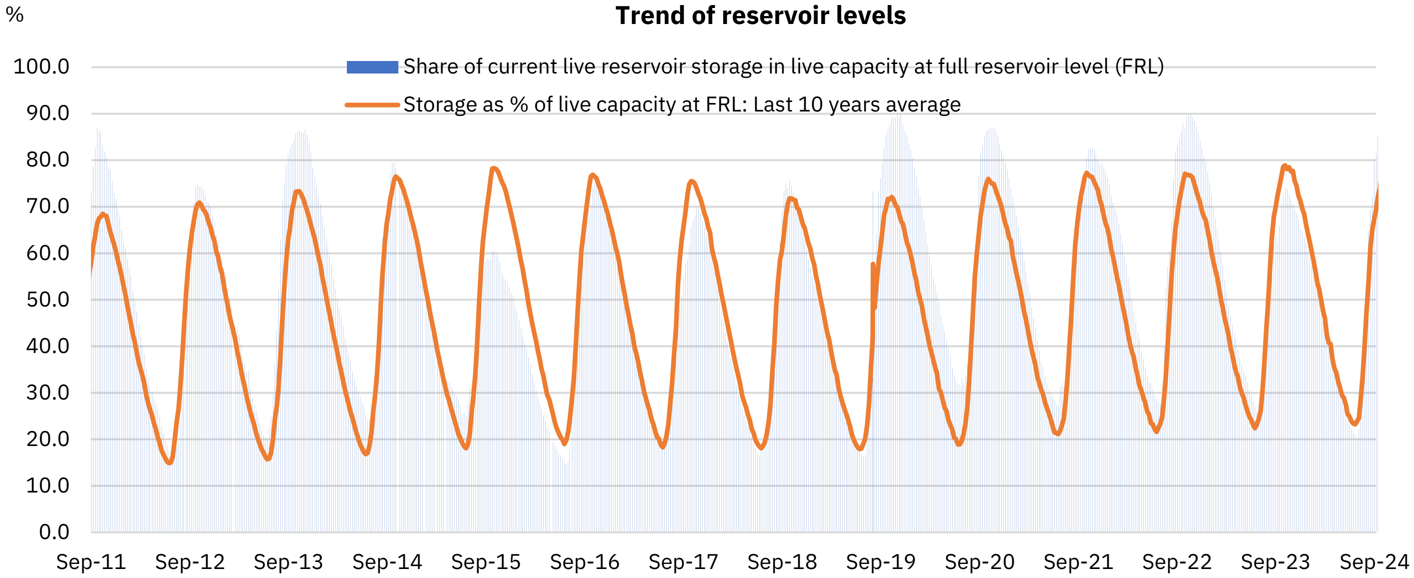
Source: CMIE Economic Outlook, IMD, NSE EPR.

Figure 82: Live reservoir storage levels



Source: CMIE Economic Outlook, NSE.

Figure 83: Trend of reservoir storage levels (as of October 3rd, 2024)



Source: CMIE Economic Outlook, NSE.

Global macro snippets: Policy stimulus in the world's two largest economies

In September 2024, the U.S. Federal Reserve initiated its first interest rate cut since March 2020, reducing rates by 50 basis points to a range of 4.75%-5%. This move, aimed at stimulating economic growth and maintaining price stability, reflects the Fed's concerns over economic headwinds and global uncertainties. The decision was largely driven by signs of inflation moving toward the 2% target and lingering weakness in the labor market. Recent economic data depicts labor market stability, with 254k jobs added and unemployment falling to 4.1% in September. Inflation eased slightly to 2.4%, though core inflation rose marginally to 3.3%. Given this economic resilience, future interest rate cuts are likely to be gradual to balance the twin goals of monetary policy.

Moreover, in response to mounting economic challenges, China unveiled an unusually large monetary stimulus package in September 2024. This included a 20bps policy rate cut, a 50bps reduction in the reserve requirement ratio (RRR), and other measures such as mortgage rate cuts and lower down payment requirements for second homes. The stimulus package was designed to boost domestic demand, address deflationary pressures, and revive the ailing property sector amid a broader economic slowdown. In October 2024, China also introduced additional fiscal stimulus, signalling a significant rise in debt to meet its 5% growth target. This dual approach of monetary and fiscal stimulus aims not only to provide short-term relief but also to implement long-term structural reforms to strengthen the economy.

- **US Fed initiates policy rate cut cycle in Sept'24...:** The Federal Reserve's decision to cut interest rates by a sizeable quantum of 50bps in Sep'24 to 4.75%-5% range, marked a significant shift in monetary policy, reflecting growing concerns about headwinds in the labour market and global uncertainties. The first cut since Mar'20 and a "dovish" policy action was largely driven by signs that inflation is sustainability moving towards 2% target and lingering weakness in the labor market. By lowering borrowing costs more substantially, the central bank hopes to encourage consumer spending and business investment, thereby supporting overall economic expansion. As per the Summary of Economic Projections, the median FOMC member is likely to cut policy rates further by 50 bps by end 2024 and 100 bps by end-2025.

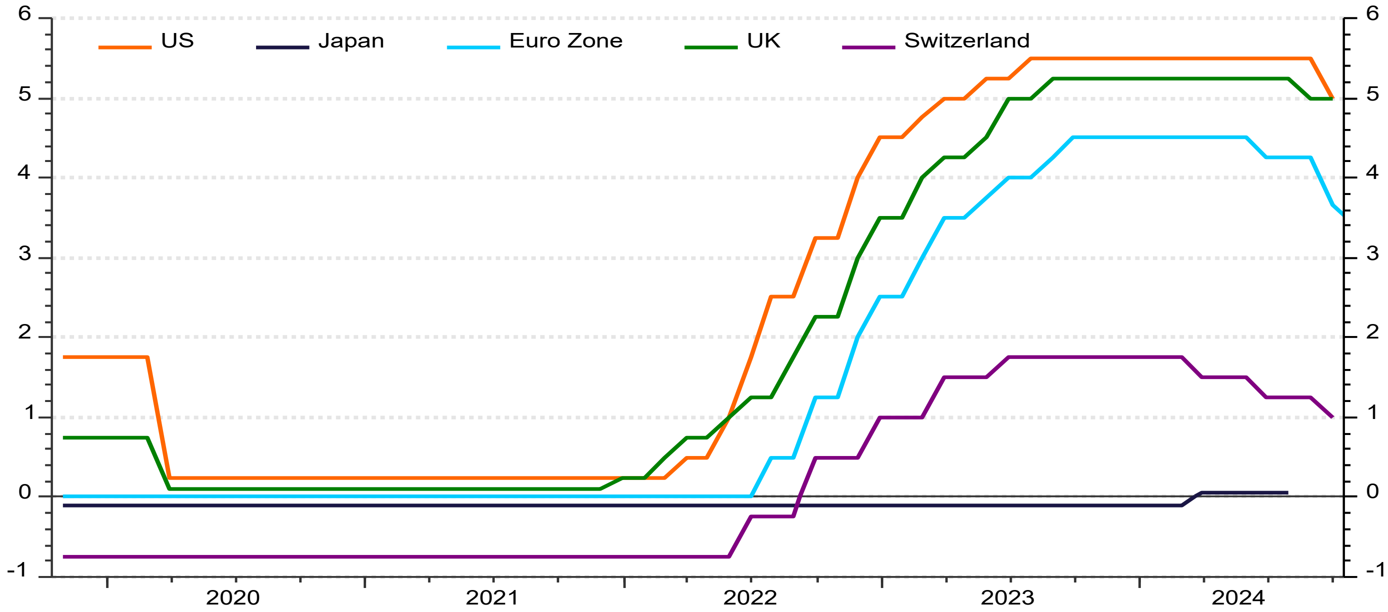
- **...although the rate cut cycle maybe relatively gradual:** Barring the rate cut during Covid-19 pandemic, a half percentage point rate cut by the FOMC took place in 2008 during the global financial crisis. Recent economic data releases provided solid reassurance about the ongoing stability in the labour market with job additions of 254k jobs and unemployment rate having dropped to 4.1% in September. The latest inflation figures for September came in marginally lower at 2.4% (vs. 2.5% in Aug) while core inflation spiked to 3.3% amid elevated inflation in shelter and transportation services. Given the strength and stability in the US economy based on these recent data releases, the subsequent interest rate reductions could be relatively gradual to navigate the delicately balance the twin objectives of monetary policy in the economy.

- **On the other hand, China announced larger than usual monetary stimulus package to boost growth...:** In the last week of September 2024, the Chinese government unveiled an economic stimulus package in response to mounting pressures on its economy. The initial package focused primarily on the market liquidity and property sector. The monetary stimulus package by PBoC involves a larger than usual policy rate cut by 20bps, and Reserve Requirement Ratio (RRR) cut by 50bps, along with a mortgage rate cut for existing home loans by another 50bps and decreasing minimum down payment requirement to 15% (vs 25%

previously) for second homes. Additionally, the package included one-year Medium Term Lending Facility Rate (MLF) rate cut (-30bps) and 500 Bn Yuan swap facility to aid the equity markets. These measures are designed to boost domestic demand, create jobs in key sectors, and address concerns arising from a combination of factors, including a prolonged property market slump, weak consumer spending, deflationary pressures, the lingering effects of global supply chain disruptions and overall economic slowdown.

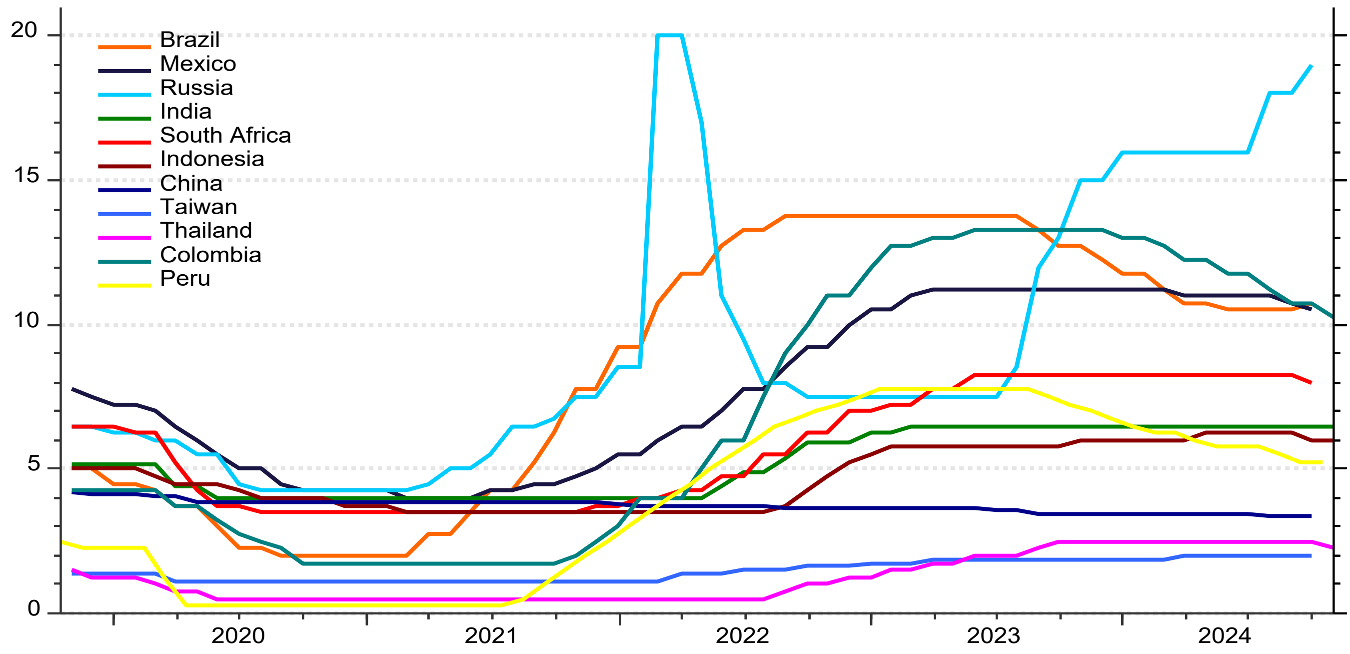
- **...along with additional fiscal stimulus to revive its economy:** Following closely on the heels of the first stimulus package announced, the Chinese government introduced more fiscal stimulus in the second week of October, translating into a significant increase in debt to revive the economy. The exact size of the stimulus is yet to be released, but with the growth target of 5% at risk, the government of China is taking major steps in reviving the economy with a combination of fiscal and monetary stimulus. This two-pronged approach reflected the government's strategy to not only provide immediate economic relief but also to lay the groundwork for long-term structural changes in the Chinese economy.

Figure 84: Policy rates across AE central banks



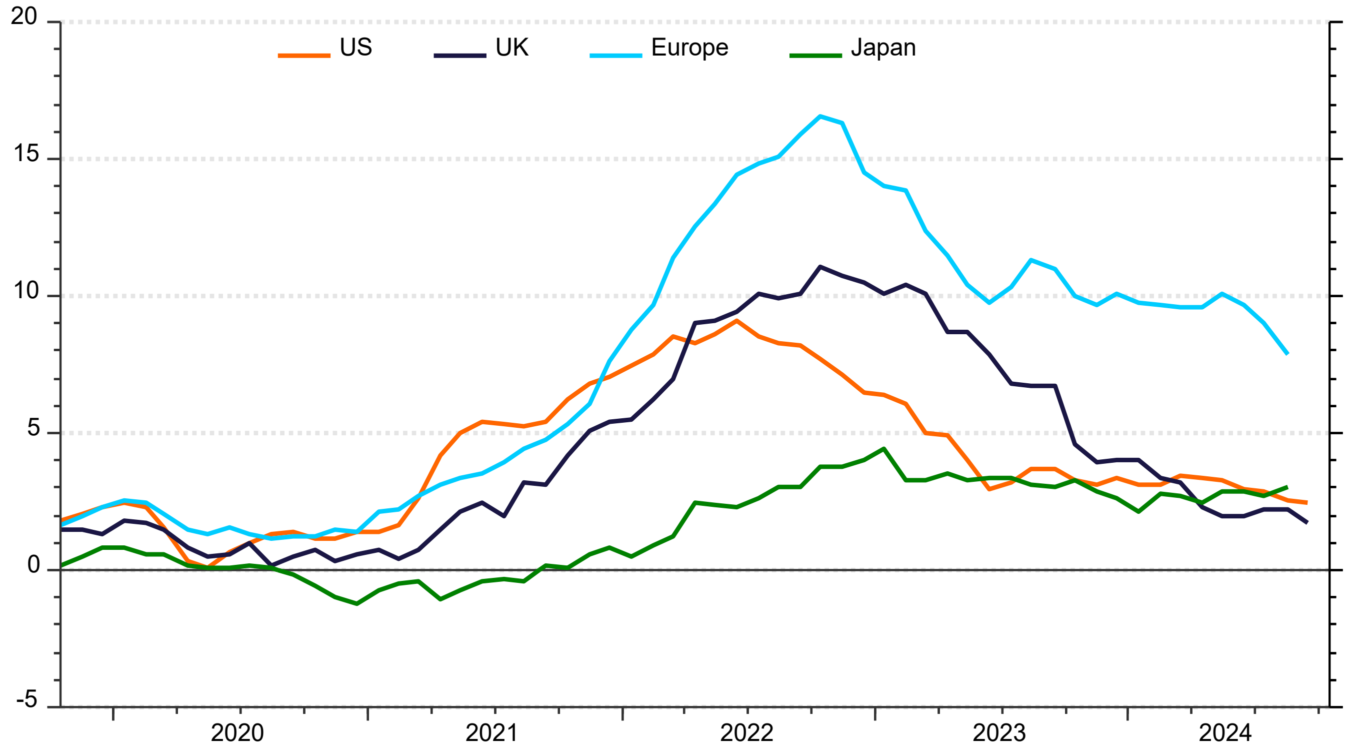
Source: LSEG Workspace, NSE EPR.

Figure 85: Policy rates across emerging markets central banks



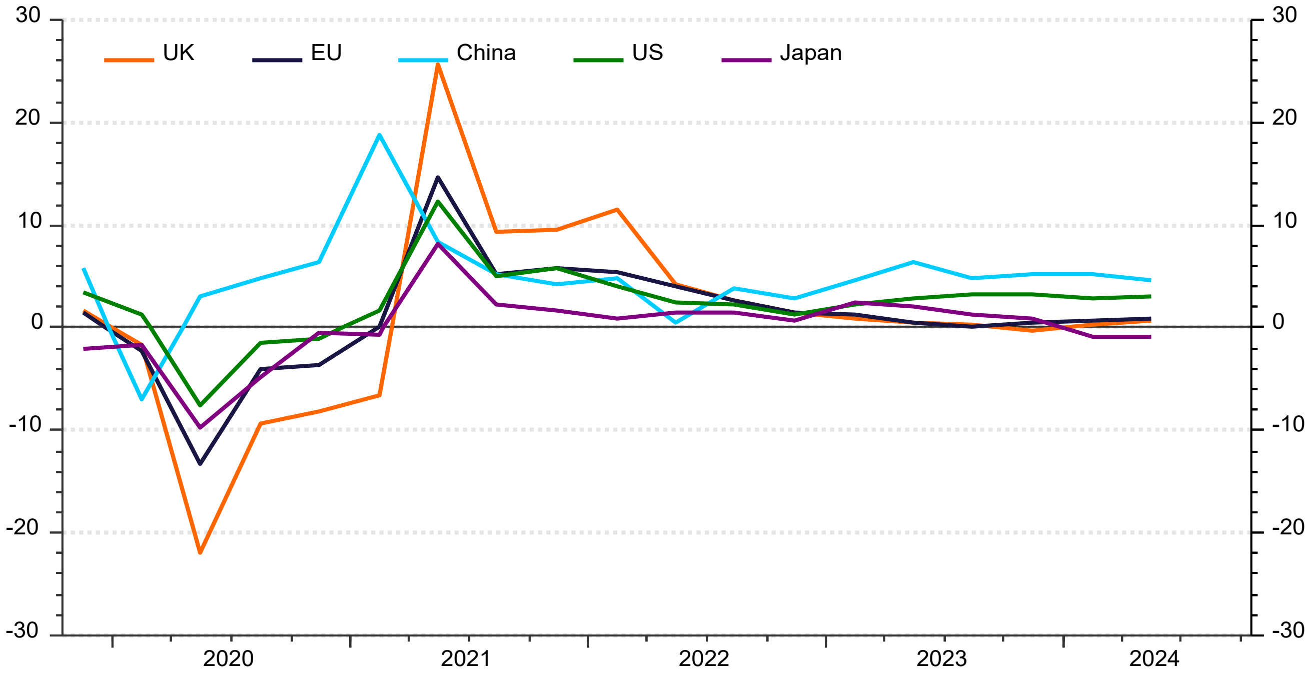
Source: LSEG Workspace, NSE EPR.

Figure 86: Inflation Across Major Economies



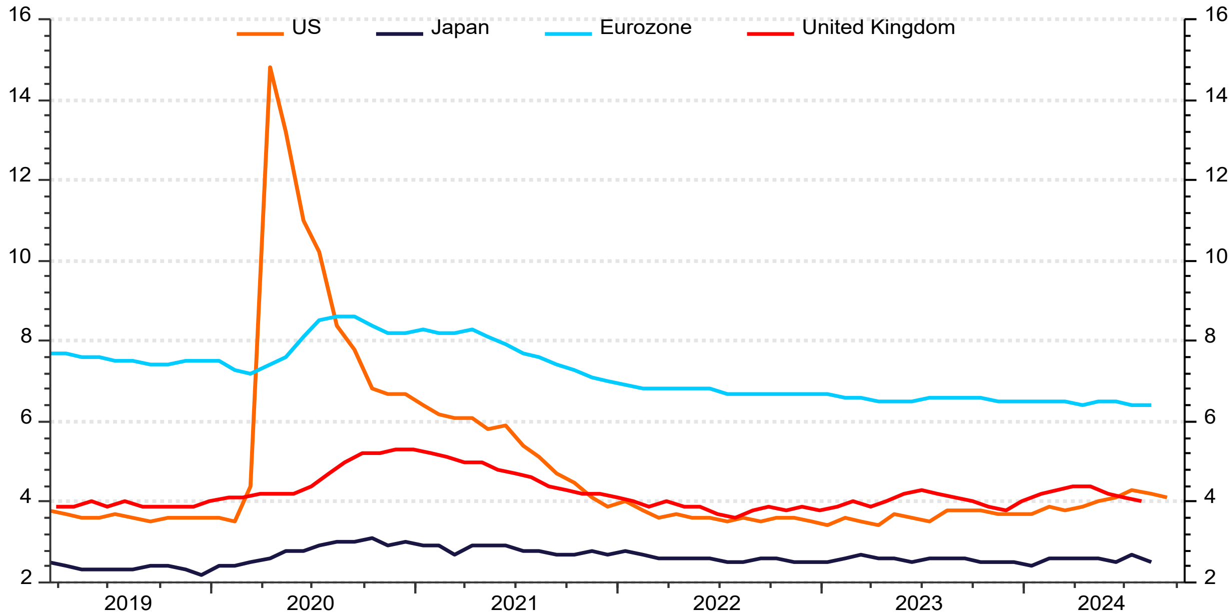
Source: LSEG Workspace, NSE EPR.

Figure 87: Growth Across Major Economies



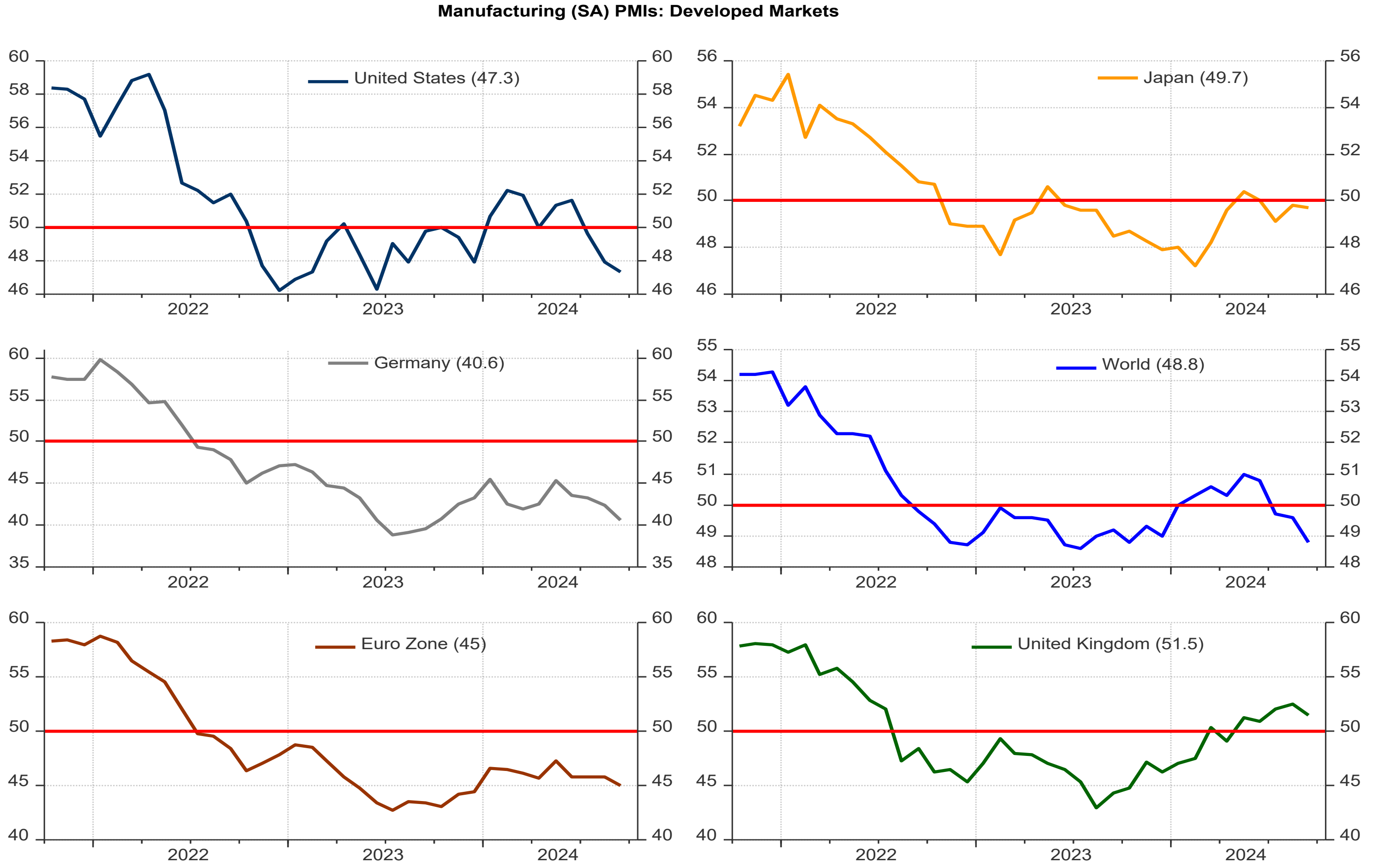
Source: LSEG Workspace, NSE EPR.

Figure 88: Unemployment Rates



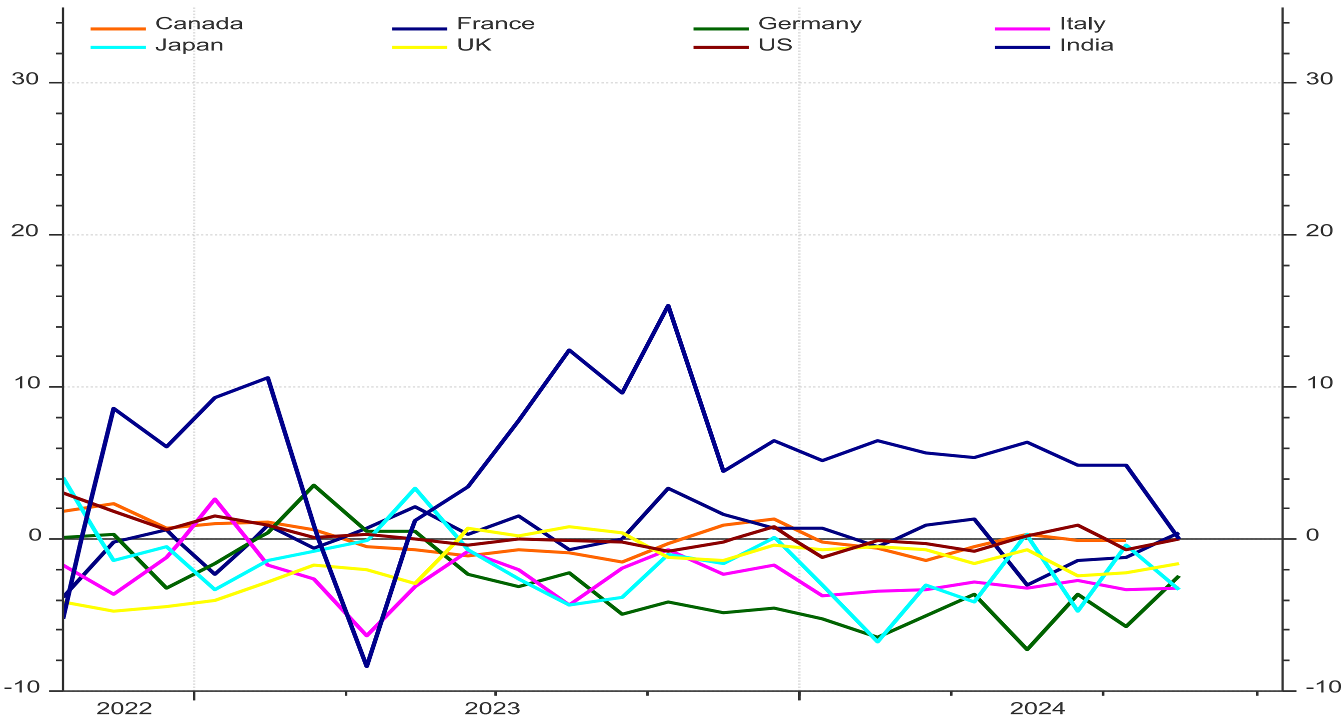
Source: LSEG Workspace, NSE EPR.

Figure 89: Trend in PMI manufacturing across countries



Source: LSEG Workspace, NSE EPR.

Figure 90: Consumer Confidence Index across major economies



Source: LSEG Workspace, NSE EPR

Insights

Highly cited research paper 1 in the field of Behavioural Science

The effects of pre-play communication in a coordination game with incomplete information[9]

Youxin Hu[10] John Kagel[11] Huanxing Yang[12] Lan Zhang[13]

Research Paper Summary prepared by Ram Prasad Behera[14] and Varuna Joshi[15]

1. Introduction

Coordination games with numerous equilibria are important to many industrial organization models, including entry and product standardization. A frequent approach to deal with the diversity of equilibria is to introduce pre-play communication, known as cheap talk, which can improve cooperation. This research expands on the experimental examination of pre-play communication in a coordination game containing private knowledge, using a two-player battle-of-the-sexes game. The study investigates if communication improves coordination and increases earnings, especially when there are higher penalties for not coordinating.

The experiment compares restricted and unrestricted communication under different miscoordination costs, finding that communication enhances coordination, despite exaggeration in message transmission. Higher miscoordination costs result in more informative communication. Free chat sessions, which allow unrestricted text communication, lead to outcomes closer to those predicted under complete information. This supports earlier studies showing that pre-play communication helps people make better decisions and work together more effectively

2. Hypothesis

This study investigates a coordination game where two players with private information about their preferences must choose between two options (A or B). Each player receives a benefit based on their preference type, and miscoordination results in a loss. (A, A) is referred to as "Positive miscoordination" with (B, B) referred to as "Negative miscoordination", where (A, A) dominates (B, B) as the players get their intrinsic benefit.

Player 1\ Player 2	A	B
A	θ_1-C, θ_2-C	θ_1,0
B	0, θ_2	-C, -C

The game models real-world scenarios like companies choosing between technology standards or office locations. The players have different preference intensities, represented by their "types," which range from 0 to 10, known as the type space. Without communication, players use a cutoff strategy to decide, to achieve the unique Bayesian Nash Equilibria (BNE). However, when players can communicate their preference intensity through messages (low, medium, or high), coordination improves as the game has multiple Perfect Bayesian Equilibria (PBE).

The study explores the outcomes with and without communication, focusing on the effect of different miscoordination costs (C = 4 or C = 6). When C = 4, players tend to exaggerate their preferences, leading to less precise communication. But with C = 6, where the penalty for failing to coordinate is higher, communication becomes more accurate, leading to better coordination. The experiment tests whether communication helps coordination and how it varies with the cost of miscoordination.

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[9] Hu, Y., Kagel, J., Yang, H., & Zhang, L. (2020). The effects of pre-play communication in a coordination game with incomplete information. *Journal of Economic Behavior & Organization*, *176*, 403-415.
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Hypothesis 1: Pre-play communication helps players coordinate better and increases their chances of earning higher payoffs compared to when there's no communication.

Hypothesis 2: In the communication phase, when the cost of miscoordination is high, players are more likely to send less precise, larger messages, especially as their preference gets stronger.

Hypothesis 3: Communication becomes more informative as miscoordination costs rise, with partition elements becoming more evenly distributed, and certain types sending lower messages under the higher cost (C6) scenario compared to the lower cost (C4) scenario.

3. Experimental Design and Methodology

Each experimental session involved five pairs (10 subjects) playing simultaneously. Instructions were read aloud, and subjects used calculators and provided materials. Each session began with three trial periods followed by 25 paid periods, lasting 1.5 to 2 hours. Participants earned a fee plus their accumulated earnings. There were sessions with and without pre-play communication at two cost levels (C4 and C6), and some sessions allowed unrestricted communication via a chat box. Subjects were randomly paired each period with new private values (θ) assigned to A and B players, which were identical across all pairs but changed randomly between periods.

In communication sessions, participants could choose from four pre-defined messages about their type: low, medium, high, or "no information." After sending messages, they selected between two actions (A or B), with feedback provided for all markets. In no communication sessions, the messaging phase was omitted.

Each participant started with 160 experimental currency units (ECUs), with profits or losses affecting their end balance, converted into Chinese yuan at a set rate. Subjects earned an average of 62 yuan per session, exceeding typical student wages. The experiment was conducted using z-Tree software.

4. Summary of Results

1. The study compares outcomes between no communication and restricted communication (C4 and C6), focusing on payoffs, coordination, and negative miscoordination (B, B). Dominant strategy types (who usually choose A) were mostly excluded to analyse more complex interactions. Simulated results from the no-communication sessions were compared to actual outcomes in the communication sessions. Mean payoffs and coordination were higher with communication, particularly in C6, while negative miscoordination was lower than predicted. Differences between communication and no communication were more significant in C6, supporting the prediction that higher miscoordination costs improve coordination outcomes.

2. In the no-communication sessions, subjects overwhelmingly chose the dominant strategy (A) when predicted, with 98% for C4 and 97% for C6. Types (0-1) in C4 and (0-2) in C6 chose A more often than expected, but a significant increase in A choice occurred at the predicted cutoff (type 3), particularly for C4 (80% chose A). C6 saw a more gradual increase, reaching 80% for type 4. Probit analysis confirmed that types below the cutoff mainly chose B as predicted, and the sharp increase in A choice at the cutoff point was significant, especially for C4.

3. In the communication stage, subjects could send messages (L, M, or H) based on their types, but their behaviour often deviated from theoretical predictions. In C4, low types (0-2) mostly sent L, while dominant strategy types sent H only 60-70% of the time but still overwhelmingly chose A. In C6, types 0-3 mostly sent L, while types 4-6 used M, contradicting the prediction that they should exclusively send H. Overall, subjects were more truthful than expected.

4. Despite noisy messages, communication improved coordination. For C4, when different messages were sent, coordination mostly followed theoretical predictions, particularly for H-L and M-L pairs, with the higher-message agent choosing A and the lower choosing B. Deviations mainly occurred when lower-message agents made

mistakes. Dominant strategy pairs are often miscoordinated by both choosing A. In C6, coordination was also strong for H-L and M-L pairs, though there were more AA deviations. Overall, subjects coordinated better with communication than without, avoiding babbling equilibria. Superior coordination in C6 stemmed from more informative communication compared to C4.

5. In C6 sessions with unrestricted communication, payoffs doubled, coordination improved by 50%, and miscoordination dropped to zero compared to restricted communication. Subjects truthfully reported their types 79% of the time and their intended actions 88% of the time. Unrestricted communication was more informative because it allowed for more detailed discussions beyond the three fixed messages in limited communication. While this improved coordination, truthful type reporting is not a Nash equilibrium, as subjects could misreport their type for strategic gain. Despite some deterioration in truthfulness, coordination remained significantly higher than under limited communication.

Actions Conditional on Messages Sent: C4 (number of observations in parentheses).

Message Pairs	With Dominant Strategy Pairs Excluded				Message Pairs	Dominant Strategy Pairs			
	A,B	B,A	A,A	B,B		A,B	B,A	A,A	B,B
HL (45)	84% (100%)	2%	11%	2%	HL (17)	6%	0%	94%	0%
HM (7)	14% (100%)	29%	57%	0%	HM (25)	20%	0%	80%	0%
ML (13)	92% (100%)	0%	8%	0%	ML (5)	0%	0%	100%	0%

Actions Conditional on Messages Sent: C6. (number of observations in parentheses).

Message Pairs	With Dominant Strategy Pairs Excluded				Message Pairs	Dominant Strategy Pairs			
	A,B	B,A	A,A	B,B		A,B	B,A	A,A	B,B
HL (65)	88% (89%)	0%	9%	3%	HL (2)	0%	0%	100%	0%
HM (27)	56% (93%)	0%	37%	7%	HM (4)	0%	0%	100%	0%
ML (23)	70% (100%)	0%	30%	0%	ML (2)	0%	0%	100%	0%

6. Conclusion and Implications

This study extends coordination games to include private information and limited qualitative preference data. It finds that communication significantly improves coordination rates and payoffs compared to no communication. Although the model's exact predictions were not fully met, key comparative results are satisfied: communication provides valuable information and leads to higher coordination, especially as miscoordination costs rise. Players generally act according to the messages sent, even when communication is imperfect.

Highly cited research paper 2 in the field of Behavioural Science

Balancing Acts: Safe Withdrawal Rates in the Indian Context[16]

Rajan Raju[17] *Ravi Saraogi*[18]

Research paper summary prepared by S Vishwath[19] *and Varuna Joshi*[20]

1. Introduction

This paper is a combination of empirical and model-based study to determine safe withdrawal rate (SWR) for retirement planning. Safe Withdrawal Rate is the maximum rate that can be safely withdrawn from the retirement corpus without risking the premature depletion of the corpus amount i.e., the retirement corpus lasting the planned life expectancy.

Retirement planning involves accumulation of money until retirement age and withdrawing money yearly for expenses. The authors provided empirical evidence on SWR with out-of-sample and a comprehensive analysis with adaptations to the Indian context. The globally cited range for SWR is 4%. The author showed that a range of 3.0% to 3.5% is more appropriate to the Indian context.

The authors showed that portfolios with higher equity allocations increased safe withdrawal rates but also had higher risk of failure above 3.75%. The authors observed that taxes on fixed deposit created drag on failure rates. The authors highlighted that gold would serve as a risk-mitigating asset in market-related risks for traditional two-asset portfolios

2. Hypothesis

H1: Safe Withdrawal Rates in Indian context ranges from 3.0% to 3.5%.

H2: Risky portfolios have a higher risk of failure above 3.75% while conservative portfolios deplete rapidly due to taxation and high inflation.

H3: Gold serves as a mitigating asset in eliminating market risk for traditional portfolios.

H4: Order of returns risk affects the safe withdrawal rates.

3. Data and Methodology

The authors used data from the Indian equity market for its rich history owing to the establishment of Bombay Stock Exchange in 1875. The authors used the MSCI India Index which started in December 1992. This index covered 85% of the Indian equity universe, which is broader than the S&P BSE Sensex, despite its inception in January 1986.

The correlation between these indices was 0.98 and the regression yielded an R-squared value of 0.95 and a beta of 1.02 demonstrating their comparability. The fixed deposit rates were taken from the weekly statistical supplement published by Reserve Bank of India (RBI). The RBI publishes the high and low term deposit rates weekly since September 1997.

The authors used the mean of the high and low rates and added an additional percent to reflect senior citizen deposit rates. The authors applied a 30% tax rate on fixed deposit returns and a 10% tax rate on equity returns.

[16] Raju, R., & Saraogi, R. (2024). Balancing Acts: Safe Withdrawal Rates in the Indian Context. *Available at SSRN*. https://dx.doi.org/10.2139/ssrn.4697720
[17] Invespar Pte
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The study used the Consumer Price Index (CPI) data from the Ministry of Labor and Employment (MLE). The authors used this data instead of the more representative data from the Ministry of Statistics and Programme Implementation (MOSPI) since MOSPI's indices are available only from 2011 while MLE's data is being published from March 1960. The CPI data was recalibrated by considering 2016 as the base year.

The authors created 12 time series, one for each month, to remove calendar effects. For the considered time-period of January 2000 to August 2023, this created 284 unique month-year combinations. The series starting from February 2000 warps back to January 2000 to complete the 284 months. The correlation between nominal returns of equities and fixed deposits was negative but the correlation between real returns was negligible.

The authors employed the Augmented Dickey-Fuller (ADF) test to assess the stationarity of the data i.e., the mean and variance of the time series is constant. The authors used both Monte Carlo simulation and circular bootstrap methods in their analysis to overcome the non-stationarity of the data confirmed by the ADF test.

The authors applied the Engle-Granger cointegration test for the equity and fixed deposit returns to determine whether the two series reach a long-term equilibrium. The authors confirmed a marginal cointegration between the two series which meant they were not independent in the long run and hence required joint sampling of the two series.

The authors used Monte Carlo simulations with replacement. The authors determined that the optimal block length for the circular bootstrap method was 5. This optimal block length reflected the time series' crucial characteristics such as volatility persistence and mean reversion. The authors employed a dual-step randomization of the selection process to enhance the sequence variability of the time series.

The authors considered retirement portfolio from 3.0% to 4.0% in increments of 25 basis points and portfolio weights for equities and fixed deposits ranging from 0:100 to 50:50 in increments of 10. The allocation was stopped at 50:50 to reflect senior citizens' tendency of investing in fixed deposits. The simulations spanned 25,30, and 35 years. The authors assumed annual portfolio rebalancing to maintain the target asset allocation.

The authors chose a high degree of statistical certainty with a confidence level of 99% and a margin of error of 0.5 for the Monte Carlo Simulation. To achieve this, they performed 50,000 iterations of the simulation.

The authors performed 50,000 iterations for the circular bootstrap method despite needing only 2,000 iterations for the convergence criterion to reach stability at 99% for a SEM threshold of 0.05%. This was done to align the circular bootstrap method with the Monte Carlo simulation for robustness.

4. Summary of Results

The authors found that in both methods, higher withdrawal rates and longer retirement periods had higher failure rates. Withdrawal rates above 3.5% had failure rates of 100% for the 35-year period for both methods.

The authors found that low real returns and tax drag impacted fixed deposit portfolios. The failure rate dropped asymptotically as the equity proportion increased but its volatility impacted the longevity of the portfolio. High structural inflation was also an important reason for portfolio failures.

The study found that higher equity allocations led to higher withdrawal rates for both methods, but longer retirement periods increased the risk of portfolio depletion. The lowest SWR, for a success rate of 95% was observed for the 100% fixed deposit portfolio and the SWR increased as the equity allocation increased and began dropping again only from the 40:60 portfolios reflecting the increased volatility.

High structural inflation and tax rates ate away at the portfolio. The authors also observed that while testing at lower tax rates, the portfolio failure rates drastically reduced. This is significant since a large portion of the retiree population considers fixed deposits as safe investment vehicles.

The authors found that introduction of an asset allocation of 10% to gold, especially in the 40:60 portfolio, transforming it into a 30:10:60 portfolio reduced the portfolio failure rates significantly. The authors observed that gold acted as a hedge against inflation and market volatility thereby providing balance to the portfolio.

The authors examined the shock of a -10% equity returns in the first year of the simulation. The study found that year shocks significantly increased failure rates especially with increase in withdrawal rates and retirement periods. The authors observed that sequence-of-return risk was significant in a high inflation economy even after 30 years.

5. Conclusion and Implications

The authors found that the dynamics of a high inflation economy like India made retirement planning nuanced and challenging. The authors found that equity allocations increased the withdrawal rates but had higher rates of failure above 3.75%. The study found that conservative portfolios faced high depletion due to taxation and inflation.

The authors stressed the importance of ongoing assessment and adjustment in retirement planning and personalized investment strategies were more effective than generalized approaches.

The authors observed that emerging financial trends provided challenges and opportunities for retirement planning. This ongoing exploration of retirement planning will contribute to a future where retirement planning is a necessity and a well-informed and attainable goal. The authors cautioned against statistical estimation errors while estimating future asset returns.

Highly cited research paper 3 in the field of Behavioural Science

Gender difference in overconfidence and household financial literacy[21]

Edward R. Lawrence[22] *Thanh D. Nguyen*[23] *Benedikt Wick*[24]

Research paper summary prepared by S Vishwath[25] *and Varuna Joshi*[26]

1. Introduction

This paper is an empirical study about the effects of overconfidence in financial knowledge in men and women and the discrepancy in financial decision-making. This study investigated the gender discrepancy in overconfidence between men and women in U.S. households. This study extended prior research confined to subsamples such as CEOs, retail investors, and older adults.

The study found that women exhibit greater overconfidence than men and attributed it to discrepancy to the gender difference in financial knowledge. The study found a positive association between overconfidence and decision-making behavior in investment risk-taking and savings. The study also found that there was an inverse correlation with prudent credit card management.

2. Hypothesis

H1: Women exhibit higher overconfidence in financial knowledge than men.

H2: Overconfidence in financial knowledge increases risk-taking in investments.

H3: Overconfidence in financial knowledge affects budgeting and savings negatively.

H4: Overconfidence in financial knowledge decreases prudence in credit card management.

3. Data and Methodology

The authors used the data from the National Financial Capability Study (NFCS) conduct in 2021. This study was a project conducted by the Financial Regulatory Authority (FINRA) Investor Education Foundation.

The study was conducted online by FGS Global state-by-state from June through October 2021. The sample was nationally representative with 27,091 Americans over the age of 18 years. The participant cohort was selected through a non-probability quota sampling method from extensive online panels.

Participants self-reported their gender. The respondents answered their assessment of overall financial knowledge on a Likert scale from 1 to 7 with 1 corresponding to very low knowledge and 7 meaning very high self-assessment of financial knowledge. The survey then asked the respondents six questions to determine their financial knowledge. The self-assessment preceded these questions to avoid influencing the participants' opinion.

The authors used three measures of over-confidence i.e., the difference in self-perception and true knowledge. The first two measures used were the differences in mean and standard deviation in the distributions of self-perception and true knowledge. The third measure used was not related to the property of distributions but was a proxy for overconfidence.

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[21] Lawrence, E. R., Nguyen, T. D., & Wick, B. (2024). Gender Difference in Overconfidence and Household Financial Literacy. *Journal of Banking & Finance*, 107237. https://doi.org/10.1016/j.jbankfin.2024.107237

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The first overconfidence measure calculated the difference between self-perception and true knowledge incorporating both mean and standard deviations of both variables. This measure ranged from -4.79 to 3.22 and had 49 distinct values of overconfidence. The mean of this measure is zero and a positive value meant overconfidence and a negative value meant under confidence.

In the second overconfidence measure, the self-perception and true knowledge scores were converted to percentile ranks and the measure is the difference between these two percentile ranks. This measure ranged from -0.92 to 0.85. The asymmetric values of these two measures meant that an individual with a self-perception score of 7 and a true knowledge score of 6 would be scored as slightly under-confident.

The overconfidence measure 3 solved this problem by bringing the range of scores from -1 to +1 in deltas of 1/6 using both the self-perception and true knowledge scores. In this measure, an extremely under-confident individual, with a self-perception score of 1 and a true knowledge score of 6, had a score of -1 and an extremely over-confident individual, with a self-perception score of 7 and a true knowledge score of 0, had a score of +1.

The dataset also contained a binary variable which was assigned 1 if the participant received financial education and 0 if that is not the case. The dataset also included control variables for demographic factors such as ethnicity, age, census region, marital status, education, income, and employment status.

4. Summary of Results

The authors presented summary statistics of the variables used in empirical tests. The self-perception of financial knowledge had a mean of 5.074 on a scale of 1 to 7. On the true knowledge score, the mean score was 3.015 on a scale of 0 to 6. The three overconfidence measures had means ranging from -0.034 to 0.176.

The participants' dataset had 53.8% female, 25.6% non-white, 72% above 35 years of age, 58.5% married or living with a partner, 36.1% with a college degree, 33.9% with an income above $75,000, 55.6% with employment, and 23.7% with some form of financial education.

The univariate Pearson coefficients showed that the overconfidence measures were highly correlated with coefficients of 0.949 to 0.989. The variables for age, college degree, and high income were negatively correlated to the authors' overconfidence measures. The variable indicating female gender had a correlation between 0.060 and 0.095 with overconfidence.

In the univariate t-tests of the overconfidence measure differentiated by gender, the authors found statistically significance at the one percent level and was found to be meaningful economically. In the overconfidence measure, the gender difference was 0.059, which was 19% of the variable's standard deviation.

The authors performed OLS regression with the three overconfidence measures as dependent variables and the female gender had a high marginal effect on overconfidence. The statistical significance survived after controlling for other factors. Participants with a college degree showed lower degrees of overconfidence on the individual level.

Participants over the age of 35 years were less prone to overconfidence than ones under 35. Participants living in the southern United States were more prone to overconfidence than participants in the continental states. The coefficients of these regression were significant at the one percent level for all three overconfidence measures.

The authors did propensity score matching since the t-values were ranging -23.82 for the high-income variable to 2.04 for the northeast residing variable. After PSM, the differences in means for the t-values ranged from -0.07 to 0.08, and the lowest p-value was 0.937.

The authors found that women exhibit lower levels of confidence and lower levels of financial knowledge in comparison to males with significant negative differences of -0.412 for self-perception and -0.768 for correct answers.

The self-perception difference corresponded to 31% of the standard deviation of the scores and the true knowledge score difference corresponded to 45% of the standard deviation of the scores. The gender difference in self-perception corresponded to 6% of the total range and true knowledge corresponded to 11% of the total range.

In the matches samples using PSM, the authors showed that women had self-perception score of 4.943 in comparison to the men's score of 5.263 and the true knowledge score was 2.761 and 3.392 for women and men respectively. The authors demonstrated that overconfidence in women was not due to an overestimation of their financial literacy but due to an underestimation of their lack of knowledge.

The authors found that for each unit increase in overconfidence measure 3, there was an 88% increase in willingness to take risk in investing, a 49% decrease in probability of being in a higher credit card management category or prudence in credit card management, and a 13% increase in probability of being in a higher savings category.

5. Conclusion and Implications

The authors extended the research on overconfidence from CEOs, retail investors, and older adults to a representative of the U.S. population. The authors demonstrated that women exhibited higher confidence in comparison to men. The authors employed a broad set of demographic controls and propensity score matching to account for potential sample selection bias.

The authors found that women self-reported their perception of financial knowledge and lower measures of true financial knowledge. The authors attributed the overconfidence in women due to lack of true financial knowledge. When matched for self-perceived financial knowledge, the authors found that women remained more overconfident than men.

The authors highlighted the effects of overconfidence in household decision-making. The authors demonstrated an association between overconfidence and increased risk-taking in investments and increased difficulty in managing credit and slight increase in difficulty in budgeting and savings.

This research emphasized the need for financial education strategies which focusses on mitigating overconfidence and enhancing decision-making skills in personal finance. This research emphasizes the need for financial literacy in these areas which would offer significant benefits for household finance management.

Highly cited research paper in the field of Corporate Finance

Gender bias, board diversity, and firm value: Evidence from a natural experiment[27]

Edward R. Lawrence[28] *Mehul Raithatha*[29]

Research paper summary prepared by Economic Policy and Research, NSE

Since centuries, jobs have been divided based on gender well documented in the academic literature and policy related documents. This discrimination of jobs based on gender has hampered societal progress and reduced gender participation in the workforce and specifically in top positions (e.g. board director etc.). It has been seen across the globe that gender bias resulted in unequal participation in the workforce, gender pay gaps, and even voting rights. If there is no friction in the real world in the selection of board members, then gender will not affect the firm's value. The gender-based bias is due to taste-based discrimination and mis-calibrated beliefs. This becomes a kind of friction in the development process, which got the attention of the policymakers. Policymakers have tried to reduce such bias through regulatory frameworks such as mandatory appointment of women in the board. This paper aims to examine the impact of mandatory women appointment in board on firm value.

In an ideal scenario, without any friction, if the government mandates the appointment of women to the board, it might lead to a deviation from the optimal level which could lead to a reduction in the firm value. In this case, it is presumed that there is no friction; however, in the real world, there is a lot of friction, like gender bias. If the government regulates such appointments with the intention of reducing biases, it might improve the firm's performance. Similarly, the skeptic might argue that government-mandated appointments might result in tokenism. For example, these appointments might be inefficient and ineffective or may be affiliated with the members of management or promoters. This might fulfil the requirements mandated by the government but would not ensure the removal of gender bias. Therefore, it is hard to predict what will happen when government mandates the appointment of women on board. The mandatory appointment rule might force the firm to comply with the law. Thus, the firms may respond to the mandate in two ways: either do due diligence and appoint qualified and unaffiliated women directors or engage in window dressing by adding non-qualified and affiliated women directors just for compliance. If firms add just for the sake of compliance, the market may not react. However, adding competent women to the board, which might bring meaningful contributions, will bring a positive return for the investors. The mechanism through which qualified and unaffiliated female directors help in adding value is by influencing the overall engagement of board members. An increase in the monitoring activity of the board improves firm value, and the independence of audit, remuneration, and nomination committees leads to higher monitoring activity of the board. The mandatory appointment will provide more opportunities for the female directors to be part of the audit, remuneration, and nomination committees than the firms that add window-dressing female directors.

The authors use the mandatory appointment rule in India to examine this research question as a quasi-natural experiment. As per this rule, companies should ensure board diversity through the appointment of at least one women director to every listed company's board. Following the passage of the Companies Act of 2013, on February 14th , 2014, Securities and Exchange Board of India (SEBI), the regulatory body responsible for governing the capital markets, set a deadline of April 1st, 2015, to allow firms some time to appoint a woman director. SEBI also implemented financial penalties of Rs 50,000 for companies that remained non-compliant after the deadline of April 1st, 2015, with provisions to increase the penalty beyond July 1st, 2015. The authors use legislative events to examine the capital market reaction to major events. Thereafter, it examines the impact on firm value, board participation, and firm performance. Apart from this, the authors use differences between states of India to further strengthen the results based on states where the impact will be higher. The authors believe that states that are more gender biased, like northern states, would be

[27] Lawrence, E. R., & Raithatha, M. (2023). Gender bias, board diversity, and firm value: Evidence from a natural experiment. Journal of Corporate Finance, 78, 102349. https://www.sciencedirect.com/science/article/abs/pii/S0929119922001924

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affected more than southern states that are less biased. The author uses four proxies of gender-biased states: gender imbalances in population, female foeticide, literacy rate, and workforce participation.

Using a sample of 1,524 appointments in 844 unique firms, the authors find that the stock market reacted positively by increasing the cumulative abnormal return (CAR)[30] of 0.53% in the case of the appointment of a female director. However, the authors do not find market reaction to the appointment of a male director. In addition, the regression analysis shows that the mandatory appointment resulted in a CAR of 0.78% more for the female director than the male director. These results indicate that the investors value the appointment of a female director to the board. Skeptics might argue that appointing a female director might be a kind of tokenism (window dressing) that would not serve any purpose. To rule out such argument, the authors divided the appointment of female directors with affiliation to founder or promoter and qualification. The authors found that the stock market responded positively only to the appointment of qualified and unaffiliated female directors and observed no response to the appointment of unqualified and affiliated women directors. In addition, the author also examines the impact of CAR on male appointments with relevant qualifications and experience but finds no effect. These findings validate that the stock market positively perceived the appointment of women on board because it will increase the monitoring and participation of the boards and reduce gender bias. The authors also explore the channels through which the market responded positively. The authors use firm performance and corporate governance as two possible channels. The market reaction may be due to the expectation of improvement in firm performance due to the addition of a female board member. Using Tobin's Q as a measure of performance, the authors found that mandatory appointment resulted in higher performance for those firms where only qualified and unaffiliated women were appointed but not the affiliated and unqualified. In the second channel, the authors argue that gender diversity leads to improvement in board governance, especially through increased board participation. The finding shows that board participation has increased due to the mandatory appointment of women on the board.

Apart from this, the authors believe that gender biases at the state level might play a vital role in this relationship. There are four proxies used to measure gender bias based on population, female foeticide, literacy, and workforce participation at a state level. Thereafter, firms are divided into quartiles based on these measures. Firms in the top quartile are termed high gender-biased states, and in the lower quartile, low gender-biased states. In addition, the authors used all these measures to create a single group of more gender-biased states vs. less gender-biased states; the high-biased states are the ones that belong to the high-biased group in at least two out of the four proxies. The author's classification shows that the high-bias states are predominantly located in the north of the country, whereas the low bias states are the southern states. The author's multivariate regression analysis shows that the positive market reaction to the announcement of the addition of a female director is more pronounced in the firms that are headquartered in states with high gender bias. In addition, people may argue that firms headquartered in northern and southern states might be different, which may result in these findings. So, the authors used advanced econometric tools, namely propensity score matching, and found consistent results. Moreover, the authors examined the channel and found that board participation and appointment in the audit & risk management, nomination, and remuneration committees increased more in the high gender-biased states than the low gender-biased states due to the mandatory appointment rule. The increased participation of the committees resulted in higher monitoring activity on the board, which led to higher firm value. Based on these findings, it could be inferred that the appointment of women directors was not just tokenism but real change that happened at the board level, which brought the investors' confidence and increased firm performance and value.

[30] Cumulative abnormal return measures the total abnormal return of an asset over a specific period, compared to a benchmark or expected return. It is calculated by summing the daily abnormal returns—defined as the difference between the actual returns and the expected returns—over that period, often used in event studies to assess the impact of specific events on asset prices.

Learning from noise: Evidence from India's IPO lotteries[31]

Santosh Anagol[32] Vimal Balasubramaniam[33] Tarun Ramadorai[34]

Research paper summary prepared by Economic Policy and Research, NSE

It is believed that efficient markets can function only when investors learn rationally from their experiences distinguishing signals (rational information) from noise (randomness with no logic). Decision making of investors do get influenced by both the signal and noise from their past experiences. But the question remained unanswered, what drives learning from noise? There are various theoretical arguments highlighted in literature about learning from noise. For example, investors learn from noise due to reinforcement learning (it refers to learning which is rewarding in nature without differentiating between noise and signal). Similarly, investors update their belief but do incorrectly respond to experienced noise that affects cohorts simultaneously or by naively extrapolating from recent data. Finally, investors draw inferences from noise, believing that random outcomes are informative about their ability and also noise may be attention grabbing. If investors learn from noise, then it is expected that their investment behaviour will change due to learning from noise. This paper explores this research question whether random noise affects the behaviour of IPO investors. To examine this paper uses lottery rules in IPO allotment to retail investors in India as a quasi-natural experiments. Using this setting, the paper explores whether noise affects the IPO participation and trading behaviour in non-IPO stocks in case of loss/profit in the IPO stocks. As per Indian IPO allocation rule for retail investors, 35% of IPO allocation should go to retail investors. In case of excessive oversubscription (where pro rata allotment issue comes lower than the lot size) a lottery system should be used to issue the stocks. The authors use the lottery system as a natural experiment and divide the share group into treatment and control groups. Treatment group refers to the group where investors got allocation under lottery allotment and control groups did not get allocation of shares through lottery.

Using a sample of 54 IPOs from 2007 to 2012, which involved 1.5 million individual investors, with 469,288 put in the treatment group and the rest 1,093,422 into control accounts. The authors find that after six months of the IPO allotment, if the allotment value increases (gain in IPO stock) then participation by these investors in the future IPOs increases. However, if the value of allotment decreases (loss in the IPO stock) then they are less likely to participate in future IPOs. This result confirms that noise affects the decision-making process of the investors. Subsequently, this paper also examines whether random allocation of IPO affects the trading behaviour of investors in non-IPO stocks. The authors find that if IPO allocation results in profit, then investors increase the trading in non-IPO stocks. Conversely, if they incur loss in IPO allocation, investors reduce their trading activities in non-IPO stocks. Moreover, the authors show that investors tilt their portfolio towards industry where investors have made gains though IPO allotment. However, they also found the opposite in the case of loss making in IPO allocation industry. On average, investors account shows a gain of 3.5% in their portfolio and 7.2% increase in trading volume in the treatment groups. There could be a possible argument that these results are driven by the wealth effect. To rule out such explanations, the authors show that the gain was worth only $68, and amount deposited in escrow account was $1750. This implies that investors IPO gains are not sufficient to increase the trading volume due to wealth effect.

Apart from this, it also discusses theoretical mechanisms that might drive these results based on reinforcement learning, extrapolative beliefs, mental accounting, or attention. Under reinforcement learning, it is expected that the investors apply for the IPO based on his/her past experience with the gain in IPO. However, it becomes very necessary to presume that there is no difference in the trading activity and applying for an IPO which is not true in real sense. Similarly, for extrapolative expectations on returns to explain results, it should be assumed that the positive experience of winning an IPO lottery increases expectations of returns on stocks available for purchase (thereby increasing purchases) and lowers expectations of returns for stocks held (increasing sales). While it is difficult to test with the

[31] Anagol, S., Balasubramaniam, V., & Ramadorai, T. (2021). Learning from noise: Evidence from India's IPO lotteries. Journal of Financial Economics, 140(3), 965-986.
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given data, it is unclear why extrapolation would operate in different directions for different types of stocks. Moreover, under mental accounting, house money might play a role in the relationship. The authors argue that if house money plays a role, then listing gain and future purchase of stock size should be positively related. However, analysis done by the authors does not show any significant relationship. Similarly, Bayesian learning from noise might be the reason for this behaviour. This could take place in two forms, first they could learn from the environment where they operate and second, they could also learn about their own ability to operate in the market environment. In the first case, investors that process information completely would react to returns on the IPO stock regardless of whether or not they won the lottery. If this is true, investors would expect to find no differences in trading behaviour between winners and losers. Winning the lottery provides winners "information" which (at least weakly) reduces the value of any future information in forming trading decisions. However, the data does not validate this. In the second case that authors consider, the agent interprets the randomly experienced gains or losses from the IPO as a positive or negative shock about their own investment ability. In this paper, authors suggest that investors perceive that positive or negative gains are the result of their skill. However, the authors suggest that investors learnt it wrongly because their allocation itself is random therefore skill does not affect the difference in the return of treatment and control accounts. This is the wrong lesson which investors learn from the noise and the authors suggest this as appropriate theoretical arguments for the stated results. Apart from this, the authors also examined three complementary theoretical mechanisms through which these results might be affected namely mood effect, feeling lucky and attention. The mood effect shows that winning the lottery results in an increase in happiness which has a causal effect on trading behaviour. However, the author is unable to rule out the impact of this due to measurement problem on the stated result. Under feeling lucky explanation, lottery winners that experience positive returns believe that whatever future actions they take will cause the desired outcome. But it is difficult to measure and examine this relationship in a model. Finally, the authors argue that winning or losing IPO would increase the attention of the investors. This would result in the result stated above. If the attention is the reason for the result, then the authors suggest testing this result based on investors who are more active in the market, defined by their trading intensity in the market. The idea is that very active investors might be expected to have a small attention effect because they are already attending carefully to the market and their portfolios. The authors find that both low and high level of trading intensity affect the trading activity therefore, this could not be a possible explanation.

Apart from this, the authors also examined the heterogeneous impact of past experience of the investors in the IPO market on trading activity. The possible relation could be because investors learn from their past winning of IPO that it does not contain any information because allocation happens through lottery (randomly). Such learning will result in less response from experienced investors than inexperienced investors. Other possible explanations could be that experienced investors might opt to select for more experience in the IPO market. Using random wins in the past by the investors, the author found a negative relation between age and probability of applying for IPO. Also, investors trading volume in non-IPO stocks decreases with experience. In addition to this, the authors examined the heterogeneous impact of age, portfolio size and trading volume. The author found that with age, size and trading volume treatment effect decreases. Based on these findings, it could be argued that retail investors learn wrong lessons about their skill to identify IPO when in real sense it is random allocation (luck).

Broadband Internet and the Stock Market Investments for Individual Investors[35]

Hans K Hvide[36] Tom G. Meling[37] Magne Mogstad[38] Ola L Vestad[39]

Research paper summary prepared by Economic Policy and Research, NSE

Brief

The paper examines the effects of the rollout of high-speed broadband internet on individual investors' stock market participation and portfolio choices in Norway during the 2000s. While prior studies have suggested that increased internet access may amplify behavioural biases rather than foster a "democratization of finance," which entails improved portfolio choices among households, this research presents a different perspective. The findings indicate that enhanced internet usage, driven by broadband connections, results in a significant increase in stock market participation. Additionally, it leads to greater diversification, higher Sharpe Ratio, and improved portfolio efficiency[40] among existing investors. By examining a policy shift that provided broadband connections in Norway, the paper demonstrates that access to and utilization of high-speed internet contribute to a "democratization of finance." This term refers to a rise in stock market participation and an enhancement in the portfolio efficiency of existing investors

1. Data

The authors use common stock and funds transactions data from Norwegian Central Securities Depository (NCSD) which includes details on investor socio-demographics, including age, gender, income, education and municipality of residence which allows them to compare those who experienced an expansion of broadband and those who did not. The also use a nationally representative survey which provides details on households' internet activities. The survey provides evidence of a direct link between internet use and stock market activity.

2. Methodology

To assess the causal effect of broadband internet access on individual stock market participation, the authors employ an Instrumental Variable (IV) approach, leveraging the exogenous variation in broadband usage stemming from the gradual expansion of coverage between 2001 and 2010. They utilize one year lagged broadband coverage as an instrument for current broadband user rates, supporting its appropriateness through arguments of exogeneity and relevance.

The authors present evidence that changes in the instrumental variable (specifically, one-year lagged broadband coverage) do not significantly correlate with pre-reform levels of stock market participation, household income, or education. Additionally, they address potential concerns regarding the instrument's exogeneity, particularly the possibility that the timing of broadband expansion may coincide with other reforms in the financial sector that could influence stock market participation. However, they demonstrate that such concerns are unfounded, as they find no evidence of concurrent financial sector developments—such as pension reforms, the advent of online banking, or other growth trends—during the same period as broadband expansion.

Identifying assumption: The instrument must be exogenous, as previously outlined, and it must also satisfy the exclusion restriction. This restriction requires that lagged broadband coverage affects stock market participation exclusively through its impact on current household broadband usage, without any alternative channels of influence.

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[40] This is defined in sense of Calvet et.al (2007). In simple words, portfolio efficiency is the degree to which an investor portfolio achieves the optimal balance between risk and return. The optimal portfolio maximizes expected return for a given level of risk or minimizes risk for a given expected return.

3. Results

The IV estimates imply for every ten percent increase in the broadband user rate the stock market participation rate increases by 0.698 percent points, or roughly 5.3% of the pre reform mean stock market participation rate. The large effect of broadband participation use and coverage on stock market participation is coming from an increase the fund holding rate of individual investors. Robustness checks are conducted to confirm that main results are reliable.

The effects segregated on the basis of individual characteristics like sex, age and educational attainment. They find relative to pre-reform stick market participation rate the effect of increase in broadband usage on stock market participation is higher for males than for females, larger for young than older. However, effects are roughly similar across various education groups.

Effects for existing investors

Using reduced form estimates, the authors demonstrate that increased broadband coverage leads to a higher portfolio share of funds, while there is no significant effect on fund selling, stock buying, or stock selling.

The impact of broadband coverage on portfolio efficiency reveals intriguing insights. The authors begin by analysing return loss, establishing a negative relationship between broadband coverage and return loss. They decompose return loss into three components: portfolio weight in risky assets, relative Sharpe Ratio loss, and the standard deviation of risky assets. The findings indicate a negative and statistically significant relationship between broadband coverage and both portfolio weight in risky assets and relative Sharpe Ratio loss. In contrast, the effect on the standard deviation of risky assets chosen by investors is negative but not statistically significant.

Moreover, broadband coverage is linked to an increase in the Sharpe Ratio and a reduction in idiosyncratic risk. Economically, these results suggest that the mean pre-reform Sharpe Ratio in the sample was approximately 15%. Notably, a 100% increase in broadband coverage corresponds to a 0.25% increase in the Sharpe Ratio in the following year, which represents about 1.6% of the pre-reform mean.

Threats to Exclusion restriction of IV (Instrument Variable)

First, there is a possibility that the estimated effect of broadband coverage on stock market participation may originate from the firm side rather than the household side. Specifically, broadband adoption could enhance worker productivity and wages, thereby influencing stock market activity through an income effect. However, the authors address this concern by analysing the relationship between broadband coverage and labour income reported to tax authorities. Their findings indicate no significant impact of broadband coverage on labour income, suggesting that the observed effects on stock market participation are unlikely to be driven by an income effect.

Another potential threat to the findings could arise from the interplay between firm and household-level broadband adoption. Increased broadband coverage may enable high-skilled workers to work from home, allowing them to spend their leisure time exploring stock market opportunities. In contrast, low-skilled workers, who are required to be physically present at their workplaces, might not benefit from this flexibility. However, the results indicate that the effects of broadband coverage are similarly pronounced for individuals with lower educational attainment, suggesting that this mechanism is unlikely to account for the observed outcomes.

Additionally, broadband coverage could contribute to rising local real estate prices, which might loosen household budget constraints and subsequently increase stock market participation due to the availability of surplus cash. Nonetheless, the authors find no significant impact of increased broadband coverage on household real estate wealth, further indicating that this mechanism is also unlikely to explain the results.

4. Conclusion

This paper finds that broadband use leads to increased stock market participation, improved portfolio allocation for existing investors and increased participation in bonds bond funds and unlisted stocks. They find no adverse effect of internet use, e.g. excessive stock trading among existing investors except for the most active ones. Overall, the introduction of internet spurs a democratisation of finance, with households adhering to investment decisions that reflect advice from portfolio theory.

Highly Influential Paper in the Field of Finance

When Large Trades Create Noise[41]

Sergei Glebkin[42] *John Chi-Fong Kuong[43]*

Research paper summary prepared by Economic Policy and Research, NSE

Brief

Have you ever considered how competition can sometimes reduce welfare, particularly when detailed private information diminishes the informativeness of prices? Although this may seem counterintuitive, it can occur in situations characterized by what is known as "Trading Complementarity." This paper presents a theoretical framework in which the values of large and small traders are correlated. In this context, the value signals from large traders can obscure those from smaller traders, creating noise in the market.

The authors introduce a mechanism termed "Trading Complementarity" to explain this phenomenon. When large traders engage in aggressive trading, their valuations become more influential in determining prices. Consequently, small traders, recognizing this dynamic, become more inclined to provide liquidity—selling more as prices rise and buying more when prices fall. This behaviour, in turn, encourages even greater aggressive trading from large investors.

The model has broad applicability across various market contexts, including those involving retail and institutional investors, financial markets characterized by high-frequency trading, and commodity markets with both large and small traders.

A key takeaway for policymakers is the necessity of considering both informational frictions and market power when formulating competition policies aimed at enhancing efficient trading. While transparency initiatives are essential, they must also address the potential for large traders to exert significant market power, as this can sometimes diminish price informativeness. In certain scenarios, promoting competition may inadvertently lead to lower welfare if the informational frictions are pronounced enough.

1. The General Model Framework

The paper outlines a framework that distinguishes between two time periods: an initial period and a final period. In the initial period, two groups of traders— “Large” and “Small”—trade a risky asset. All traders are assumed to be risk-neutral, with quadratic inventory costs. Their utility is positively related to their valuation of the asset, while negatively related to the price they pay, and the inventory costs incurred. Although asset values are realized in the final period, they remain uncertain during the initial period. The values of large and small traders are modelled as jointly normally distributed but are imperfectly correlated. Small traders lack awareness of the signals from large traders and possess fragmented information regarding their own signals. Conversely, large traders are informed about their own valuations but remain unaware of the valuations held by small traders.

The trading mechanism employed is a uniform price double auction, where each trader submits a net demand schedule. The market clearing price is determined at the point where net aggregate demand equals zero. Traders seek to maximize their expected utility, taking into account their information and the impact of their trades on prices. The analysis focuses on linear demand schedules submitted by traders.

[41] Journal of Financial Economics, November 2023
[42] INSEAD and FTG
[43] INSEAD, CEPR and FTG

To assess informational efficiency, the authors utilize the "Forecasting Price Efficiency (FPE)" metric introduced by Bond et al. (2012). This metric captures the degree to which prices convey information about the fundamental value of the asset, recognizing that the private valuations of traders are correlated with that fundamental value.

2. Results

Trading Complementarity: Larger traders create noise in the price from the perspective of small traders, more aggressive trading makes price less informative for small traders. Now the price is less informative, so an increase in price is less of a signal of an increase in the fundamental value of the asset, therefore small traders are more willing of sell more of the asset. Now the other side of the story, small traders' behaviour makers market more liquid this reduces the price impact faced by large traders. The large traders then exploit the decreased price impact by trading more aggressively.

The paper shows when large traders have little market power the trading complementarity is sufficiently weak this leads to a unique equilibrium.

Effect on Competition and Welfare

What happens if larger traders become more competitive due to entry or split? Will the aggregate welfare increase and small traders gain? Answer to this question seems affirmative according to conventional wisdom. This is not necessarily true in case where large traders create noise and there are severe informational frictions. Dispersed signals of small traders force them to rely on the price to infer their private value and this leads to common bias due to noise created by large traders.

Welfare loss is due to two sources of inefficiency, welfare is lost due to deviation of average allocation form the first best case[44]. A lack of informational efficiency causes the average small trader's forecast to deviate from the true value for them this leads to bias. Secondly a lack of liquidity causes the large traders to reduce their demand, so allocation is scaled down by a factor lying between zero and one.

When large traders become more competitive, they trade more aggressively and the trading complementarity, noise and liquidity buttress each other. If private signals are imprecise enough, small traders rely heavily on the price and thus suffer from an increased bias.

Better Signals and Less Informational Efficiency

One interesting result of the paper explores effect of increase in signal precision on informational efficiency. There is a case where increase in the signal precision of small leads to a reduced informational efficiency. This happens when large traders represent significant part of the market and they have sufficient market power, then in a case where signals become more precise adverse selection faced by small traders decreases and they provide more liquidity. The improved liquidity induces larger traders to trade more aggressively, creating more noise in the price. The less informative price in turn reduces the small traders' adverse selection problem and boosts further liquidity. This liquidity and noise feedback mechanism can worsen informational efficiency to an extent that dominates the positive effect induced by precise signals.

Multiple Equilibria and Market Fragility

Market is fragile because market outcomes such as liquidity and informational efficiency can vary greatly simply due to changes in traders' expectations. As trading complementarity dictates, if large traders expect small traders to supply more liquidity, they respond by trading more aggressively and inject more noise in the price which in turn induces small traders to supply more liquidity. Market power in the presence of informational frictions is a source of fragility. When there are multiple equilibria, they can be ordered by liquidity and in the reverse order by informational efficiency.

[44] All traders take prices as given and know their values perfectly. There is absence of market power and informational friction.

Highlighting a negative relationship between equilibrium liquidity and informational efficiency. This result is uncommon in the literature exploring market fragility.

Interpretations of the model

The authors propose three insightful interpretations of the model.

First, it can be viewed as the interaction between larger institutional traders and smaller retail investors within the stock market. Institutional investors have the power to influence prices and take this price impact into account when making trades.

The second interpretation addresses the dynamics between fast and slow traders, where fast traders are identified as High-Frequency Traders. There are specific periods when only these fast traders are active in the market. The model encompasses two types of assets: a risky asset (stock) and a risk-free asset (bond), with the bond serving as the numeraire. Traders are assumed to be risk-neutral and fully rational, considering their price impact and facing quadratic inventory costs. This framework leads to results that are consistent with the general model previously discussed.

The third interpretation explores the interactions between large and small traders in the commodity market. Here, large traders function as producers, while smaller traders represent firms that use the commodity to create final goods. Again, the conclusions drawn are in alignment with those of the general model.

3. Conclusion

The central premise of this paper is that large traders can diminish the informativeness of prices. For instance, large institutional investors often prioritize firms' ESG metrics when constructing their investment portfolios, which can impact market dynamics.

The work also presents several empirical predictions. It posits that an increase in the market power of large traders results in greater price informativeness but lower liquidity. Additionally, when informational frictions are sufficiently high, an enhancement in the quality of private signals may actually decrease price informativeness.

These findings have important implications for transparency policies aimed at reducing informational frictions, as well as for competition policies designed to foster efficient trading by curbing the market power of large traders. There may be scenarios where increased competition not only diminishes the welfare of powerful large traders but also adversely affects smaller traders by making prices less informative for them. This underscores the necessity of considering informational frictions when formulating competition policies.

Market performance

Market round-up

Strong domestic flows providing support to Indian equities amid heavy FPI selling

Global equities defied the September effect and ended the month on a positive note after having a lackluster start. The selloff caused by sudden unwinding of carry trade in the Japanese yen in early part of the month was more than made up by positive cues in the US including resilient corporate earnings and a 50bps rate cut by the US Fed. The announcement of stimulus measures in China in the later part of the month also supported sentiments. Developed equities (MSCI World Index) generated a gain of 1.7% in September, only to remain rangebound in October (YTD: +17.9%, as of October 16th, 2024). Emerging equities significantly outperformed the developed market pack in September, thanks to strong rebound in Chinese equities after the announcement of monetary stimulus measures. The MSCI EM Index ended the month with a strong gain of 6.5%, the highest monthly return in the last 10 months, but declined by 2.3% in October thus far (YTD: +11.8%; As of October 16th, 2024). Global debt rallied for the fourth month in a row in September, benefiting from expectations of aggressive rate cut by the US Fed. The rally, however, fizzled out in October as strong jobs data resulted in the downsizing of the expected pace of rate cuts this year. The US 10-year sovereign yield softened by 13bps in September to 3.8%, only to more than reverse the gains in this month thus far, while that in the EU fell by 16bps to 2.1%.

Indian equities echoed global trend and rallied in September after a range-bound performance in the previous month. Renewed global risk-on sentiments after Fed monetary easing resulted in a significant influx of foreign portfolio flows into Indian equities. The trend, however, reversed in October, weighed by heightened geopolitical tensions, and some shift in capital from Indian to Chinese markets after the announcement of stimulus measures. The benchmark Nifty50 Index ended the month of September 2.3% higher but fell by 3.3% in October thus far (YTD: +14.9% as of October 16th, 2024). The Nifty Mid-cap 50 and Nifty Small-cap 50 Index underperformed with modest gains of 1.6% and 0.4% respectively in September. Echoing the global trend, the Indian bond market also rallied in September, even as the gains were contained by an expected spike in inflation due to rising crude oil and vegetable prices. Consequently, the 10-year G-sec yield softened by 11bps in September, and remained broadly steady in October, translating into a decline of 40bps in the year thus far to 6.8% as of October 16th.

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

- **Indian equities rallied in September only to sell off in October:** After taking a breather in August, Indian equities echoed global trend and ended the month of September in green. This rally was supported by strong foreign capital inflows, thanks to renewed global risk-on sentiments after a 50bps rate cut by the US Fed. The trend, however, reversed in October, as heightened geopolitical tensions, and consequent surge in crude oil prices, coupled with strong performance of the Chinese market after the announcement of stimulus measures, resulted in some shift in FPI capital from Indian to Chinese markets. The downside, however, was protected by equivalently strong buying by domestic institutional investors this month. The benchmark Nifty50 Index ended the month of September 2.3% higher, but fell by 3.3% in October thus far, translating into total return in 2024 till date falling from 18.8% as of September end to 14.9% as of October 16th, 2024. The Nifty Mid-cap 50 and Nifty Small-cap 50 Index underperformed with modest gains of 1.6% and 0.4% respectively.

  Average daily turnover (ADT) in NSE's cash market declined for the third month in a row by 3.0% MoM to a four-month low of Rs 1.22 lakh crore in September and further by 11.1% MoM to Rs 1.08 lakh crore in October till date (As of October 16th, 2024). This has translated into ADT of Rs 1.25 lakh crore in the fiscal thus far, nearly 52.4% higher than that in FY24. ADT in the equity options segment (premium) also fell for the third month in a row by 5.0% MoM to Rs 62,432 crore but rose by 14.0% MoM to a four-month high of Rs 71,184 crore in October thus far, translating into ADT of Rs 68,930 crore in FY25 thus far (As of October 16th, 2024), nearly 11.6% higher than that in the whole of FY24. In the equity futures segment, however, ADT remained fairly steady on a MoM basis at Rs 2.0 lakh crore in September, only to fall by a steep 27.8% in October thus far to a 11-month low of Rs 1.42 lakh crore. Notwithstanding the recent decline, ADT in the equity futures segment in the fiscal year thus far at Rs 2.00 lakh crore is 49.4% higher than that in the whole of FY24.

- **Indian debt moved higher in September, echoing the global trend:** Global debt, rallied for the fourth month in a row in September, as strengthened rate cut expectations after weaker-than-expected economic data in the US and strengthened risk-off sentiments in the early part of the month due to unwinding of carry trade positions in the Japanese yen led to flight of capital to safe haven assets. The US 10-year sovereign yield softened by 11bps in September to 3.8%, but the rally reversed in October as strong jobs data weakened rate cut expectations. The 10-year EU bond yield fell by a slightly higher 16bps in September and remained fairly steady in October. Japan, on the other hand, remained an exception as it saw the 1-year yield inch up 4bps while the longer end remained steady, with the BOJ keeping the interest rate steady at 0.25% in the September meeting after two 25bps hike this year, in March and July.

  The Indian debt market echoed global trend and rallied for the third consecutive month in September. The gains, however, were contained by weakened buying by FPIs and expectations of a spike in upcoming inflation prints in the light of surge in crude oil and vegetable prices. Consequently, the 10-year G-sec yield softened by 11bps in September, and remained broadly steady in October, translating into a decline of 40bps in the year thus far to 6.8% as of October 16th.

- **FPIs turned into strong sellers in October; DIIs coming to the rescue:** FPIs were net buyers of Indian equities for the fourth month in a row, with net inflows of US$6.9bn in September—the highest in nine months, translating into net inflows of US$10bn in H1FY25. The trend, however, reversed in October, as heightened geopolitical tensions, and consequent surge in crude oil prices, coupled with strong performance of the Chinese market after the stimulus announcement, resulted in some shift in FPI capital from Indian to Chinese markets. FPIs have pulled out net investments worth US$8.4bn in October thus far (As of October 17th, 2024), already surpassing the highest the ever monthly net outflows of US$8.3bn in March 2020. DIIs, however, almost fully compensated for the FPI outflows, investing a net amount of US$8.2bn in October thus far, thereby providing downside support to the markets. In fact, October marked the 15th consecutive month of positive net investments by DIIs, translating into net inflows of Rs 3.0 lakh crore (As of October 17th, 2024), the highest ever. FPIs also trimmed their purchases in the debt market in September after steady buying in the previous four months, with modest net inflows of US$155m, weighed down by expected rate cuts in the US Fed and consequently widening of interest rate differential. This has translated into net FPI inflows of US$6.5bn in Indian debt markets in the first half of the fiscal.

- **Global equities edged higher in September:** Global equities defied the September effect and ended the month on a positive note after having a lackluster start. The selloff caused by sudden unwinding of carry trade in the Japanese yen in early part of the month was more than made up by positive cues in the US including resilient corporate earnings and a 50bps rate cut by the US Fed. The announcement of stimulus measures in China in the later part of the month also supported sentiments. Developed equities (MSCI World Index) generated a gain of 1.7% in September, only to remain rangebound in October (YTD: +17.9%, as of October 16th, 2024). Emerging equities significantly outperformed the developed market pack in September, thanks to strong rebound in Chinese equities after the announcement of monetary stimulus measures. The MSCI EM Index ended the month with a strong gain of 6.5%, the highest monthly return in the last 10 months, but declined by 2.3% in October thus far (YTD: +11.8%; As of October 16th, 2024).

US: US equities hit another all-time high in September, following a long-anticipated rate cut by the Federal Reserve. The S&P 500 composite Index rose by 2% in September, outperforming the Dow Jones Index (+1.9% MoM), with a further rise of 1.4% in October thus far, reflecting YTD (As of October 16th, 2024) gains of 22.5% and 14.3% respectively.

On the macro front, Sep'24 marked the third sequential contraction in the S&P Global US manufacturing PMI, as it slid deeper in the contraction zone to 47.3 in September, the lowest reading since Jun'23. Services PMI slipped marginally to 55.2 (vs. 55.7 in Aug'24). However, the indication remains that of a robust growth, with a prominent rise in new business. Following the steady rise in jobs since Jun'24, the US economy added 254k jobs in Sep'24, substantially higher than the revised 159k jobs in August, the expected 140k jobs, and the 12-month average monthly gain of 203k. Further, the unemployment rate eased to a three-month low of 4.1% in September (vs. 4.2% in Aug'24), while the number of unemployed people eased to 6.8 million. Further, the consumer inflation rate inched down sharply to a three-year low of 2.4% in September (vs. 2.5% in August).

Europe: The European equities also ended the month of September with modest gains, with rate-sensitive sectors such as Real Estate outperforming amid expectations of further interest rate cuts. The flagship Euro Stoxx 50 Index grew 0.9% in September. The UK equity market, on the other hand, after hitting an all-time high in August, went in the opposite direction in Sep'24, wherein the FTSE 100 index dipped by 1.7%, though it recovered marginally by 1.1% in October thus far, resulting in YTD returns of 7.7% (As of October 16th, 2024).

On the macro front, the Q2 GDP in the Euro area grew by 0.6% YoY. The Eurozone Manufacturing PMI fell to 45.0 in September, the lowest reading in CY24, gesturing the impact of slumping demand in the Euro area. After inching up in August, the Services PMI contracted to 51.4 in Sep'24 (vs. 52.9 in Aug'24) owing to a fall in new business flows. Notably, orders fell for the 14th time in the last 15 months. In line with the expectations, the UK's Manufacturing PMI fell to 51.5 in Sep'24 (vs. 52.5 in Aug'24). Services PMI also took a hit in September, falling to 52.4 (vs. 53.7 in Aug'24), owing to a dip in employment gains as well as increasing cost pressures.

Asia: Asian equites extended their rally, led by strong returns posted by China, and Hongkong markets. This was supported by announcement of monetary stimulus in China to support growth. Indian equities (Nifty 50) delivered a 2.3% gain in September, even as it corrected in October, translating into YTD gains of 14.9% (as of October 16th, 2024). Hong Kong equity markets witnessed a phenomenal growth in Sep'24, reflected by a 17.5% rise in the Hang Seng index, only to see some reversal in October, resulting in a strong YTD gain of 19% (As of October 16th, 2024). Chinese equities also observed a remarkable 17.4% growth in September, followed by a 4% decline in October thus far, translating into a YTD gain of 7.7%. On the other hand, South Korean equities fell by 3.0%, recovering marginally by 0.7% in October so far, translating into YTD loss of 1.7%. Taiwanese equities observed a slight fall of 0.2% in Sep'24, though they recovered in October with 3.5% growth thus far, translating into a strong YTD gain of 28.3% (As of October 16th, 2024). Further, Japanese equity markets witnessed a reduction, indicated by a 1.9% fall in Nikkei 225 index, though it overturned its path with an 3.3% growth in October so far, resulting in YTD gain of 17.1% (As of October 16th, 2024).

On the macro front, the Indian economy continued to display resilience. Manufacturing and Services PMI, while moderating sequentially, remained deep in the expansion zone at 56.5 and 57.7 in September respectively. GST collections grew by 6.5% MoM to Rs 1.73 lakh crore. Retail inflation expectedly accelerated to 5.5% in September, largely driven by a sharp rise in food inflation. On the policy front, the RBI's MPC, in the October review meeting, maintained status quo on rates but shifted the stance from 'withdrawal of accommodation' to 'neutral', paving the way for a rate cut later in the year

- **Decline in brent crude prices in September offset by an uptick in other commodity categories:** The S&P GSCI Index—a composite commodity index—fell for the third month in a row, by 0.7% MoM in September. This translated into a total drop of 7.9% in the third quarter of 2024, almost entirely wiping out the gains seen in the first half of the year. The decline in September was entirely led by a steep 8.8% MoM drop in crude oil prices (brent) amid growth concerns, with the trend partly reversing in October due to heightened tensions in the Middle East. Other commodity categories, however, witnessed a broad-based increase last month, aided by the announcement of stimulus measures in China. Within industrial metals, gains were led by iron ore (+10.2% in Sep'24), Aluminium (+7.6%) and Zinc (+7.4%). Precious metals also continued to rally, with Gold, Silver and Platinum prices witnessing a pickup of 5.1%, 8% and 4.8% respectively in September. Notably, Gold and Silver prices have been the best performing commodities this year, rising by 29% and 33% in 2024 thus far (As of October 16th, 2024). On the agri side, weather-related disruptions, particularly the spell of hot weather in the US and persistence of drought-like conditions in Brazil, imparted upward pressure on agri commodity prices, led by Sugar (+14.3% in September) and Corn (+12%).

The S&P GSCI Index fell for the third month in a row by 0.7% MoM in September, led by a sharp decline in crude oil prices during the month.

- **INR tests 84-mark amid global shifts:** The INR demonstrated resilience in September and appreciating marginally (+0.1%) against the greenback, closing at 83.8. It, however, breached the 84-mark for the first time on October 11th. The modest appreciation last month was supported by a weakening dollar index (-1% MoM), softening energy prices (-7% MoM), and strong foreign capital inflows in the month gone by. Notably, the RBI bolstered its foreign exchange reserves to a new high of US$ 701.2bn as of October 4th, reflecting an increase of US$194.9 m since August. Meanwhile, the INR's volatility remained the lowest among peers at 1.5%, highlighting India's resilient economic landscape and effective forex management.

Market performance across asset classes

Table 25: Performance across equity, fixed income, currency, and commodity markets (As on Sep 30th, 2024)

Indicator Name	Sep-24	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	25,811	25,236	24,011	19,638	2.3	7.5	15.6	31.4	18.8
NIFTY 500	24,245	23,735	22,560	17,293	2.2	7.5	19.7	40.2	24.8
MSCI INDIA	3,121	3,059	2,902	2,223	2.0	7.6	18.2	40.4	25.5
India Volatility Index (%)	13	13	14	11	-4.5	-7.4	-0.4	11.7	-11.8
MSCI WORLD	3,723	3,661	3,512	2,853	1.7	6.0	8.3	30.5	17.5
S&P 500 COMPOSITE	5,762	5,648	5,460	4,288	2.0	5.5	9.7	34.4	20.8
DOW JONES INDUSTRIALS	42,330	41,563	39,119	33,508	1.9	8.2	6.3	26.3	12.3
HANG SENG	21,134	17,989	17,719	17,810	17.5	19.3	27.8	18.7	24.0
FTSE 100	8,237	8,377	8,164	7,608	-1.7	0.9	3.6	8.3	6.5
NIKKEI 225	37,920	38,648	39,583	31,858	-1.9	-4.2	-6.1	19.0	13.3
Fixed Income									
India 10YR Govt Yield (%)	6.75	6.86	7.01	7.21	-11bps	-26bps	-30bps	-46bps	-43bps
India 5YR Govt Yield (%)	6.67	6.77	7.02	7.23	-10bps	-35bps	-38bps	-56bps	-40bps
India 1YR Govt Yield (%)	6.62	6.74	6.94	6.98	-13bps	-32bps	-36bps	-36bps	-50bps
India 3Month T-Bill Yield (%)	6.62	6.82	7.01	7.05	-20bps	-39bps	-59bps	-43bps	-46bps
US 10YR Govt Yield (%)	3.79	3.92	4.37	4.57	-13bps	-58bps	-42bps	-78bps	-8bps
Germany 10YR Govt Yield (%)	2.13	2.29	2.49	2.84	-16bps	-35bps	-16bps	-71bps	10bps
China 10YR Govt Yield (%)	2.16	2.18	2.21	2.72	-2bps	-5bps	-14bps	-56bps	-42bps
Japan 10YR Govt Yield (%)	0.86	0.89	1.05	0.76	-3bps	-20bps	12bps	9bps	23bps
Currency									
USD/INR	83.8	83.9	83.4	83.0	-0.1	0.5	0.5	0.9	0.7
EUR/USD	1.1	1.1	1.1	1.1	0.8	4.1	3.3	5.4	1.0
GBP/USD	1.3	1.3	1.3	1.2	2.1	6.1	6.2	9.9	5.2
USD/YEN	143.0	145.6	160.9	149.2	-1.8	-11.1	-5.5	-4.1	1.5
USD/CHF	1.2	1.2	1.1	1.1	0.6	6.5	6.8	8.4	-0.2
USD/CNY	7.0	7.1	7.3	7.3	-1.0	-3.4	-2.9	-3.9	-1.1
Commodities									
Brent Crude Oil (US$/bbl)	72.0	78.9	86.4	95.4	-8.8	-16.8	-17.7	-24.6	-7.4
LME Aluminium (US$/MT)	2,608.7	2,423.7	2,487.8	2,330.5	7.6	4.9	13.7	11.9	11.2
LME Copper (US$/MT)	9,692.0	9,118.1	9,456.0	8,212.5	6.3	2.5	10.6	18.0	14.5
LME Lead (US$/MT)	2,051.3	2,021.3	2,176.7	2,200.0	1.5	-5.8	1.4	-6.8	0.8
LME Nickel (US$/MT)	17,266.3	16,538.7	17,040.2	18,440.0	4.4	1.3	4.2	-6.4	5.4
LME Tin (US$/MT)	33,491.0	32,506.0	32,478.0	23,664.0	3.0	3.1	21.9	41.5	33.0
LME Zinc (US$/MT)	3,056.8	2,846.7	2,878.5	2,642.8	7.4	6.2	27.7	15.7	15.8
SHC Iron Ore Spot (US$/MT)	113.0	102.5	106.5	119.5	10.2	6.1	10.8	-5.4	-20.7
Gold Spot Price (US$/troy ounce)	2,634.0	2,505.3	2,326.3	1,856.8	5.1	13.2	19.0	41.9	27.5
Silver Spot Price (US$/troy ounce)	31.2	28.9	29.1	22.2	8.0	7.0	24.8	40.5	31.1
Platinum Spot Price (US$/ounce)	985.0	940.0	1,012.0	923.0	4.8	-2.7	8.6	6.7	-2.1
Palladium Spot Price (US$/ounce)	998.0	980.0	972.0	1,289.0	1.8	2.7	-1.9	-22.6	-10.8
Soyabeans (US$/bushel)	10.1	9.7	11.3	12.4	4.6	-10.9	-13.1	-18.2	-20.4
Corn (c/lb)	424.0	378.5	398.0	476.0	12.0	6.5	-4.1	-10.9	-9.9
Wheat (US$/bushel)	4.8	4.7	5.6	4.6	3.3	-13.2	-12.0	5.2	-23.9
Cotton (US$/lb)	0.7	0.7	0.7	0.9	2.8	1.7	-23.6	-21.0	-14.5
Raw Sugar (c/lb)	22.1	19.3	20.4	26.0	14.3	8.1	-0.8	-15.2	7.8

Source: LSEG Workspace, Cogencis, NSE EPR

Table 26: Performance across global asset classes (As on September 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 43.9
Nifty 500 39.3	STOXX 600 10.2	WTI Crude 45.0	MSCI EM $ 37.8	Nasdaq 100 0.0	Nasdaq 100 39.5	Nasdaq 100 48.9	WTI Crude 55.8	Nifty 50 5.7	Nasdaq 100 55.1	Gold 24.7
Nifty 50 32.9	Nasdaq 100 9.8	FTSE100 19.1	**Nifty 500 37.7**	Gold -1.7	WTI Crude 35.3	Gold 24.8	**Nifty 500 31.6**	FTSE100 4.7	Nifty 500 26.9	Nifty 500 24.1
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	S&P500 19.1
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 18.2
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	Nifty 50 17.9
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	Nasdaq 100 16.7
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 16.3
MSCI World 5.5	MSCI World -0.3	MSCI World 8.2	Russell 1000 21.7	FTSE100 -8.7	SSE Comp 22.3	**Nifty 50 16.1**	MSCI World 22.4	MSCI World -17.7	DJIA 16.2	DJIA 11.4
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	STOXX 600 10.8
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 10.3
MSCI EM $ -1.8	Gold -10.5	**Nifty 50 4.4**	FTSE100 12.0	SSE Comp -24.6	FTSE100 17.3	STOXX 600 -1.5	SSE Comp 4.8	MSCI EM $ -19.7	FTSE100 7.9	MSCI EM $ 8.3
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	WTI Crude -3.2
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 -9.1

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

Equity market performance and valuations

Table 27: Performance across NSE equity indices (As on September 30th, 2024)

Sep-24	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	2.3	7.5	31.4	13.6	17.6	2.3	7.8	33.0	14.9	19.0
Nifty Next 50	2.4	7.8	71.2	22.1	22.9	2.4	8.0	72.3	23.1	23.9
Nifty 100	2.3	7.5	37.4	14.6	18.3	2.3	7.8	38.8	15.9	19.6
Nifty 200	2.2	7.6	39.0	16.2	19.8	2.2	7.9	40.4	17.4	21.1
Nifty 500	2.2	7.5	40.2	17.2	21.0	2.2	7.8	41.5	18.4	22.3
Nifty Midcap 50	1.6	7.5	45.4	26.8	30.9	1.6	7.7	46.3	28.0	32.2
Nifty Midcap 100	1.5	7.9	48.4	25.6	30.3	1.5	8.1	49.3	26.5	31.4
Nifty Midcap 150	1.8	7.1	47.4	25.2	30.4	1.8	7.3	48.2	26.1	31.5
Nifty Midcap Select	0.5	7.9	45.2	21.3	26.4	0.5	8.2	46.3	22.3	27.5
Nifty Smallcap 50	0.4	7.4	56.5	19.9	28.0	0.5	7.8	57.8	21.0	29.2
Nifty Smallcap 100	-0.7	4.7	50.4	20.8	27.9	-0.6	5.1	51.6	21.8	29.1
Nifty Smallcap 250	1.3	7.6	50.5	25.3	31.5	1.4	7.9	51.5	26.3	32.7
Nifty LargeMidcap 250	2.1	7.3	42.4	20.0	24.3	2.1	7.6	43.5	21.1	25.5
Nifty MidSmallcap 400	1.6	7.3	48.5	25.3	30.8	1.7	7.5	49.4	26.3	31.9
Nifty500 Multicap 50:25:25	2.0	7.5	43.1	20.0	24.7	2.0	7.7	44.3	21.2	25.9
Nifty Microcap 250	2.4	11.6	58.8	36.6	42.7	2.5	11.9	59.4	37.4	43.7
Nifty Total Market	2.2	7.6	40.8	17.8	21.5	2.2	7.9	42.1	19.0	22.8
Thematic Indices										
Nifty India Consumption	6.2	15.2	51.6	21.3	20.9	6.2	15.6	53.2	22.6	22.3
Nifty MidSmall India Consumption	3.2	9.4	52.7	22.8	27.5	3.2	9.6	53.4	23.4	28.4
Nifty Non-Cyclical Consumer	4.7	16.5	48.4	19.7	21.1	4.7	16.7	49.8	20.9	22.3
Nifty India Manufacturing	2.9	6.8	59.4	25.5	28.1	2.9	7.1	60.3	26.7	29.4
Nifty Infrastructure	1.6	4.8	53.4	24.0	24.4	1.6	5.2	54.6	25.3	26.0
Nifty Services Sector	3.0	8.5	31.4	10.3	15.3	3.0	8.7	33.0	11.6	16.7
Nifty Commodities	3.6	6.0	51.5	19.9	24.3	3.6	6.5	52.6	21.4	26.1
Nifty CPSE	-1.9	6.6	85.6	45.4	29.9	-1.9	7.4	90.2	49.8	34.1
Nifty PSE	-1.8	5.6	88.4	40.2	28.3	-1.8	6.2	92.1	44.1	32.3
Nifty Energy	0.6	5.3	61.1	24.4	23.2	0.6	5.9	63.3	26.5	25.7
Nifty MNC	5.2	7.3	48.4	19.2	19.3	5.2	7.8	49.8	20.6	20.8
Nifty India Digital	-0.9	13.6	47.1	11.3	24.8	-0.9	13.8	48.6	12.6	26.4
Nifty India Defence	-3.9	-8.6	103.4	75.3	54.8	-3.9	-8.4	104.8	77.3	56.8
Nifty Mobility	2.9	8.7	72.2	33.2	28.9	2.9	9.0	73.1	34.3	30.2
Nifty100 Liquid 15	2.3	3.1	33.5	16.3	15.3	2.3	3.3	34.5	17.4	16.4
Nifty Midcap Liquid 15	0.9	11.9	51.1	27.1	31.0	0.9	12.2	52.6	28.5	32.3
Nifty Aditya Birla Group	0.7	-1.9	39.0	15.5	24.0	0.7	-1.5	39.5	16.1	24.5
Nifty Mahindra Group	5.0	8.2	61.1	30.9	29.0	5.0	8.6	62.4	32.7	31.0
Nifty Tata Group	-2.1	9.6	36.5	15.6	24.9	-2.1	9.7	38.1	16.9	26.7
Nifty Tata Group 25% Cap	-0.2	9.9	50.0	22.4	32.3	-0.2	10.0	51.2	23.5	33.7
Nifty Shariah 25	0.8	11.4	39.5	12.7	16.8	0.8	11.8	41.6	14.5	18.7
Nifty50 Shariah	0.4	15.0	35.1	9.2	17.4	0.4	15.4	37.6	11.1	19.6
Nifty500 Shariah	1.4	11.1	43.3	15.3	22.6	1.4	11.4	45.0	16.8	24.2
Nifty SME EMERGE	2.0	13.9	76.0	72.0	64.2	2.1	14.0	76.1	72.3	64.6
Nifty100 ESG	2.0	9.2	39.1	13.0	19.4	2.0	9.4	40.5	14.3	20.8
Nifty100 Enhanced ESG	2.0	9.2	39.0	13.1	19.2	2.0	9.4	40.5	14.3	20.6
Nifty100 ESG Sector Leaders	2.5	8.1	34.9	13.0	17.8	2.5	8.4	36.4	14.2	19.1

Sep-24	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Strategy Indices										
Nifty Alpha 50	0.2	7.3	65.5	24.1	37.3	0.3	7.5	66.6	25.0	38.2
Nifty100 Alpha 30	-0.8	6.4	68.8	19.7	23.8	-0.8	6.7	70.2	21.0	25.1
Nifty Alpha Low-Volatility 30	2.6	11.0	56.3	20.8	21.3	2.6	11.4	58.1	22.2	22.8
Nifty Alpha Quality Low-Volatility 30	2.8	10.1	58.0	20.4	22.0	2.8	10.5	60.2	22.2	23.8
Nifty Alpha Quality Value Low-Volatility 30	0.9	10.0	60.3	26.4	25.5	0.9	10.4	63.0	28.6	27.9
Nifty200 Alpha 30	-2.1	5.4	64.2	27.2	31.2	-2.1	5.6	65.7	28.5	32.4
Nifty Dividend Opportunities 50	0.5	11.0	50.6	22.8	22.0	0.5	11.3	53.7	25.4	25.0
Nifty Growth Sectors 15	1.0	15.5	29.8	17.1	15.9	1.0	15.8	32.4	19.0	17.5
Nifty High Beta 50	-0.4	-0.9	42.3	24.9	27.2	-0.3	-0.6	43.3	26.1	28.3
Nifty Low Volatility 50	2.9	11.2	43.4	17.0	20.9	2.9	11.6	44.9	18.6	22.6
Nifty100 Low Volatility 30	3.7	12.3	42.6	16.4	19.4	3.7	12.7	44.4	18.1	21.4
Nifty100 Quality 30	2.7	11.1	41.4	15.9	18.2	2.7	11.5	43.4	17.6	20.0
Nifty Quality Low-Volatility 30	3.6	12.8	39.1	15.1	18.3	3.6	13.2	40.9	16.8	20.1
Nifty200 Quality 30	2.3	12.8	42.4	15.7	19.1	2.3	13.2	44.6	17.6	21.1
Nifty50 Equal Weight	2.7	10.2	41.5	19.1	23.2	2.7	10.6	43.0	20.7	24.9
Nifty100 Equal Weight	2.5	8.6	52.7	19.4	22.7	2.5	8.9	54.0	20.7	24.1
Nifty50 Value 20	0.6	10.6	38.8	16.7	22.0	0.6	11.0	41.8	19.1	24.7
Nifty500 Value 50	0.7	5.5	69.3	36.4	35.0	0.8	6.0	71.7	39.3	37.9
Nifty Midcap150 Quality 50	1.6	6.1	37.4	13.9	21.1	1.6	6.4	38.5	14.9	22.4
Nifty200 Momentum 30	1.3	6.5	61.8	23.8	28.2	1.3	6.9	63.6	25.1	29.4
Nifty Midcap150 Momentum 50	0.9	6.8	58.9	29.4	38.3	1.0	7.0	60.0	30.3	39.2
Sector Indices										
Nifty Auto	3.3	7.2	67.0	36.6	29.2	3.3	7.8	68.2	37.8	30.6
Nifty Bank	3.2	1.2	18.8	12.3	12.7	3.2	1.5	19.9	13.2	13.4
Nifty Private Bank	3.2	1.6	14.7	10.9	10.3	3.2	2.0	15.6	11.7	10.8
Nifty PSU Bank	-3.3	-8.3	28.5	39.6	24.1	-3.3	-8.3	29.4	41.4	25.1
Nifty Financial Services	3.6	4.5	23.6	10.2	13.5	3.6	4.8	24.8	11.2	14.3
Nifty Financial Services Ex-Bank	3.9	13.6	36.0	13.8	17.2	4.0	13.8	37.2	14.8	18.2
Nifty Financial Services 25/50	2.7	7.4	31.9	13.9	16.4	2.7	7.7	33.4	15.1	17.4
Nifty MidSmall Financial Services	3.4	9.7	38.3	23.4	18.7	3.4	10.0	39.5	24.8	19.9
Nifty FMCG	3.9	15.5	27.0	17.5	16.1	3.9	15.7	29.4	19.6	18.1
Nifty IT	-2.0	16.0	32.0	6.2	22.0	-2.0	16.2	34.7	8.2	24.4
Nifty MidSmall IT & Telecom	-3.9	6.9	36.0	16.6	39.8	-3.9	7.1	36.9	17.7	41.4
Nifty Media	1.6	7.3	-5.7	0.0	3.5	1.6	7.4	-5.4	0.5	4.2
Nifty Metal	8.4	3.9	49.1	22.0	33.1	8.5	4.3	49.9	23.8	35.1
Nifty Pharma	0.3	18.0	51.0	17.2	25.3	0.3	18.5	52.0	18.1	26.2
Nifty Realty	4.3	-0.5	90.9	28.8	33.5	4.3	-0.3	91.4	29.3	34.0
Nifty Consumer Durables	5.8	13.9	50.9	17.3	21.6	5.8	14.1	51.5	17.8	22.1
Nifty Oil & Gas	-3.1	6.6	64.9	18.8	21.2	-3.1	7.0	66.2	20.5	23.2
Nifty Healthcare Index	1.7	17.3	51.8	18.0	26.8	1.7	17.7	52.7	18.8	27.7
Nifty MidSmall Healthcare	2.0	18.5	56.8	19.0	28.8	2.0	18.8	57.5	19.7	29.7
Nifty Transportation & Logistics	3.0	7.4	67.5	34.9	30.3	3.0	7.8	68.5	36.0	31.5
Nifty Housing	4.0	4.2	37.6	16.6	21.3	4.0	4.4	38.6	17.8	22.6

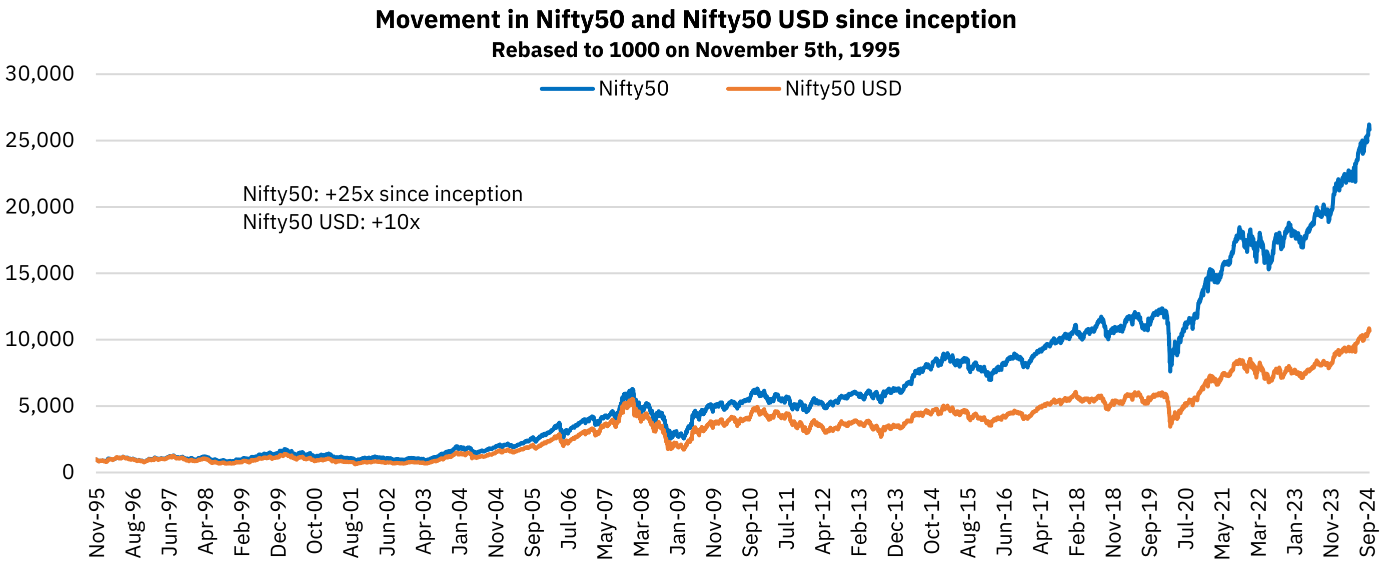
Source: NSE Indices, NSE EPR
Note: Returns for the period up to one year are absolute returns. Returns for a period greater than one year are CAGR returns.

Table 28: Performance across NSE sector indices based on Price Return Index (As on September 30th, 2024)

Indicator Name	Sep-24	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Sector indices									
Auto	27,027	26,173	25,201	16,184	3.3	7.3	26.2	67.0	45.2
Bank	52,978	51,351	52,342	44,585	3.2	1.2	12.4	18.8	9.7
Energy	44,017	43,757	41,789	27,322	0.6	5.3	12.8	61.1	31.5
FMCG	65,540	63,060	56,757	51,603	3.9	15.5	21.5	27.0	15.0
IT	41,946	42,788	36,158	31,784	-2.0	16.0	20.2	32.0	18.1
Infrastructure	9,575	9,426	9,134	6,243	1.6	4.8	14.9	53.4	31.1
Media	2,139	2,105	1,992	2,268	1.6	7.3	19.1	-5.7	-10.5
Metals	10,198	9,405	9,814	6,839	8.4	3.9	23.5	49.1	27.8
Pharma	23,281	23,218	19,732	15,423	0.3	18.0	22.6	51.0	38.3
Real Estate	1,099	1,053	1,105	576	4.3	-0.5	22.0	90.9	40.4
Thematic Indices									
CNX PSE	11,286	11,494	10,686	5,992	-1.8	5.6	23.7	88.4	43.7
CNX Consumption	12,827	12,078	11,132	8,460	6.2	15.2	26.6	51.6	33.9
CNX Services	33,008	32,057	30,428	25,125	3.0	8.5	18.6	31.4	19.2

Source: Cogencis, NSE EPR.

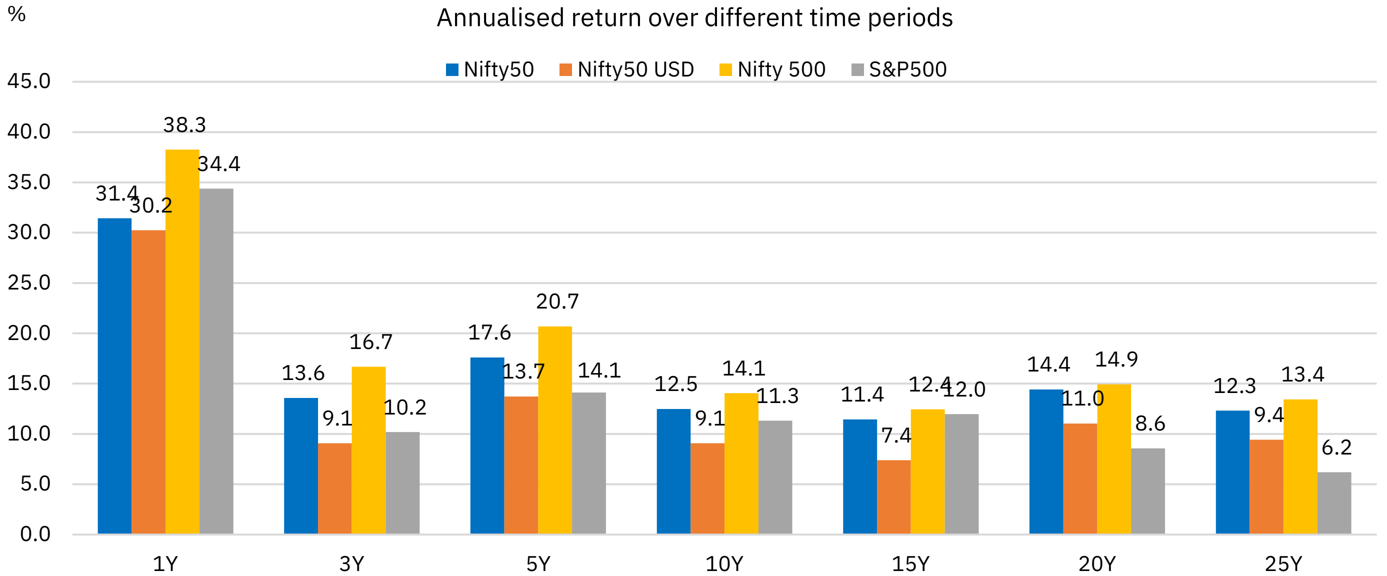
Figure 91: Nifty 50 and Nifty 50 USD since inception



Source: Nifty Indices, NSE EPR.

The Nifty 50 Index was launched on April 22nd, 1996, with a rebasing on November 3rd, 1995. Since the rebasing date, Nifty 50 has risen more than 25x (As of September 30th, 2024), translating into an annualized return of 11.9%. During the same period, the Nifty50 Index in USD terms increased by over 10x, with an annualized gain of about 8.5%. In the last 25 years, the Nifty50 USD Index has generated an annualized return of 9.4%, higher than 6.2% and 8.8% recorded by S&P500 and NASDAQ respectively.

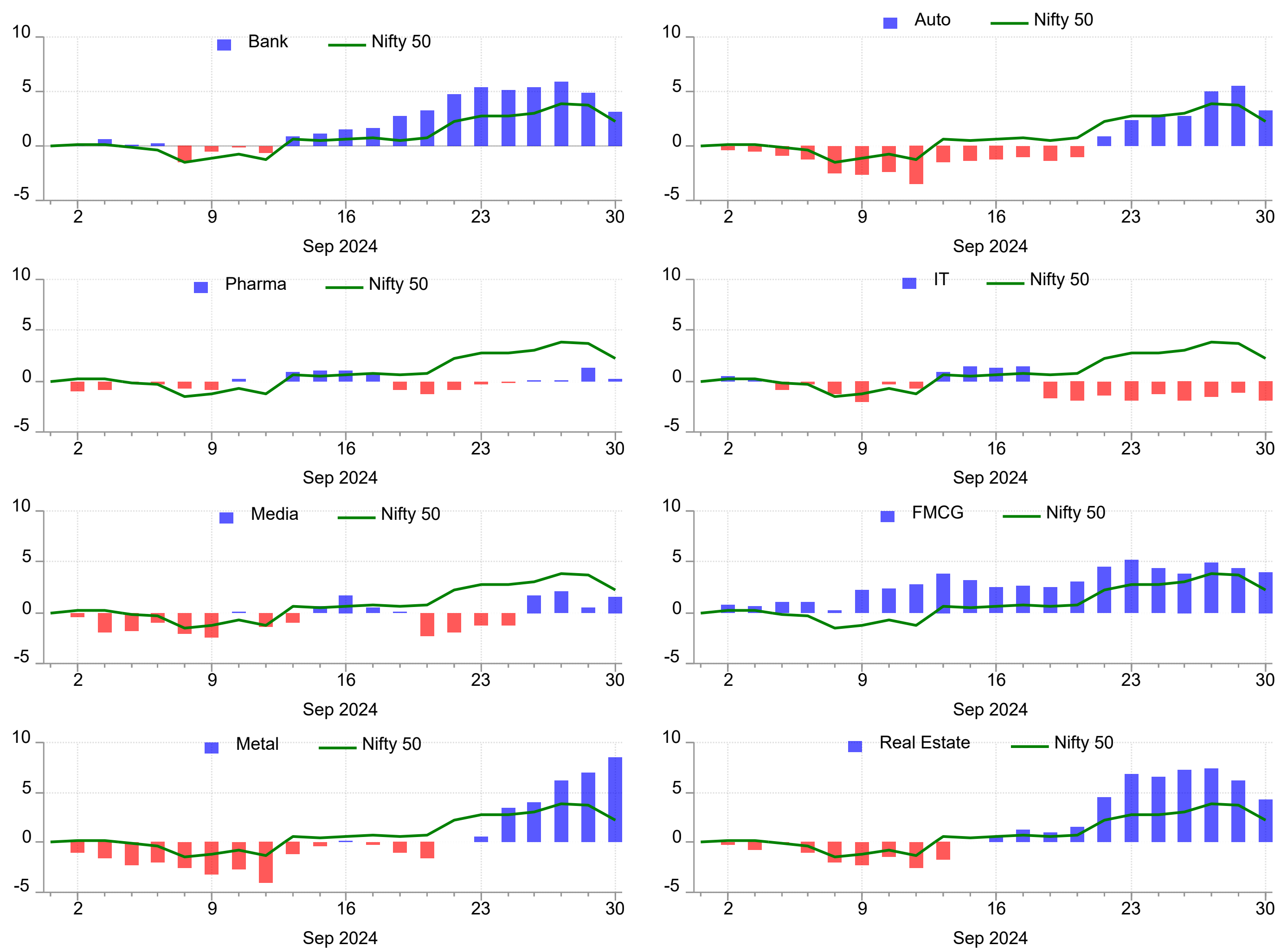
Figure 92: Annualised return of major indices across different time periods.



Source: Nifty Indices, LSEG Workspace, NSE EPR.

Figure 93: NIFTY sector performance in September 2024

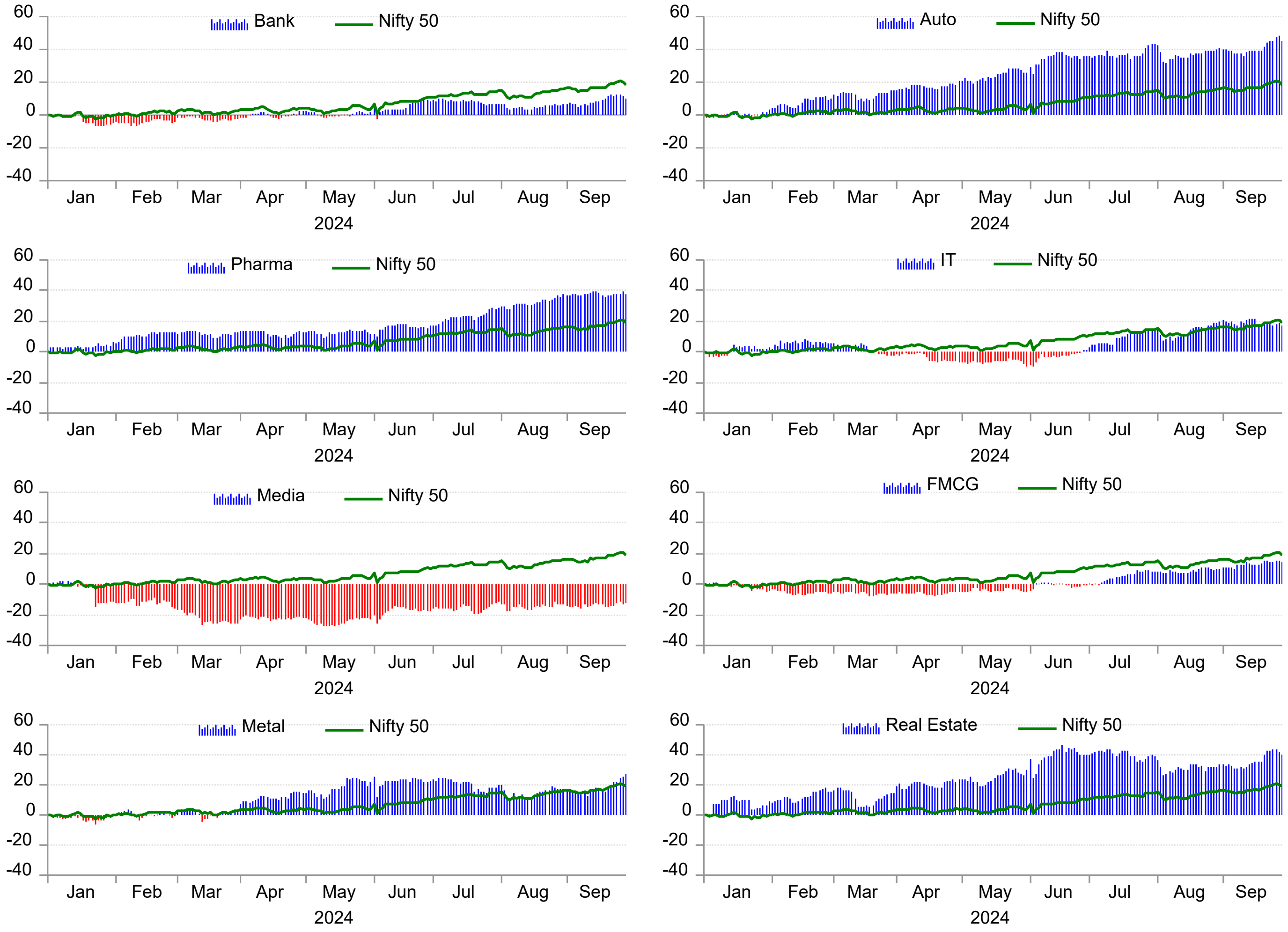
Rebased to 0 on September 1st, 2024



Source: LSEG Workspace, NSE EPR.

Figure 94: NIFTY sector performance in 2024 till date

Rebased to 0 on January 1st, 2024

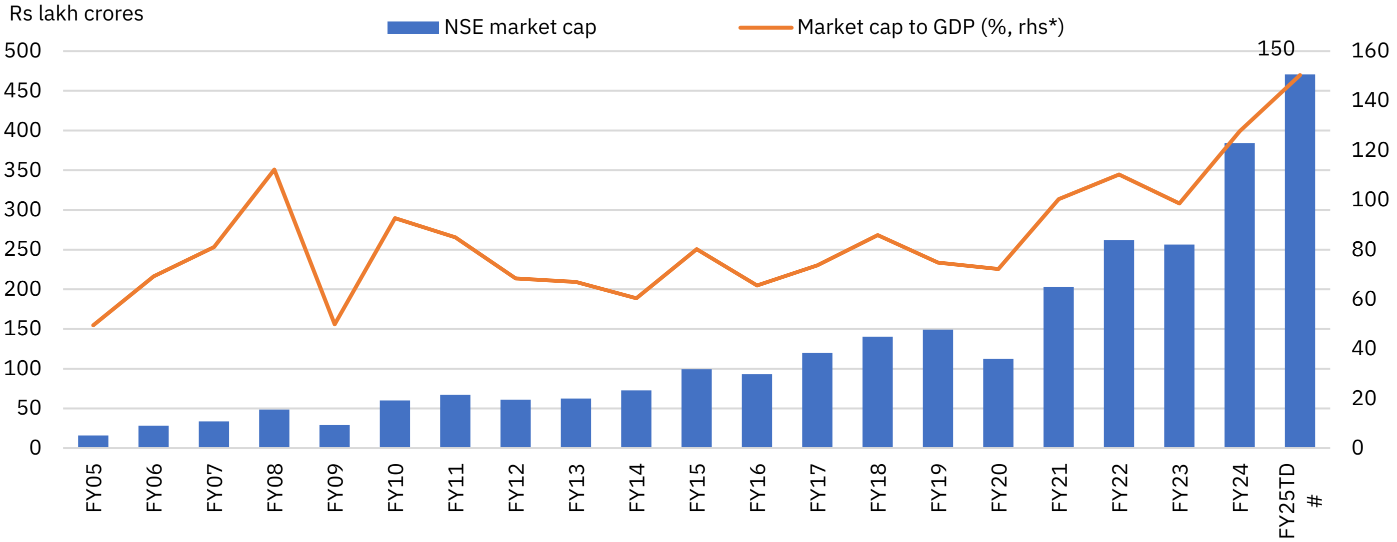


Source: LSEG Workspace, NSE EPR.

Market growth

Market cap to GDP at 20+ year high levels: The market capitalization of NSE listed companies has risen by about 22.5% in the first six months of the fiscal (Apr-Sep'24), translating into a 20-year CAGR of 20%. The market cap to GDP ratio, accordingly, surged to 150% as of the end of September 2024 (based on three-month rolling market cap and available nominal GDP for the last four quarters)—the highest in the last 20+ years.

Figure 95: Market cap to GDP ratio trend (NSE listed companies)



Source: CMIE Economic Outlook, NSE EPR. # As of Sep 30th, 2024. * Based on average market cap over the last three months of the period and actual nominal GDP for the last four quarters.

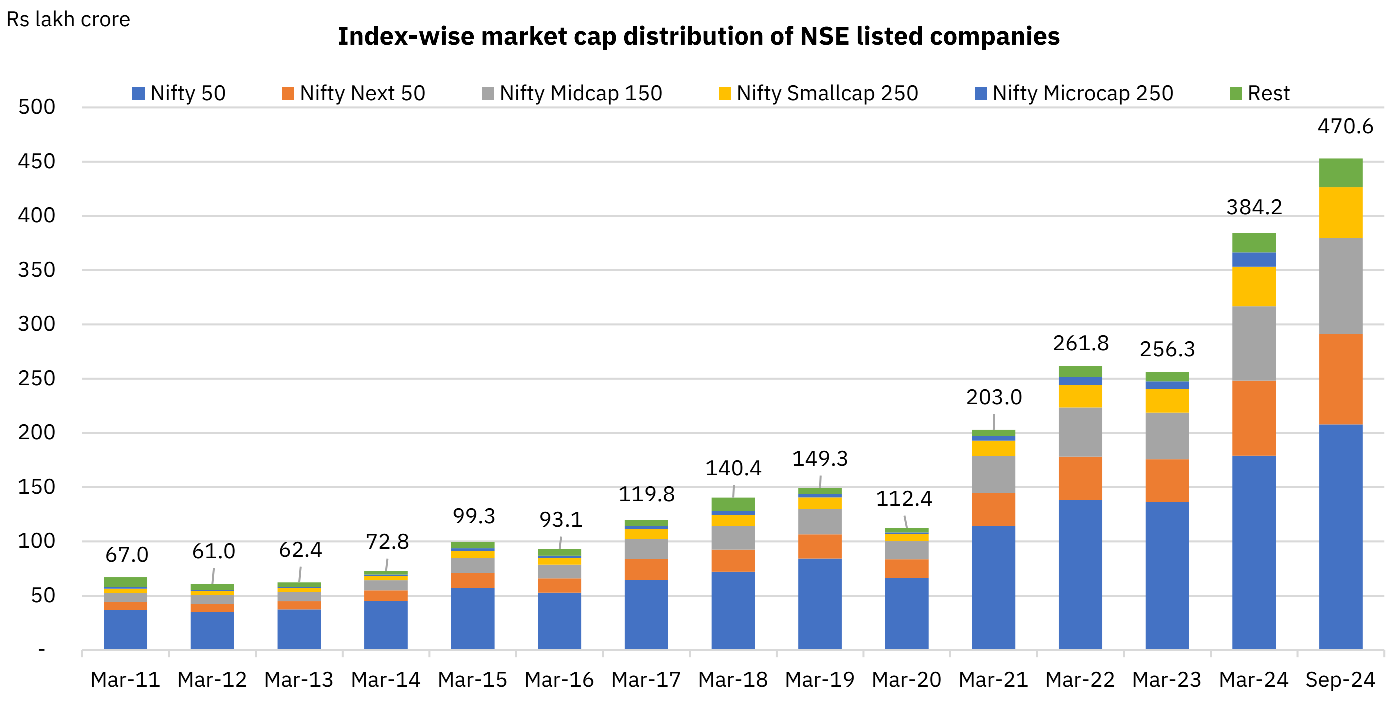
Share of Nifty50 Index inches up marginally in September: The share of Nifty50 Index in NSE listed companies rose by a modest 30bps MoM to 43.9% as of Sep'24, even as it remains below the March'24 level. A marginal increase last month was on account of the outperformance of large-cap companies. While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

Table 29: Index-wise distribution of total market cap of NSE listed companies (Rs lakh crore)

Year	Nifty 50	Nifty Next 50	Nifty Midcap 150	Nifty Smallcap 250	Nifty Microcap 250	Rest	Total
Mar-11	36.7	7.6	8.4	3.9	1.5	9.0	67.0
Mar-12	35.2	7.4	8.0	3.7	1.3	5.4	61.0
Mar-13	37.5	7.5	8.6	3.5	1.2	4.2	62.4
Mar-14	45.3	9.6	9.3	4.0	1.3	3.3	72.8
Mar-15	56.9	14.0	14.1	6.3	2.3	5.6	99.3
Mar-16	52.8	13.2	12.7	5.8	2.4	6.2	93.1
Mar-17	64.6	19.1	18.5	9.0	3.1	5.4	119.8
Mar-18	72.3	20.3	21.5	10.2	4.0	12.1	140.4
Mar-19	84.3	22.2	23.3	10.8	3.3	5.4	149.3
Mar-20	66.2	17.4	16.7	6.4	1.7	4.1	112.4
Mar-21	114.6	30.2	34.0	14.3	4.1	5.8	203.0
Mar-22	138.3	39.9	45.3	21.0	7.1	10.2	261.8
Mar-23	136.2	39.4	43.1	21.6	7.3	8.7	256.3
Mar-24	179.1	69.1	68.4	36.6	13.2	17.8	384.2
Sep-24	**207.9**	**83.1**	**88.8**	**46.7**	**17.6**	**26.5**	**470.6**
H1FY25 growth (%)	***16.0***	***20.3***	***29.8***	***27.6***	***33.8***	***49.0***	***22.5***
FY14-24 CAGR (%)	***14.7***	***21.8***	***22.1***	***24.9***	***26.0***	***18.4***	***18.1***

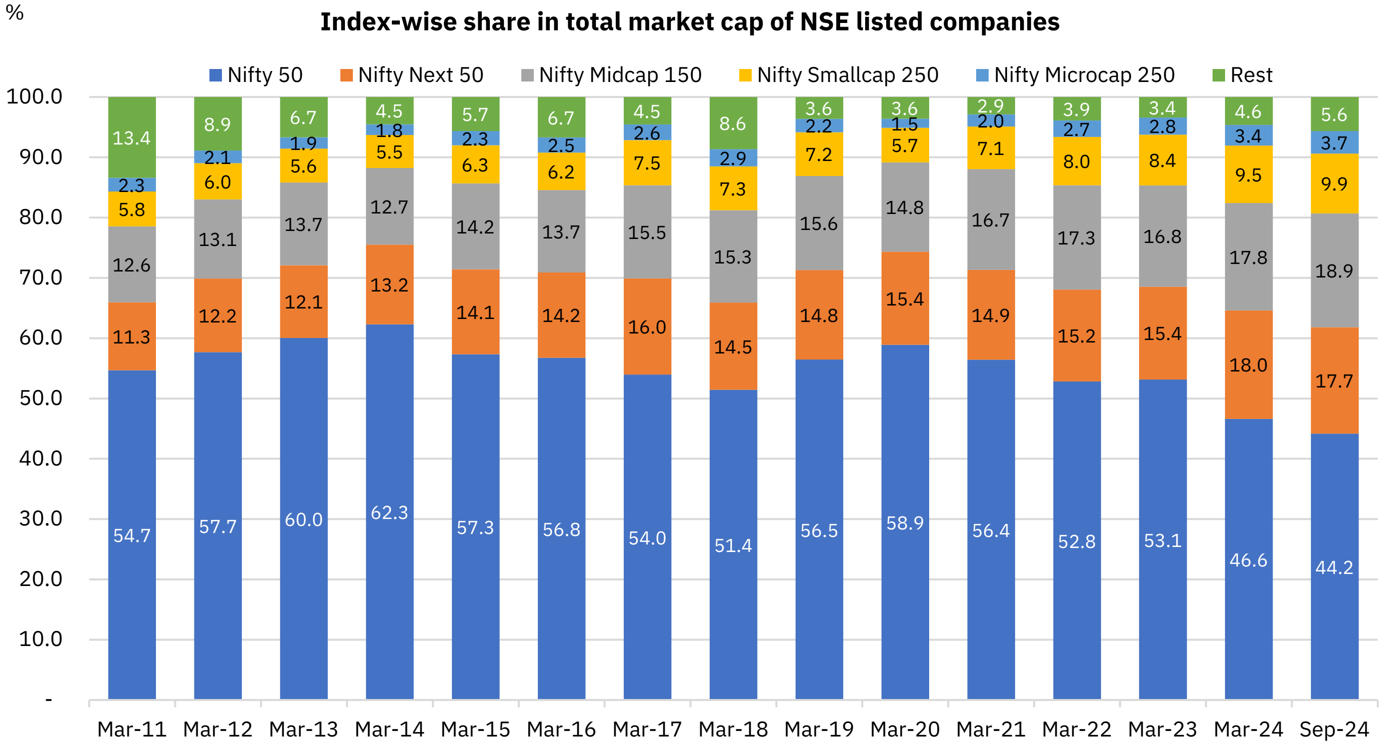
Source: Nifty Indices, NSE EPR.

Figure 96: Index-wise distribution of total market cap of NSE listed companies (Rs lakh crore)



Source: Nifty Indices, NSE EPR.

Figure 97: Index-wise share in total market cap of NSE listed companies



Source: Nifty Indices, NSE EPR.

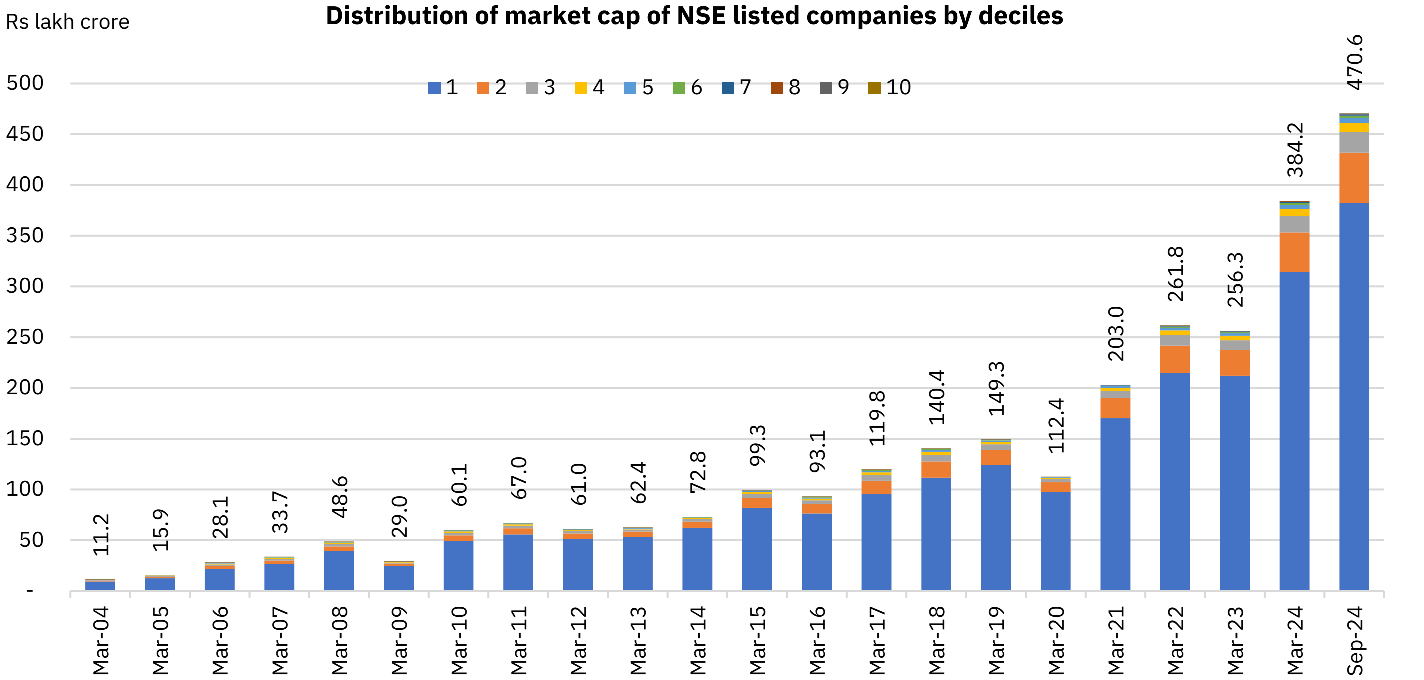
Decile-wise distribution of total market cap: We also analyse the distribution of total market cap of NSE listed companies by deciles. The analysis shows that the share of top decile (top 10% by market cap) in total market cap rose to record-high of 86.8% in FY20 as pandemic-induced risk-off environment forced investors to hide into large-cap companies. In fact, the top two deciles comprised more than 95% of total market cap by March 2020. Since then, the share of top decile has been steadily declining falling to 81.8% by March 2024 and further by ~110bps to 80.7% by August 31st, 2024, only to rise by 50bps to 81.2% in September. In fact, the share of bottom five deciles in total market cap of NSE listed universe stood at 1.0% as of September 30th, 2024, more than double of the all-time low of 0.5% in the pandemic year (FY20).

Table 30: Decile-wise distribution of total market cap of NSE listed companies (Rs lakh crore)

Year	Decile1	Decile2	Decile3	Decile4	Decile5	Decile6	Decile7	Decile8	Decile9	Decile10	Total
Mar-04	9.3	1.0	0.4	0.2	0.1	0.1	0.0	0.0	0.0	0.0	11.2
Mar-05	12.5	1.6	0.8	0.4	0.3	0.2	0.1	0.1	0.0	0.0	15.9
Mar-06	21.6	3.1	1.4	0.8	0.5	0.3	0.2	0.1	0.1	0.0	28.1
Mar-07	26.6	3.4	1.6	0.9	0.5	0.3	0.2	0.1	0.1	0.0	33.7
Mar-08	39.2	4.6	2.2	1.2	0.6	0.3	0.2	0.1	0.1	0.0	48.6
Mar-09	24.8	2.2	0.9	0.5	0.2	0.1	0.1	0.1	0.0	0.0	29.0
Mar-10	49.1	5.7	2.5	1.3	0.7	0.4	0.2	0.1	0.1	0.0	60.1
Mar-11	55.7	5.9	2.7	1.3	0.7	0.4	0.2	0.1	0.1	0.0	67.0
Mar-12	51.1	5.5	2.3	1.0	0.5	0.3	0.2	0.1	0.0	0.0	61.0
Mar-13	53.2	5.3	2.0	0.9	0.4	0.3	0.1	0.1	0.0	0.0	62.4
Mar-14	62.3	6.0	2.3	1.0	0.5	0.3	0.1	0.1	0.0	0.0	72.8
Mar-15	82.0	9.7	4.0	1.8	0.9	0.5	0.2	0.1	0.1	0.0	99.3
Mar-16	76.3	9.2	3.7	1.8	1.0	0.5	0.3	0.2	0.1	0.0	93.1
Mar-17	95.7	12.9	5.5	2.7	1.4	0.8	0.4	0.2	0.1	0.0	119.8
Mar-18	111.7	15.9	6.3	3.2	1.7	0.9	0.4	0.2	0.1	0.0	140.4
Mar-19	124.2	14.8	5.5	2.6	1.2	0.6	0.3	0.1	0.1	0.0	149.3
Mar-20	97.6	9.6	3.0	1.2	0.6	0.3	0.1	0.1	0.0	0.0	112.4
Mar-21	170.2	19.8	7.0	3.0	1.5	0.7	0.3	0.2	0.1	0.0	203.0
Mar-22	214.6	27.1	10.3	4.7	2.5	1.4	0.7	0.3	0.2	0.0	261.8
Mar-23	212.2	25.1	9.7	4.5	2.4	1.2	0.6	0.3	0.2	0.0	256.3
Mar-24	314.4	38.8	16.1	7.3	3.9	2.0	1.0	0.5	0.3	0.1	384.2
Sep-24	**382.1**	**49.7**	**20.2**	**9.1**	**4.8**	**2.4**	**1.2**	**0.6**	**0.3**	**0.1**	**470.6**
Chg. in FY25TD (%)	*21.5%*	*28.2%*	*25.9%*	*25.1%*	*23.1%*	*21.1%*	*22.5%*	*26.7%*	*28.0%*	*23.9%*	*22.5%*

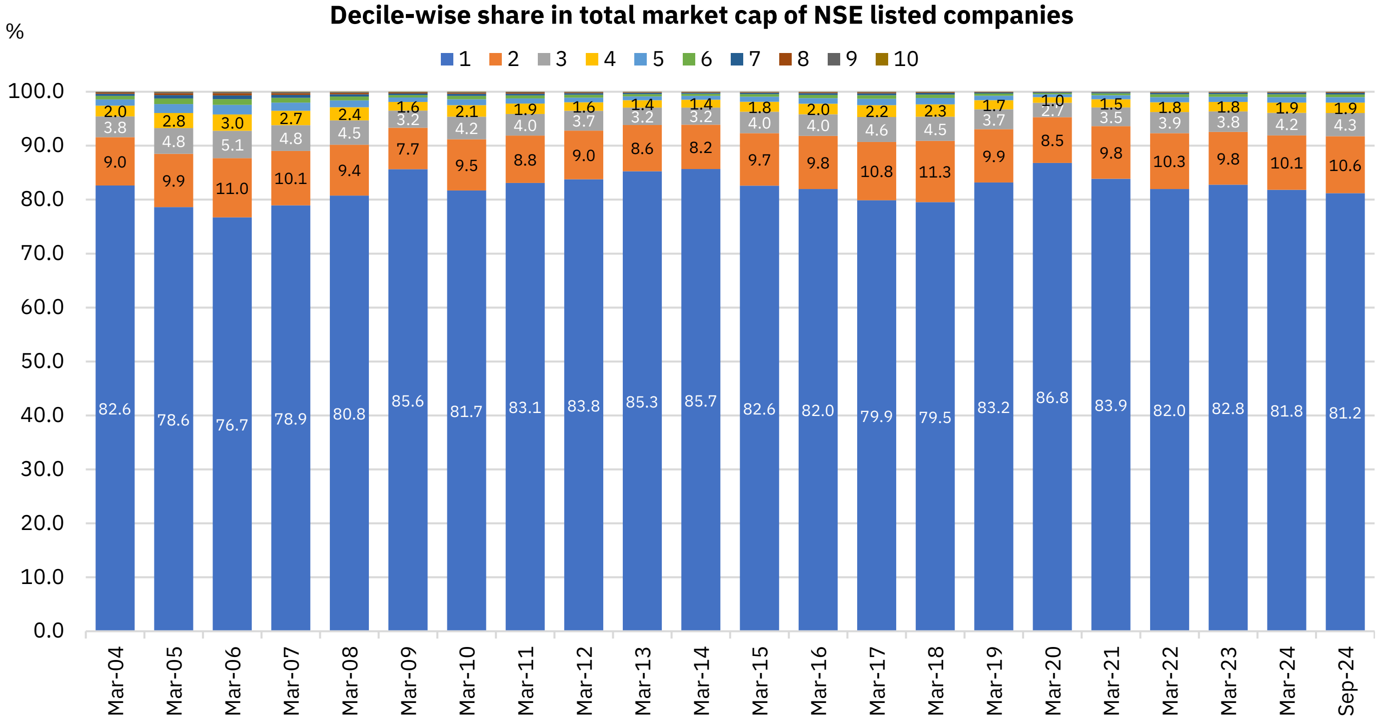
Source: NSE EPR.

Figure 98: Decile-wise distribution of total market cap of NSE listed companies



Source: NSE EPR.

Figure 99: Decile-wise share of total market cap of NSE listed companies



Source: NSE EPR.

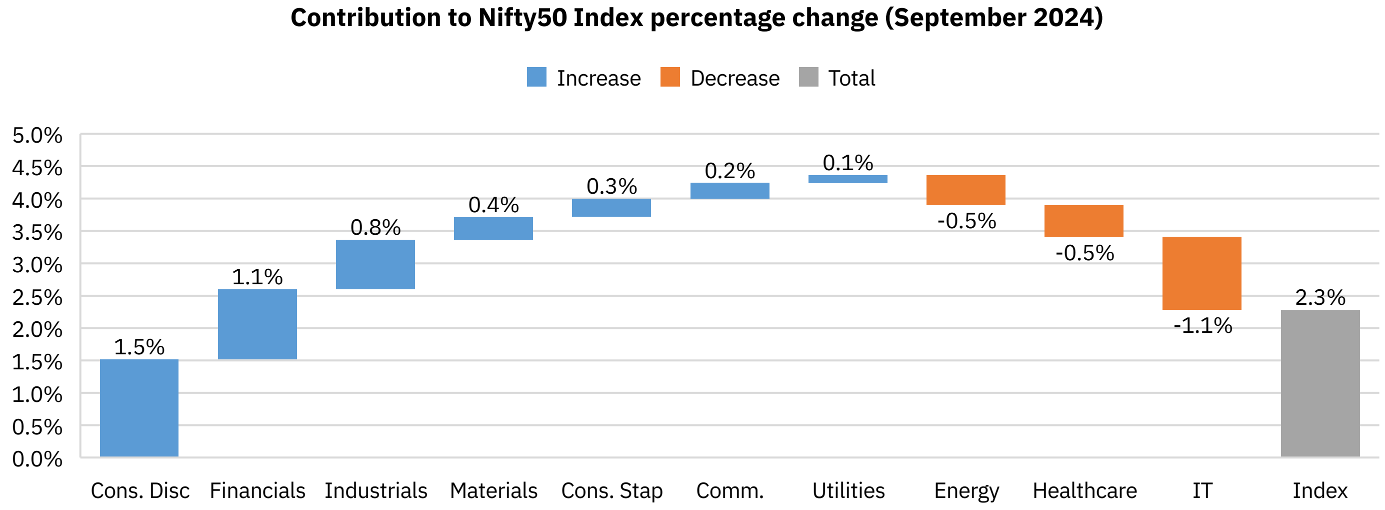
Nifty50 performance attribution analysis

Indian equities rallied in September only to see a reversal in October thus far: After taking a breather in August, Indian equities rallied in September, with the benchmark Nifty50 Index rising to fresh record high levels during the month. This rally was supported by strong foreign capital inflows, thanks to renewed global risk-on sentiments after a 50bps rate cut by the US Fed. FPIs were net buyers of Indian equities for the fourth month in a row, with net inflows of US$6.9bn in September—the highest in nine months, translating into net inflows of US$10bn in H1FY25. The trend, however, reversed in October, as heightened geopolitical tensions, and consequent surge in crude oil prices, coupled with strong performance of the Chinese market after the announcement of stimulus measures, resulted in some shift in FPI capital from Indian to Chinese markets. FPIs have pulled out net investments worth US$8.1bn in October thus far (As of October 16th, 2024), only slightly shy of the highest monthly net outflows of US$8.3bn in March 2020. DIIs, however, almost fully compensated for the FPI outflows, investing a net amount of US$7.6bn in October thus far, thereby providing downside support to the markets. In fact, October marked the 15th consecutive month of net positive investments by DIIs, translating into net inflows of Rs 3.0 lakh crore (As of October 16th, 2024).

The benchmark Nifty50 Index ended the month of September 2.3% higher, but fell by 3.3% in October thus far, translating into total return in 2024 till date falling from 18.8% as of September end to 14.9% as of October 16th, 2024. The Nifty Mid-cap 50 and Nifty Small-cap 50 Index underperformed with modest gains of 1.6% and 0.4% respectively.

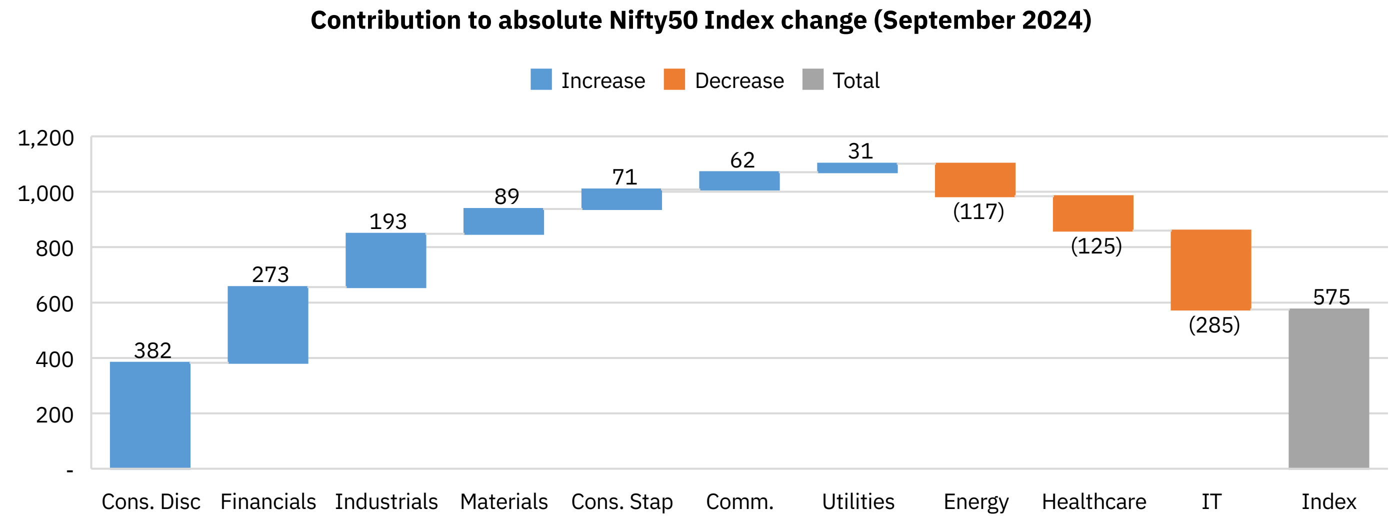
Sector-wise, the performance was mixed last month with energy and global sectors, viz., Information Technology and Healthcare ending in the red, more than offset by strong gains reported by domestic cyclicals including Consumer Discretionary, Financials and Industrials. In the last 12 months, a strong 31.4% gain in the Nifty50 Index was led by Financials, Consumer Discretionary, Energy and IT, together comprising 65% of the gain.

Figure 100: Sector-wise contribution to Nifty 50 price return in September 2024



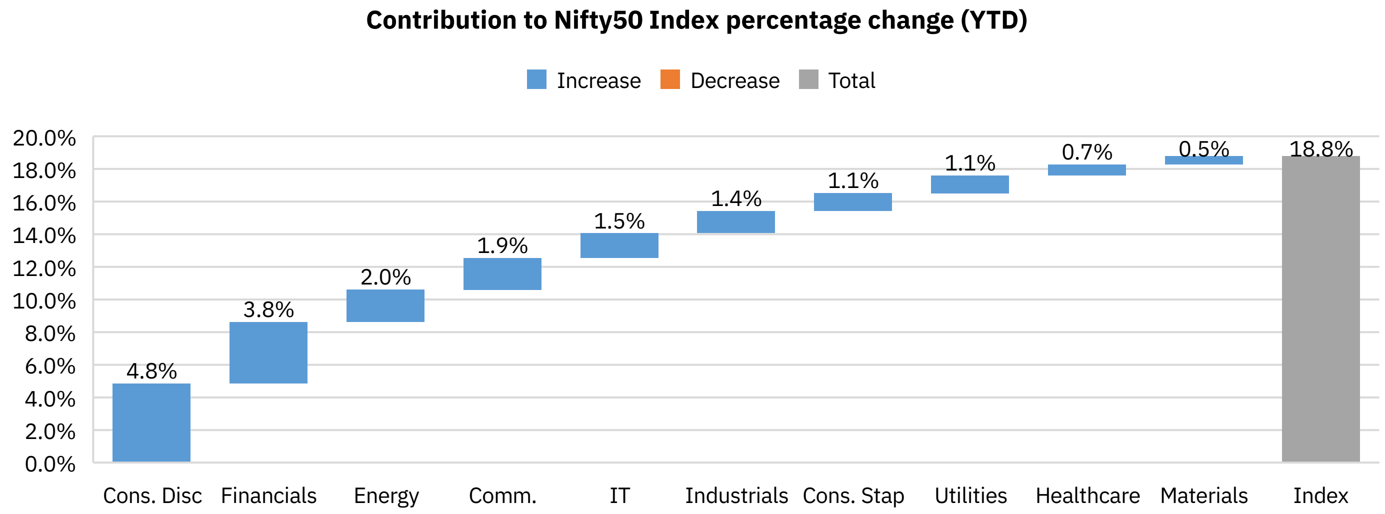
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 101: Sector-wise contribution to absolute Nifty 50 Index change (points) in September 2024



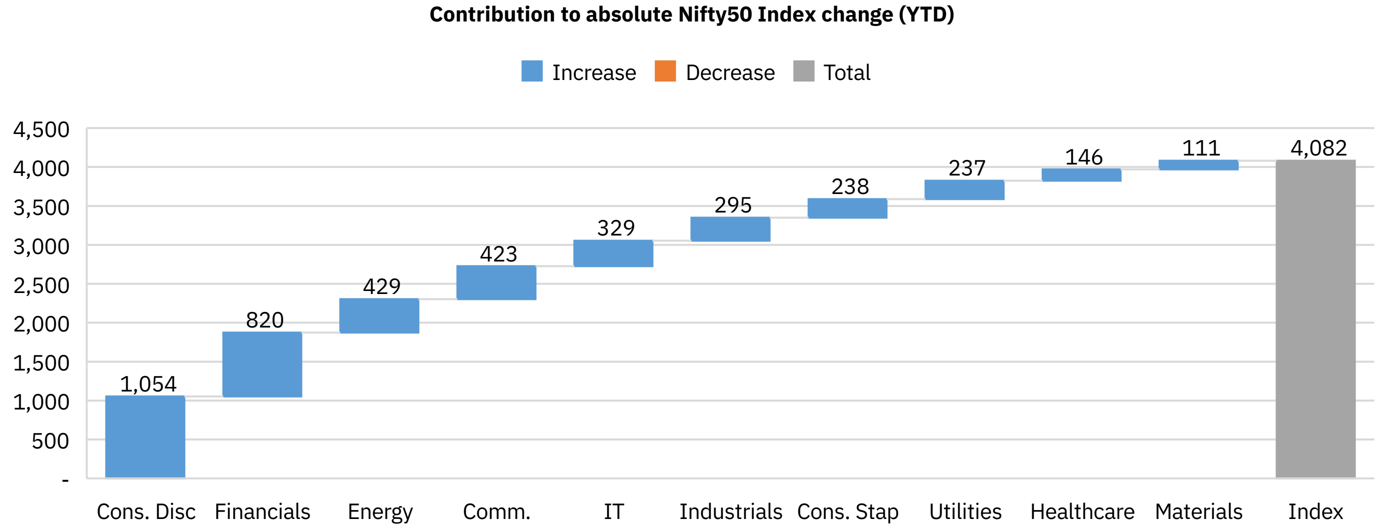
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 102: Sector-wise contribution to Nifty 50 price return in 2024 till date (Jan-Sep'24)



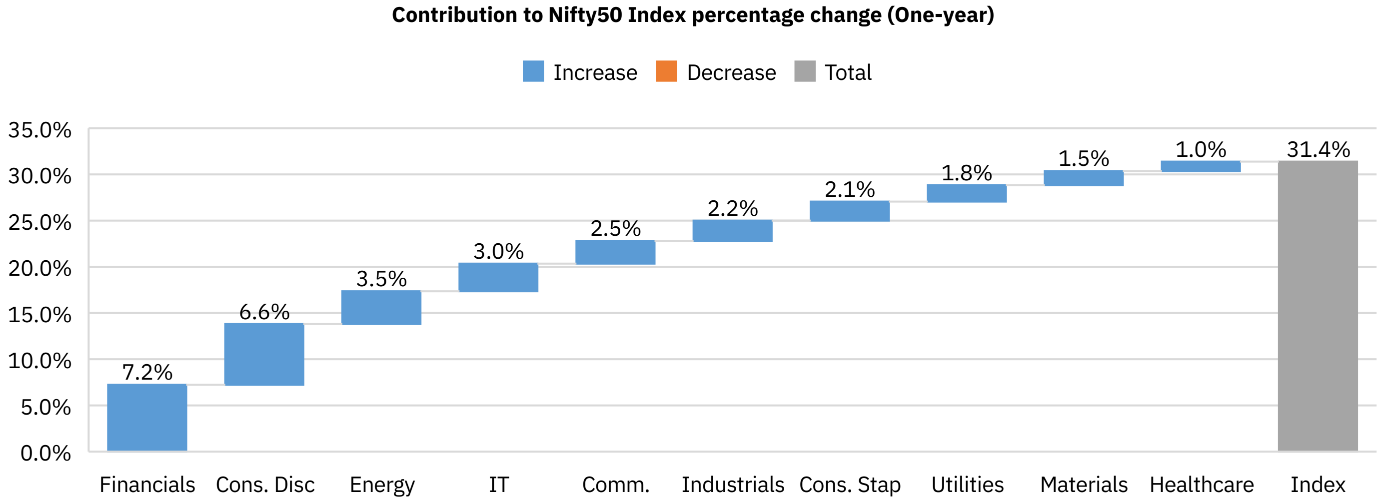
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 103: Sector-wise contribution to Nifty 50 Index change (points) in 2024 till date (Jan-Sep'24)



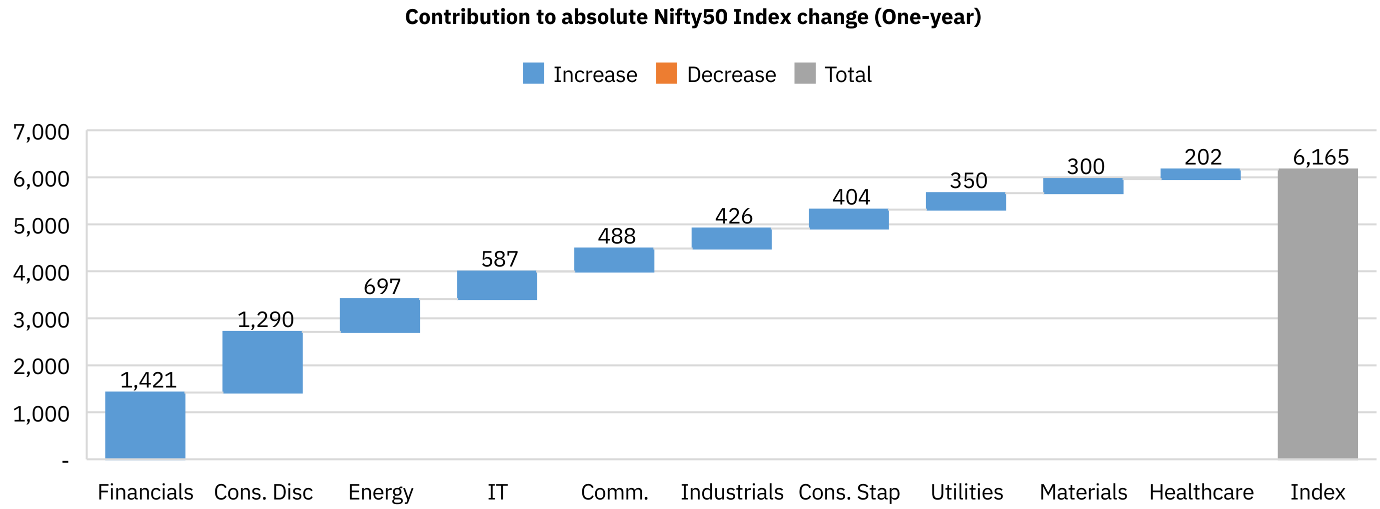
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 104: Sector-wise contribution to Nifty 50 price return in last one year (Oct'23-Sep'24)



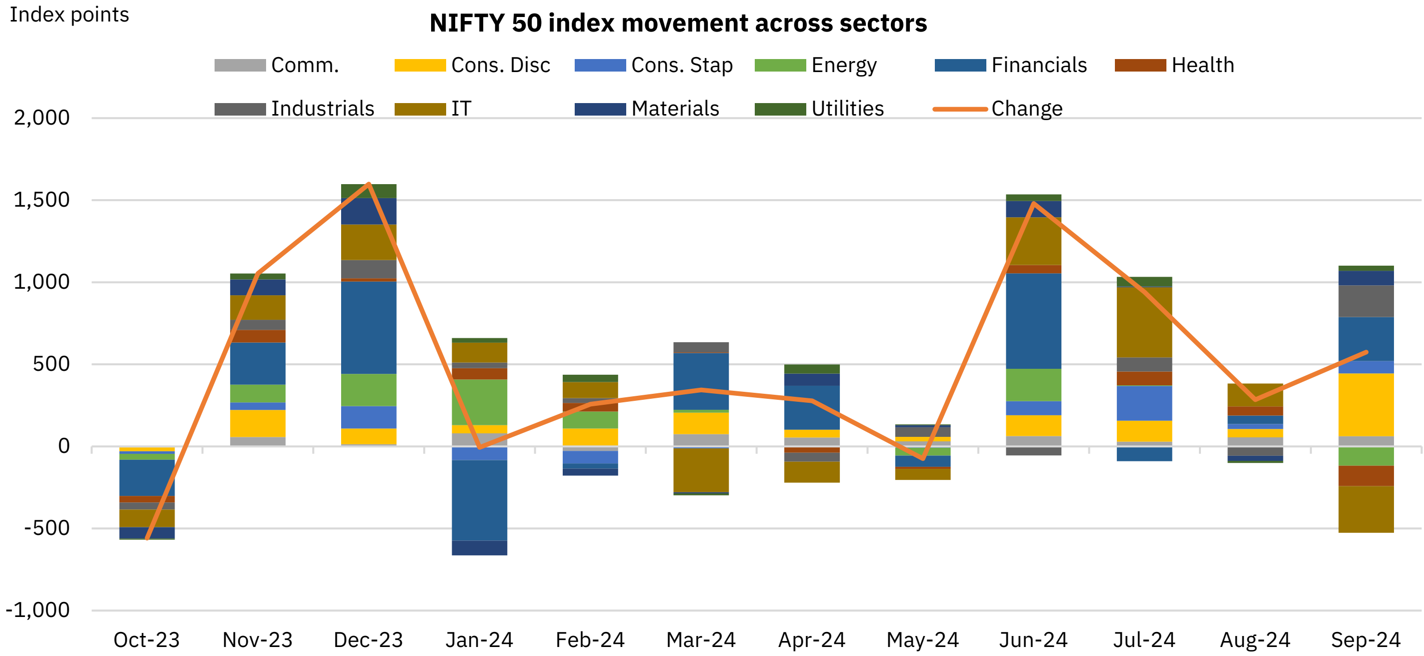
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 105: Sector-wise contribution to Nifty 50 Index change (points) in last one year (Oct'23-Sep'24)



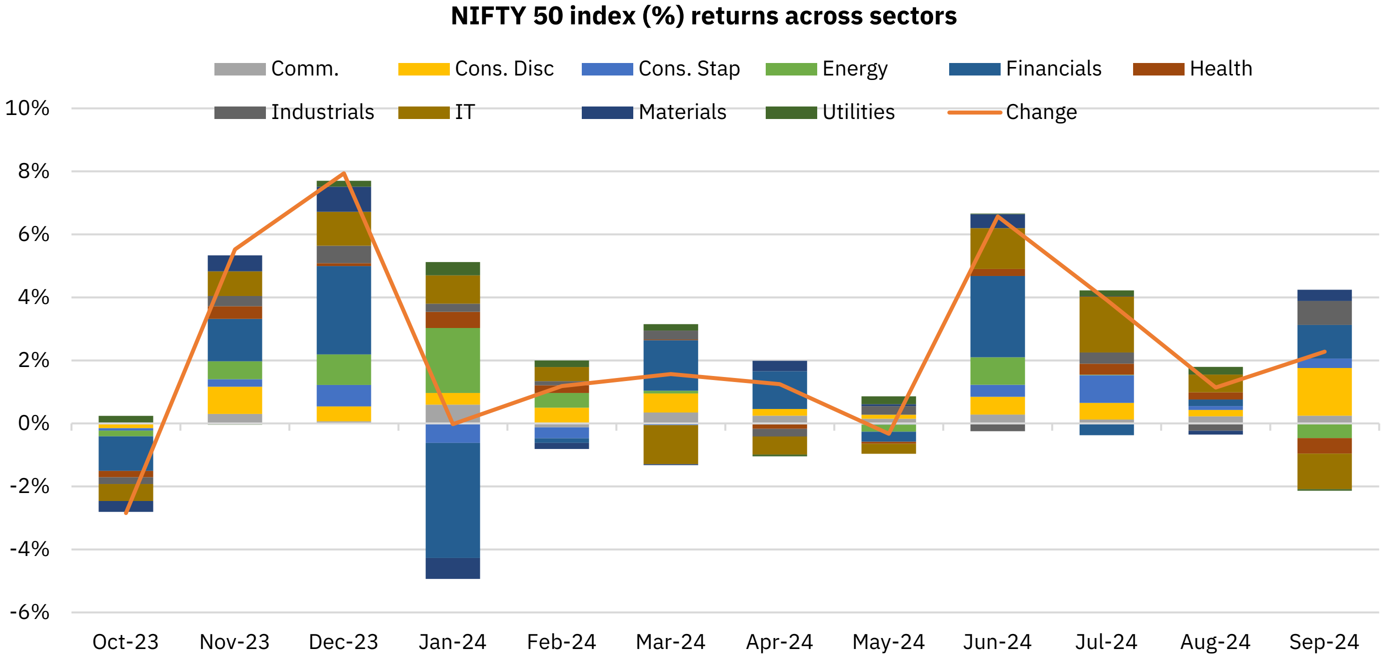
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR

Figure 106: Nifty 50 Index monthly movement across sectors over the last 12 months



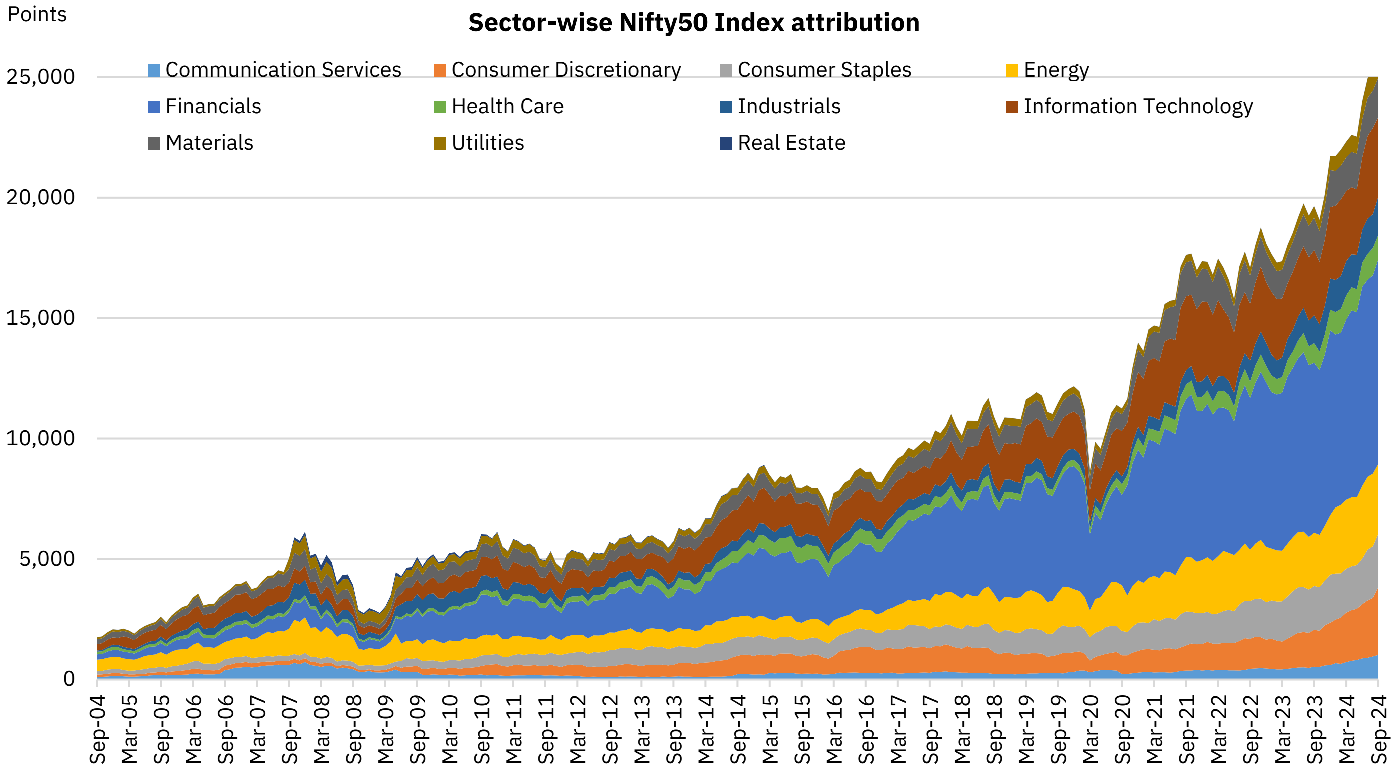
Source: LSEG Workspace, CMIE Prowess, NSE Indices, NSE EPR.

Figure 107: Nifty 50 Index monthly return across sectors over the last 12 months



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

Figure 108: Sector-wise Nifty50 Index attribution (2004-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

A range-bound performance across sectors in the month gone by kept the sector weights broadly stable. In the last 12 months, the relative outperformance of Consumer Discretionary, Communication Services and Utilities led to their weights in the Nifty 50 Index rising by 206bps, 128bps and 93bps MoM to 74-month high of 9.6%, 50-month high of 3.8% and 3.1% respectively. This increase in weight came at the expense of a significant drop in the weight of Financials of 440bps in the last 12 months to 32.6%, nearly 9.4pp lower than the peak weight of 42% in December 2019.

Figure 109: Nifty 50 sector weightage (September 2023)

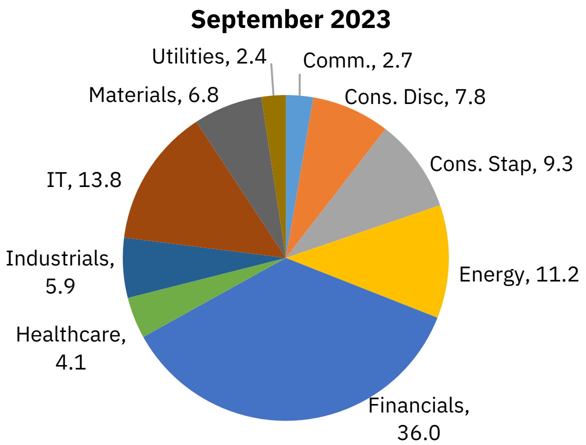
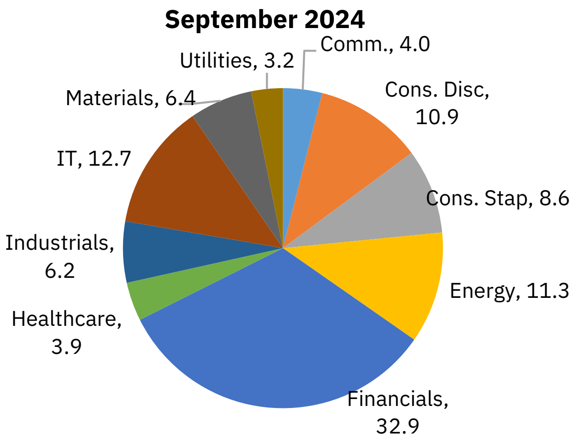
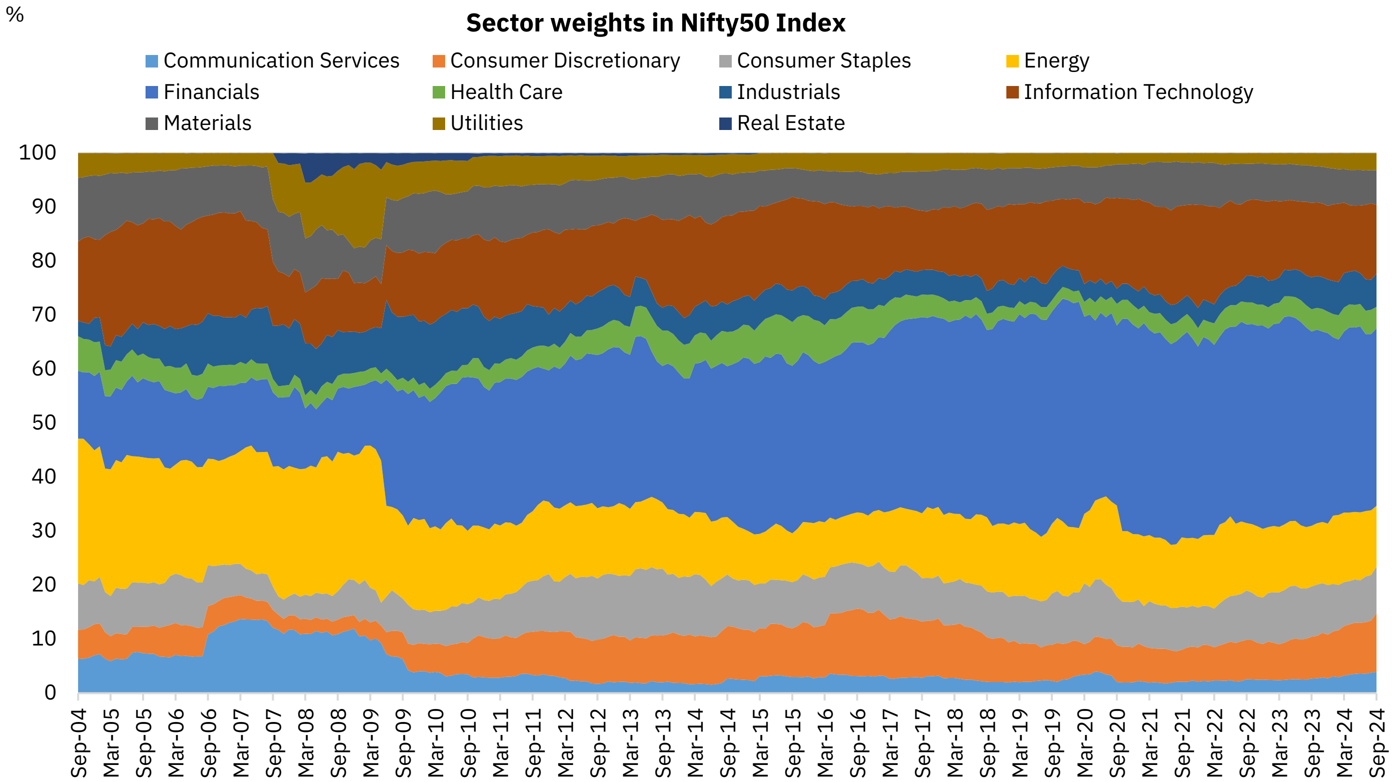


Figure 110: Nifty 50 sector weightage (September 2024)



Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Figure 111: Sector weights in the Nifty 50 Index (2003-)



Source: LSEG Workspace, CMIE Prowess, NSE EPR

Table 31: Top five Nifty 50 Index gainers in September 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Trent Ltd.	TRENT	5.8	1.5	375
H D F C Bank Ltd.	HDFCBANK	5.8	0.6	146
Bharti Airtel Ltd.	BHARTIARTL	7.6	0.2	62
I C I C I Bank Ltd.	ICICIBANK	3.6	0.2	47
Bajaj Auto Ltd.	BAJAJ-AUTO	13.4	0.1	31
Total			**2.6**	**660**
Nifty 50 Index	**NIFTY 50**	**2.3**	**2.3**	**575**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 32: Top five Nifty 50 Index gainers in Jan-Sep 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Bharti Airtel Ltd.	BHARTIARTL	65.6	1.9	423
I C I C I Bank Ltd.	ICICIBANK	27.7	1.8	398
Trent Ltd.	TRENT	147.9	1.7	375
Mahindra & Mahindra Ltd.	M&M	79.0	1.2	260
Infosys Ltd.	INFY	22.2	1.1	243
Total			**7.8**	**1,698**
Nifty 50 Index	**NIFTY 50**	**18.8**	**18.8**	**4,079**

Source: LSEG Workspace, CMIE Prowess, NSE EPR.

Table 33: Top five Nifty 50 Index losers in September 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Infosys Ltd.	INFY	-3.5	-0.3	-80
Reliance Industries Ltd.	RELIANCE	-2.2	-0.3	-73
Tata Consultancy Services Ltd.	TCS	-6.3	-0.3	-69
Tata Motors Ltd.	TATAMOTORS	-12.3	-0.3	-65
Oil & Natural Gas Corpn. Ltd.	ONGC	-10.0	-0.1	-34
Total			**-1.3**	**-320**
Nifty 50 Index	**NIFTY 50**	**2.3**	**2.3**	**575**

Source: LSEG Workspace, CMIE Prowess, NSE EPR

Table 34: Top five Nifty 50 Index losers in Jan-Sep 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Kotak Mahindra Bank Ltd.	KOTAKBANK	-2.8	-0.2	-35
Indusind Bank Ltd.	INDUSINDBK	-9.5	-0.1	-28
Asian Paints Ltd.	ASIANPAINT	-2.2	-0.1	-14
H D F C Bank Ltd.	HDFCBANK	1.3	-0.1	-12
Adani Enterprises Ltd.	ADANIENT	10.1	0.0	-7
Total			**-0.4**	**-97**
Nifty 50 Index	**NIFTY 50**	**18.8**	**18.8**	**4,079**

Source: LSEG Workspace, CMIE Prowess, NSE EPR

Earnings and valuation analysis

Consensus earnings CAGR for the period 2023-25 pegged at 11.6%: Consensus earnings estimates for this as well as the next year inched up in September. The Nifty50 earnings estimates (Source: LSEG Workspace) for 2024 as well as 2025 were increased by 0.8% each in September, translating into a total drop of 1.6% and an increase of 0.8% respectively in the year thus far. This implies expected earnings growth of 7.8% and 15.4% for 2024 and 2025 as on August 30th, 2024, vs. 7.9% and 15.5% as of end of the previous month, respectively, resulting in a two-year CAGR (2023-25) of 11.6% vs. 13.8% as of March-end.

Our analysis of earnings estimates of the top 200 companies by market cap[45] painted a similar picture. The aggregate consensus earnings estimate for this universe for FY25 as well as FY26 rose by modest 0.2% and 0.3% respectively in September, translating into no change for FY25 and an upgrade of 2.9% for FY26 in the first six months of the current fiscal. In the first half, upgrades in Financials, Industrials, Consumer Discretionary, Communication Services and Healthcare for FY25 were more than offset by steep downgrades in Materials, IT, Energy and Consumer Staples. Excluding these four sectors, consensus aggregate earnings estimate for FY25 was upgraded by 2.2% this fiscal year. For FY26, barring IT and Consumer Staples, all other GICS sectors have seen their aggregate earnings within the top 200 companies either remain broadly steady or increase during the first six months of this fiscal, led by Energy that accounts for nearly 36% of the absolute upgrade in profit estimate since the beginning of this fiscal year, followed by Financials, Industrials, and Consumer Discretionary that accounted for another 15.8%, 15.0% and 13.7% each respectively.

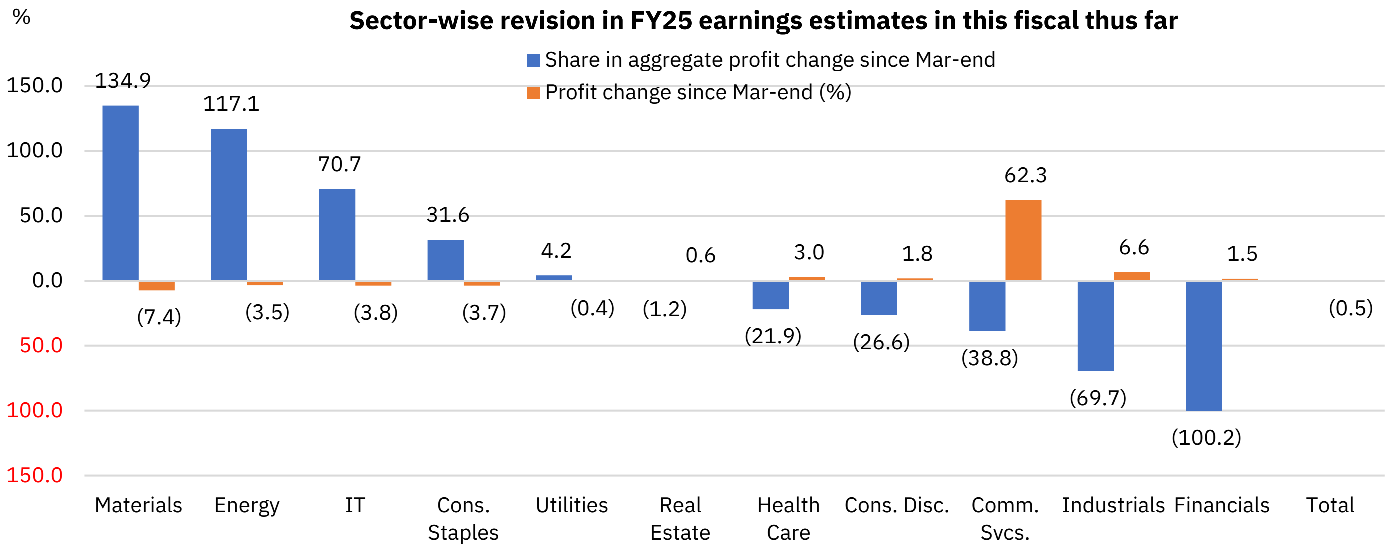
[45] The sample set consists of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five or more analysts during the previous 12 months using IBES estimates from LSEG Datastream.

Table 35: Earnings growth and forward-looking multiples for Nifty 50 Index

Metric	Periods	As on	Change (%/bps)				
		30-Sep-24	1M	3M	6M	YTD	1Y
EPS (Rs)	12-month forward	1152.8	2.0%	3.6%	8.0%	9.1%	13.0%
	2023	992.7	0.9%	1.2%	5.7%	3.1%	4.1%
	% YoY	*24.6%*	*107bps*	*151bps*	*670bps*	*480bps*	*595bps*
	2024	1070.3	0.8%	-0.2%	0.2%	-1.6%	-1.4%
	% YoY	*7.8%*	*-7bps*	*-156bps*	*-584bps*	*-516bps*	*-597bps*
	2025	1235.4	0.8%	0.3%	1.5%	0.8%	1.7%
	% YoY	*15.4%*	*-4bps*	*57bps*	*142bps*	*283bps*	*355bps*
Price to earnings (P/E) (x)	12-month forward	22.5	1.7%	5.5%	9.2%	10.9%	16.7%
	2024	24.2	2.9%	9.6%	17.6%	23.0%	33.8%
	2025	21.0	2.9%	9.1%	16.1%	20.0%	29.7%
Price to Book value (P/B) (x)	12-month forward	3.6	2.1%	11.7%	8.9%	11.0%	18.4%
	2024	3.9	3.1%	15.2%	15.9%	21.5%	33.3%
	2025	3.4	3.1%	15.1%	15.6%	20.8%	33.0%

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

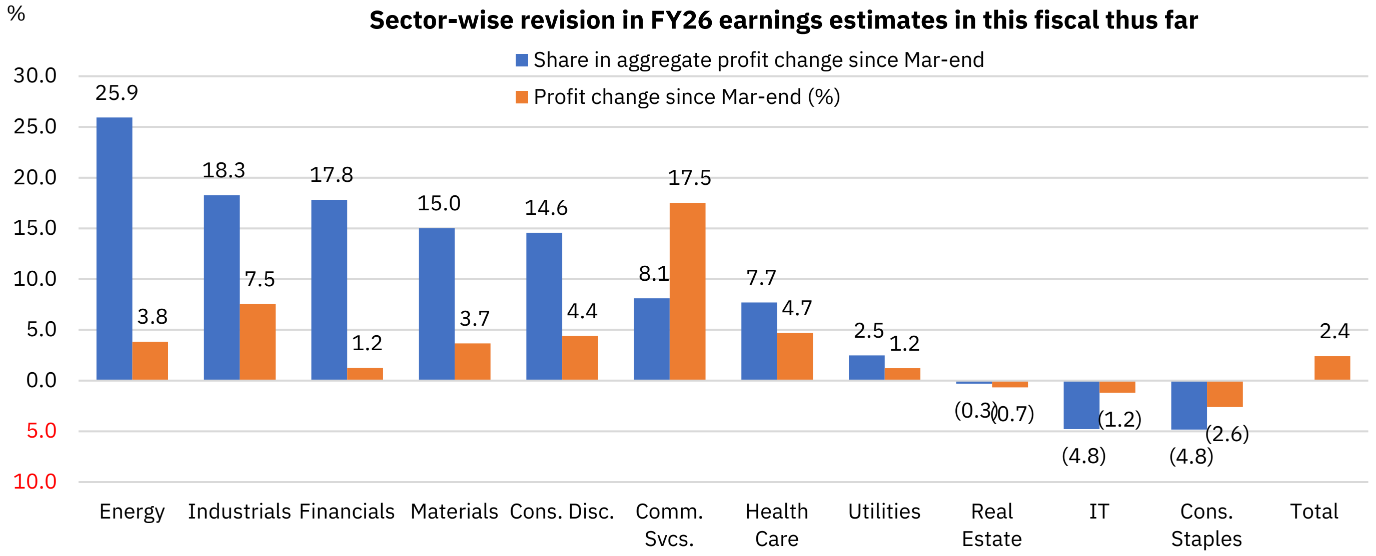
Figure 112: Sector-wise revision in FY25 earnings estimates for top 200 companies since March 2024



Source: LSEG Workspace, NSE EPR

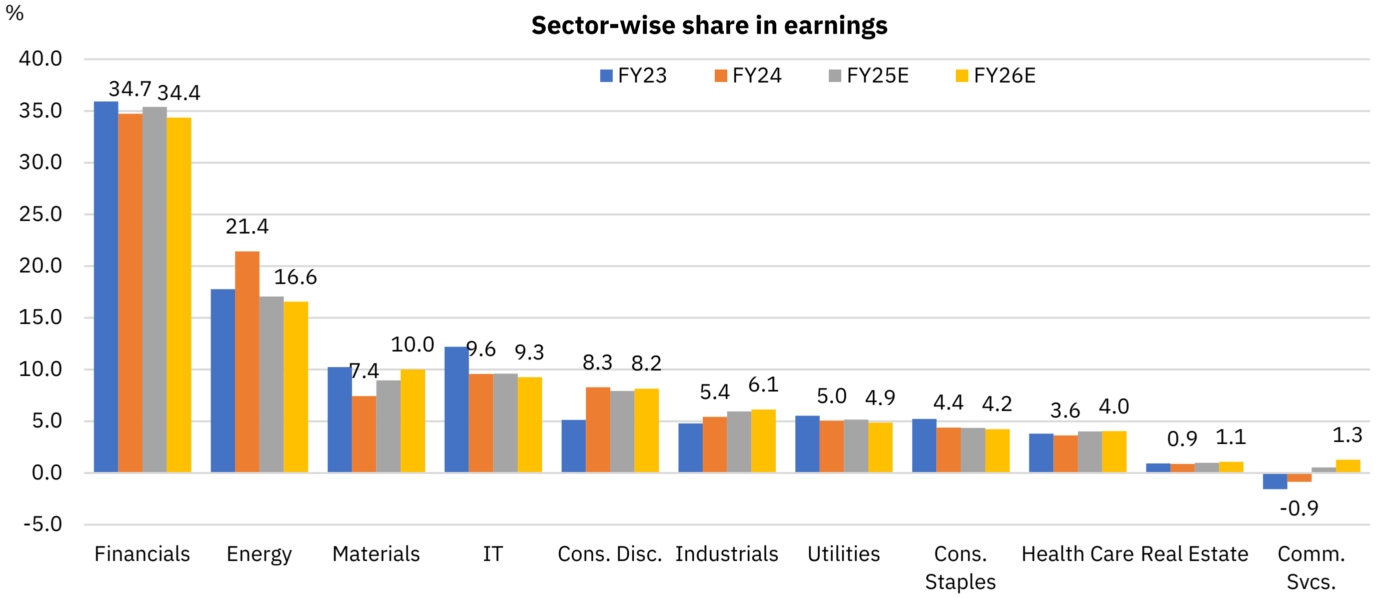
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of October 17th, 2024.

Figure 113: Sector-wise revision in FY26 earnings estimates for top 200 companies since March 2024



Source: LSEG Workspace, NSE EPR
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of October 17th, 2024.

Figure 114: Sector-wise share in earnings



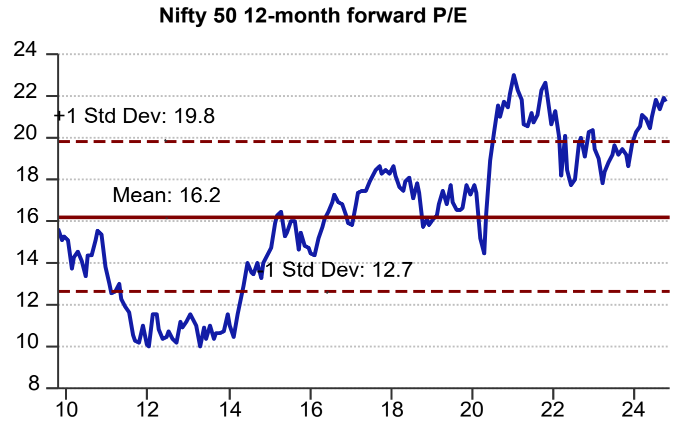
Source: LSEG Workspace, NSE EPR
Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of October 17th, 2024.

Market valuations correct in October: After rising to near three-year high of 22.5x in early October, market valuations saw some correction in the last couple of weeks, thanks to some sell-off witnessed during this period. The Nifty50 Index currently trades at a 12-month forward P/E of 22.7x, nearly 5% below the post-pandemic peak valuation, but still 34% higher than long-term (Last 15-year) average multiple (16.2x) and 10% higher than the one standard deviation above the long-term multiple.

Valuations have corrected marginally on a price-to-book (P/B) basis as well, with Nifty50 currently trading at a 12-month forward P/B of 3.5x. This implies a premium of ~42% to the average P/B of 2.47x over the last 15-year period.

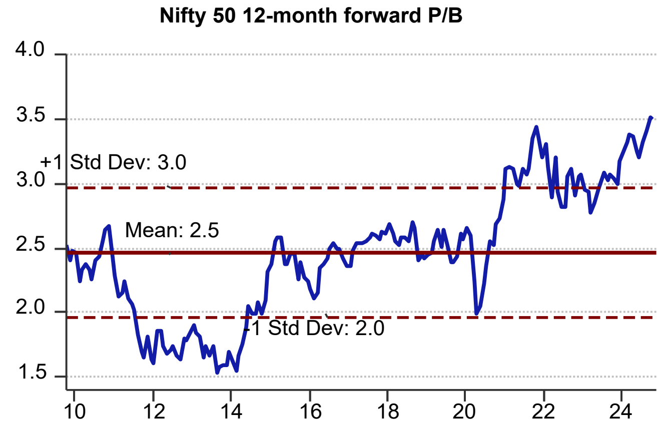
...Accompanied with a drop in valuation premium to EM equities: Indian equities have perennially traded at a premium to EM equities, thanks to India's strong economic fundamentals and robust growth outlook. The recent underperformance of Indian equities vis-à-vis other emerging markets, particularly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

Figure 115: Nifty 50 NTM P/E trend for last 15 years



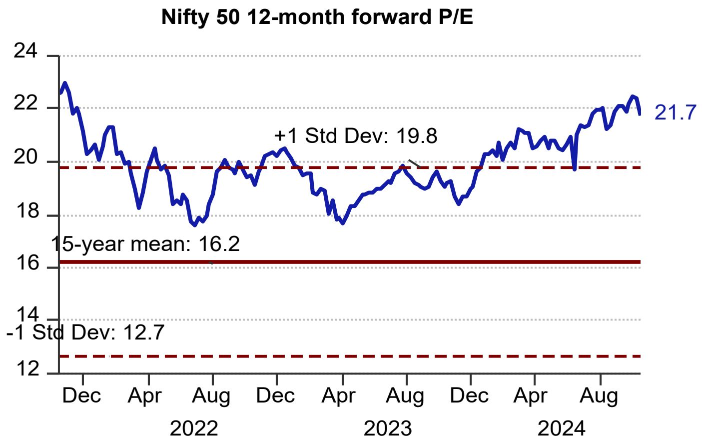
Source: LSEG Workspace, NSE EPR

Figure 116: Nifty 50 NTM P/B trend for last 15 years



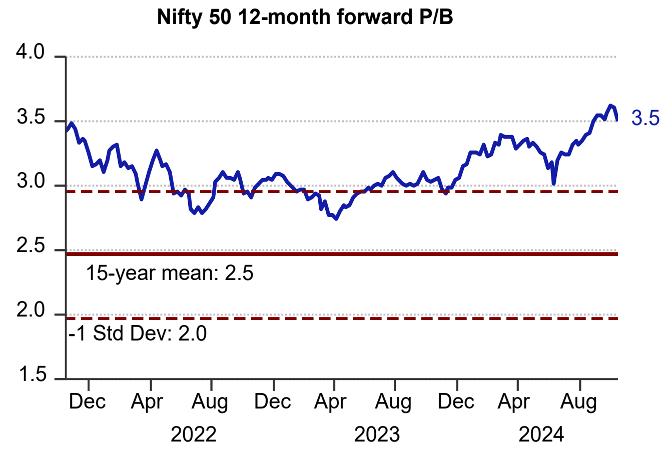
Source: LSEG Workspace, NSE EPR

Figure 117: Nifty 50 NTM P/E (Last three-year trend)



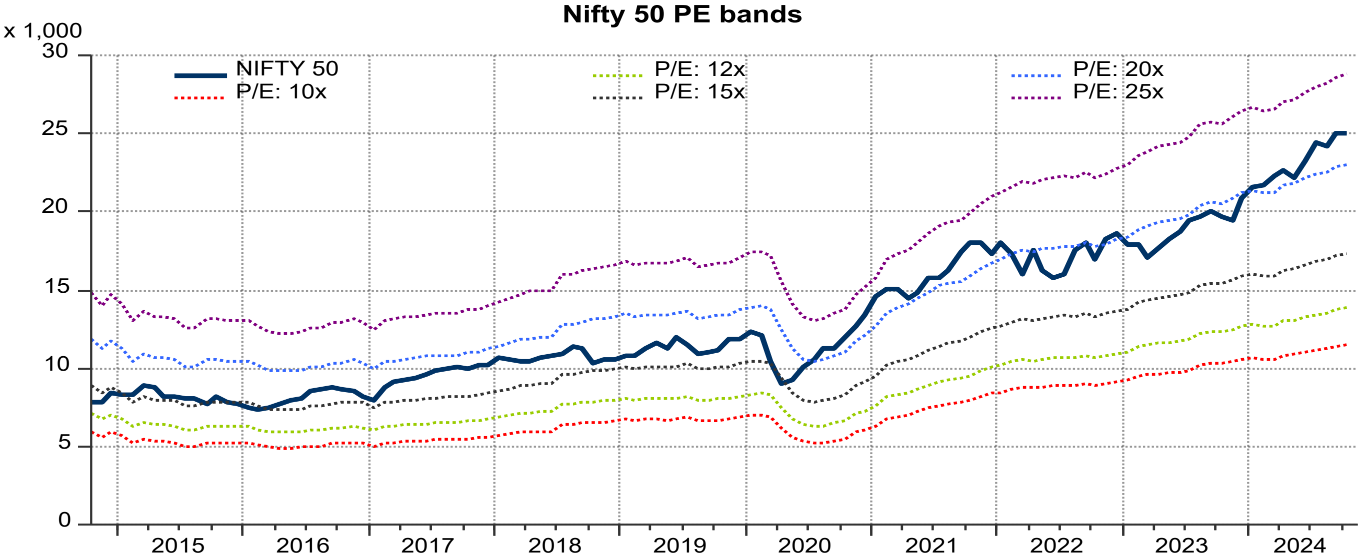
Source: LSEG Workspace, NSE EPR

Figure 118: Nifty 50 NTM P/B (Last three-year trend)



Source: LSEG Workspace, NSE EPR

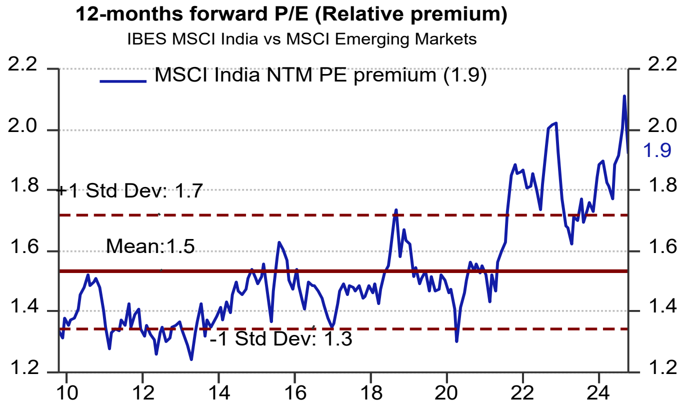
Figure 119: Five-year trend of Nifty 50 values at different 12-month forward P/E bands



Source: LSEG Workspace, NSE EPR

Figure 120: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

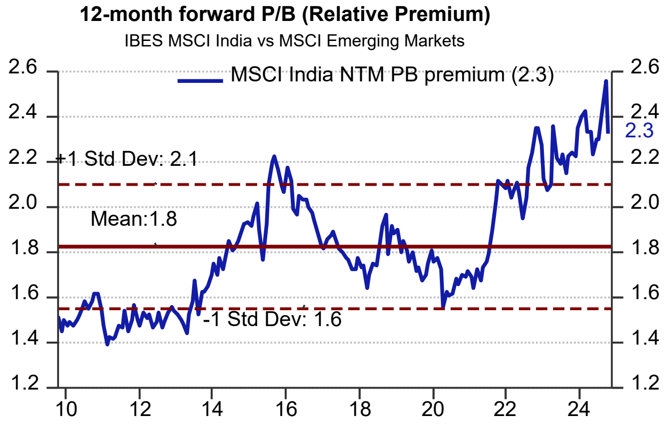
MSCI India currently trades at a premium of 92% to MSCI EM on 12-month forward P/E vs. last 12-month average premium of 53%, down from 108% in the previous month.



Source: LSEG Workspace, NSE EPR

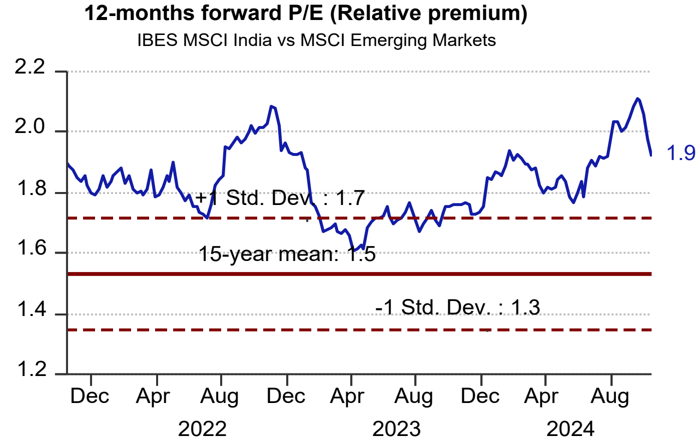
Figure 121: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B as well, India's valuation premium to MSCI EM has fallen from 152% to 132% currently.



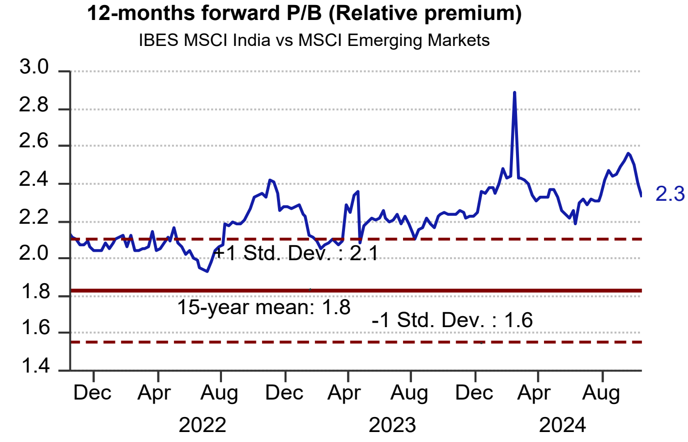
Source: LSEG Workspace, NSE EPR

Figure 122: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)



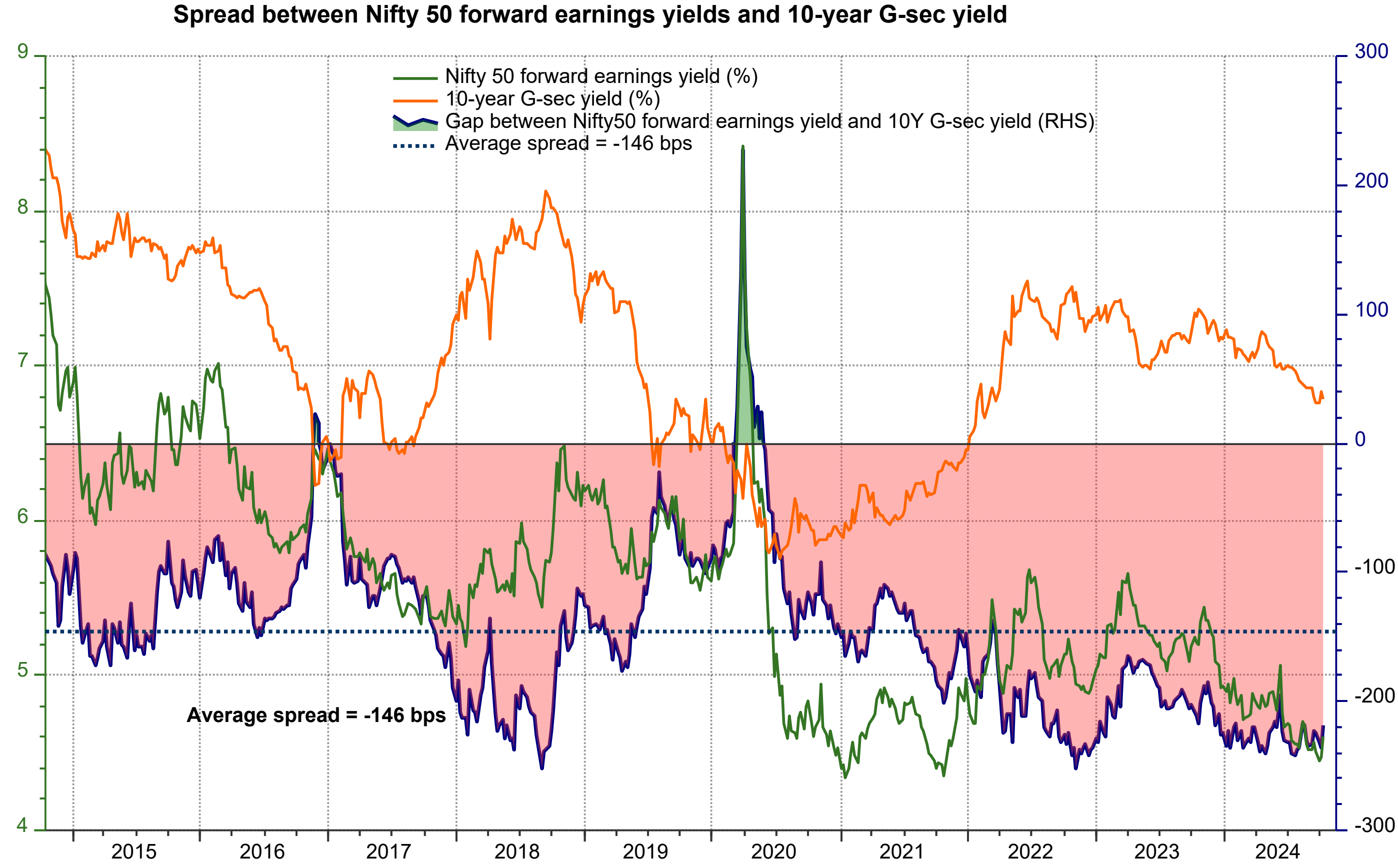
Source: LSEG Workspace, NSE EPR

Figure 123: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Workspace, NSE EPR

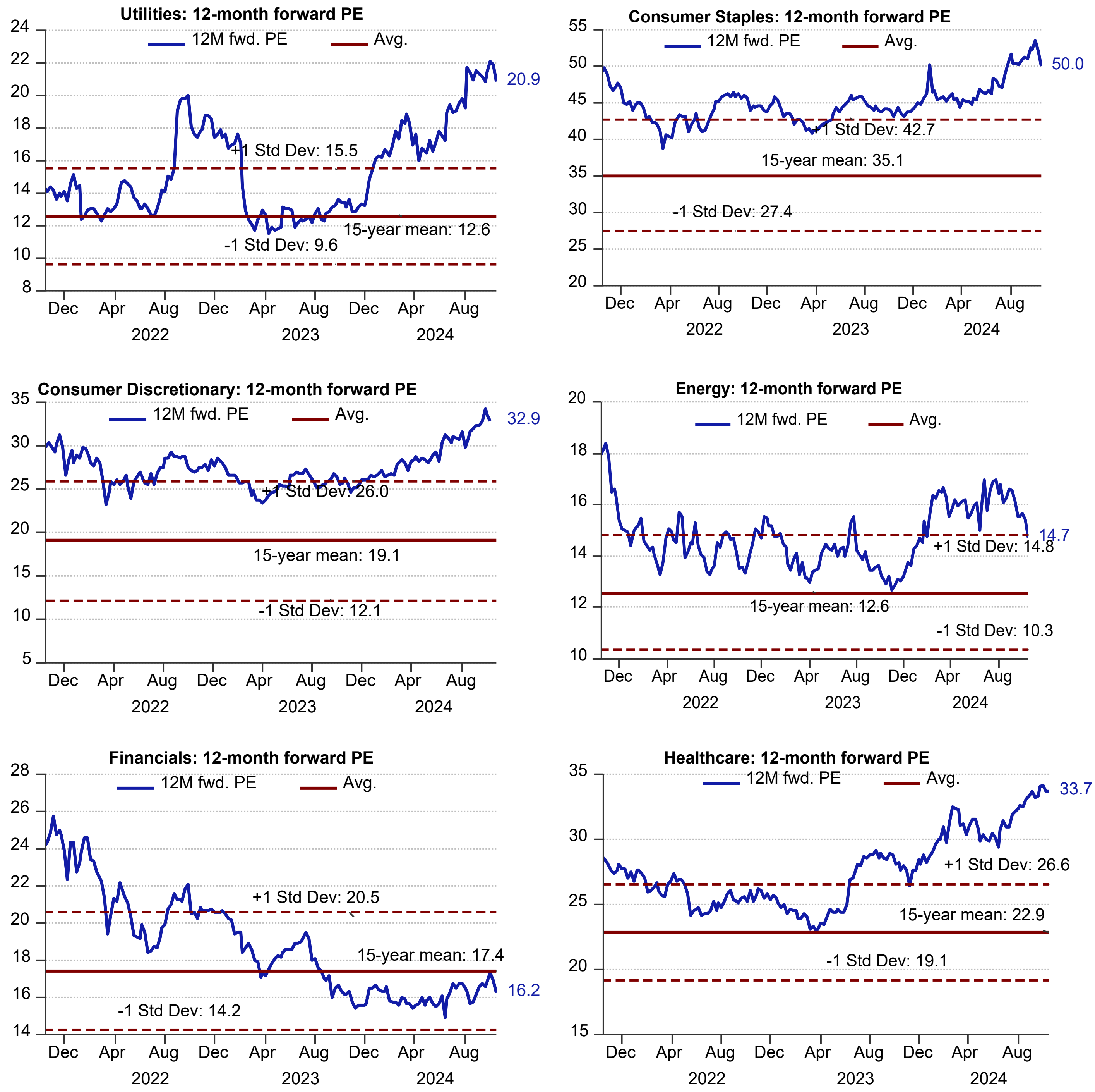
Figure 124: Nifty 50 forward earnings yield* vs. 10-year G-sec yield

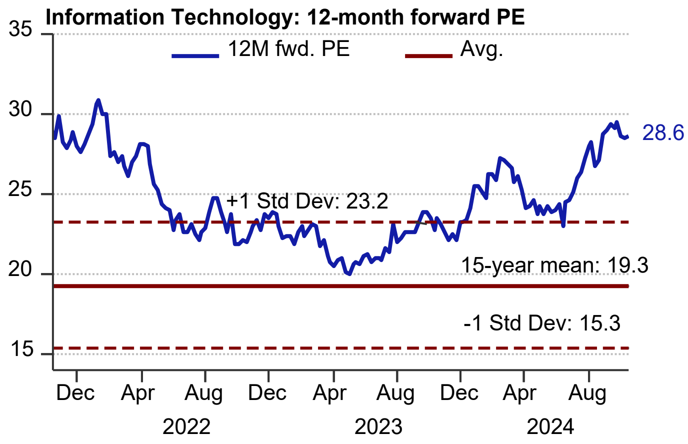


Source: LSEG Workspace, NSE EPR. * Forward earnings yield for Nifty 50 is calculated as (1/12-month forward PE).

Valuations remained elevated across most sectors barring Financials and Energy: We have also looked at long-term trends of 12-month forward P/E and P/B multiples across MSCI India sector indices. Barring Financials, that continued to trade at multiples below the long-term average, and Energy, where forward multiples have corrected in the recent past due to geopolitical tensions, valuations of all other sectors continue to remain elevated at levels well above their respective long-term average multiples.

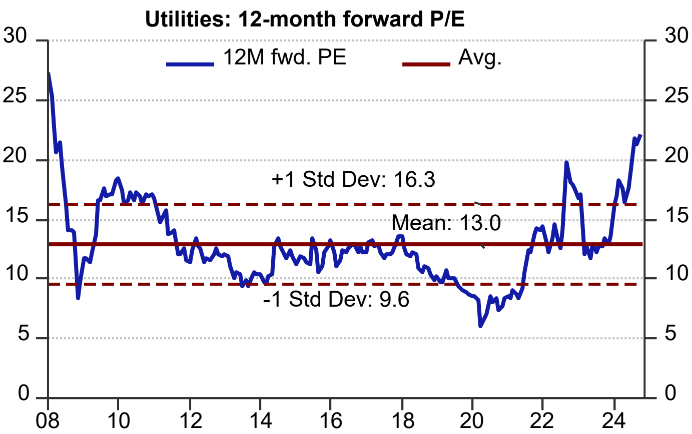
Figure 125: 12-month forward P/E for MSCI India sector indices (Three-year trend)

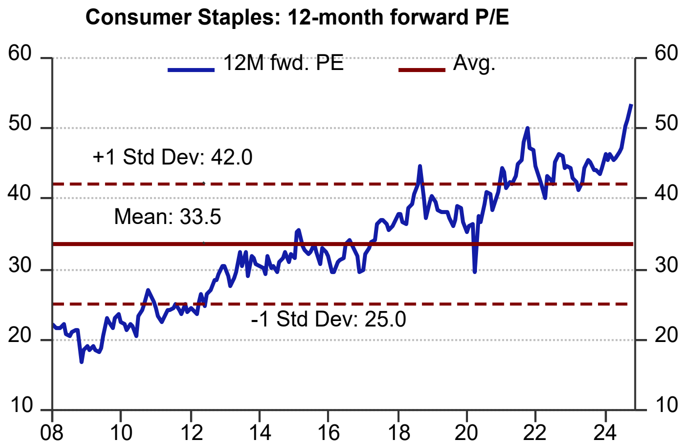


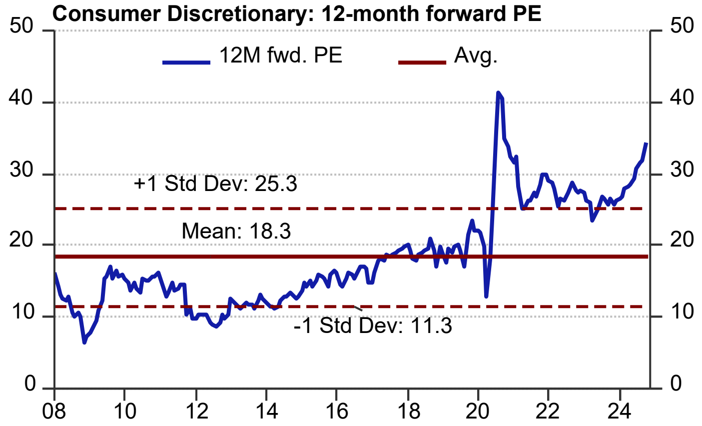


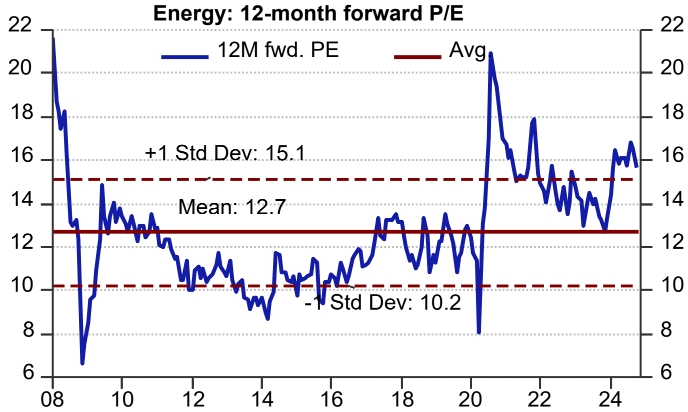
Source: LSEG Workspace, NSE EPR.

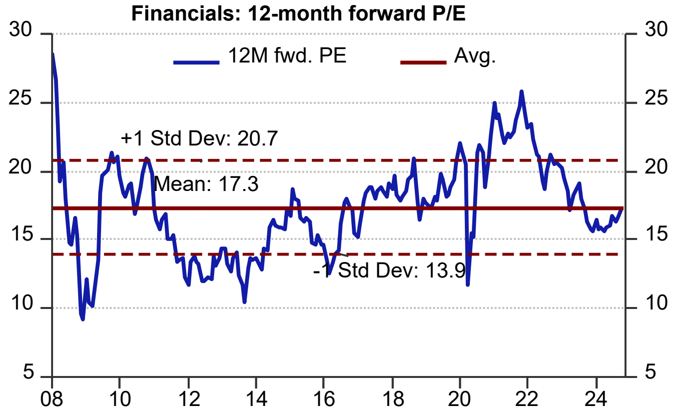
Figure 126: 12-month forward P/E for MSCI India sector indices (Long-term trend)

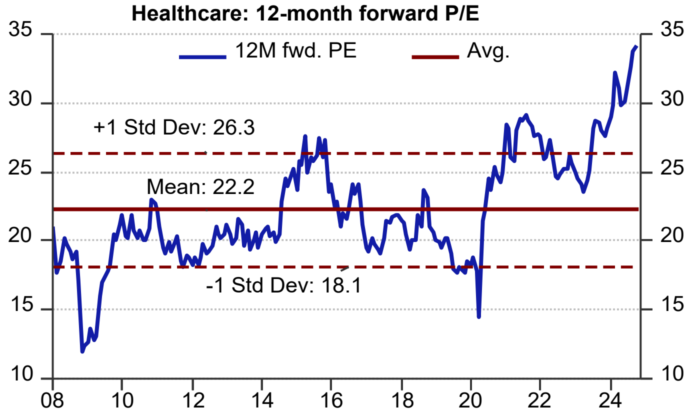


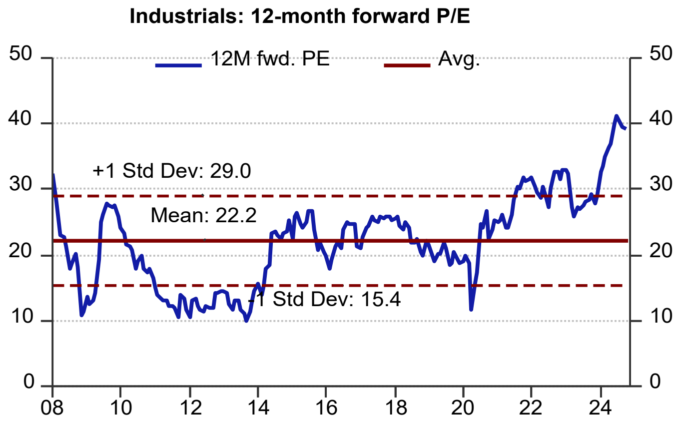


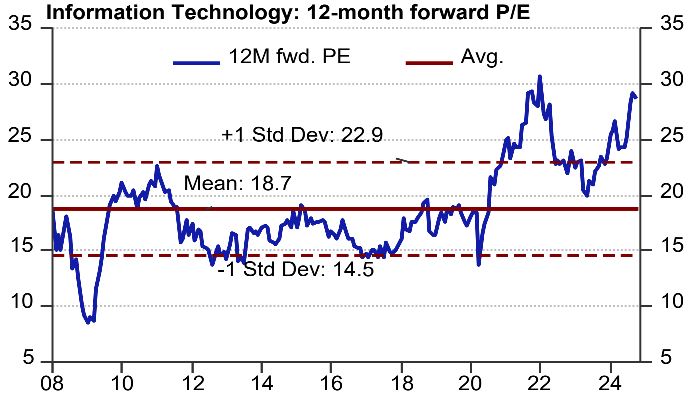


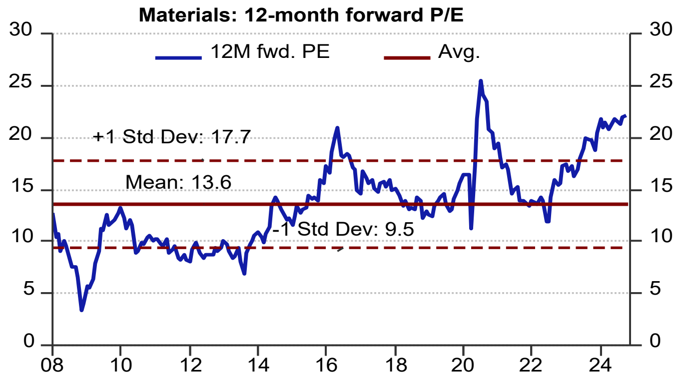






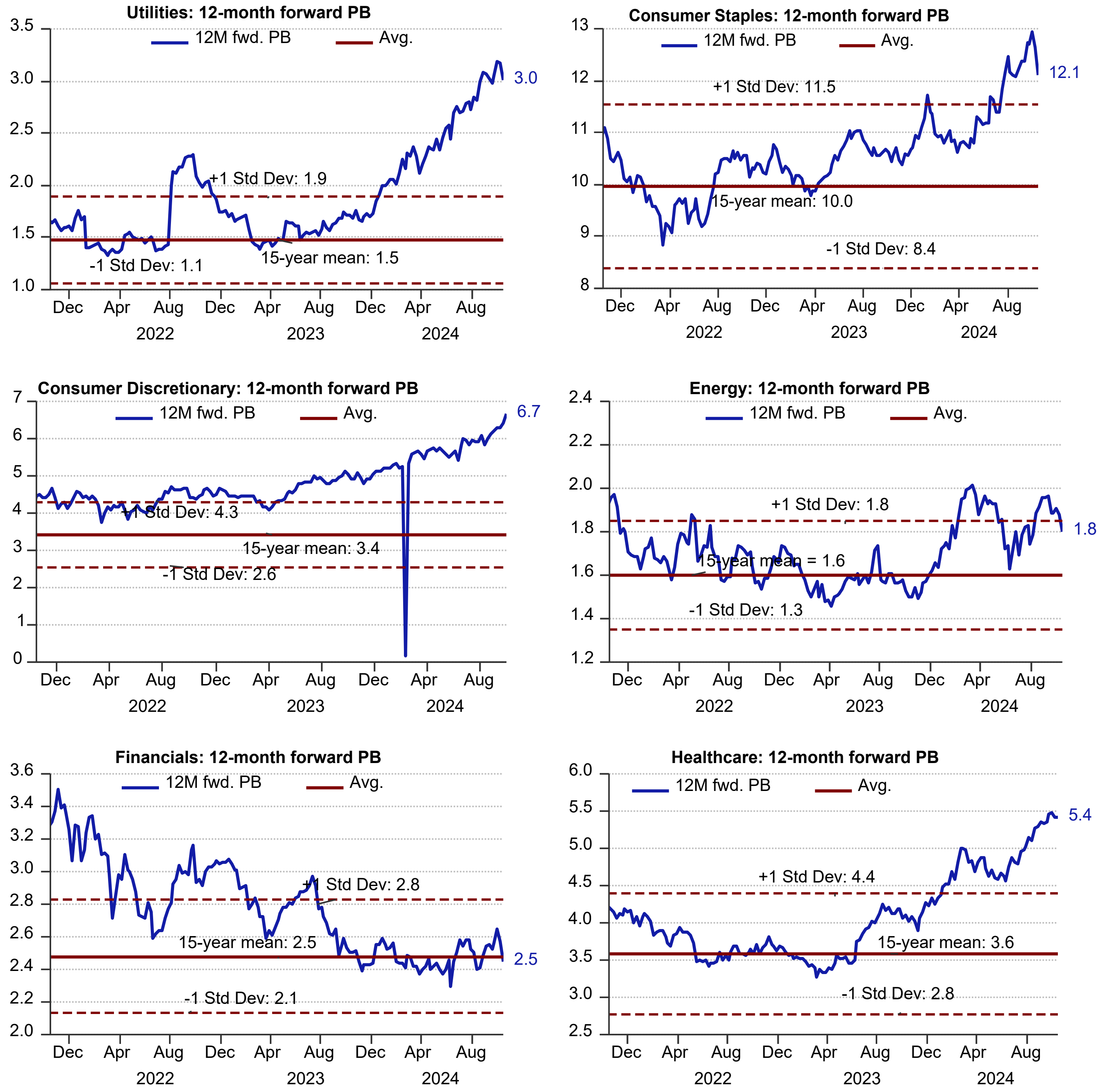


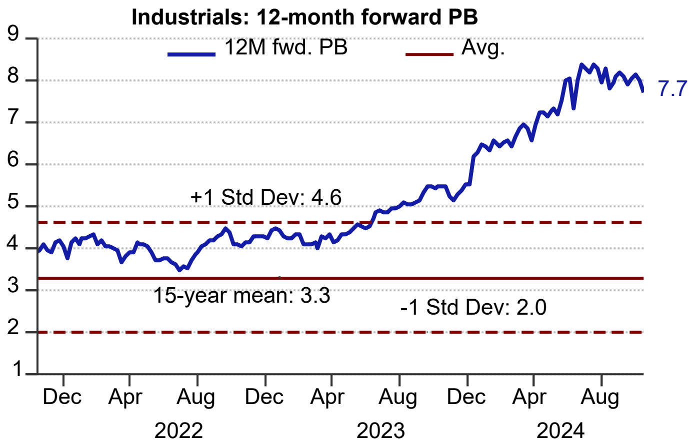


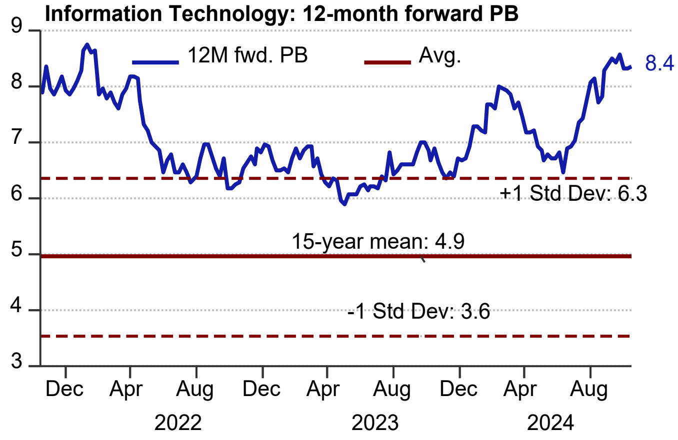


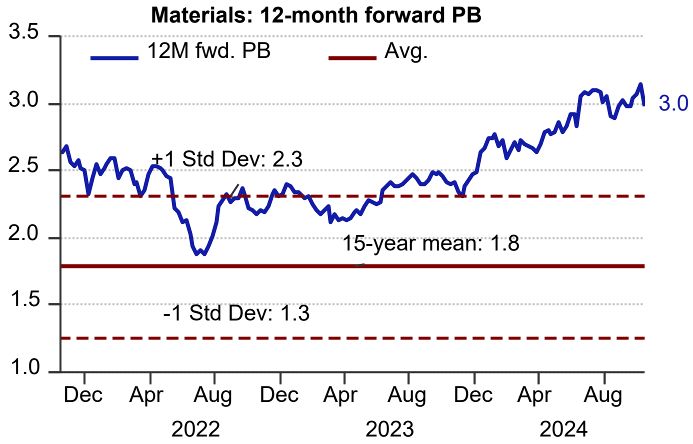
Source: LSEG Workspace, NSE EPR

Figure 127: 12-month forward P/B for MSCI India sector indices (Three-year trend)



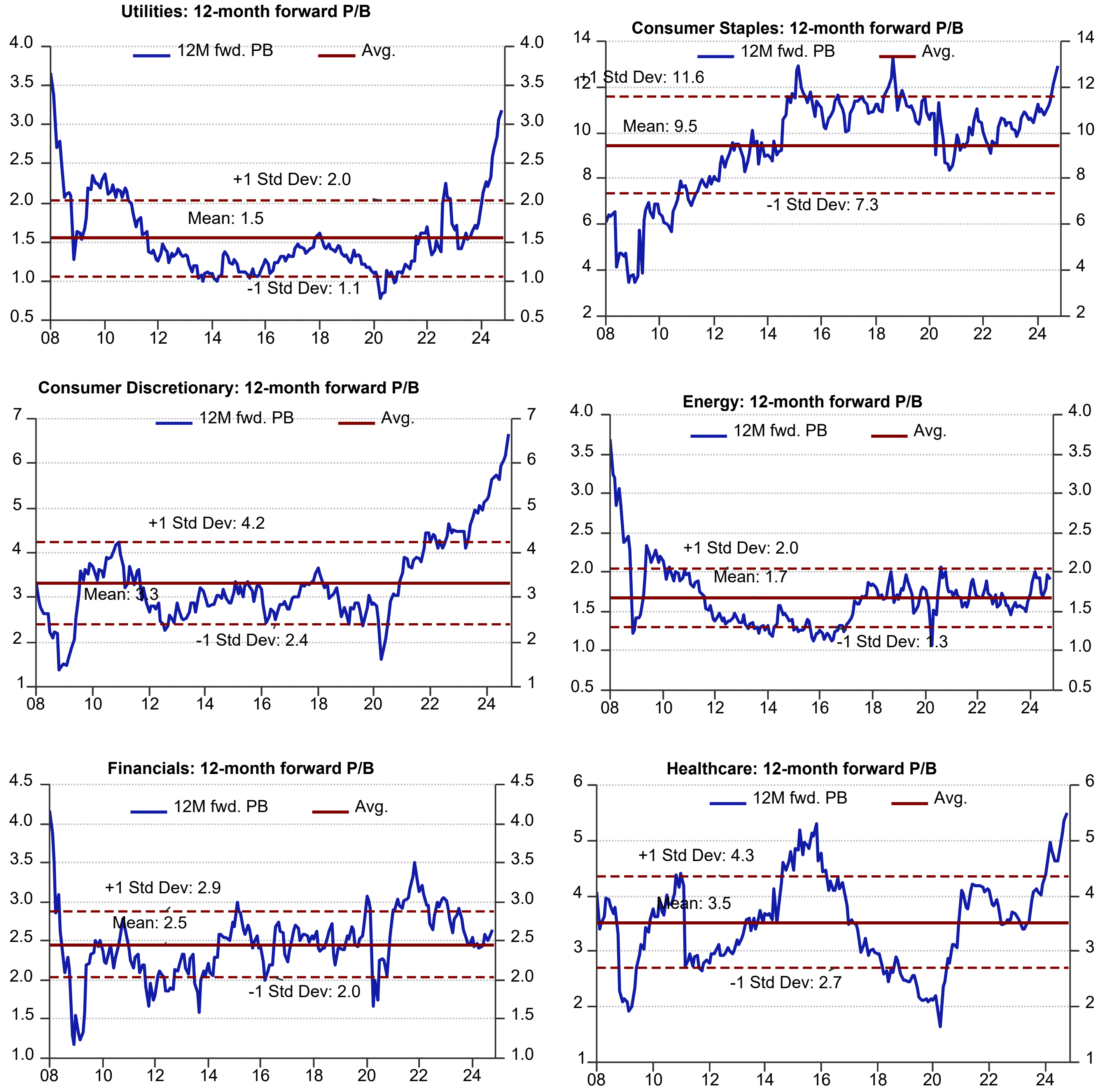


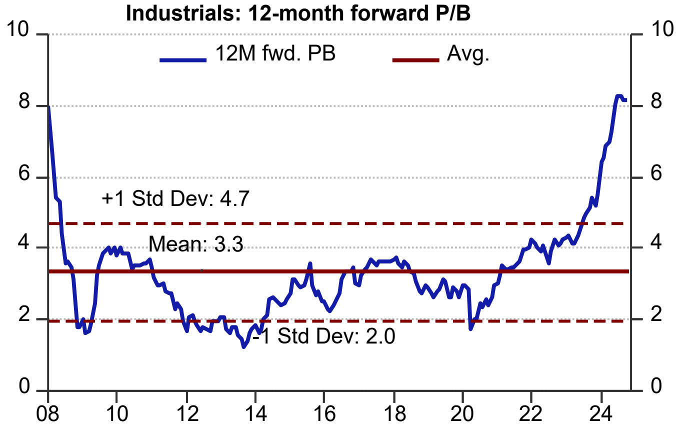


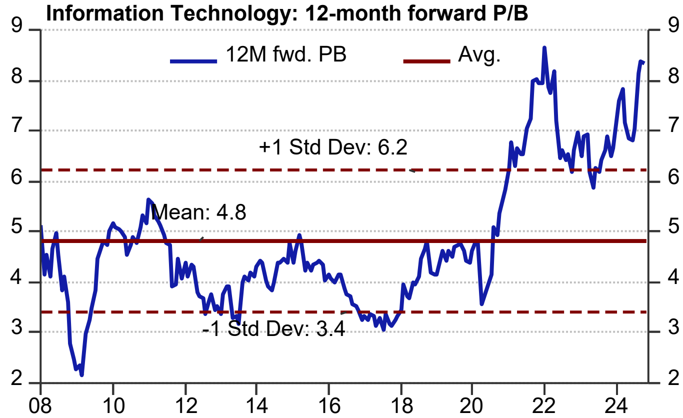


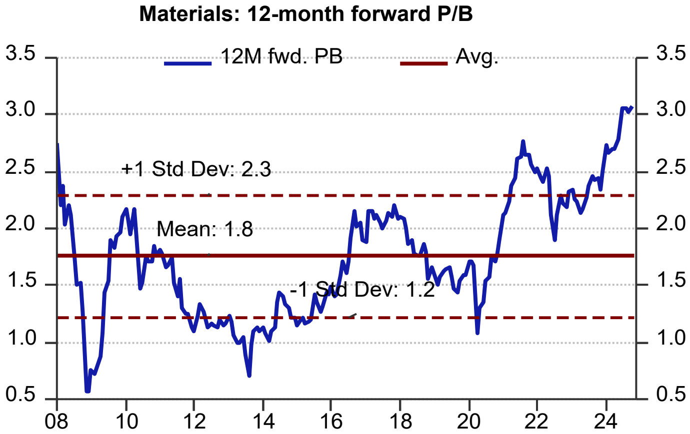
Source: LSEG Workspace, NSE EPR.

Figure 128: 12-month forward P/B for MSCI India sector indices (Long-term trend)









Source: LSEG Workspace, NSE EPR.

Fixed income market performance

Table 36: Performance of key debt indices (As of September 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	1.0	3.3	5.1	9.6	7.0	8.6	6.1	6.8
	Nifty 10 yr Benchmark G-Sec	1.3	3.5	5.4	10.3	8.1	9.3	5.4	5.5
	Nifty Composite G-sec Index	1.5	3.6	5.6	11.0	8.7	9.6	6.3	6.9
SDL	Nifty 10 Year SDL Index	1.4	3.5	5.5	10.0	9.1	9.2	6.6	7.4
AAA credit	Nifty AAA Ultra Short Duration Bond Index	0.6	1.9	3.9	7.8	5.9	7.6	6.6	6.1
	Nifty AAA Short Duration Bond Index	0.7	2.1	3.8	7.5	5.7	7.2	5.5	6.6
	Nifty AAA Low Duration Bond Index	0.6	1.8	3.6	7.3	5.6	7.2	6.0	6.1
	Nifty AAA Medium Duration Bond Index	0.8	2.6	4.2	8.0	6.3	7.4	5.1	7.0
	Nifty AAA Medium to Long Duration Bond Index	1.3	2.9	4.4	8.6	7.1	7.7	5.2	7.1
	Nifty AAA Long duration Bond Index	1.4	2.9	4.5	9.5	8.0	8.7	5.4	7.2
Composite	Nifty Liquid Index	0.6	1.8	3.7	7.5	5.6	7.2	6.2	5.4
	Nifty Money Market Index	0.6	1.9	3.9	7.7	5.9	7.5	6.3	5.7
	Nifty Ultra Short Duration Debt Index	0.6	2.0	4.0	8.0	6.0	7.8	6.7	6.0
	Nifty Short Duration Debt Index	0.7	2.1	3.9	7.7	5.8	7.4	5.8	6.6
	Nifty Low Duration Debt Index	0.6	1.9	3.8	7.7	5.8	7.5	6.3	6.1
	Nifty Medium Duration Debt Index	0.8	2.5	4.3	8.2	6.3	7.7	5.6	7.1
	Nifty Medium to Long Duration Debt Index	1.2	3.1	4.7	9.1	7.4	8.4	5.9	7.2
	Nifty Long Duration Debt Index	1.5	3.3	5.3	11.1	9.3	9.6	6.6	7.5
	Nifty Composite Debt Index	1.1	2.8	4.6	9.1	7.3	8.4	6.0	7.1
	Nifty Corporate Bond Index	0.7	2.2	3.9	7.7	5.9	7.5	5.8	7.1

Source: NSE Indices, NSE EPR.

Global fixed income markets rallied further on Fed rate cut…: The month gone by saw global fixed income markets, particularly in the US, rallying further, as the federal reserve started the interest rate cutting cycle. The strongest effect of the rate cuts was observed at the shorter end of the curve in the US with the 3-month, 6-month, 1-year yields falling sharply by 48 bps, 44bps and 40bps respectively, nearly mirroring the quantum of the rate cuts. At the longer end, the US 10-year sovereign yield softened by 13bps om top of a similar drop in the previous month to end the month at 3.8%. The gains, however, reversed in October, with the 10-year yield climbing up 30bps in the month thus far (As of October 17th, 2024) as strong September jobs report resulted in tapering of the pace of rate cut expectations in the US. The EU bond yields also fell in September, with the impact being more pronounced towards the shorter end. The EU bond yields also fell in September, albeit at a slower pace, with the impact being more pronounced at the shorter end. With headline inflation figure finally falling below the 2% target level in September, investors expected rate cuts to be more aggressive in the US than in the EU. Japan, on the other hand, remained an exception as it saw the 1-year yield inch up 4bps while the longer end remained steady, with the BOJ keeping the interest rate steady at 0.25% in the September meeting after two 25bps hike this year, in March and July.

…with Indian yields declining at a slower pace: The Indian fixed income market rallied for the third straight month in a row in September, echoing the global trend, even as the yields fell at a slower pace. The gains, however, were contained by weakened buying by FPIs and expectations of a spike in upcoming inflation prints in the light of surge in crude oil and vegetable prices. After steady buying in the previous four months, FPIs trimmed their purchases in the debt market in September, with net inflows at a modest US$155m, weighed down by concerns on inflation and widening interest rate differential with the

US. The month of October, in fact, has seen FPIs pulling out net investments worth US$354m in the month thus far, translating into total net inflows of US$6.15bn in the fiscal thus far (As of October 16th, 2024). This, along with the recent spike in inflation print, and surge in global bond yields, has resulted in yields hardening marginally during the month. Consequently, the 10-year G-sec yield softened by 11bps in September, and remained broadly steady in October, translating into a decline of 40bps in the year thus far to 6.8% as of October 16th. The domestic growth-inflation dynamics, coupled with the monetary stance of global central banks, particularly the US Fed, is likely to dictate the movement in domestic yields over the coming months.

Figure 129: India 10Y G-sec yield—long-term trend

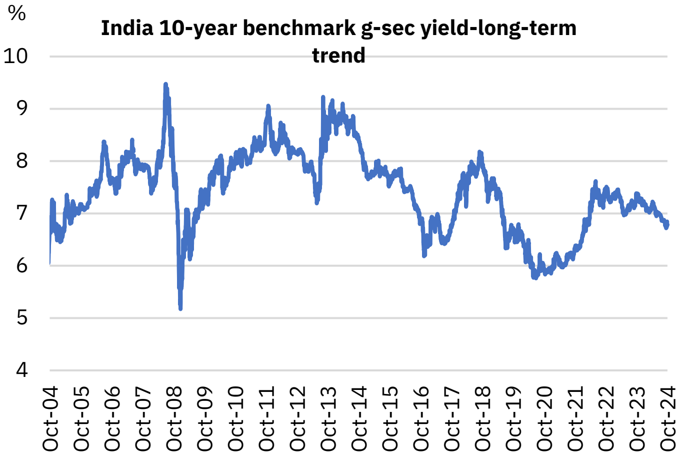
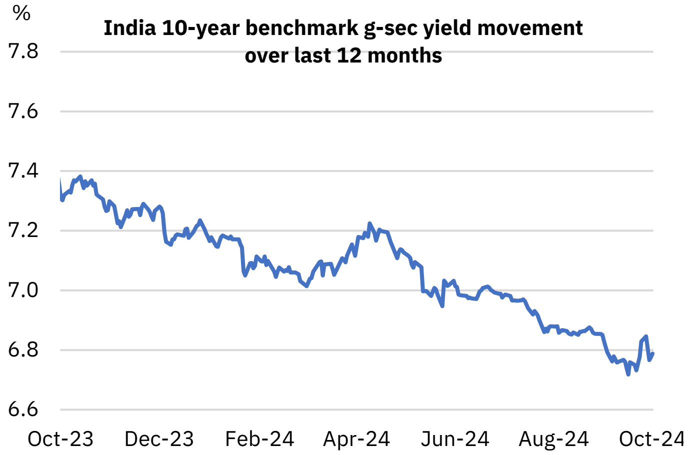
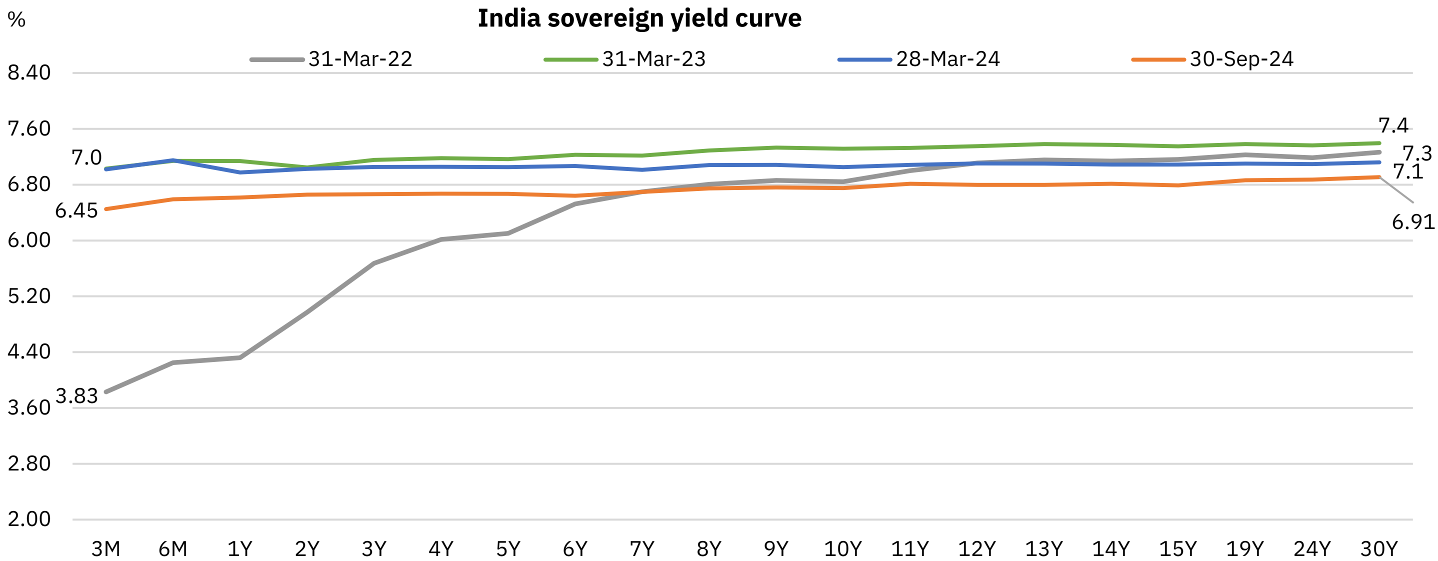


Figure 130: India 10Y G-sec yield—last one-year trend



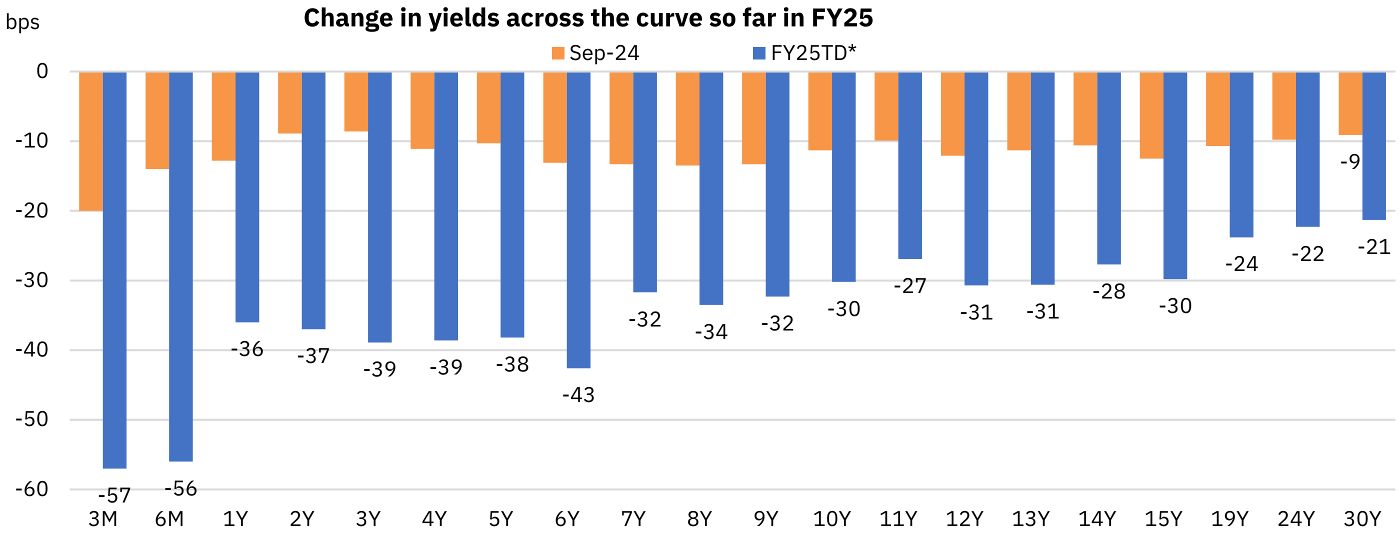
Source: Cogencis, NSE EPR

Figure 131: India sovereign yield curve



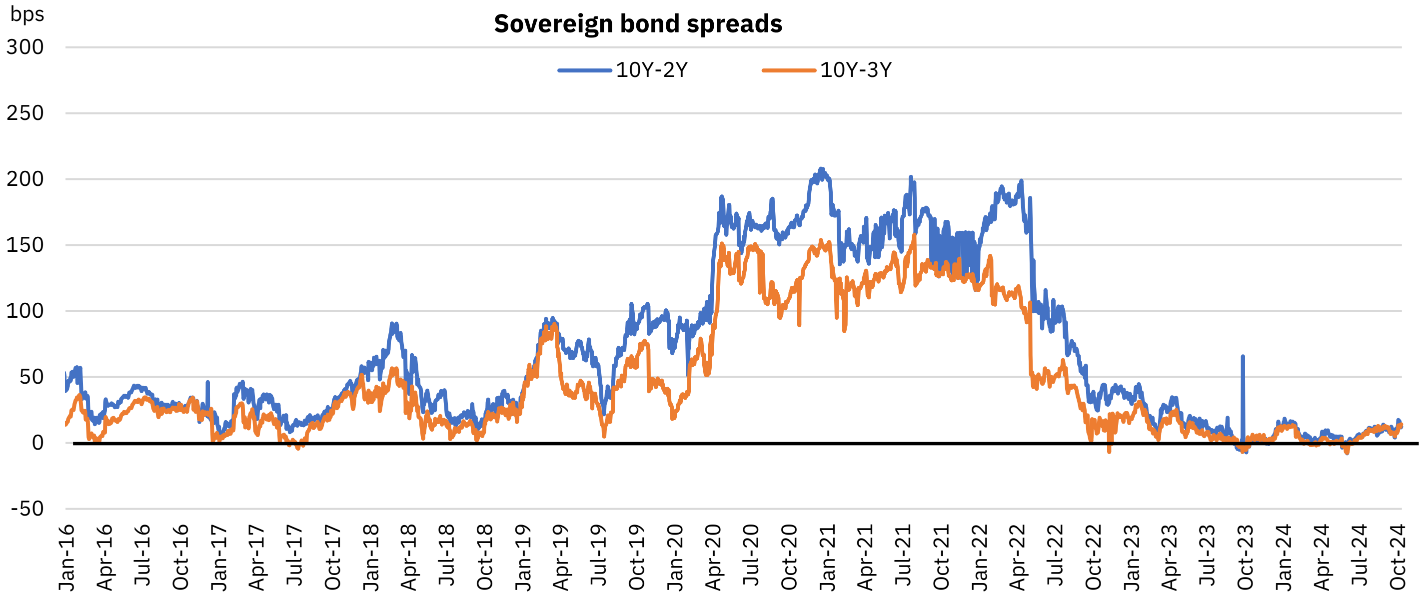
Source: Cogencis, NSE EPR

Figure 132: Change in sovereign yields across the curve



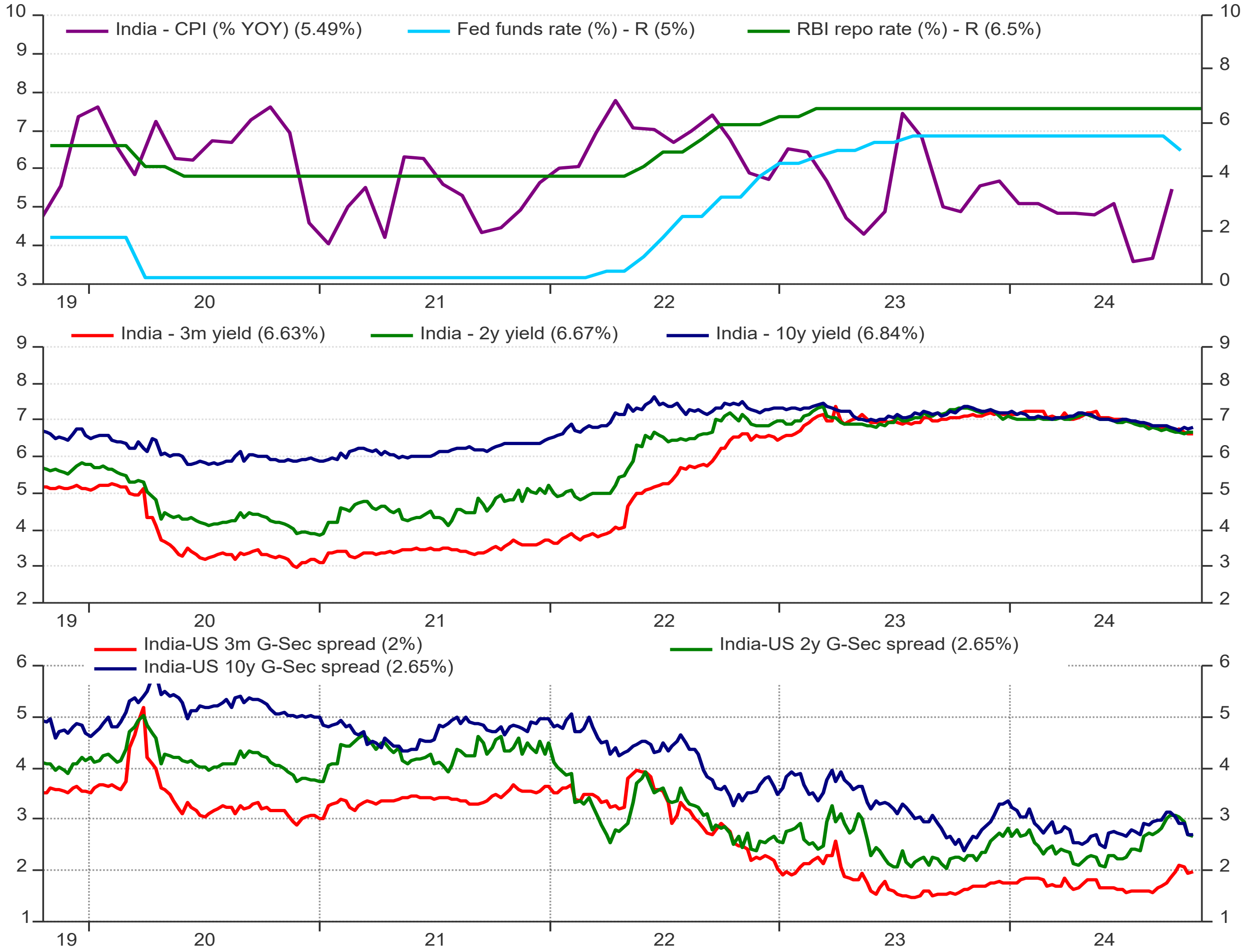
Source: Cogencis, NSE EPR. * As of August 31st, 2024.

Figure 133: India sovereign bonds term premia



Source: Cogencis, NSE EPR.

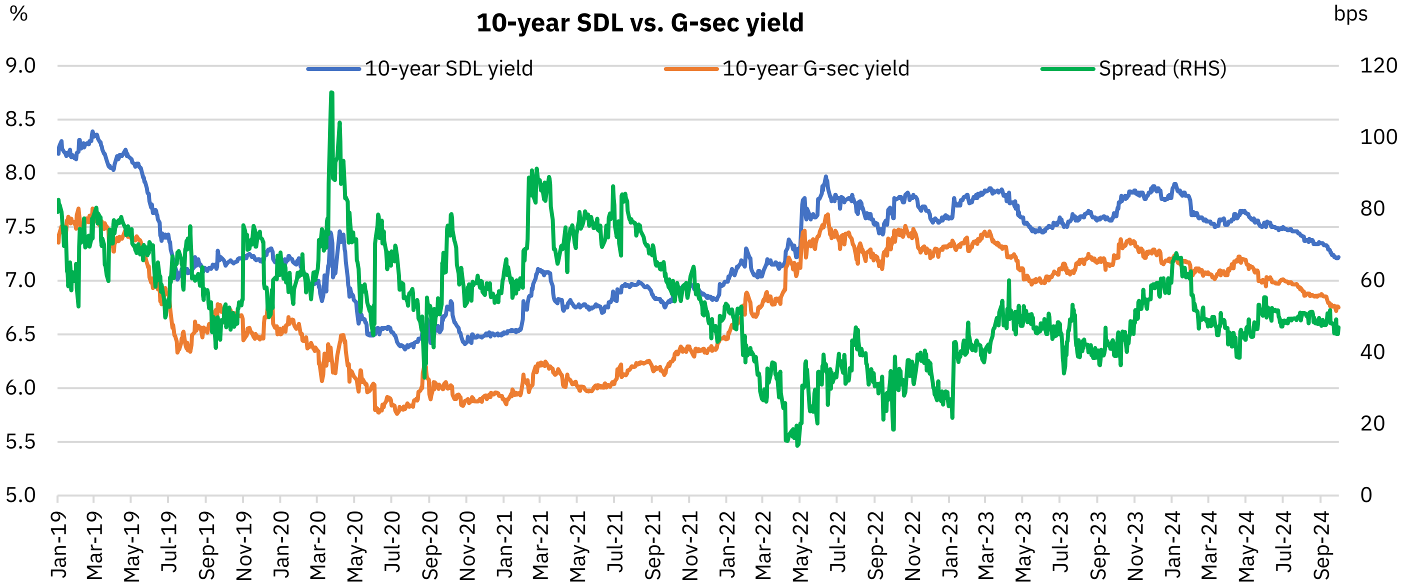
Figure 134: Inflation, yields and spreads in India vs. US



Source: LSEG Workspace, NSE EPR.

SDL spreads exhibit volatility: The month of September saw yields falling across SDLs and G-secs by 13bps and 11bps, aided by rate cut in the US. Despite the fall in yields, spreads exhibited some volatility, varying between 45 and 52bps in September. On the issuance front, while the Centre borrowed Rs 1.46 lakh crore on a gross basis vs. Rs 1.06 lakh crore in the previous month, state borrowings dropped marginally from Rs 89.1k crore in August to Rs 82.2k crore in September. For H1FY25, total centre and state borrowings stood at Rs 7.4 lakh crore and Rs 3.9 lakh crore respectively, nearly 15.9% and 7.7% lower than the amount issued in the same period last year.

Figure 135: Spreads between 10-year SDL and G-sec yields

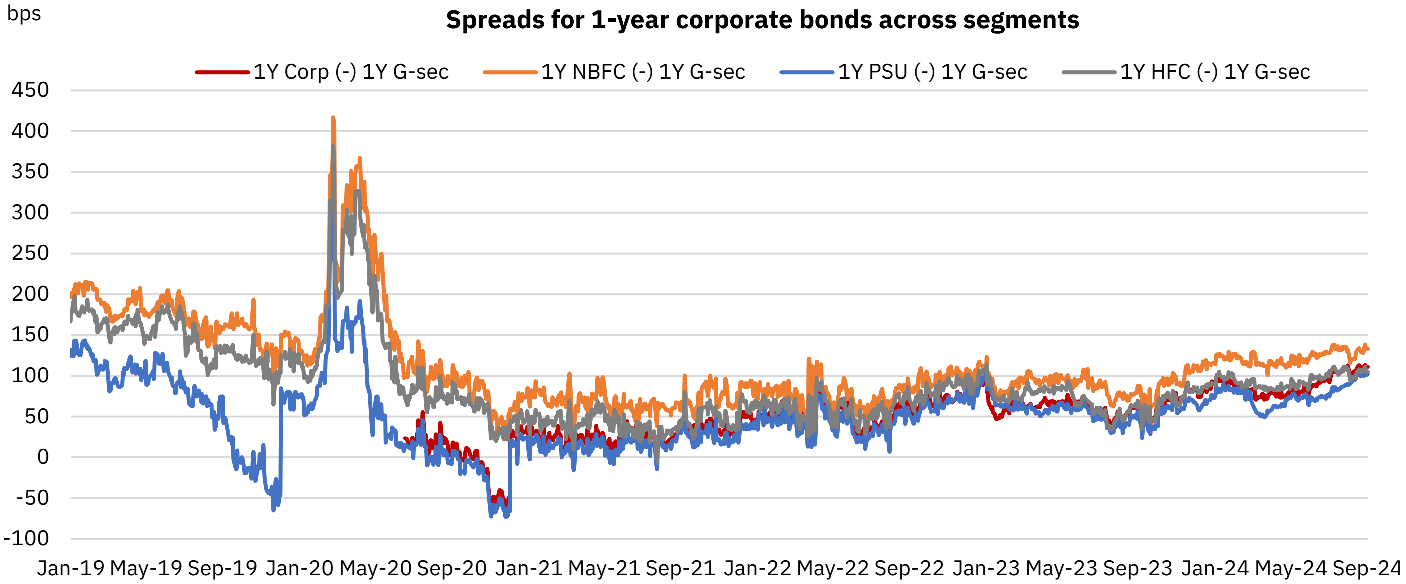


Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Corporate bond market performance

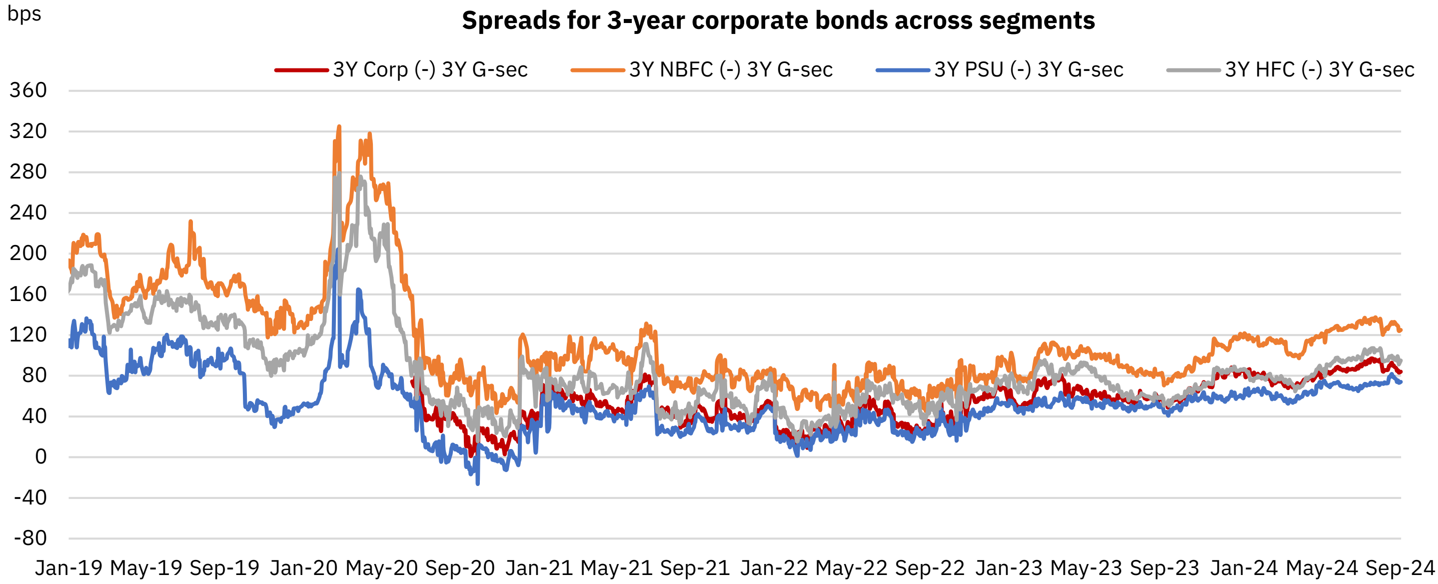
In line with sovereign yields, corporate yields also eased in September, albeit at a slower pace, continuing the trend seen over the last few months, echoing the trend seen globally. On the issuances front, September saw the corporate borrowing increased to Rs 1.29 lakh crore as compared to Rs 79.9k crore in August, putting an upward pressure on yields. The rise in credit spreads was more prominent in the shorter tenor where the government yields fell faster while the long-end spreads remained rangebound.

Figure 136: Spreads for one-year AAA-rated corporate bonds across segments



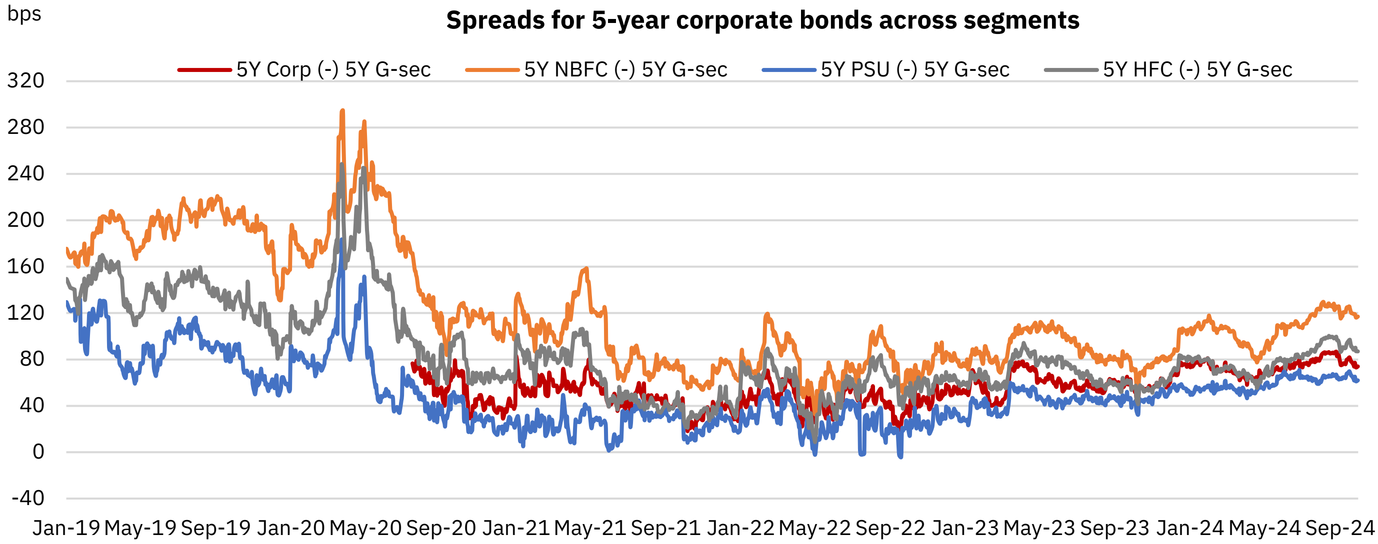
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Figure 137: Spreads for three-year AAA-rated corporate bonds across segments



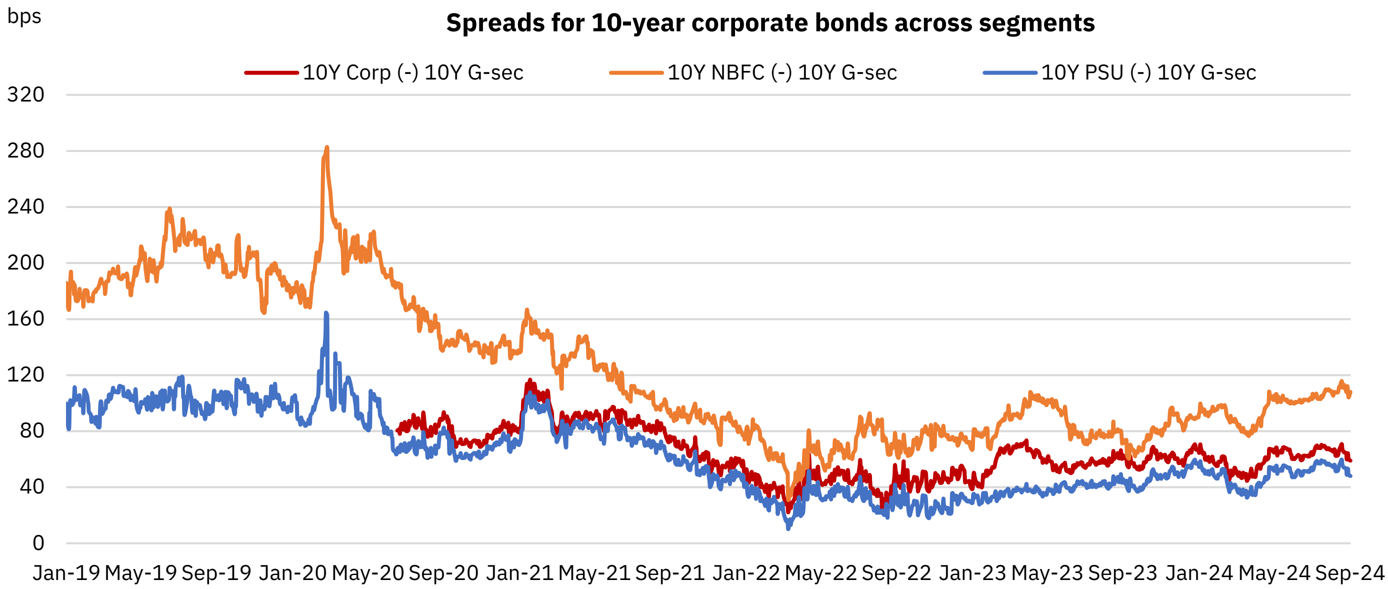
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Figure 138: Spreads for five-year AAA-rated corporate bonds across segments



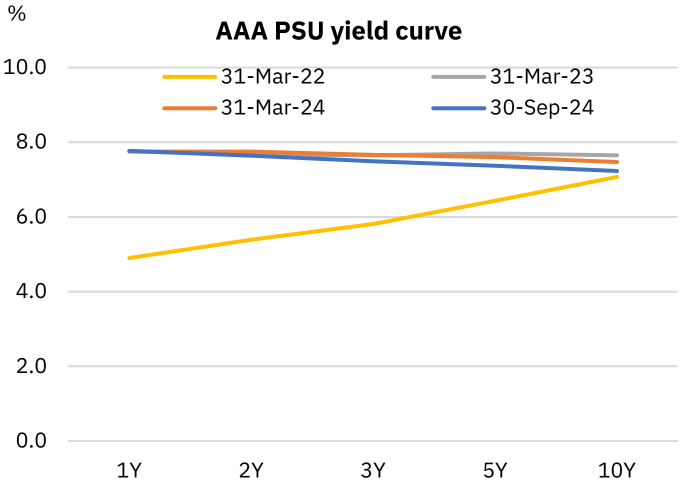
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

Figure 139: Spreads for 10-year AAA-rated corporate bonds across segments



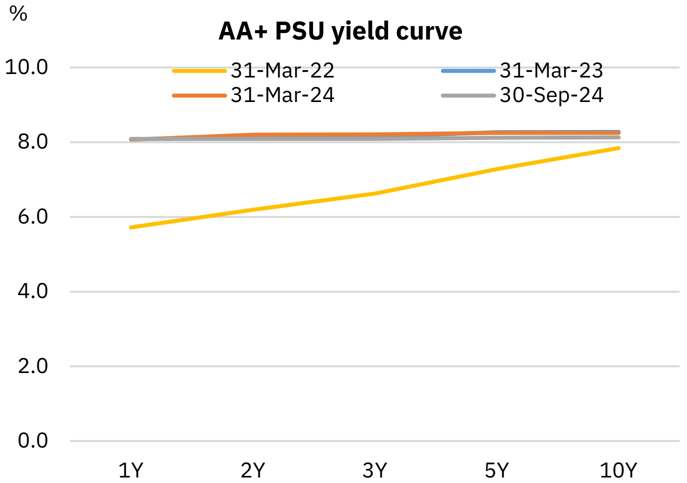
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 140: AAA-rated corporate bond yield curve



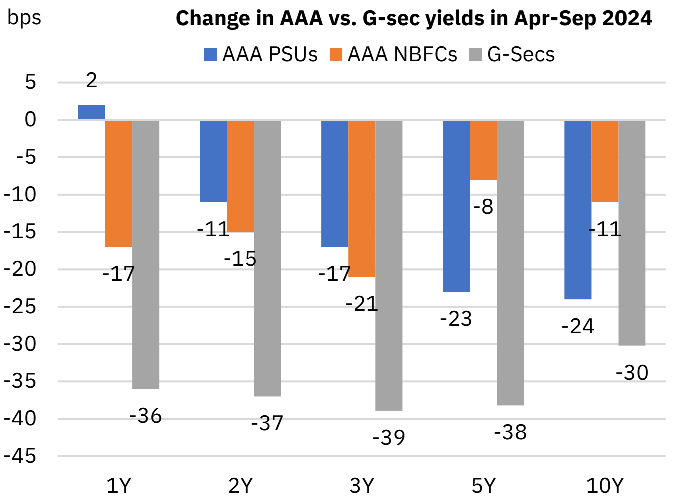
Source: NSE Data and Analytics (NDAL)

Figure 141: AA+ rated corporate bond yield curve



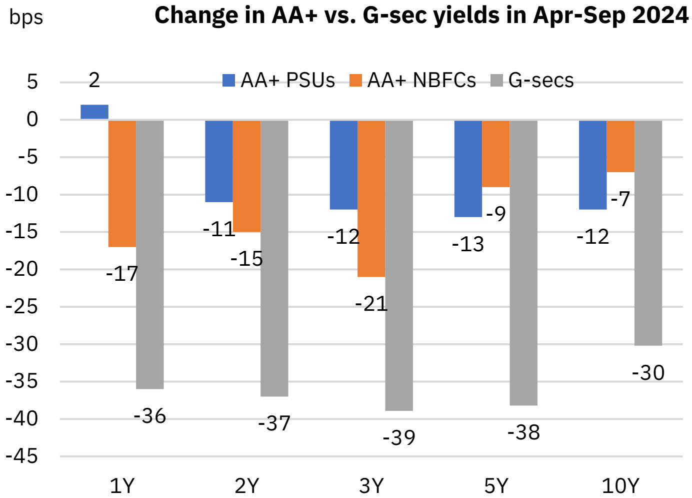
Source: NSE Data and Analytics (NDAL)

Figure 142: Change in AAA corporate bond and G-sec yields in FY25 till date



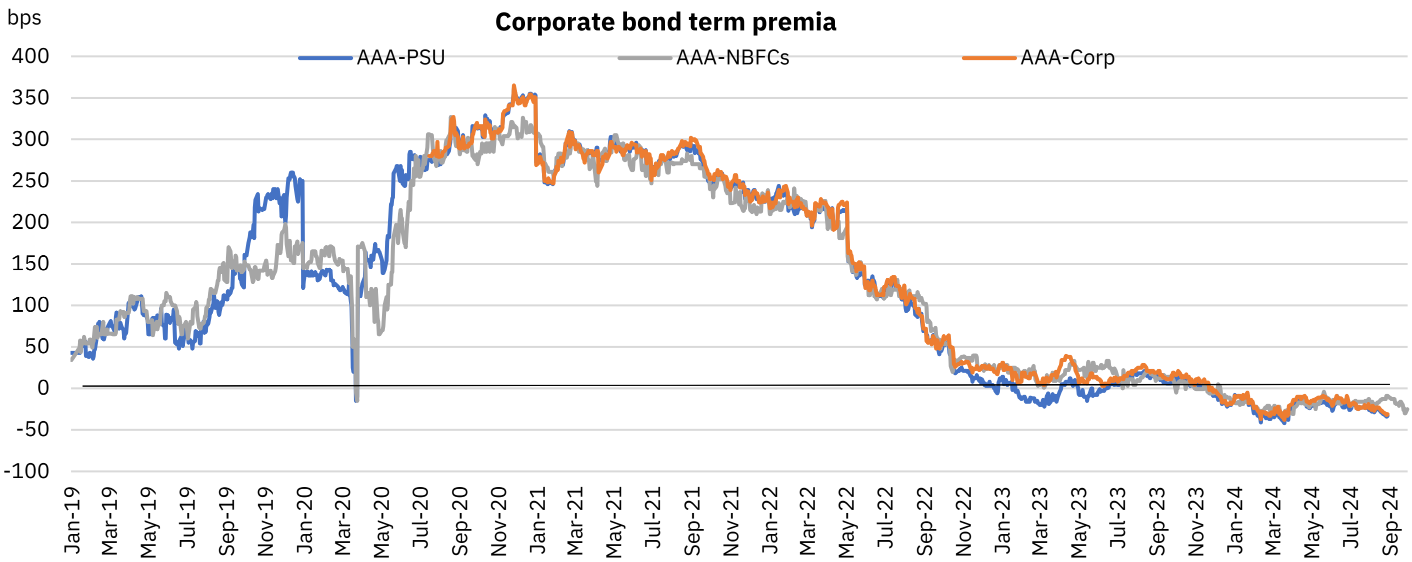
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 143: Change in AA+ corporate bond and G-sec bond yields in FY25 till date



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

Figure 144: Corporate bond term premia between 10-year and 1-year yields



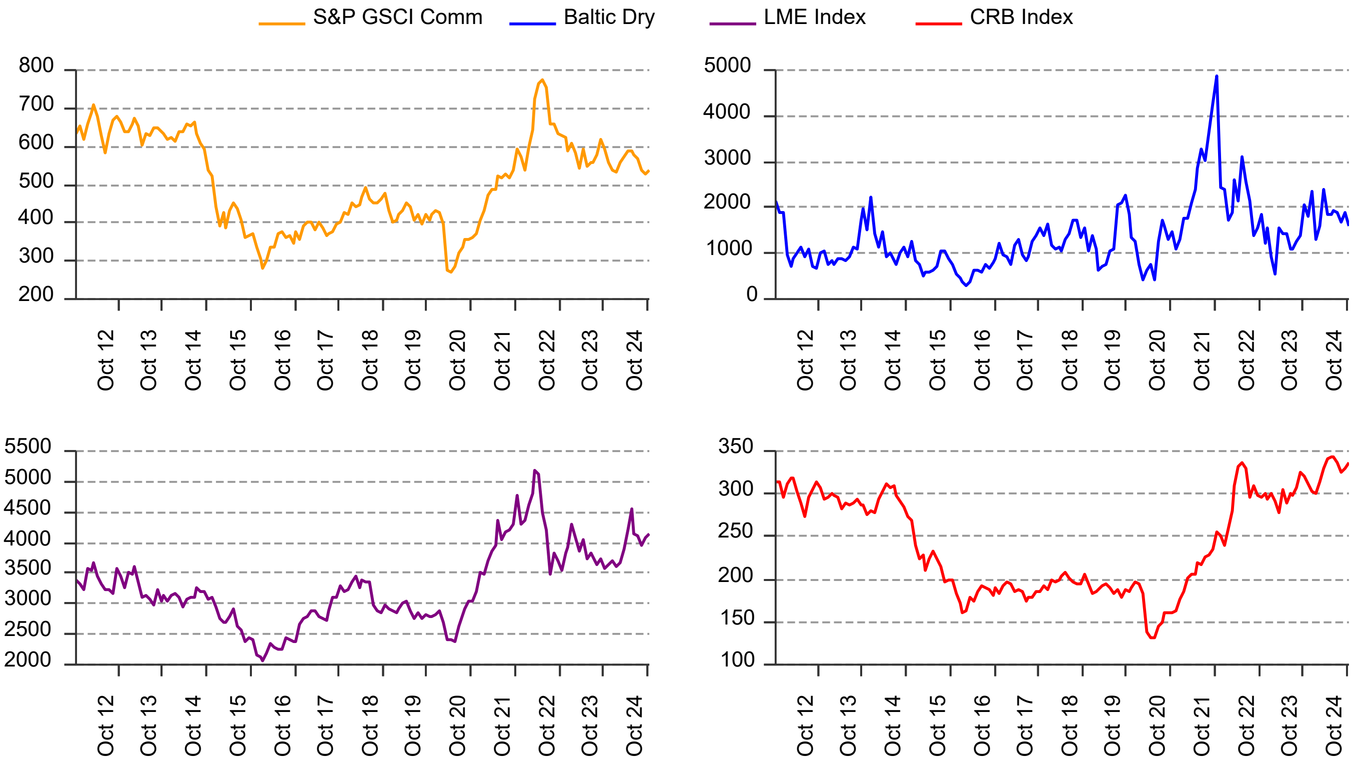
Source: NSE Data and Analytics (NDAL), NSE EPR.

Commodity market performance

Decline in brent crude prices in September offset by an uptick in other commodity categories: The S&P GSCI Index—a composite commodity index—fell for the third month in a row, by 0.7% MoM in September. This translated into a total drop of 7.9% in the third quarter of 2024, almost entirely wiping out the gains seen in the first half of the year. The decline in September was entirely led by a steep 8.8% MoM drop in crude oil prices (brent) amid growth concerns, with the trend partly reversing in October due to heightened tensions in the Middle East. Other commodity categories, however, witnessed a broad-based increase last month, aided by the announcement of stimulus measures in China. Within industrial metals, gains were led by iron ore (+10.2% in Sep'24), Aluminium (+7.6%) and Zinc (+7.4%). Precious metals also continued to rally, with Gold, Silver and Platinum prices witnessing a pickup of 5.1%, 8% and 4.8% respectively in September. Notably, Gold and Silver prices have been the best performing commodities this year, rising by 29% and 33% in 2024 thus far (As of October 16th, 2024). On the agri side, weather-related disruptions, particularly the spell of hot weather in the US and persistence of drought-like conditions in Brazil, imparted upward pressure on agri commodity prices, led by Sugar (+14.3% in September) and Corn (+12%).

Figure 145: Movement in key commodity indices

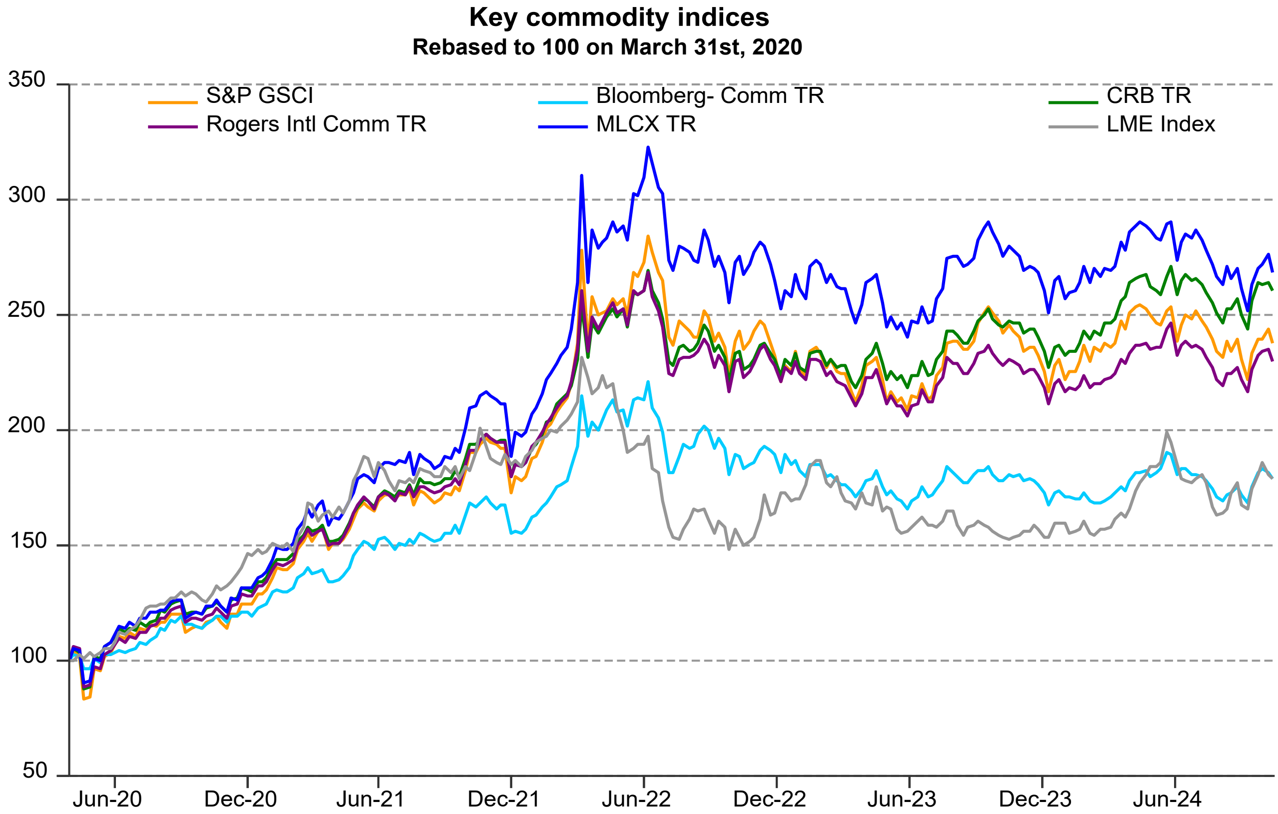
(As on October 16th, 2024)



Source: LSEG Workspace, NSE EPR.

Figure 146: Movement in key commodity indices since 2020

Rebased to 100 on March 31st, 2020 (As of October 16th, 2024)

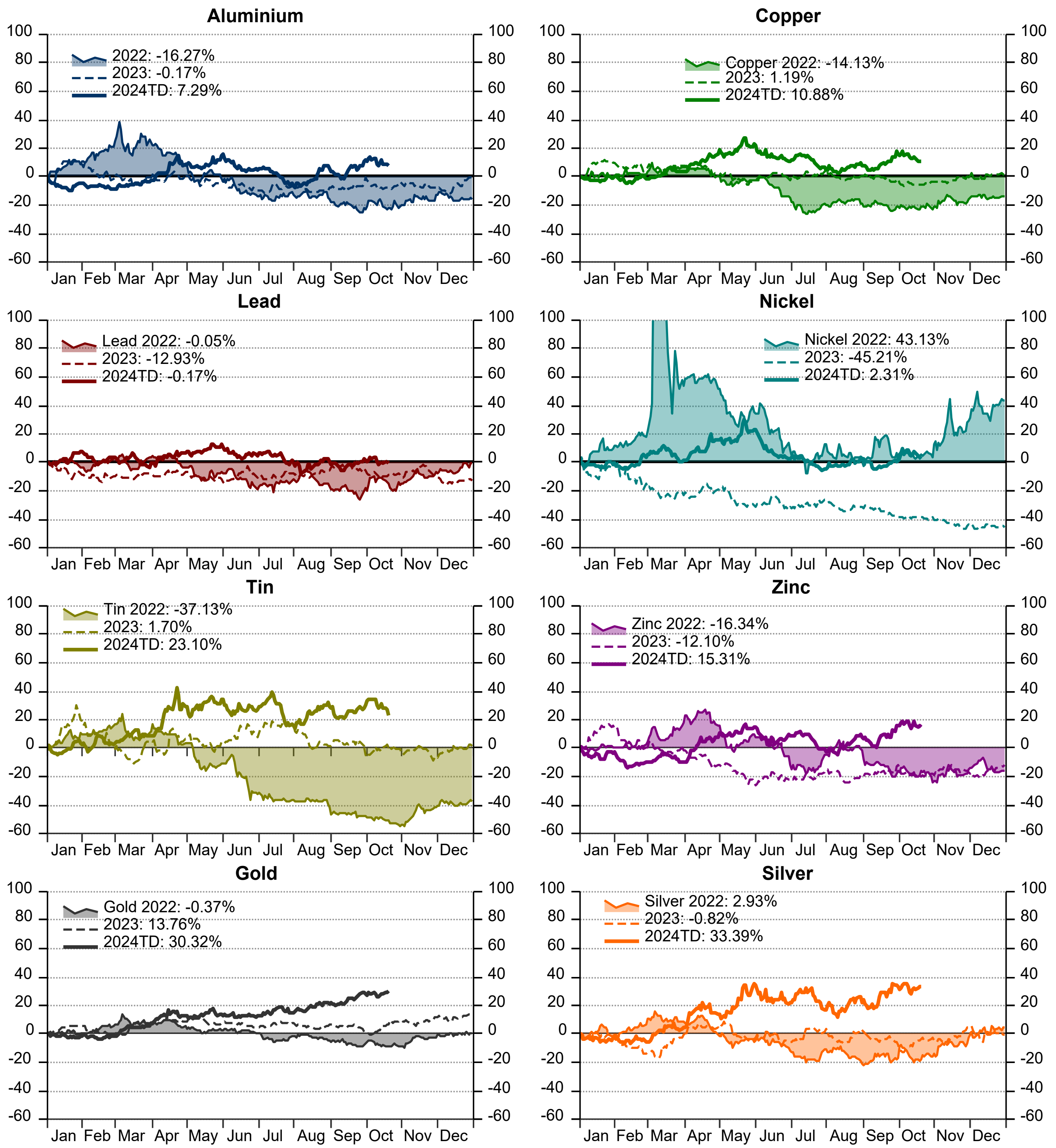


Source: LSEG Workspace, NSE EPR.

Figure 147: Returns of key hard commodities in 2022, 2023 and 2024 till date

(As of October 16th, 2024)

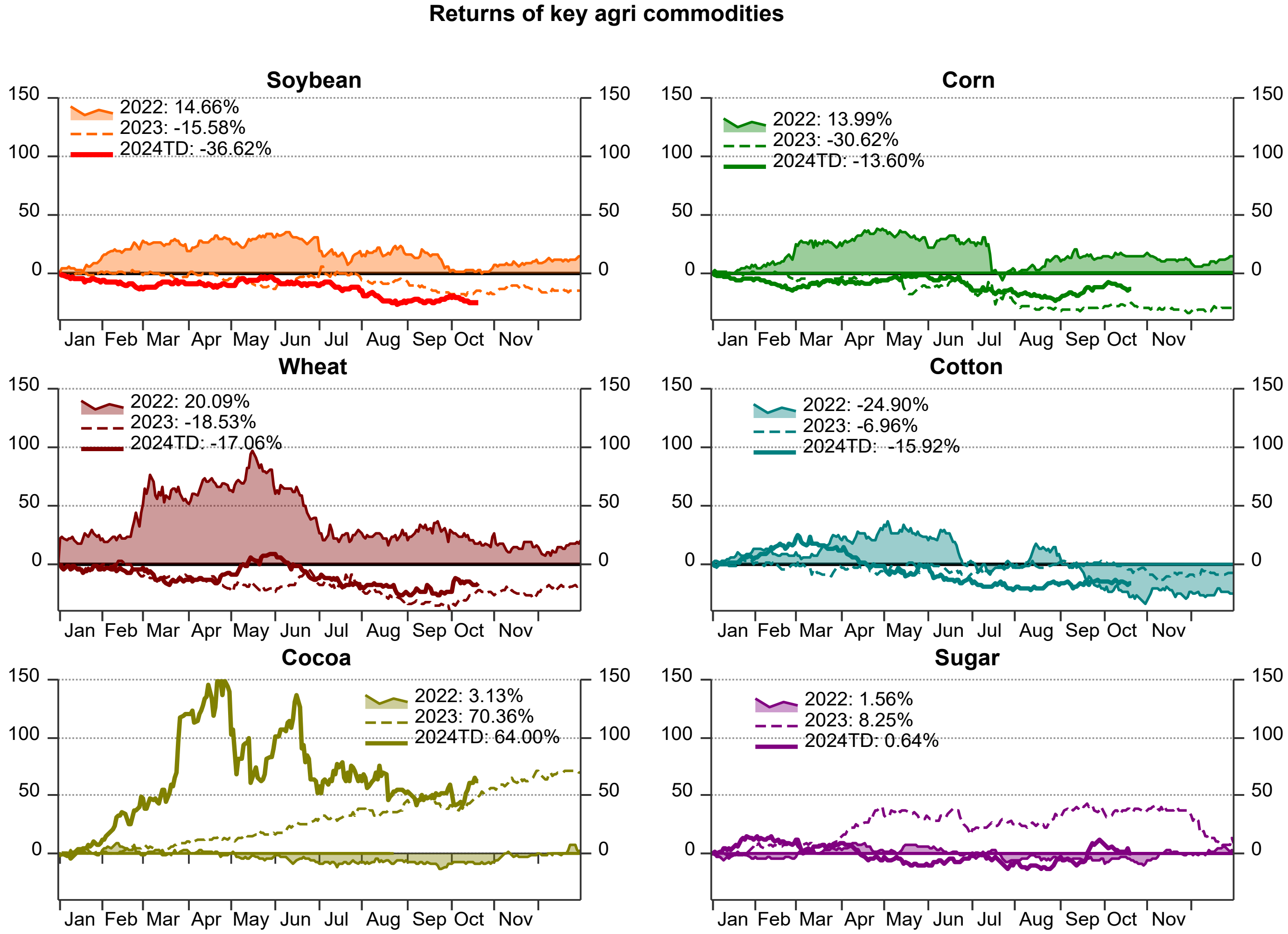
Returns of key hard commodities



Source: LSEG Workspace, NSE EPR.

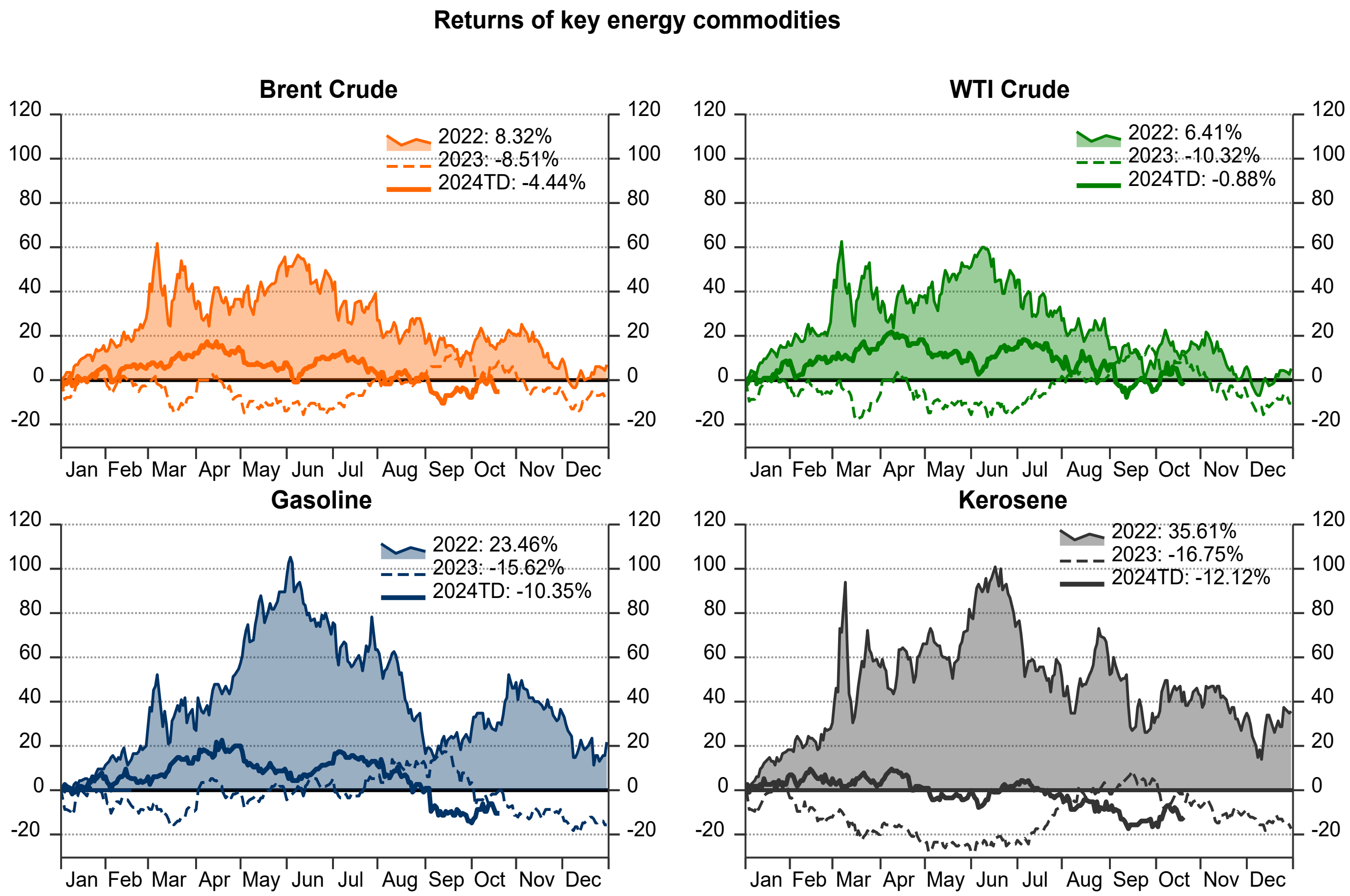
Figure 148: Returns of key agricultural commodities in 2022, 2023 and 2024 till date

(As of October 16th, 2024)



Source: LSEG Workspace, NSE EPR.

Figure 149: Returns of key energy commodities in 2022, 2023 and 2024 till date
(As of October 16th, 2024)



Source: LSEG Workspace, NSE EPR.

Table 37: Annual performance across commodities

(As of October 16th, 2024)

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024TD
Palladium 13.3	Lead -2.5	Zinc 60.6	Palladium 57.6	Palladium 19.6	Palladium 52.0	Silver 47.8	Tin 91.7	Nickel 43.1	Gold 13.8	Silver 33.4
Nickel 9.0	Gold -10.5	Brent Crude 54.5	Aluminium 32.4	Gold -1.7	WTI 35.3	Copper 26.0	WTI 55.8	Brent Crude 8.3	Tin 1.7	Gold 30.3
Zinc 5.6	Silver -11.8	Tin 45.3	Copper 30.5	Tin -2.9	Nickel 31.6	Gold 24.8	Brent Crude 51.1	Platinum 7.5	Copper 1.2	Tin 23.1
Aluminium 4.0	Aluminium -17.8	WTI 45.0	Zinc 30.5	Silver -8.6	Brent Crude 24.8	Palladium 22.0	Aluminium 42.2	Palladium 7.5	Aluminium -0.2	Zinc 15.3
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 10.9
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	Aluminium 7.3
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	Nickel 2.3
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 -0.2
Lead -15.9	WTI -30.5	Nickel 13.5	WTI 12.5	Lead -19.2	Aluminium -4.4	Platinum 10.0	Gold -4.0	Copper -14.1	WTI -10.4	Platinum -0.7
Silver -19.3	Palladium -31.6	Lead 11.3	Silver 6.4	Brent Crude -20.2	Lead -4.7	Lead 3.3	Platinum -10.2	Aluminium -16.3	Zinc -12.1	Palladium -0.7
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	WTI -0.9
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	Brent Crude -4.4

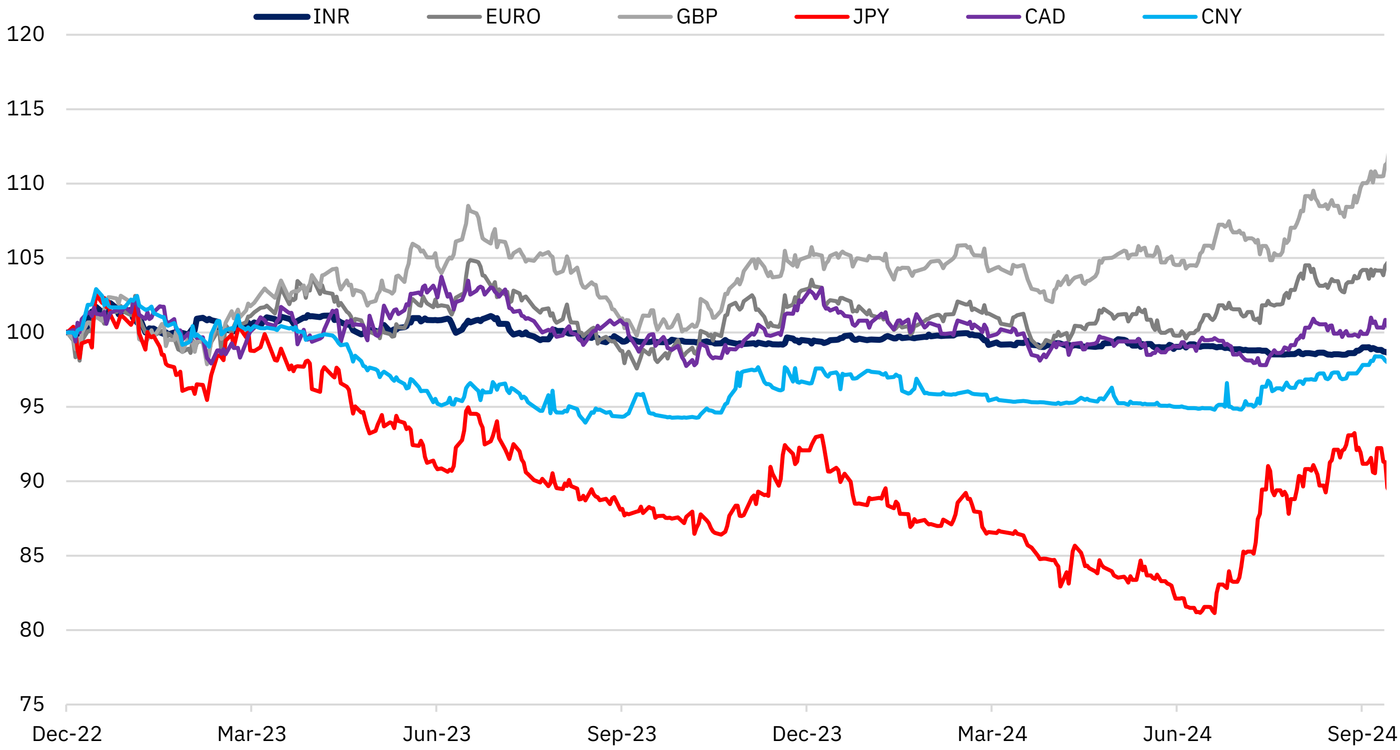
Source: LSEG Workspace, NSE EPR.

Currency market performance

INR leaps 84-mark, despite modestly appreciating in Sep'24: The rupee ended the month of September marginally higher (+0.1% MoM against the greenback), thanks to the weakening dollar index (-1% MoM), softening energy prices (-7% MoM), and strong FPI inflows into equities, aided by rate cut expectations in the US. However, the appreciation was tempered by heightened dollar demand from banks and importers, largely due to quarter-end phenomena. In fact, the INR dropped to its lifetime low of 84.1 against the US dollar on October 11th, weighed down by strong dollar demand from foreign banks, concerns about potential rise in oil prices owing to rising geopolitical tensions, record-high FPI selling in October, and weakness in regional peers as the US dollar rise. Notably, the RBI's foreign exchange reserves reached a new high of US$701.2 bn as of October 4th, 2024, reflecting an increase of US$194.9 m since August. Against the backdrop of a softer dollar, led by the Fed's rate cut on September 18th and anticipations of further reductions, major global currencies strengthened against the greenback last month.

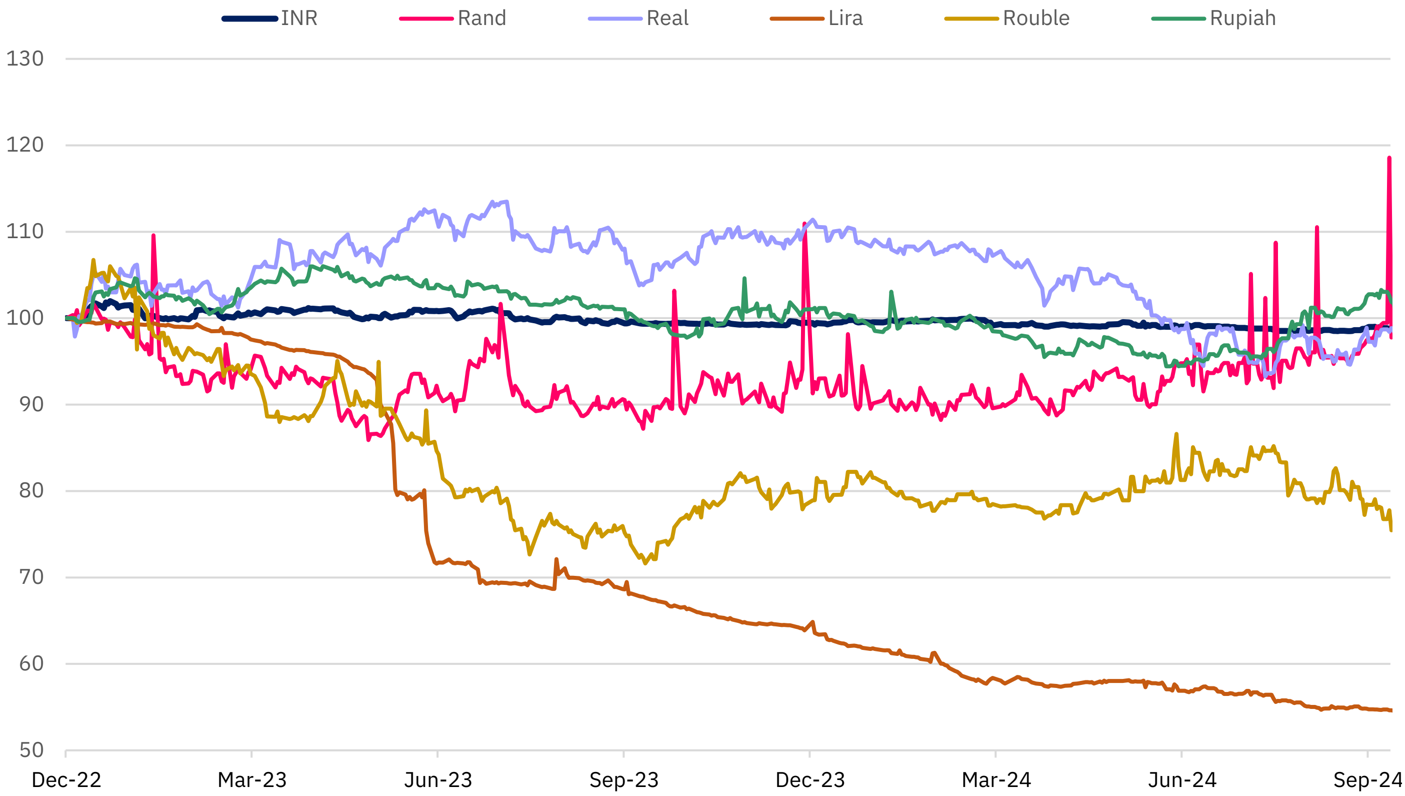
Among major currencies, the Pound Sterling led the pack (+1.9% MoM), closely followed by the Japanese Yen (+1.8% MoM), Chinese Yuan (+1% MoM), and Euro (+0.8% MoM). The Canadian Dollar bucked the trend, depreciating (-0.2% MoM). In emerging markets, the South African Rand witnessed a staggering appreciation (+24.2% MoM) due to favorable economic data and reduced political risk, followed by the Brazilian Real (+2.9% MoM) and Indonesian Rupiah (+2.3% MoM). However, the Russian Rouble (-2.6% MoM) and Turkish Lira (-0.4% MoM) depreciated during the same period.

Figure 150: Movement in INR vs. major DM currencies since beginning of 2023
(Rebased to 100 on December 30th, 2022)



Source: Cogencis, NSE EPR.

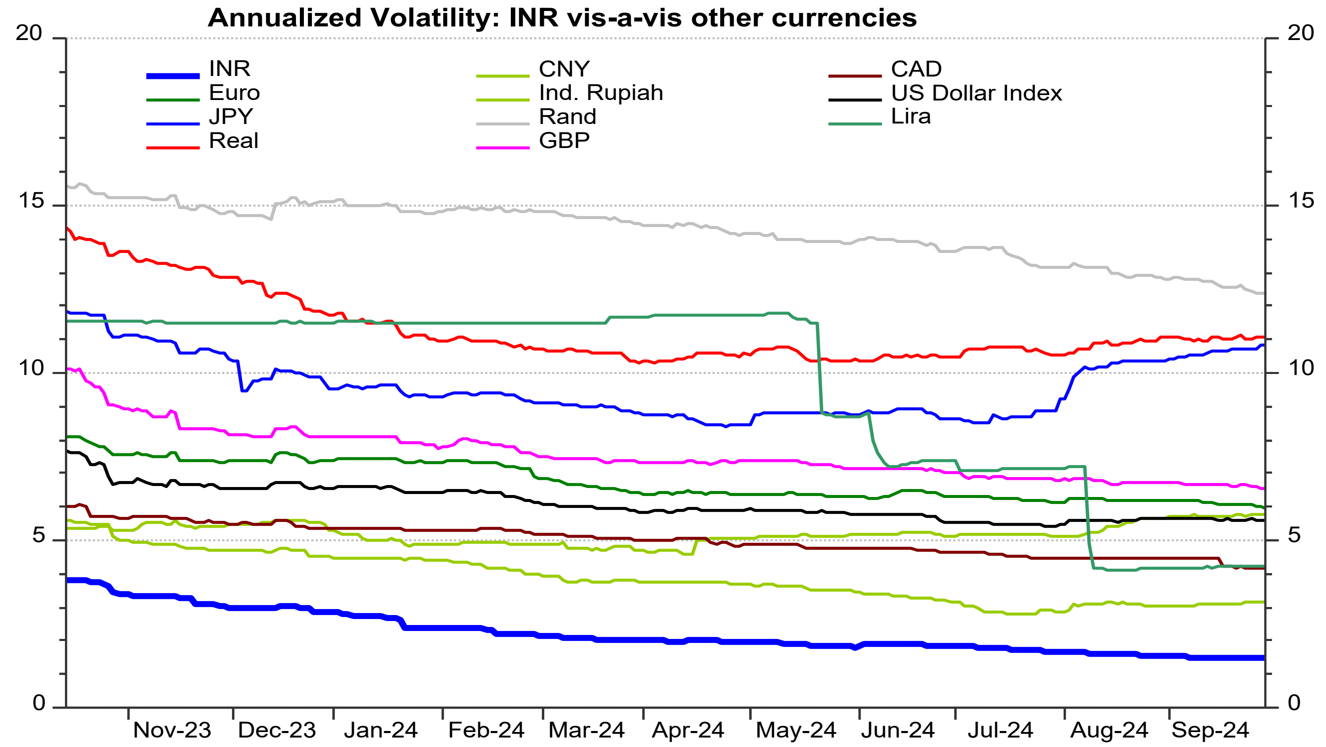
Figure 151: Movement in INR vs. major EM currencies since the beginning of 2023
(Rebased to 100 on December 30th, 2022)



Source: Cogencis, NSE EPR.

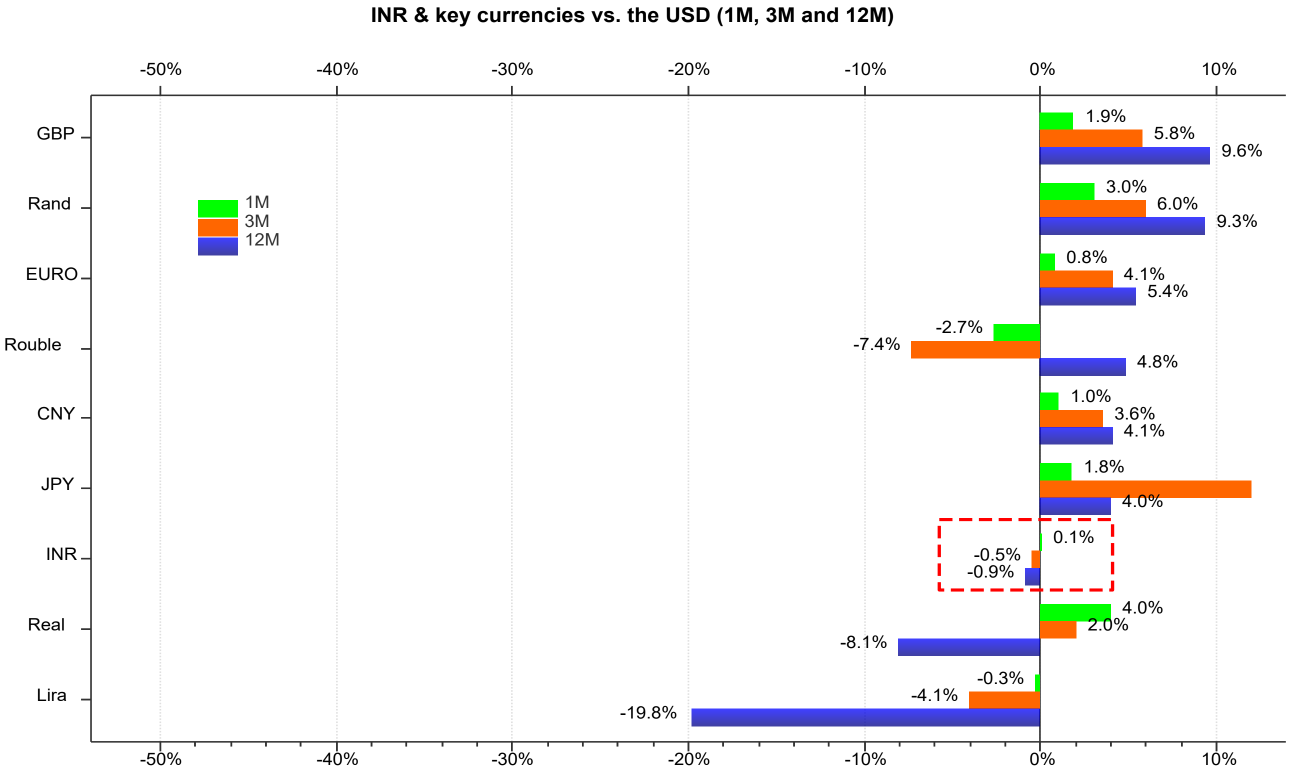
INR volatility continues to decline and remains the lowest among peers: Notwithstanding the weakening trend of the rupee amid escalating geopolitical tensions in the middle east, the annualized average volatility of INR continued its downward trajectory, remaining the lowest among peers at approximately 1.5% (vs 1.6% in Aug'24). Among major EM peers, the Russian Rouble exhibited the highest volatility at 14.7%, followed by the South African Rand at 12.7%, Brazilian Real at 11%, Indonesian Rupiah at 5.7%, Turkish Lira at 4.2%, and Chinese Yuan at 3.1%. In the developed markets, the Japanese Yen led with 10.6% average annualized volatility, followed by the Pound Sterling at 6.7%, Euro at 6.1%, and Canadian Dollar at 4.3%. This divergence in volatility across markets occurred amid expectations of global monetary easing and cooling inflation, with the INR's stability highlighting India's robust macroeconomic fundamentals and effective RBI forex management.

Figure 152: Annualized volatility of INR vs other developed and EM currencies



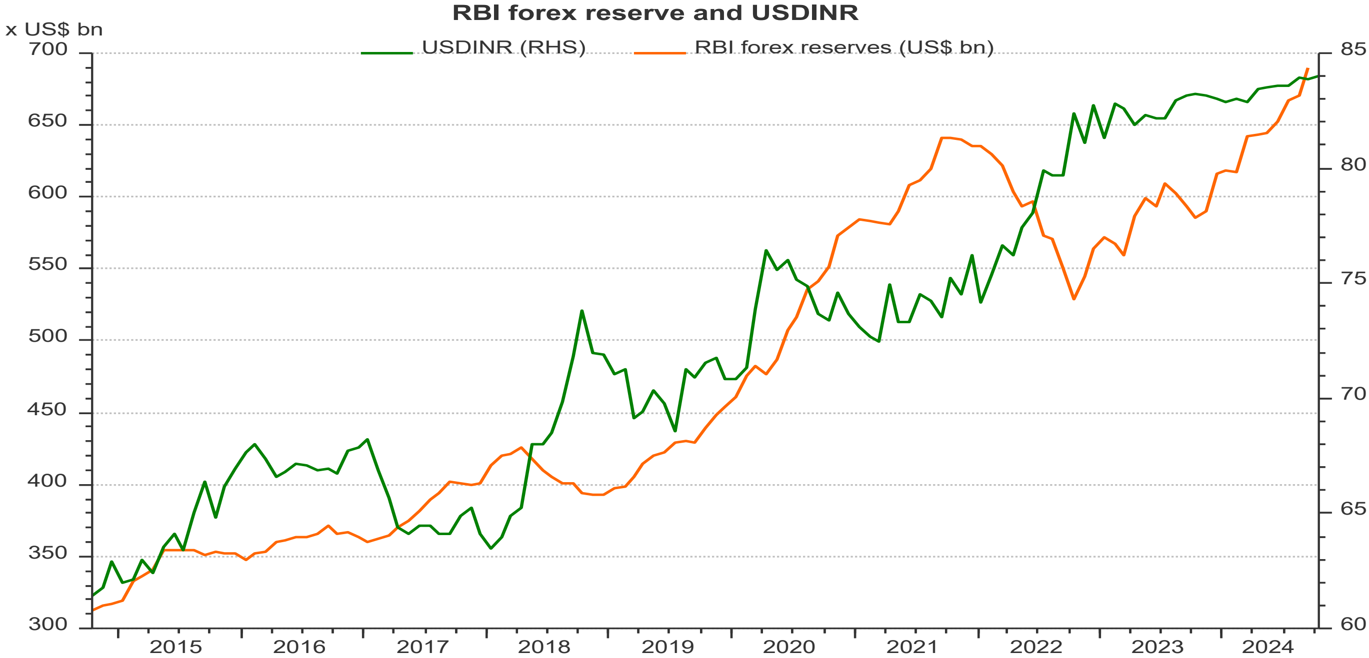
Source: LSEG Workspace, NSE EPR.

Figure 153: Change in INR vs other major currencies (as on September 30th, 2024)



Source: LSEG Workspace, NSE EPR.

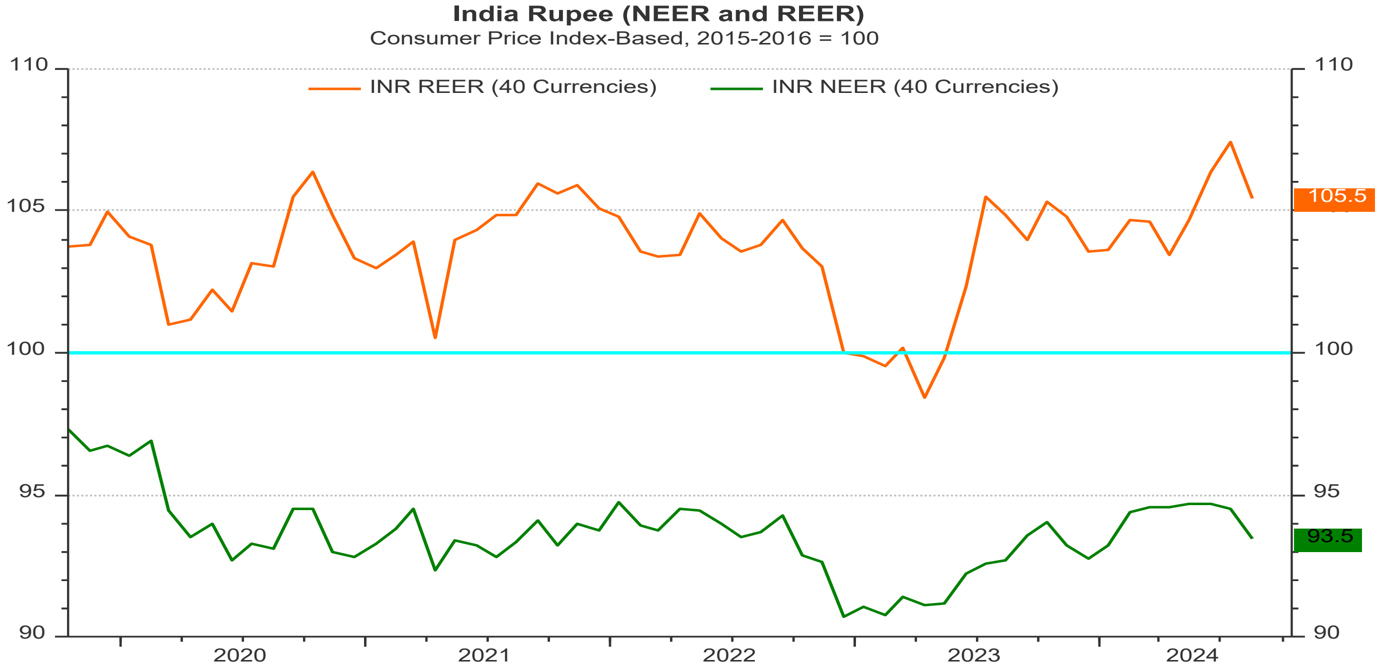
Figure 154: RBI forex reserves and USDINR



Source: LSEG Workspace, NSE EPR.

REER and NEER trends diverge as INR sustains an overvaluation streak in Aug'24: The rupee maintained its overvaluation for the 15th consecutive month in August, as depicted by the Real Effective Exchange Rate (REER) against a basket of 40 currencies. The REER witnessed a gradual increase, rising from 104.9 in Aug'23 to 105.5 in Aug'24. Concurrently, the Nominal Effective Exchange Rate (NEER) experienced a notable decline, dropping by 1pp to 93.5. The divergence between REER and NEER trajectories underscores the persistent overvaluation pressures, as sustained REER elevation suggests that the INR's real value continues to outpace its nominal depreciation, potentially impacting trade balance.

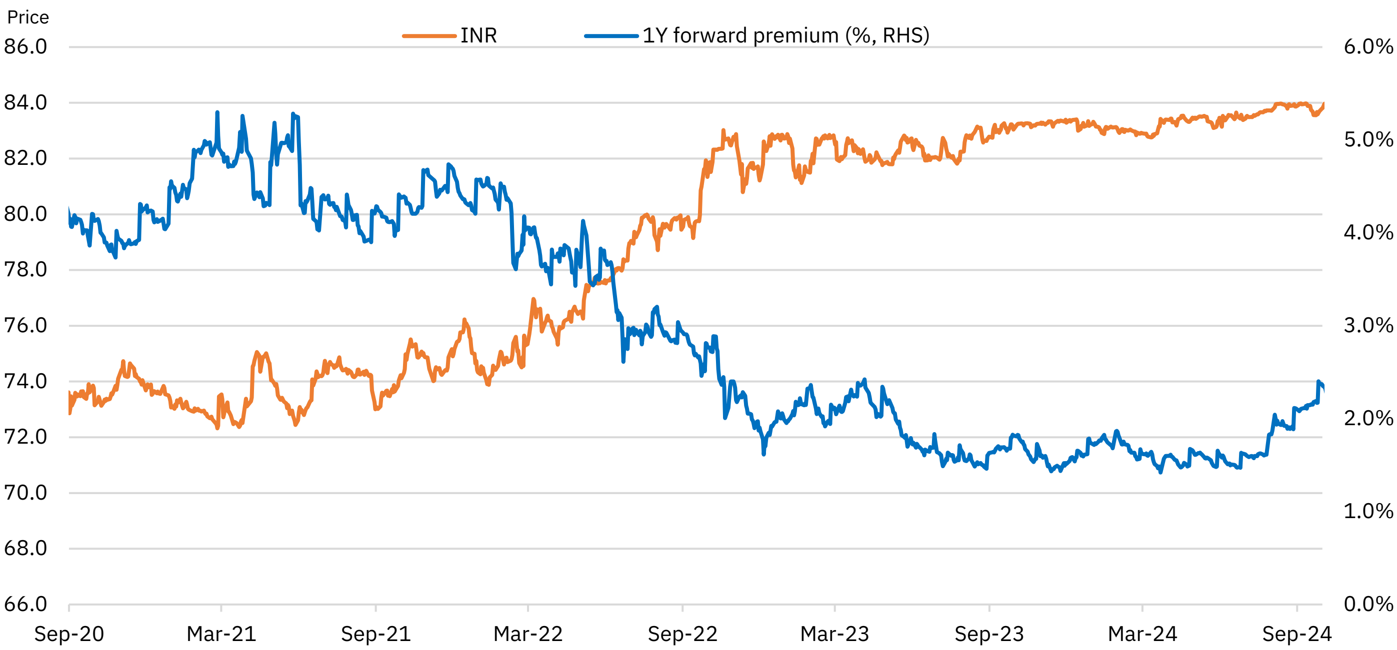
Figure 155: Real and nominal effective exchange rates of INR



Source: LSEG Workspace, NSE EPR

One-year forward premium rises amid global monetary easing cycle: Notwithstanding the fed cut and global monetary easing cycle, the one-year forward premium for the INR climbed 26 bps to a 16-month high of 2.4% in Sep'24 (vs 2.1% in Aug'24), largely driven by the increasing trade deficit with China, followed by Chinese stimulus announcement. The current premium, while elevated, remains below the post-pandemic peak of 5.3%, highlighting India's robust macroeconomic fundamentals. The one-year forward premium fluctuated within a range of 174.7 paise to 201 paise, closing at 198.7 paise against the greenback in the preceding month.

Figure 156: USDINR and 1-year forward premium



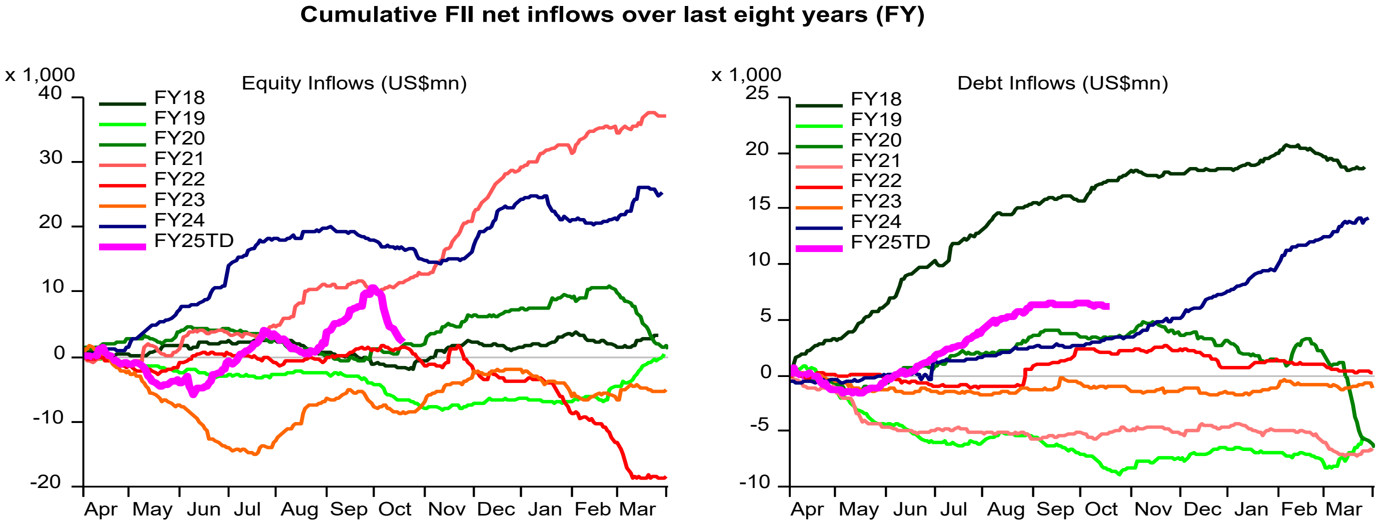
Source: Cogencis, NSE EPR.

Institutional flows across market segments in India

Strong FPI buying in September more than reversed in October: FPIs were buyers of Indian equities for the fourth month in a row, with net inflows of US$6.9bn in September—the highest since January 2024. Resilient domestic economic landscape apart, strengthening expectations of rate cut in the US which actually materialized during the month resulted in renewed risk-on sentiments. The trend, however, reversed in October, as heightened geopolitical tensions, coupled with stretched domestic equity valuations, enticed foreign investors to book some money off the table. In fact, part of this money found its way into Chinese markets, where cheap valuations and the recent stimulus package brought investor interest back. For instance, as per the Institute of International Finance, China accounted for over 86% of the US$28bn portfolio flows into emerging markets in September. FPIs have pulled out net investments worth US$8.4bn in October thus far (As of October 17th), marking the highest ever outflows in a month, resulting in the total inflows in fiscal till date falling to mere US$2.3bn.

FPIs trimmed purchases in debt market in September: After steady buying in the previous four months, thanks to the inclusion of Indian sovereign debt in global bond indices, FPIs trimmed their purchases in the debt market in September, with modest net inflows of US$155m. Rate cut in the US, followed by expectations of more this year, and consequently widening of interest rate differential weighed on investor sentiments. This has translated into net FPI inflows of US$6.5bn in Indian debt markets in the first half of the fiscal.

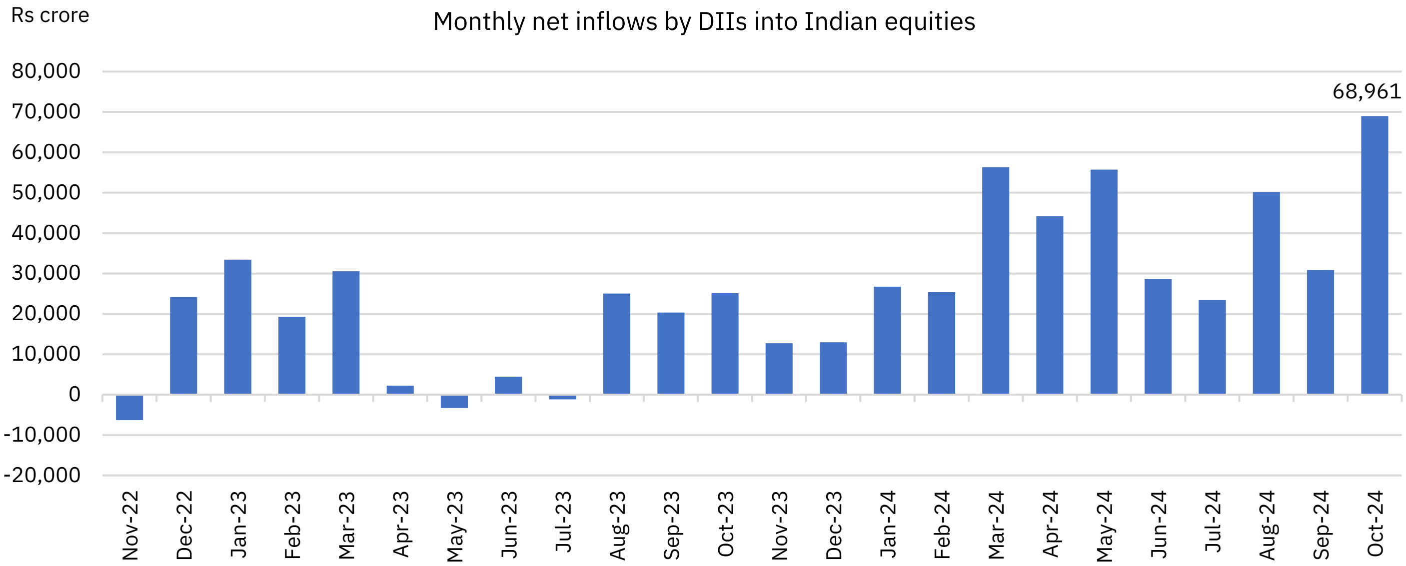
Figure 157: Net inflows by FIIs in Indian equity and debt markets



Source: LSEG Workspace, NSE EPR.

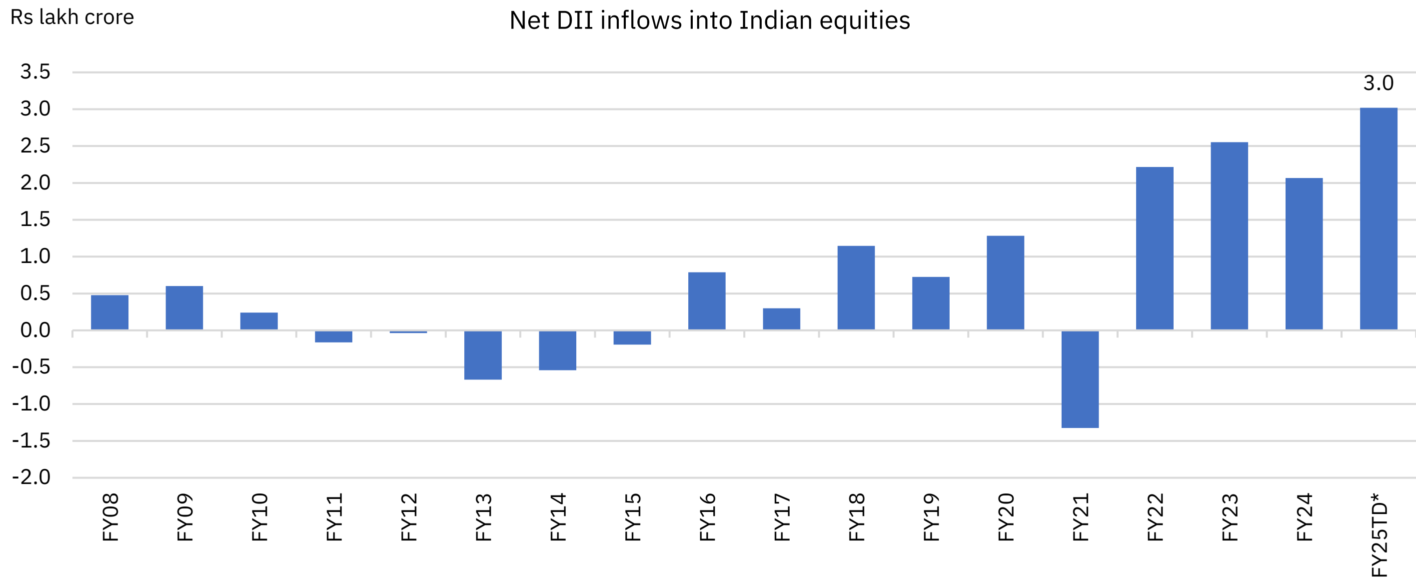
DIIs remained robust buyers of Indian equities: Even as the buying momentum eased September, DIIs recorded strong inflows of Rs 30,857 crore (US$3.7bn) during the month. As per media reports, mutual funds were sitting on a cash of Rs 1.9 lakh crore or 5% of the AUM in September, which while declining from 5.2% in August remained high, signaling caution in the light of stretched market valuations. The market correction in October, however, provided an opportunity for mutual funds to invest again. This is reflected in a surge in net domestic institutional investments this month, with DIIs investing a net amount of Rs 68,961 crore as of October 17th, the highest ever net inflows in a month. This, in turn, provided a crucial support to the Indian market amid heavy FPI sell-off. In fact, October marked the 15th consecutive month of positive net investments by DIIs, translating into net inflows of Rs 3.0 lakh crore (As of October 17th, 2024). This is nearly 50% higher than total net inflows throughout the whole of FY24 and is the highest ever net inflows witnessed during this period.

Figure 158: Monthly net inflows by DIIs in Indian equity markets



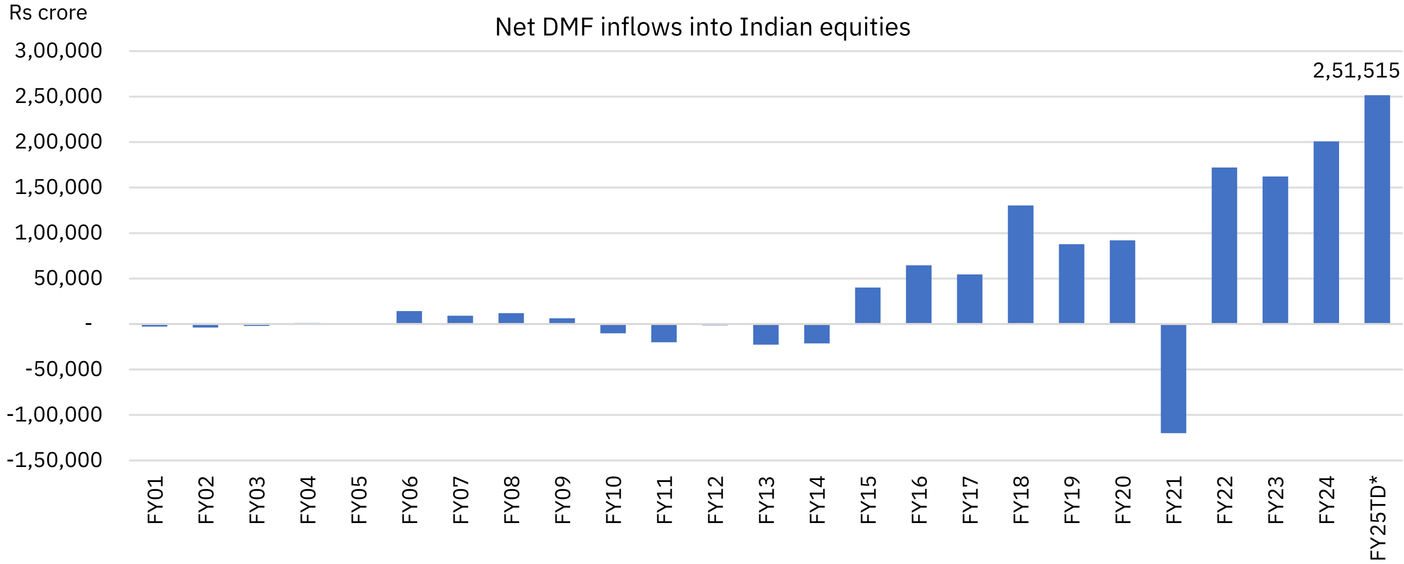
Source: LSEG Workspace, NSE EPR. Data for October is as of October 17th, 2024

Figure 159: Annual net inflows by DIIs in Indian equity markets



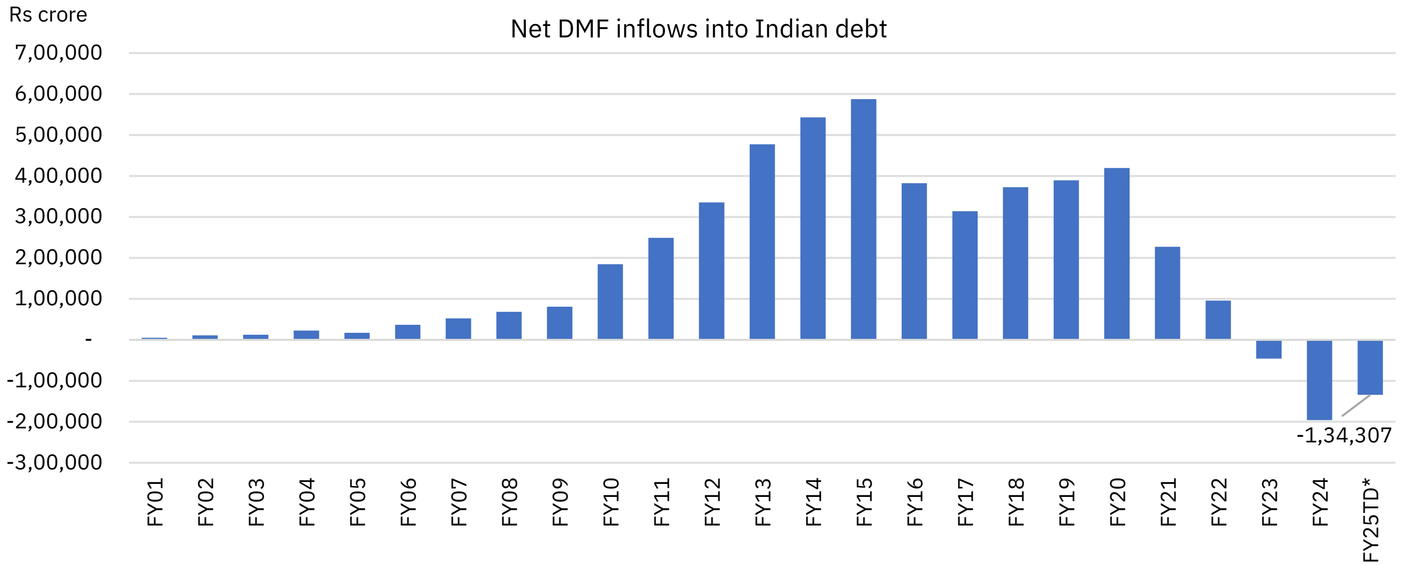
Source: LSEG Workspace, NSE EPR. *Data for FY25TD is as of October 17th, 2024.

Figure 160: Annual net inflows by domestic mutual funds in Indian equity markets



Source: CMIE Economic Outlook, NSE EPR. *Data for FY25TD is as of October 15th, 2024.

Figure 161: Annual net inflows by domestic mutual funds in Indian debt markets



Source: CMIE Economic Outlook, NSE EPR. *Data for FY25TD is as of October 15th, 2024.

Primary markets

Market Statistics: Fund mobilisation

Monthly capital raising through the primary markets remains robust in September 2024: The overall fund mobilization through equity and debt exhibited a substantial rise, reaching Rs 1.85 lakh crore in Sep'24. Within equity, mainboard IPO issuances in value terms increased 0.8% MoM to Rs 14,825 crore in September, of which 54% were through new equity issuances and the balance through offloading of shares by existing shareholders (OFS) during the month. Notably, capital raising through IPO issuances on the SME emerge platform grew by a remarkable 81% MoM to Rs 1,194 crore – the highest funds raised in a month on the NSE EMERGE platform – of which 95% were through new issuance of equity shares. Equity issuances through follow on offerings (FPO, Rights, Preferential and QIPs) jumped 50% MoM to Rs 23,993 crore in Sep'24. Overall debt raising increased 27.4% MoM to Rs 1.37 lakh crore.

Table 38: Fund mobilization through equity and debt for current Fiscal Year (Apr'24–Sep'24)

Segments (Rs crore)	Modes	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Equity (Main Board) - Primary markets	Fresh listing	430	3,413	777	3,113	8,954	8,018
	OFS	4,624	6,193	1,180	1,765	5,746	6,807
	Fresh listing + OFS	**5,055**	**9,606**	**1,957**	**4,878**	**14,700**	**14,825**
	FPO	18,000	-	-	-	-	-
	Rights	1,566	1,492	805	2,295	3,185	336
	Preferential allotment	6,260	23,914	6,068	3,731	593	4,977
	QIPs	11,472	3,040	2,750	13,699	12,033	18,333
Equity (SME) - Primary markets`	Fresh listing	538	405	380	873	653	1,140
	OFS	-	7	22	157	6	54
	Fresh listing + OFS	**538**	**411**	**402**	**1,030**	**659**	**1,194**
	FPO	-	-	-	150	-	-
	Rights	-	-	-	300	-	49
	Preferential allotment	50	49	105	103	149	148
	QIPs	-	-	25	-	-	150
Secondary markets	OFS	-	-	82	806	4,908	8,667
Total equity raised		**42,940**	**38,513**	**12,193**	**26,993**	**36,227**	**48,678**
InvITS	Fresh listing	-	-	-	-	-	
	Rights	-	-	-	-	-	-
	Preferential allotment	-	-	501	-	400	-
	QIPs	-	-	-	-	-	-
REITs	Fresh listing	-	-	-	-	-	-
	Rights	-	-	-	-	-	-
	Preferential allotment	-	-	1,228	-	-	-
	QIPs	-	-	-	-	-	-
Total business trusts raised		**-**	**-**	**1,729**	**-**	**400**	
Debt	CPs	43,362	69,915	90,408	49,218	54,424	62,735
	NCDs (Private)	15,950	30,966	42,209	64,565	53,288	73,470
	NCDs (Public)	-	1,000	334	-	-	996
Total debt raised		**59,313**	**1,01,881**	**1,32,951**	**1,13,782**	**1,07,712**	**1,37,201**
Total fund mobilization		**1,02,253**	**1,40,394**	**1,46,874**	**1,40,775**	**1,44,339**	**1,85,879**

Source: NSE EPR
Note: Debt issuances include reissuances.

In the first half of FY25, the overall capital raising though equity issuances increased to Rs 2.05 lakh crore, already surpassing the amount issued in the whole of last fiscal year. The share of funds raised through fresh listing as proportion of overall funds raised through IPO has been steadily rising from 37% in FY22 to 52% in FY25 (As on September 30th, 2024). Notably, capital raising through follow on equity offering (FPO, Rights, Pref and QIPs) increased substantially on a YoY basis, with substantial contributions from both mainboard and SME equities.

Table 39: Annual trend of resource mobilization through equity and debts during the last four years

Segments (Rs crore)	Modes	FY22	FY23	FY24	FY25TD
Equity (Main Board) - Primary markets	Fresh listing	40,641	14,359	28,763	24,706
	OFS	70,979	38,080	32,611	26,316
	Fresh listing + OFS	**1,11,620**	**52,440**	**61,374**	**51,021**
	FPO	-	4,300	-	18,000
	Rights	25,555	5,267	13,437	9,679
	Preferential allotment	57,883	80,952	34,549	45,544
	QIPs	31,441	8,212	66,891	61,327
Equity (SME) - Primary markets	Fresh listing	481	1,181	4,348	3,989
	OFS	23	149	273	245
	Fresh listing + OFS	**504**	**1,330**	**4,622**	**4,234**
	FPO	-	-	27	150
	Rights	355	149	120	349
	Preferential allotment	79	119	371	604
	QIPs	-	-	80	175
Secondary markets	OFS	14,210	11,033	21,769	14,462
Total equity raised		**2,41,646**	**1,63,803**	**2,03,239**	**2,05,545**
InvITs	Fresh listing	13,841	1,166	10,868	-
	Rights	1,284	-	5,629	-
	Preferential allotment	-	1,088	8,978	901
	QIPs	-	1,216	6,850	-
REITs	Fresh listing	-	-	3,200	-
	Rights	-	-	-	-
	Preferential allotment	950	-	400	1,228
	QIPs	-	-	2,305	-
Total business trusts raised		**16,075**	**3,470**	**38,230**	**2,129**
Debt	CPs	8,31,120	7,03,755	5,90,582	3,70,062
	NCDs (Private)	3,58,911	5,09,338	5,40,350	2,80,448
	NCDs (Public)	5,398	4,343	11,145	2,330
Total debt raised		**11,95,428**	**12,17,436**	**11,42,077**	**6,52,840**
Total fund mobilization		**14,53,148**	**13,84,709**	**13,83,547**	**8,60,514**

Source: NSE EPR.
Notes:
1.Debt issuances include reissuances.
2. FY25TD data is as of September 2024.

Allocation to RIIs in mainboard issuances increased in September 2024: In September 2024, equity share allocation to Retail Individual Investors (RIIs) touched Rs 4,934 crore or 33% of the total capital raised by 13 newly listing companies on the mainboard of the exchange. Notably, all the 13 new issuances were qualified under Regulation 6(1) of the SEBI ICDR Regulations, raising a total of Rs 14,825 crore during the month. Subsequently, the allocation to Qualified Institutional Buyers (QIBs) fell to 48% of the total allocations, from 78% of the previous month's allocation when 85% of the funds raised were under Regulation 6(2).

Under regulation 6(1), minimum allotment to Retail and NII is 35% and 15%, respectively, and allotment to QIB is capped at 50%.

Under regulation 6(2), maximum allotment to Retail and NII is 10% and 15%, respectively, and allotment to QIB is minimum 75%.

Remarkably, 39 new companies got listed in FY25 till date (Apr'24 to Sep'24), raising a total equity capital of Rs 51,021 crore. Of these, 30 companies came under regulation 6(1) raising Rs 28,769 crore or over 56% of total IPO considerations while nine companies came under regulation 6(2) raising Rs 22,252 crore or 44% of the total IPO consideration. It also explains the reason for the variation in equity share allocations towards these categories of shareholders.

Allocation share in SME IPOs remained broadly unchanged in September: In September 2024, capital raising through IPOs on the SME Emerge platform surged to Rs 1,194 crore from Rs 659 crore in August. The allocation to RIIs and NIIs increased to 39% and 19% (+200bps MoM) respectively. The share of allocation to QIBs fell to 37% in Sep'24 as compared to 42% in the previous month, while the share of allocation to market makers decreased to 5% in Sep'24 from 6% in the previous month.

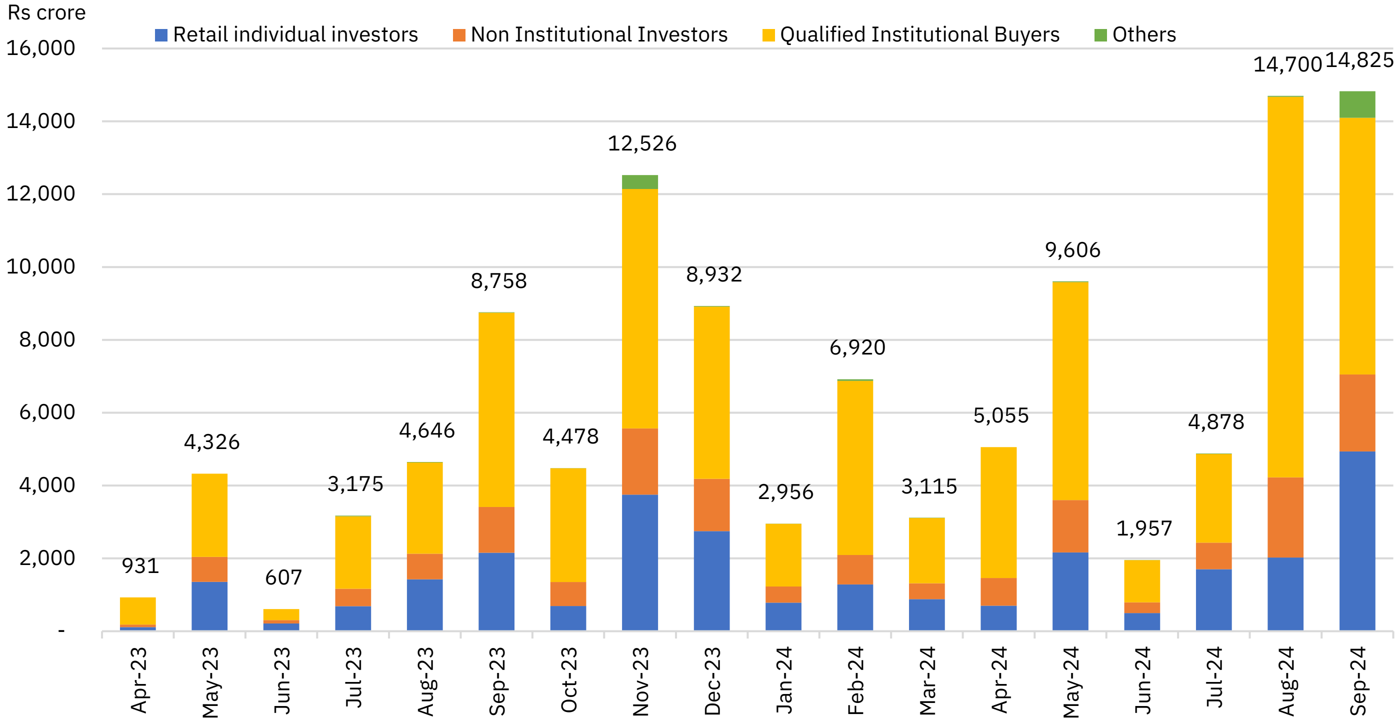
Table 40: Fund mobilization through equity issuance and allocation on Mainboard

Month	No. of issuances	Amount raised (Rs crore)			Allocation by categories (Rs crore)				
		Under section 6(1)[46]	Under section 6(2)[47]	Total	Retail individual investors	Non-Institutional Investors	Qualified Institutional Buyers	Market Marker	Others
Apr-23	2	66	865	931	112	68	751	-	0
May-23	1	4,326	-	4,326	1,354	686	2,286	-	0
Jun-23	1	607	-	607	212	91	303	-	0
Jul-23	6	1,516	1,659	3,175	688	480	1,989	-	18
Aug-23	6	3,766	880	4,646	1,425	703	2,506	-	12
Sep-23	11	5,320	3,438	8,758	2,155	1,257	5,333	-	13
Oct-23	6	967	3,511	4,478	690	659	3,126	-	3
Nov-23	9	10,825	1,701	12,526	3,749	1,821	6,571	-	385
Dec-23	12	7,732	1,200	8,932	2,747	1,440	4,727	-	19
Jan-24	4	1,955	1,000	2,956	784	443	1,724	-	5
Feb-24	9	6,920	-	6,920	1,283	810	4,782	-	44
Mar-24	8	2,262	853	3,115	881	436	1,791	-	7
Apr-24	3	780	4,275	5,055	700	758	3,596	-	0
May-24	5	4,842	4,764	9,606	2,164	1,437	5,982	-	23
Jun-24	5	1,217	740	1,957	499	293	1,162	-	3
Jul-24	5	4,878	-	4,878	1,703	730	2,433	-	13
Aug-24	8	2,228	12,473	14,700	2,023	2,201	10,449	-	28
Sep-24	13	14,825		14,825	4,934	2,115	7,049	-	727

Source: NSE EPR
Notes:
1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

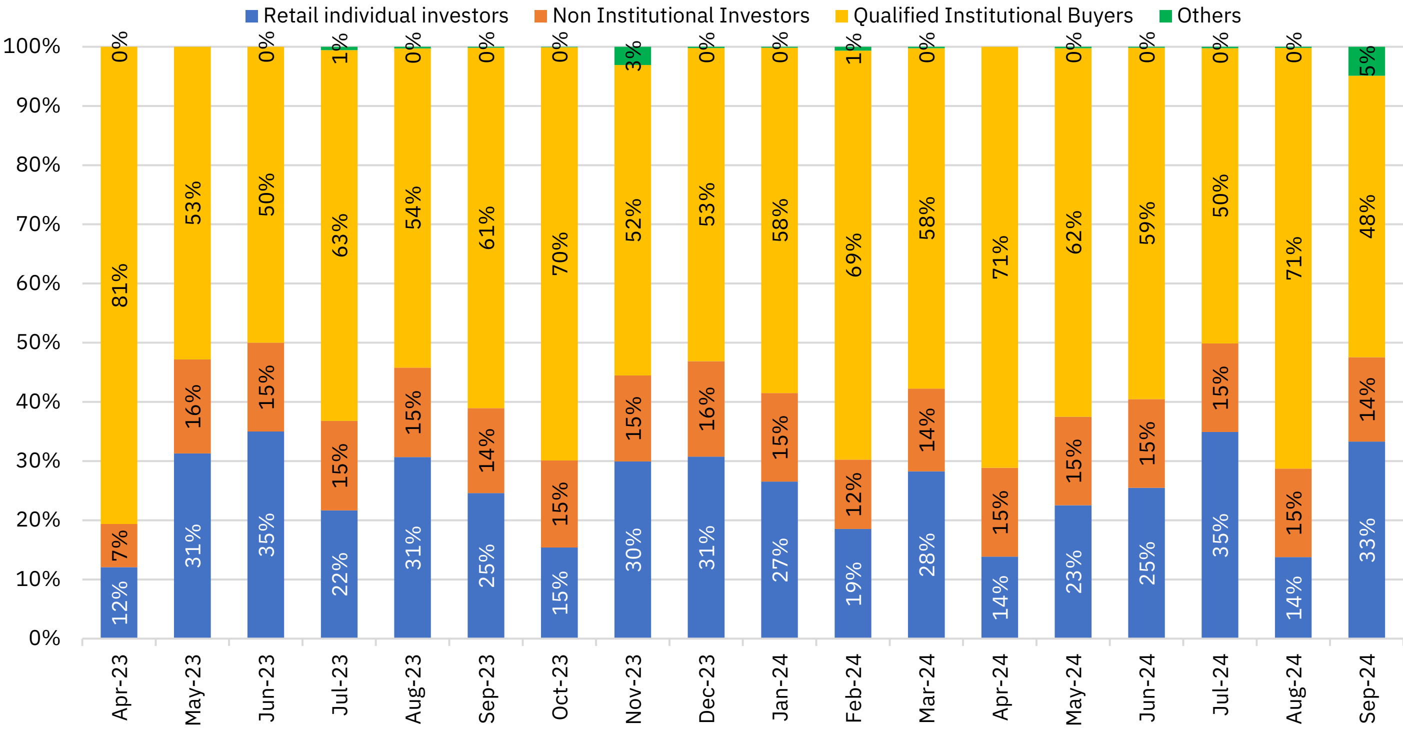
[46] SEBI | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Last amended on May 17, 2024]
[47] SEBI | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Last amended on May 17, 2024]

Figure 162: Monthly trend of IPO allocation to investors on Mainboard (Rs crore)



Source: NSE EPR
Notes:
1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

Figure 163: Monthly trend in IPO allocation (%) to investors on Mainboard



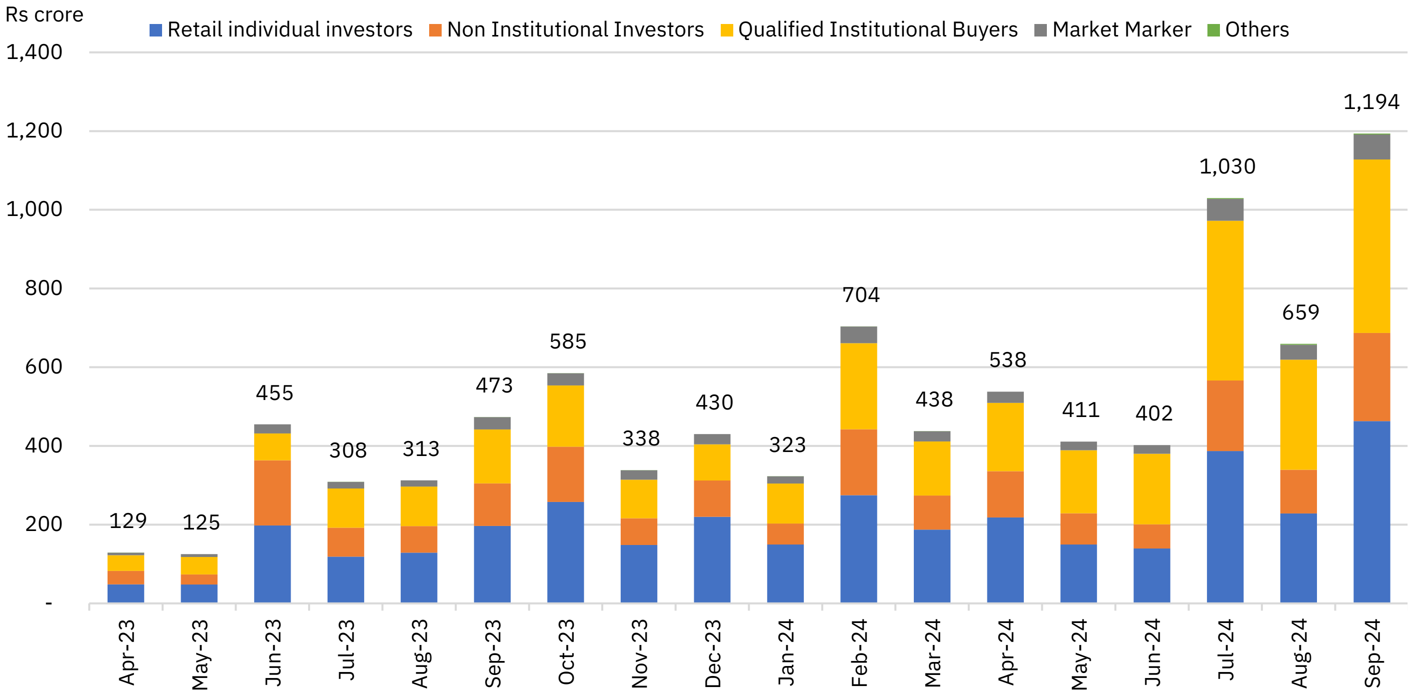
Source: NSE EPR.
Notes:
1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

Table 41: Fund mobilization and category-wise allocation through equity issuance on Emerge platform

Month	No. of issuances	Amount raised (Rs crore)	Allocation by categories (Rs crore)				
			Retail individual investors	Non-Institutional Investors	Qualified Institutional Buyers	Market Marker	Others
Apr-23	5	129	48	34	40	7	1
May-23	5	125	48	26	44	7	0
Jun-23	11	455	198	165	68	23	0
Jul-23	9	308	119	74	100	17	0
Aug-23	10	313	129	68	100	16	0
Sep-23	17	473	197	108	137	31	0
Oct-23	20	585	258	140	156	31	0
Nov-23	11	338	149	68	98	24	0
Dec-23	12	430	220	92	92	26	0
Jan-24	10	323	149	53	102	18	0
Feb-24	16	704	275	167	219	42	0
Mar-24	12	438	187	87	137	26	0
Apr-24	15	538	218	118	174	28	0
May-24	14	411	150	79	160	22	0
Jun-24	10	402	140	61	179	22	0
Jul-24	22	1,030	387	179	406	56	2
Aug-24	19	659	229	111	280	38	2
Sep-24	28	1,194	463	224	441	63	3

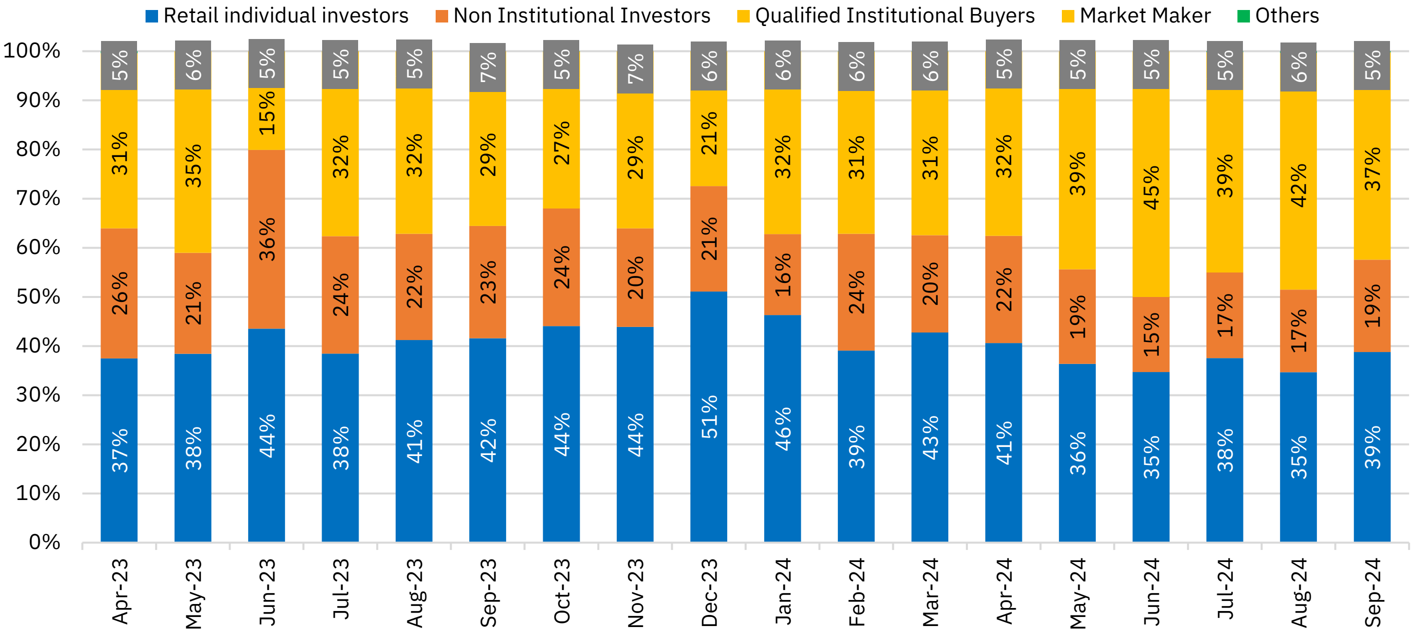
Source: NSE EPR
Notes:
1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

Figure 164: Monthly trend in IPO allocation to investors on Emerge platform (Rs crore)



Source: NSE EPR.
Notes:
1. Anchor investors are included in qualified institutional buyers (QIB).
2. Others include shareholders, employees, policy holders, underwriters, and promoter contribution.

Figure 165: Monthly trend of IPO allocation (%) to investor on Emerge platform



Source: NSE EPR. Note: Others include shareholders, employees, policy holders, underwriters, and promoter contribution

Eligibility requirements and allocation criteria for mainboard IPOs

Regulation 6(1) and 6(2) of the SEBI ICDR Regulations lay down the framework for initial listing of companies on the main board.

Eligibility criteria for an issuer to make an initial public offering under regulation 6(1):

- Net tangible assets of at least Rs 3 crore in each of the preceding three full years (of twelve months each), of which not more than 50% are held in monetary assets
- Average operating profit of at least Rs 15 crore during the preceding three years (of twelve months each), with operating profit in each of these preceding three years
- Net worth of at least Rs 1 crore in each of the preceding three full years (of twelve months each)
- In case of name change in the last one year, at least 50% of the revenue for the preceding one full year has been earned by it from the activity indicated by its new name.

Note: The thresholds mentioned above are based on restated and consolidated figures.

For issuers satisfying the eligibility criteria under regulations 6(1), the following allotment criteria would apply.

- Minimum allotment to Retail and NII is 35% and 15%, respectively. Allotment to QIBs is capped at 50%, 5% of which shall be allocated to mutual funds.

Regulation 6(2) of the ICDR Regulations specifically allows issuer companies who do not satisfy the asset/net worth/operating profit criteria listed under Regulation 6(1) to make an initial public under. This is subject to a minimum allotment of 75% to qualified institutional buyers ("QIBs") and refund of the full subscription money if it fails to do so. Such issues are mandatorily required to be made through the book-building process. Accordingly, maximum allotment to Retail and NII for IPO issuances under Regulation 6(2) is capped at 10% and 15% respectively.

Please refer the SEBI's ICDR regulations for more details.

New listings in the month

Forty-three new companies got listed on NSE platform: In September 2024, 43 new companies got listed on NSE platform, out of which 28 companies got listed on NSE Emerge platform with a total capital raising of Rs 1,194 crore. Notably, NSE EMERGE platform witnessed the highest number of listings in a single month since the inception of the platform. Of the 15 companies that got listed on the mainboard of the exchange, 13 companies raised Rs 14,825 crore through an IPO, while two (2) companies were directly listed. Of the 43 companies listed, 36 recorded gains on their respective listing dates, while four companies got listed at their IPO price. Remarkably, the newly listed companies in the month gone by added a cumulative market of Rs 2.1 lakh crore.

Table 42: Listings on NSE Emerge platform in September 2024

Listing Date	Name of the company	Listing Gain (%)	Market Cap (Rs Cr)	Turnover (Rs Cr)	Amount Raised (Rs Cr)
Sep 03, 24	Indian Phosphate Limited	90.0	447	36	67.4
Sep 03, 24	Jay Bee Laminations Limited	90.0	657	53	89.0
Sep 03, 24	Vdeal System Limited	51.8	87	19	18.1
Sep 04, 24	Aeron Composite Limited	20.0	268	28	56.1
Sep 04, 24	Paramatrix Technologies Limited	4.6	139	10	33.8
Sep 06, 24	Boss Packaging Solutions Limited	25.0	39	8	8.4
Sep 09, 24	Jeyyam Global Foods Limited	0.0	304	30	81.9
Sep 11, 24	Namo eWaste Management Limited	90.0	388	33	51.2
Sep 12, 24	My Mudra Fincorp Limited	18.2	141	16	33.3
Sep 13, 24	Vision Infra Equipment Solutions Limited	25.8	530	56	106.2
Sep 16, 24	Aditya Ultra Steel Limited	12.7	165	6	45.9
Sep 16, 24	Gajanand International Limited	16.7	75	4	20.7
Sep 16, 24	Shubhshree Biofuels Energy Limited	58.8	104	12	16.6
Sep 17, 24	SPP Polymer Limited	6.8	92	3	24.5
Sep 18, 24	Innomet Advanced Materials Limited	90.0	258	27	34.2
Sep 19, 24	Excellent Wires and Packaging Limited	-5.6	37	4	12.6
Sep 24, 24	Deccan Transcon Leasing Limited	7.4	251	28	65.1
Sep 24, 24	Envirotech Systems Limited	90.0	210	11	30.2
Sep 24, 24	Osel Devices Limited	23.8	335	39	70.7
Sep 24, 24	Pelatro Limited	37.5	300	31	56.0
Sep 25, 24	Paramount Speciality Forgings Limited	40.7	172	21	32.3
Sep 26, 24	Kalana Ispat Limited	-31.6	62	2	32.6
Sep 27, 24	Avi Ansh Textile Limited	9.7	99	17	26.0
Sep 27, 24	Bikewo Green Tech Limited	-27.4	62	2	24.1
Sep 27, 24	Phoenix Overseas Limited	0.0	118	10	36.0
Sep 27, 24	S D Retail Limited	10.7	283	35	65.0
Sep 30, 24	Rappid Valves (India) Limited	40.5	161	19	30.4
Sep 30, 24	Wol 3D India Limited	20.0	122	13	25.6

Source: NSE EPR
Note: Data for turnover and market Cap are based on respective listing date.

Table 43: Listings on NSE Mainboard in September 2024

Listing Date	Name of the company	Listing Gain (%)	Market Cap (Rs Cr)	Turnover (Rs Cr)	Amount Raised (Rs Cr)
Sep 03, 24	Premier Energies Limited	120.0	37,861	5,227	2,830.4
Sep 04, 24	Ecos (India) Mobility & Hospitality Limited	16.8	2,659	1,387	601.2
Sep 06, 24	Baazar Style Retail Limited	0.0	2,985	1,097	834.7
Sep 09, 24	Gala Precision Engineering Limited	36.3	959	58	167.9
Sep 11, 24	Eureka Forbes Limited#	1.3	9,787	25	-
Sep 12, 24	Shree Tirupati Balajee Agro Trading Company Limited	8.4	771	33	169.7
Sep 16, 24	Bajaj Housing Finance Limited	114.3	1,37,414	9,983	6,560.0
Sep 16, 24	Kross Limited	0.0	1,676	638	500.0
Sep 16, 24	Tolins Tyres Limited	0.9	946	51	230.0
Sep 16, 24	Xtglobal Infotech Limited#	10.4	668	3	-
Sep 17, 24	P N Gadgil Jewellers Limited	72.9	10,766	2,000	1,100.0
Sep 24, 24	Arkade Developers Limited	36.7	3,079	862	410.0
Sep 24, 24	Northern Arc Capital Limited	33.2	5,219	1,149	777.0
Sep 24, 24	Western Carriers (India) Limited	-0.6	1,626	283	492.9
Sep 30, 24	Manba Finance Limited	20.8	765	59	150.8

Source: NSE EPR.
Notes: 1. Data for turnover and market cap are based on respective listing date.
2. #Data has been provided for direct listing.

Maharashtra tops with the highest number of listings in FY25 on both Mainboard and NSE Emerge: In the first half of FY25, Maharashtra and Gujarat accounted for more than 50% of the listings on the NSE Emerge platform, raising Rs 2,167 crore, followed by Delhi, West Bengal, and Rajasthan. The total number of companies listed on the Emerge platform since inception stood at 555 as of September 30th, 2024. Furthermore, in the first half of FY25, out of the 108 newly listed companies on the Emerge platform, 42 companies belonged to the Industrials[48] sector, raising a total of Rs 1,598 crore, followed Consumer Discretionary[49] (22) and Services (13) industries, together raising a total of Rs 1,383 crore. Interestingly, the top three sectors accounted for 70% of the total amount raised on the NSE Emerge platform in FY25 till date.

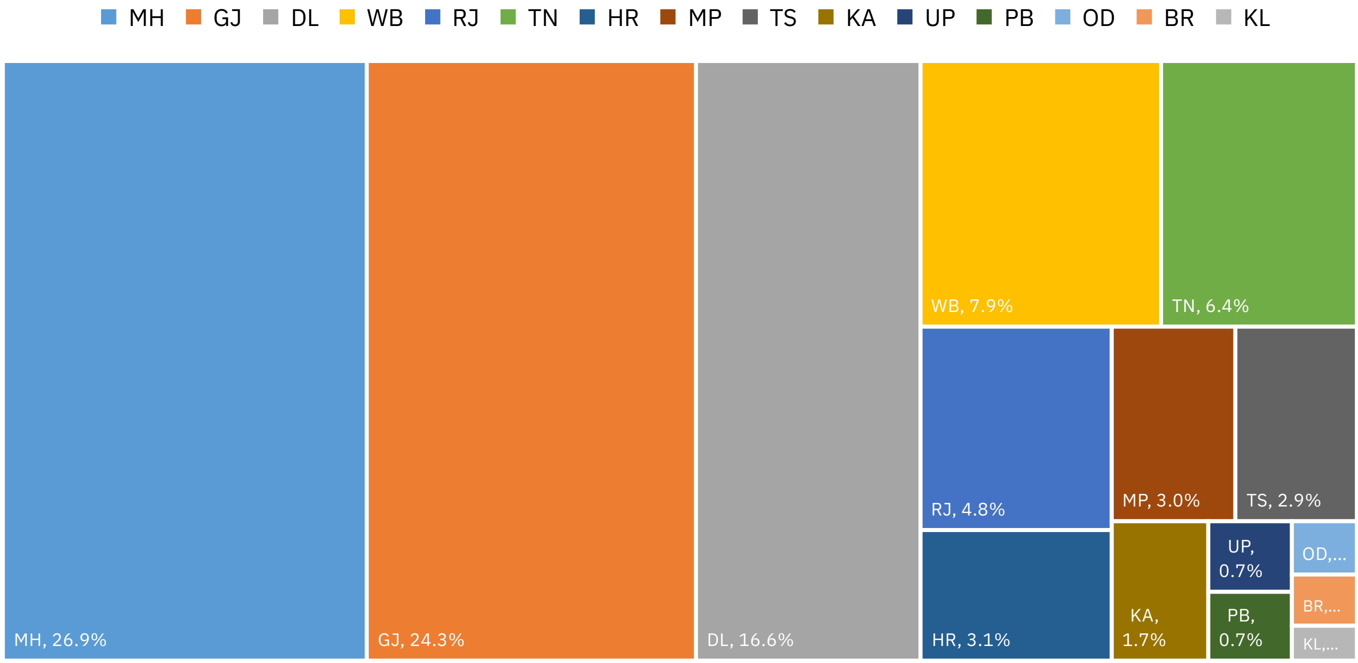
Among the 39 new listings on the mainboard in H1FY25, 12 companies were based out of Maharashtra, raising Rs 19,673 crore or 38.6% of the total amount raised in this period, followed by Karnataka and Delhi, raising Rs 11,524 crore and Rs 10,505 crore respectively. The top three states accounted for over 78% of the total capital raised and 59% of the number of companies on the mainboard in H1FY25. Sector-wise, the Consumer Discretionary accounted for 32% of the total capital raised, followed by Financial Services, which accounted for another 26%.

About 55.9% (310) out of 555 companies listed on the NSE Emerge platform since its inception are based out of Maharashtra and Gujarat. Furthermore, 38 companies from Maharashtra and 44 companies from Gujarat have migrated to the mainboard, followed by 15 companies from Delhi.

[48] The industrials sector encompasses companies involved in the production of goods and services related to manufacturing, construction, and transportation, providing essential infrastructure and equipment.

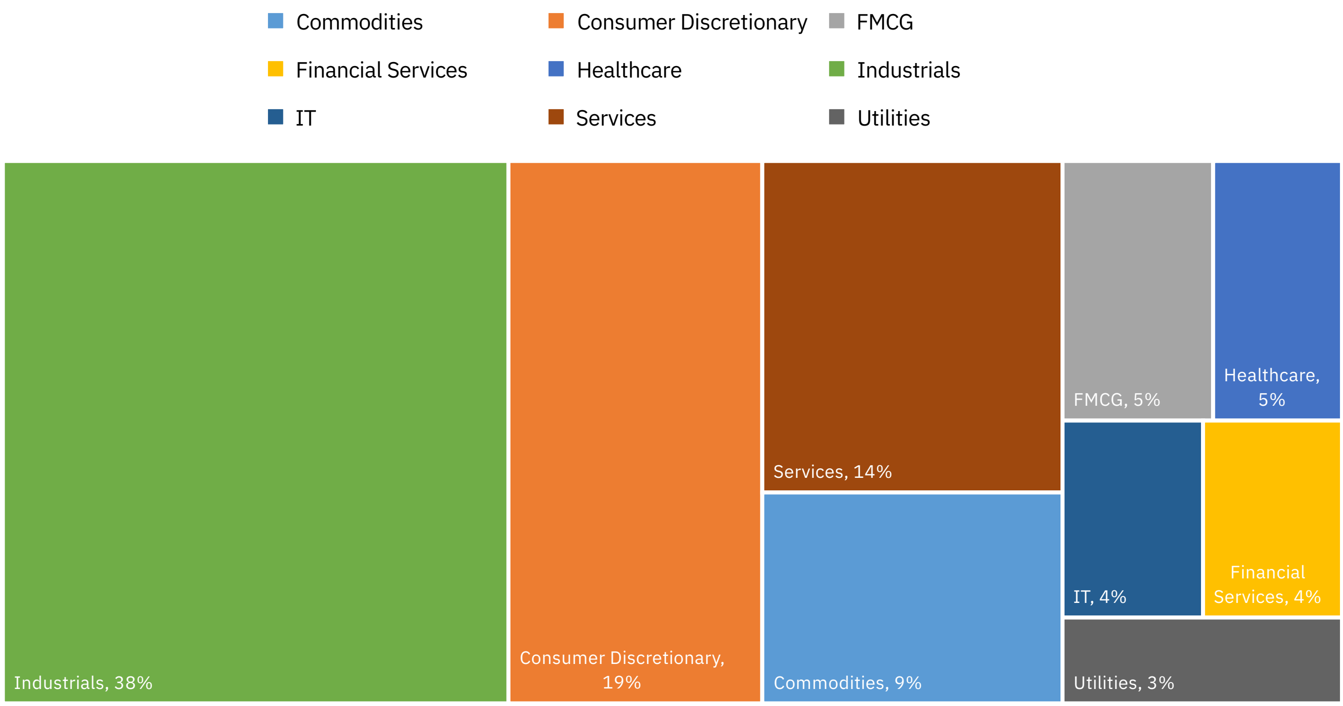
[49] The consumer discretionary sector consists of companies that offer goods and services, such as apparel, automobiles, and entertainment, which consumers purchase based on their disposable income and economic confidence.

Figure 166: State-wise issuances on NSE Emerge Platform in FY25 (Apr'24-Sep'24)



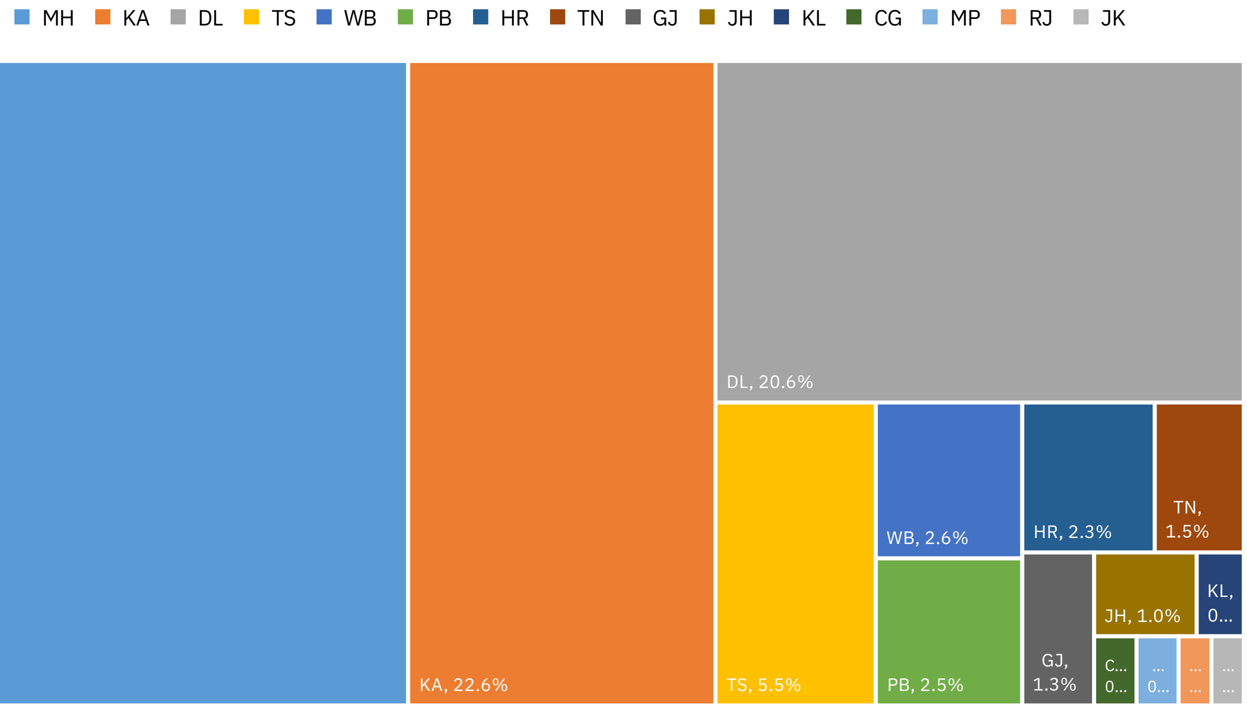
Source: NSE EPR
Notes:
1. Abbreviation of State; MH – Maharashtra, GJ – Gujarat, DL – Delhi, WB – West Bengal, RJ – Rajasthan, TN – Tamil Nadu, HR – Haryana, MP – Madhya Pradesh, TS – Telangana, KA – Karnataka, UP – Uttar Pradesh, PB – Punjab, OD – Odisha, BR – Bihar, KL – Kerala
2. Data has been presented based on respective states' shares in the total amount raised on Emerge platform
3. Data is as of FY25 till date (as of September 30th, 2024)

Figure 167: Sector-wise issuances on NSE Emerge Platform in FY25 (Apr'24-Sep'24)



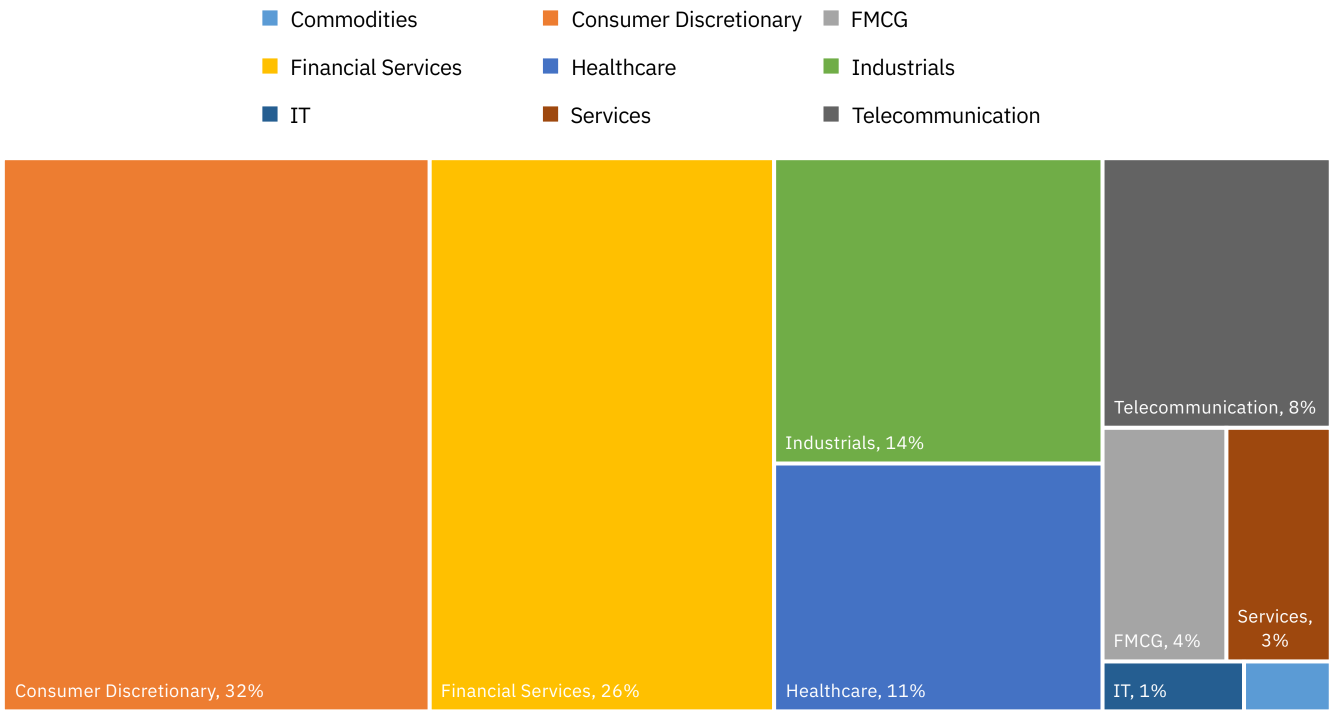
Source: NSE EPR
Note: The percentages displayed represent the respective states' shares in the total amount raised through IPOs in FY25 till date (as of September 30th, 2024)

Figure 168: State-wise issuances on Mainboard in FY25 (Apr'24-Sep'24)



Source: NSE EPR
Notes: 1. Abbreviation of State; MH – Maharashtra, KA – Karnataka, DL – Delhi, TS – Telangana, WB – West Bengal, PB – Punjab, HR – Haryana, TN – Tamil Nadu, GJ – Gujarat, JH – Jharkhand, KL – Kerala, CG – Chhattisgarh, MP – Madhya Pradesh, RJ – Rajasthan, JK – Jammu and Kashmir
2. The percentages displayed represent the respective states' shares in the total amount raised through IPOs in FY25 till date (as of September 30th, 2024)

Figure 169: Sector-wise issuances on Mainboard in FY25 (Apr'24-Sep'24)



Source: NSE EPR
Note: The percentages displayed represent the respective states' shares in the total amount raised through IPOs in FY25 till date (as of September 30th, 2024)

Table 44: Top 10 State-wise issuances on Emerge platform

State	No of issuances	Issue size (Rs crore)	M-Cap (Rs crore)
Maharashtra	157	3,814	53,471
Gujarat	153	3,627	49,591
Delhi	74	2,260	43,073
Tamil Nadu	16	707	9,700
West Bengal	28	655	8,091
Madhya Pradesh	27	627	14,849
Rajasthan	26	455	8,078
Karnataka	13	434	3,955
Telangana	17	417	3,385
Haryana	12	278	3,959
Others	32	714	13,417
Grand Total	**555**	**13,989**	**2,11,570**

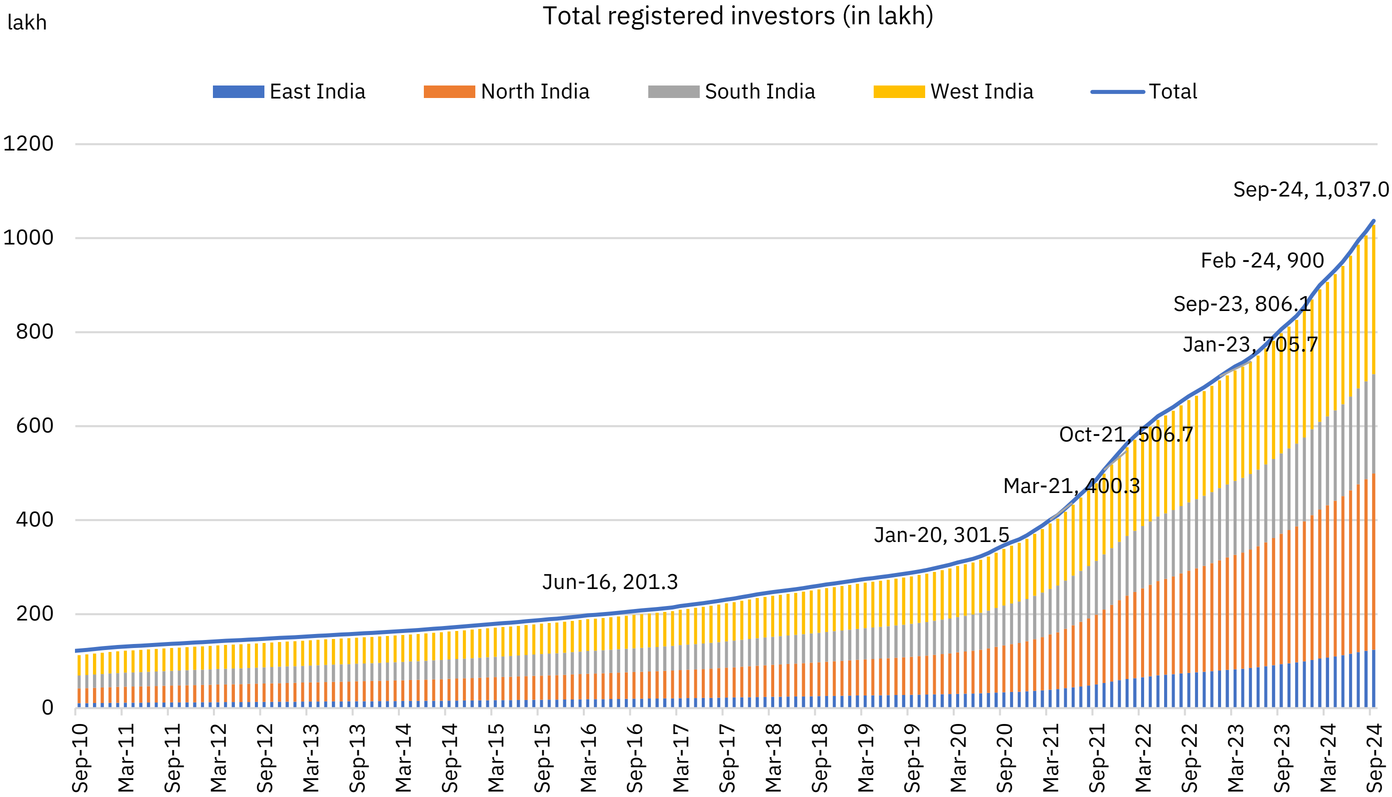
Source: CMIE Prowess, NSE EPR
Notes:
1. Data for State and market Cap are from CMIE Prowess as on September 30th, 2024.
2. Above data includes companies that have migrated to Mainboard of the exchange.

Investor growth

Region-wise distribution of total registered investors

Total registered investors stood at 10.4 crore mark in Sep'24: After crossing the 10-crore (100 million) mark in August, the investor base rose further to end the month of September at 10.37crore. Investor registrations at NSE have seen an accelerating trend over the last few years. Region-wise, North India remained on top with a registered investor base of 3.7 crore, followed by West India at 3.2 crore, South India at 2.1 crore, and East India at 1.2 crore. North and East India have seen a remarkable increase of 34.9% and 33% over the last twelve months (Sep'23 vs Sep'24), followed by 24.3% YoY increase in West India and 23.7% YoY in South India.

Figure 170: 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 45: 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	124.4
North India	59.9	68.2	76.7	88.4	117.6	189.4	243.5	324.0	374.6
South India	53.1	59.7	66.6	75.1	97.0	132.5	157.3	189.2	211.6
West India	75.3	87.2	96.7	108.4	139.0	198.1	234.8	286.0	317.6
Others#	7.9	7.8	7.8	7.7	7.5	8.0	8.4	9.0	8.6
Total	**217.3**	**247.0**	**274.9**	**310.0**	**400.3**	**593.7**	**726.9**	**915.8**	**1037.0**

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

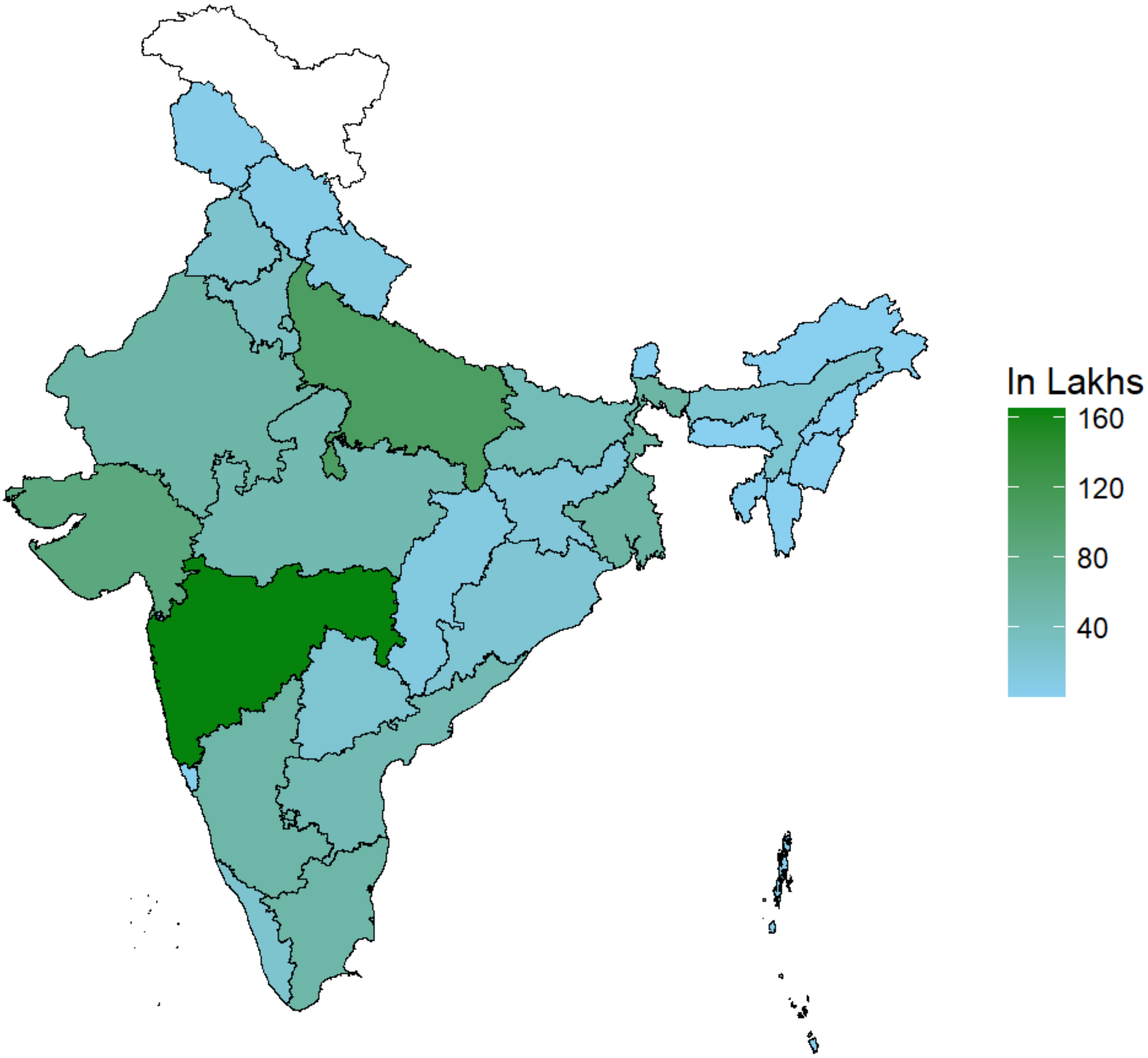
Maharashtra continues to have the highest share of registered investors: Maharashtra continued to lead in terms of registered investors, accounting for 1.7 crore investors (16.7% of total investor base). Uttar Pradesh retained its second position, having surpassed the milestone of 1 crore registered investors in the month of April, touching 1.2 crore investors by September-end, representing 11.2% of the registered unique investor base at NSE. This was followed by Gujarat at 91.6 lakhs, West Bengal at 60.2 lakh and Rajasthan at 59.4 lakh. These five states together accounted for 48.2% of the investor base as of Sep'24. Interestingly, states beyond the top 10 now account for 27% of the registered investor base as of Sep'24, vs. 23% in FY20. This increase over the last four years is in part due to higher contributions from Bihar and Assam.

Table 46: State-wise distribution of total registered investors at end of each fiscal year

States	FY10		FY15		FY20		FY25TD*	
	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)
Maharashtra	2,277	19.7	3,575	19.9	5,963	19.2	17,271	16.7
Uttar Pradesh	701	6.1	1,248	6.9	2,302	7.4	11,621	11.2
Gujarat	1,498	13.0	2,055	11.4	3,797	12.2	9,158	8.8
West Bengal	711	6.2	1,175	6.5	1,990	6.4	6,021	5.8
Rajasthan	426	3.7	667	3.7	1,328	4.3	5,943	5.7
Karnataka	708	6.1	1,165	6.5	1,949	6.3	5,744	5.5
Tamil Nadu	747	6.5	1,287	7.2	2,182	7.0	5,631	5.4
Madhya Pradesh	289	2.5	518	2.9	984	3.2	5,036	4.9
Andhra Pradesh	583	5.0	1,002	5.6	1,581	5.1	4,661	4.5
Delhi	780	6.8	1,197	6.7	1,853	6.0	4,626	4.5
Bihar	145	1.3	294	1.6	670	2.2	4,563	4.4
Haryana	327	2.8	531	3.0	971	3.1	3,561	3.4
Punjab	229	2.0	389	2.2	704	2.3	2,736	2.6
Kerala	345	3.0	583	3.2	942	3.0	2,552	2.5
Telangana	156	1.3	279	1.6	813	2.6	2,444	2.4
Assam	55	0.5	109	0.6	221	0.7	2,378	2.3
Orissa	121	1.1	250	1.4	494	1.6	2,240	2.2
Jharkhand	140	1.2	258	1.4	444	1.4	1,815	1.8
Chhattisgarh	67	0.6	129	0.7	252	0.8	1,293	1.2
Uttarakhand	66	0.6	123	0.7	234	0.8	1,094	1.1
Himachal Pradesh	31	0.3	60	0.3	123	0.4	691	0.7
Jammu & Kashmir	40	0.3	65	0.4	112	0.4	582	0.6
Chandigarh	38	0.3	63	0.3	100	0.3	231	0.2
Goa	30	0.3	48	0.3	82	0.3	233	0.2
Tripura	7	0.1	13	0.1	4	0.1	164	0.2
Manipur	1	0.0	5	0.0	18	0.1	113	0.1
Pondicherry	12	0.1	22	0.1	41	0.1	104	0.1
Meghalaya	3	0.0	6	0.0	12	0.0	67	0.1
Nagaland	1	0.0	3	0.0	8	0.0	55	0.1
Arunachal Pradesh	1	0.0	2	0.0	6	0.0	51	0.0
Dadra & Nagar Haveli	3	0.0	6	0.0	9	0.0	43	0.0
Sikkim	1	0.0	3	0.0	7	0.0	36	0.0
Andaman & Nicobar Islands	2	0.0	3	0.0	5	0.0	26	0.0
Daman & Diu	3	0.0	4	0.0	6	0.0	22	0.0
Mizoram	0	0.0	1	0.0	3	0.0	22	0.0
Lakhswadeep	0	0.0	0	0.0	0	0.0	2	0.0
Ladakh	0	0.0	0	0.0	0	0.0	2	0.0
Others	1,007	8.7	823	4.6	773	2.5	862	0.8
Total	**11,549**	**100**	**17,960**	**100**	**31,004**	**100**	**1,03,697**	**100.0**

Source: NSE EPR. Note: Data for FY25 is as of Sep 3oth, 2024.

Figure 171: State-wise distribution of total registered investors as of September 2024



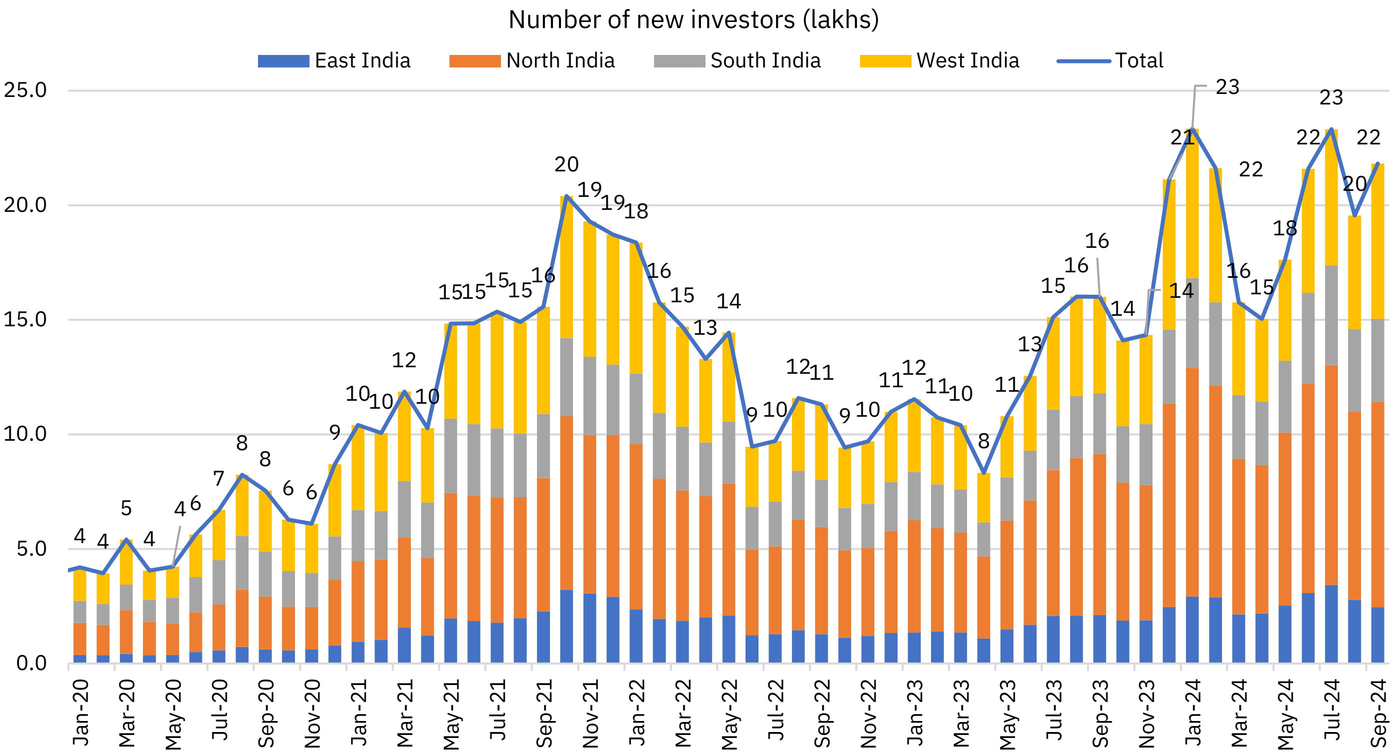
Source: NSE EPR
Note: The maps above are created using the state-level shapefile from https://geographicalanalysis.com/gis-blog/download-free-india-shapefile-including-kashmir-and-ladakh/

Region-wise distribution of new investor registrations

New investor registrations increased in September: The month of September saw 21.8 lakh new investor registrations, up 11.6% MoM from 19.6 lakh registrations in the previous month, translating into a monthly run-rate of 19.8 lakh investors in the first half of FY25 (vs. 13.1 lakh in FY24).

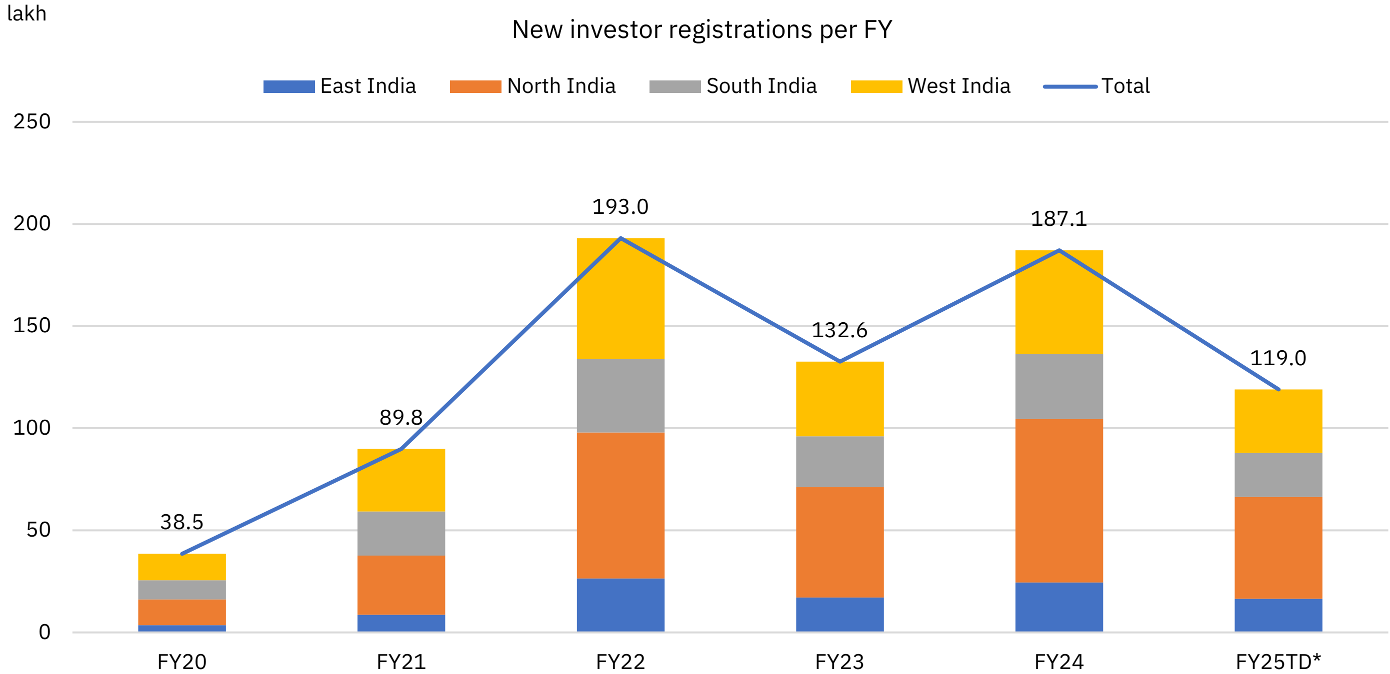
This sequential increase in new investor registrations in September was primarily led by a steep 36.9% MoM increase in registrations from West India (5 lakh to 6.8 lakh, particularly Gujarat), followed by a 9.2% increase in North India (8.2 lakh to 9 lakh). Southern India saw new investor registrations rising by a modest 0.3% MoM to 3.6 lakh, while that from East India declined by 11.6% from 2.8 lakh in Aug'24 to 2.5 lakh in Sep'24. With this, West India's share of new investor registrations increased from 25.3% to 31.1% in September, at the expense of decline in other regions. East India share dipped the most from 14.2% in August to 11.3% in September, followed by South India from 18.5% in August to 16.6% in September and North India from 42% in August to 41.1% in September.

Figure 172: 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 173: Region-wise distribution of new investors registered each financial year



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

Gujarat saw the highest investor registrations in September, the first time ever: Gujarat overtook Uttar Pradesh and Maharashtra to become the state with the highest number of new investor registrations in September 2024, recording more than 3 lakh new registrations (+ 135.8% MoM from 1.3 lakh in Aug'24) and accounting for ~14% of all new registrations across the country. Uttar Pradesh stood second with 2.96 lakh new investors (+1.9% MoM), with a 13.6% share of new investors, while Maharashtra slipped to the third position with 2.6 lakh new investors (+3.1% MoM) and a 12% share of new investors.

After Gujarat, Rajasthan also saw a significant 32.4% MoM increase in new investor registrations from 1.3 lakh in Aug'24 to 1.7 lakh in Sep'24, resulting in its share in total investor registrations during the month rising from 6.4% in Aug'24 to 7.6% in Sep'24. Among other top 10 states, West Bengal, Karnataka and Tamil Nadu saw a sequential drop in new investor registrations by 7.4%, 3.5% and 1.7% MoM to 1.2 lakh, 99k and 96k respectively, while Bihar and Madhya Pradesh reporting a modest 2.9% and 0.9% MoM increase to 1.2 lakh and 1.1 lakh investors respectively. Haryana, on the other hand, overtook Delhi in the top 10, after seeing a steep 27.6% MoM increase in investor registrations during the month to 81k. The top five states together contributed 52.7% of new registrations in September 2024.

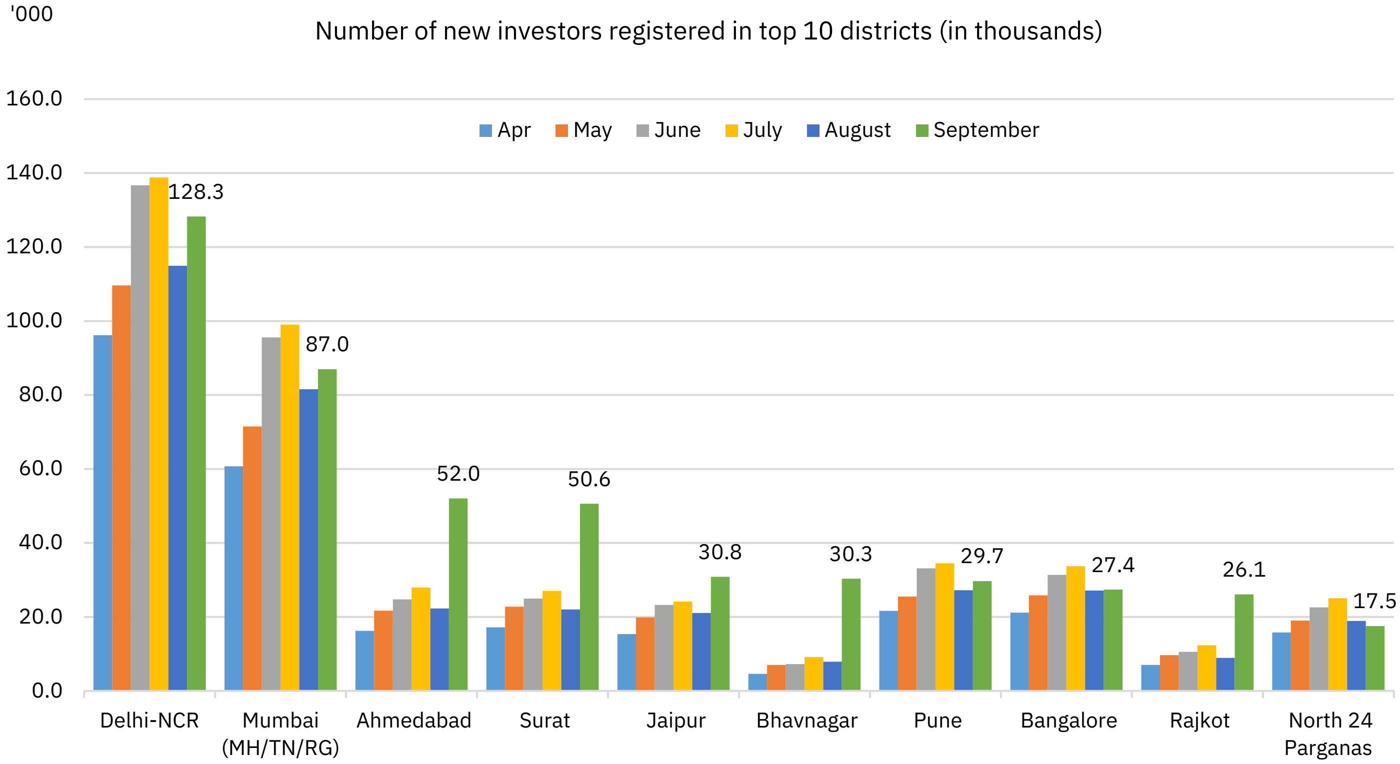
Table 47: Number of new investors registered in top 25 states (in '000)

State	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Gujarat	94.4	122.8	139.1	158.2	128.4	302.7
Uttar Pradesh	224.0	258.6	318.4	334.2	290.8	296.3
Maharashtra	186.3	218.9	281.2	307.8	254.2	262.1
Rajasthan	92.3	115.2	137.3	143.8	125.2	165.7
West Bengal	109.1	127.5	158.5	174.2	133.9	124.0
Bihar	86.6	102.5	125.9	128.9	114.4	117.8
Madhya Pradesh	77.0	94.5	115.6	123.1	107.9	108.9
Karnataka	74.4	90.6	114.0	128.1	102.3	98.8
Tamil Nadu	82.2	84.0	101.7	113.2	97.3	95.6
Haryana	54.4	64.1	75.1	79.9	63.3	80.8
Delhi	58.2	66.6	83.1	83.1	68.6	77.7
Andhra Pradesh	44.6	49.6	62.1	69.1	58.6	65.4
Punjab	50.2	55.7	64.9	74.3	59.1	59.9
Telangana	38.4	46.2	56.0	59.9	51.2	55.6
Kerala	35.9	42.3	61.3	61.9	49.9	45.2
Odisha	34.5	38.2	46.1	52.4	46.7	44.1
Jharkhand	30.8	37.2	44.7	46.7	40.7	40.9
Assam	39.3	44.6	51.0	61.6	52.8	35.7
Chattisgarh	23.5	28.5	33.6	34.9	28.6	28.9
Uttarakhand	19.9	22.5	27.9	30.0	24.9	25.1
Himachal Pradesh	13.2	14.9	18.1	18.8	15.1	15.2
Jammu & Kashmir	14.8	15.0	15.1	17.3	16.0	13.8
Goa	3.3	3.8	5.0	5.3	4.3	3.7
Tripura	3.9	4.5	6.1	6.0	4.4	3.7
Chandigarh	2.5	2.8	3.2	3.5	2.7	3.1

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

Contribution of top 10 districts increased in September 2024: New investor registrations continued to remain concentrated in a few districts, with the contribution of top 10 districts rising from 18% in August to 22% in Sep'24, as the number of registrations in these districts increased by 36.3% MoM to 3.6 lakh. Delhi recorded the highest number of new investor registrations in September out of all districts with over 1.3 lakh registrations (+11.6% MoM), followed by Mumbai with 87k registrations (+6.7% MoM). Average increase in the top 10 districts was recorded at 80.8% MoM as the districts in Gujarat- Bhavnagar (+283.8% MoM to 30k registrations), Rajkot (+193% MoM to 26k registrations), Ahmedabad (+134% MoM to 52k registrations) and Surat (+130% MoM to 51k registrations), witnessing a sharp increase in new investor registrations. Interestingly, four out of the top 10 districts in terms of new investor additions last month were from Gujarat.

Figure 174: 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.

Market activity across segments and investor categories

Total turnover across segments

CM segment turnover moderated sequentially in September…: The CM segment turnover declined 3% MoM to Rs 25.6 lakh crore in Sep'24, even as it rose by a strong 53.2% on a YoY basis. Notably, the cumulative turnover in the CM segment in the first six months of FY25 (Apr'24 to Sep'24) amounted to Rs 157.5 lakh crore – nearly 2x the cumulative turnover during the corresponding period in the last fiscal year and 78% of the turnover seen in the entirety of FY24. This corresponds with the steady inflow of new investors and a sustained increase in participation in the market.

…and so did the equity derivatives turnover: The monthly turnover in equity derivatives also moderated in September. Single stock derivatives turnover observed MoM increases, while index derivatives turnover fell significantly in Sep'24. Stock options monthly premium turnover increased by 7.7% MoM to Rs 1.7 lakh crore, and stock futures notional turnover inched up marginally by 1.4% MoM to Rs 34.1 lakh crore in Sep'24. Index options premium turnover, on the other hand, fell by 6.7% MoM to Rs 11.4 lakh crore, and index futures notional turnover fell by 5.3% MoM to Rs 7.1 lakh crore.

Currency derivatives turnover registered a decline in September: The monthly turnover in currency futures experienced a 40.9% decline to Rs 64,015 crore in Sep'24 after registering a rise in the previous month. The monthly premium turnover in currency options continued to decline for the fifth month in a row, with a 25% MoM decline to Rs 1.1 crore premium turnover in Sep'24.

Interest rate futures on the other hand jumped to a 10-month high of Rs 2,307 crore in the month of September rising 36.6% MoM.

Commodity derivatives turnover expanded for the third consecutive month: The monthly turnover in commodity options expanded for the third consecutive month with a 17.8% MoM rise to Rs 290.3 crore premium turnover in Sep'24 – the highest monthly turnover on record. Further, commodity futures also registered a 62.9% MoM rise to an eight-month high of Rs 28.6 crore during the month. The trading in the segment was distributed in Silver, Crude Oil, and Natural gas contracts during the month.

Table 48: Total turnover across segments in the last six months (Apr'24–Sep'24)

Segment (Rs crore)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Cash market	**21,20,196**	**24,67,941**	**29,05,226**	**30,61,577**	**26,38,157**	**25,59,376**
Equity Futures	**38,51,979**	**42,71,082**	**46,45,873**	**46,56,835**	**41,19,112**	**41,27,438**
Stock Futures	31,58,915	34,64,430	36,62,528	38,31,730	33,66,229	34,14,779
Index Futures	6,93,064	8,06,652	9,83,344	8,25,104	7,52,883	7,12,659
Equity Options (Premium)	**12,40,545**	**14,71,401**	**16,77,678**	**15,10,073**	**13,80,676**	**13,11,066**
Stock Options (Premium)	1,55,943	1,86,613	1,91,370	1,97,877	1,61,998	1,74,393
Index Options (Premium)	10,84,602	12,84,788	14,86,308	13,12,196	12,18,678	11,36,673
Currency derivatives						
Currency Futures	2,17,438	1,05,151	1,09,312	45,606	1,08,395	64,015
Currency Options (Premium)	353	7.9	3.4	1.5	1.4	1.1
Interest rate derivatives	**1,772**	**2,239**	**2,231**	**1,786**	**1,688**	**2,307**
Commodity derivatives						
Commodity Futures	11.7	12.6	11.0	11.1	17.5	28.6
Commodity Options (Premium)	218.7	174.2	126.9	178.1	246.3	290.2

Source: NSE EPR.

Table 49: Total turnover across segments in the last six years (FY20 to FY25TD)

Segment (Rs crore)	FY 20	FY 21	FY 22	FY 23	FY24	FY25TD
Cash market	**89,98,811**	**1,53,97,908**	**1,65,66,237**	**1,33,05,073**	**2,01,03,439**	**1,57,52,473**
Equity Futures	**2,15,52,041**	**2,71,46,011**	**2,94,68,316**	**2,85,92,989**	**3,29,64,084**	**2,56,72,319**
Stock Futures	1,48,74,729	1,80,98,365	2,10,38,938	1,90,72,304	2,55,46,967	2,08,98,612
Index Futures	66,77,312	90,47,646	84,29,378	95,20,685	74,17,117	47,73,707
Equity Options (Premium)	**13,07,932**	**32,08,778**	**68,81,160**	**1,18,88,256**	**1,51,97,594**	**85,91,440**
Stock Options (Premium)	2,28,353	5,79,352	10,38,830	9,32,701	13,78,031	10,68,194
Index Options (Premium)	10,79,578	26,29,426	58,42,330	1,09,55,556	1,38,19,564	75,23,245
Currency derivatives						
Currency Futures	48,43,160	57,17,820	70,56,916	1,01,15,658	72,01,742	6,49,917
Currency Options (Premium)	13,202	14,764	24,994	47,540	30,405	369
Interest rate derivatives	**3,60,818**	**97,391**	**26,357**	**26,296**	**29,571**	**12,023**
Commodity derivatives						
Commodity Futures	6,362	5,484	2,273	14	5,429	93
Commodity Options (Premium)	-	284	131	112	523	1,234

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

Table 50: Notional to premium ratio for equity options at NSE

Month	Index options			Stock options		
	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio
Sep-24	8,097	11.4	712	129	1.7	74
Aug-24	7,768	12.2	637	116	1.6	72
Jul-24	8,215	13.1	626	119	2.0	60
Jun-24	7,226	14.9	486	112	1.9	58
May-24	7,154	12.8	557	110	1.9	59
Apr-24	7,072	10.8	652	99	1.6	64
Mar-24	7,098	11.3	629	87	1.3	68
Feb-24	8,452	15.1	561	104	1.7	61
Jan-24	8,720	15.0	581	102	1.8	58
Dec-23	7,444	12.4	602	102	1.8	56
Nov-23	6,452	8.9	729	70	0.9	75
Oct-23	6,288	9.8	642	65	0.8	78
Sep-23	6,527	11.1	589	74	1.0	72

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

Table 51: Notional to premium ratio for equity options at BSE

Month	Index options			Stock options		
	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio
Sep-24	3,015	2.0	1,503	0.001024	0.000011	95
Aug-24	2,603	1.6	1,627	0.001069	0.000014	74
Jul-24	2,543	1.6	1,546	0.000356	0.000003	115
Jun-24	2,064	1.6	1,285	-	-	-
May-24	2,197	1.6	1,383	-	-	-
Apr-24	1,695	1.2	1,444	-	-	-
Mar-24	1,519	1.0	1,550	-	-	-
Feb-24	1,553	1.1	1,434	-	-	-
Jan-24	1,264	0.8	1,565	-	-	-
Dec-23	1,423	0.8	1,765	-	-	-
Nov-23	739	0.4	1,949	-	-	-
Oct-23	657	0.4	1,772	-	-	-
Sep-23	528	0.3	1,853	-	-	-

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

Average daily turnover (ADT) across segments

Average daily turnover in CM and equity derivatives segment registered a decline in September: Average daily turnover in the CM segment moderated for the third consecutive month to Rs 1.22 lakh crore (-3% MoM) in Sep'24, even as the ADT during the first half of FY25 remained steady at Rs 1.26 lakh crore despite the turnover drop in September.

The ADT of the equity futures segment increased marginally by 20bps MoM to Rs 1.96 lakh crore, while that of equity options fell 5% MoM to Rs 62,432 crore. The ADT of stock futures increased by a modest 1.4% MoM to Rs 1.6 lakh crore, while that of index futures fell by 5.3% MoM to Rs 33,936 crore during the month. Similarly, average daily premium turnover (ADPT) of stock options increased by 7.6% MoM to Rs 8,304 crore, while that of index options dropped by 6.7% MoM to Rs 54,127 crore in Sep'24.

After registering a rise in Aug'24, the ADT in currency derivatives segment fell again, wherein currency futures saw a 38% MoM drop to Rs 3,201 crore and ADPT of currency options dropped to Rs 5.4 lakh, while the ADT in interest rate futures increased to Rs 115 crore (43.4% MoM) during the month. In the commodity derivatives segment, the ADT of commodity futures increased to an eight-month high of Rs 1.4 crore, while that of commodity options increased 17.9% MoM to an all-time high of Rs 13.8 crore premium turnover in the month gone by.

Table 52: Average daily turnover across segments in the last six months (Apr'24–Sep'24)

Segment (Rs crore)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Cash market	**1,06,010**	**1,12,179**	**1,52,907**	**1,39,163**	**1,25,627**	**1,21,875**
Equity Futures	**1,92,636**	**1,94,140**	**2,44,520**	**2,11,674**	**1,96,148**	**1,96,545**
Stock Futures	1,57,946	1,57,474	1,92,765	1,74,170	1,60,297	1,62,609
Index Futures	34,690	36,666	51,755	37,505	35,852	33,936
Equity Options (Premium)	**62,028**	**66,882**	**88,299**	**68,640**	**65,746**	**62,432**
Stock Options (Premium)	7,797	8,482	10,072	8,994	7,714	8,304
Index Options (Premium)	54,231	58,399	78,227	59,645	58,032	54,127
Currency derivatives						
Currency Futures	12,080	5,258	5,753	2,073	5,162	3,201
Currency Options (Premium)	20	0.4	0.2	0.1	0.1	0.1
Interest rate derivatives	**98**	**112**	**117**	**81**	**80**	**115**
Commodity derivatives						
Commodity Futures	0.5	0.5	0.5	0.5	0.8	1.4
Commodity Options (Premium)	9.9	7.6	6.3	7.7	11.7	13.8

Source: NSE EPR.

Table 53: Average daily turnover across segments (FY20 to FY25TD)

Segment (Rs crore)	FY 20	FY 21	FY 22	FY 23	FY24	FY25TD
Cash market	**36,432**	**61,839**	**66,799**	**53,434**	**81,721**	**1,26,020**
Equity Futures	**87,255**	**1,09,020**	**1,18,824**	**1,14,831**	**1,34,000**	**2,05,379**
Stock Futures	60,222	72,684	84,834	76,596	1,03,849	1,67,189
Index Futures	27,034	36,336	33,989	38,236	30,151	38,190
Equity Options (Premium)	**5,295**	**12,887**	**27,747**	**47,744**	**61,779**	**68,732**
Stock Options (Premium)	925	2,327	4,189	3,746	5,602	8,546
Index Options (Premium)	4,371	10,560	23,558	43,998	56,177	60,186
Currency derivatives						
Currency Futures	19,931	23,338	29,282	41,288	29,883	5,416
Currency Options (Premium)	54	60	104	194	126	3.1
Interest rate derivatives	**1,485**	**398**	**109**	**107**	**123**	**100**
Commodity derivatives						
Commodity Futures	24.6	21.5	8.8	0.1	21.4	0.7
Commodity Options (Premium)	-	1.1	0.5	0.4	2.1	9.5

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

Average trade size in CM and equity futures observed modest growth but declined in equity options in September: The average trade size in the CM segment inched up marginally by 1.6% MoM to Rs 30,156 in Sep'24. The equity derivatives segment, on the other hand, exhibited mixed responses. Equity futures' average trade size grew by a modest 0.5% MoM, wherein index futures grew by 2% MoM and stock futures by a modest 0.6% MoM to a five-month high of Rs 14.5 lakh and Rs 9.8 lakh, respectively. In equity options, both index and stock options witnessed a sequential drop in the average trade size to Rs 4,925 and Rs 14,703 respectively, leading to an overall drop in equity options during the month.

An annual comparison of the average trade size yields some interesting results. In the CM segment, the average trade size in the first six months of FY25 touched a four-year high of Rs 31,241. Equity futures, on the other hand, did not share the same trend. While the average trade size of stock futures in the first half of FY25 touched an all-time high of Rs 9,69,328, that of index futures was substantially lower, pulling down the trade size of the equity futures segment as a whole. A similar story was observed in equity options, leading to an overall decline in the segment's average trade size.

Table 54: Average trade size in NSE cash and equity derivatives segment (Apr'24-Sep'24)

Segment wise (Rs)	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Cash market	**31,133**	**32,133**	**33,356**	**31,081**	**29,695**	**30,156**
Equity Futures	**11,11,528**	**9,86,832**	**10,13,743**	**10,16,741**	**10,28,769**	**10,33,518**
Index Futures	16,56,450	12,50,687	13,39,132	14,37,973	14,19,100	14,47,901
Stock Futures	10,36,704	9,40,627	9,51,658	9,56,412	9,69,149	9,75,267
Equity Options	**6,041**	**6,194**	**6,648**	**5,869**	**5,502**	**5,403**
Index Options	5,519	5,662	6,147	5,342	5,079	4,925
Stock Options	17,642	17,605	18,102	17,011	14,738	14,703

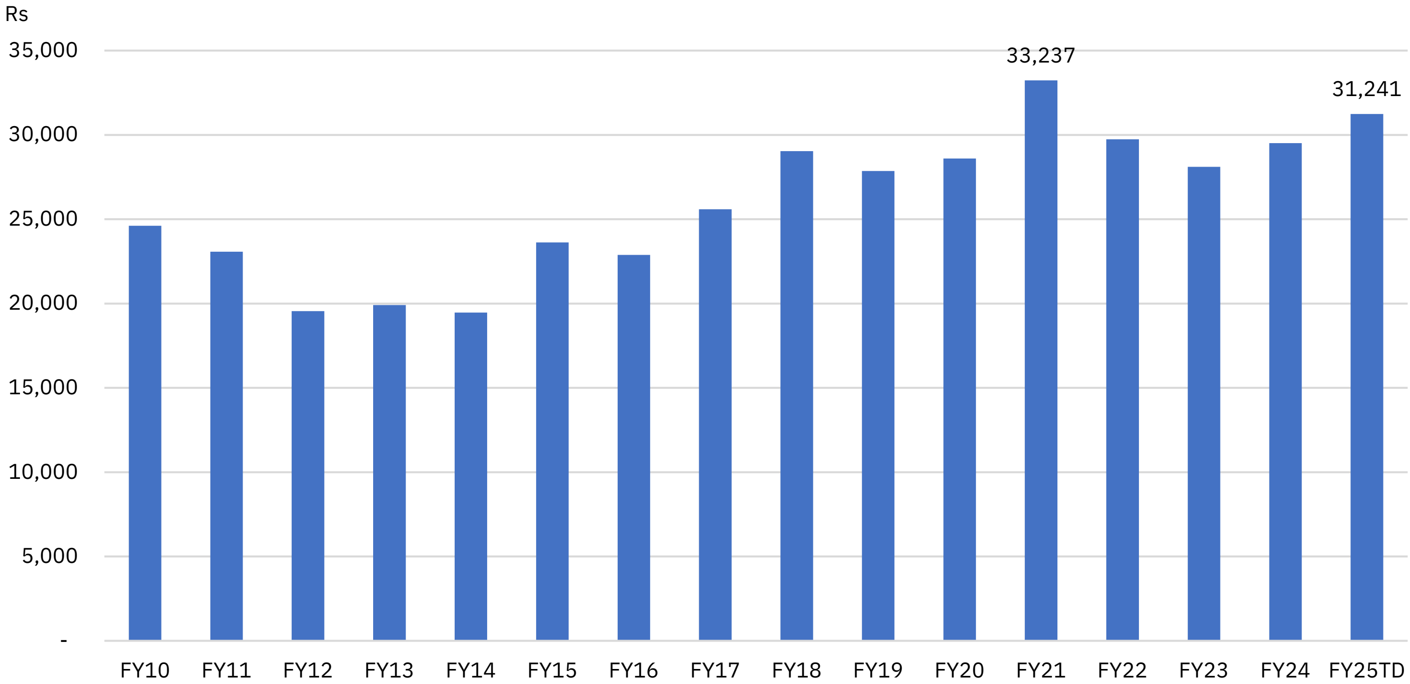
Source: NSE EPR. Note: Premium has been considered for calculating average trade size for options contracts.

Table 55: 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**	**31,241**
Equity Futures	**8,56,295**	**8,04,724**	**9,00,620**	**10,42,174**	**9,57,044**	**10,40,196**	**10,28,781**
Index Futures	13,24,701	11,42,535	10,44,759	13,70,261	14,39,592	15,37,923	14,06,423
Stock Futures	7,63,220	7,10,431	8,42,512	9,50,949	8,19,859	9,50,852	9,69,328
Equity Options	**7,516**	**6,812**	**8,255**	**8,315**	**7,886**	**6,246**	**5,941**
Index Options	6,655	6,146	7,302	7,585	7,603	5,897	5,445
Stock Options	13,028	13,926	20,274	18,126	13,994	15,381	16,562

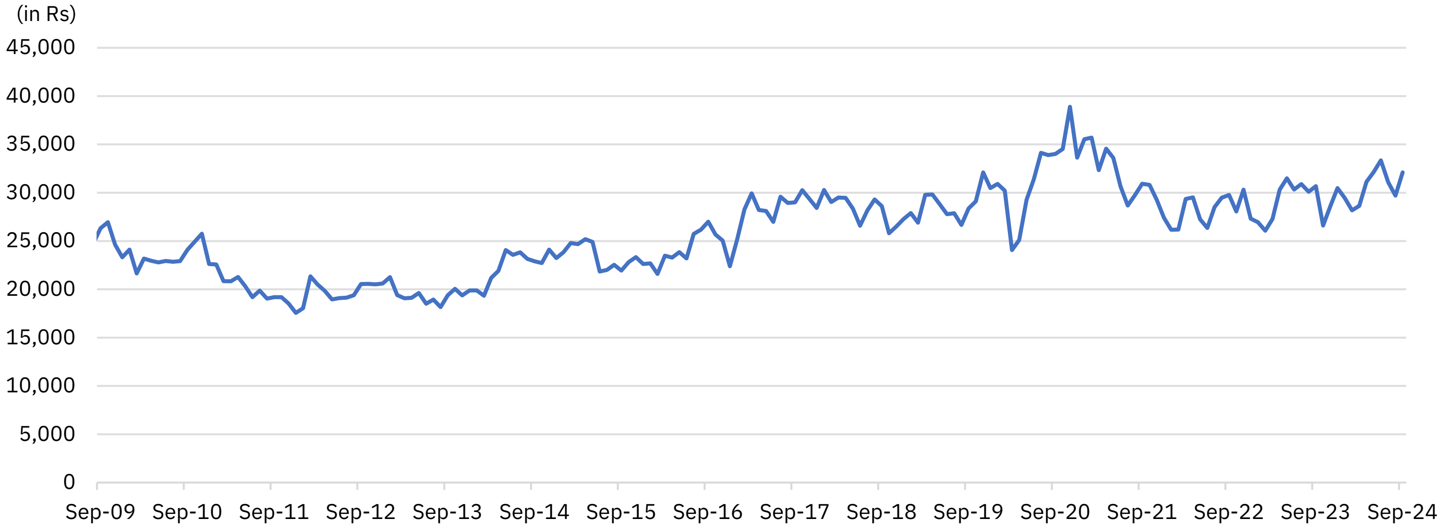
Source: NSE EPR. FY25TD data is as of Sep'24. Note: Premium has been considered for calculating average trade size for options contracts.

Figure 175: Annual trend in average trade size in NSE cash market segment



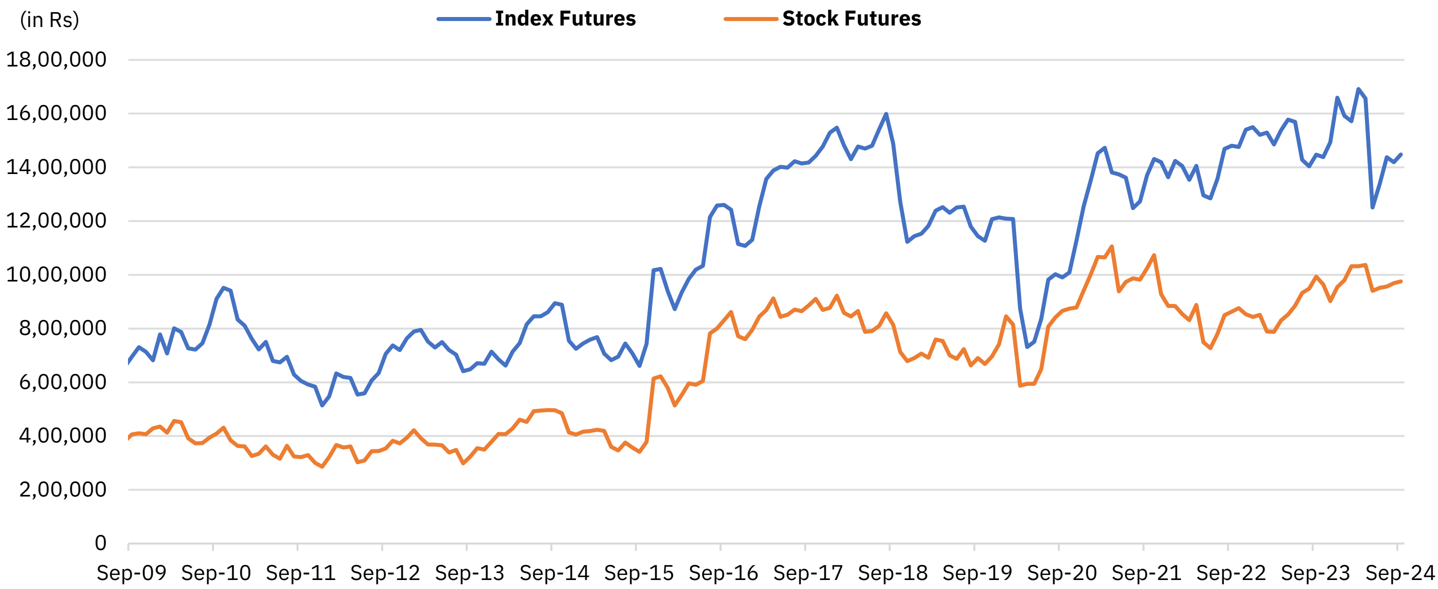
Source: NSE EPR.
Note: FY25TD is as of Sep'24.

Figure 176: Monthly trend in average trade size in NSE CM segment



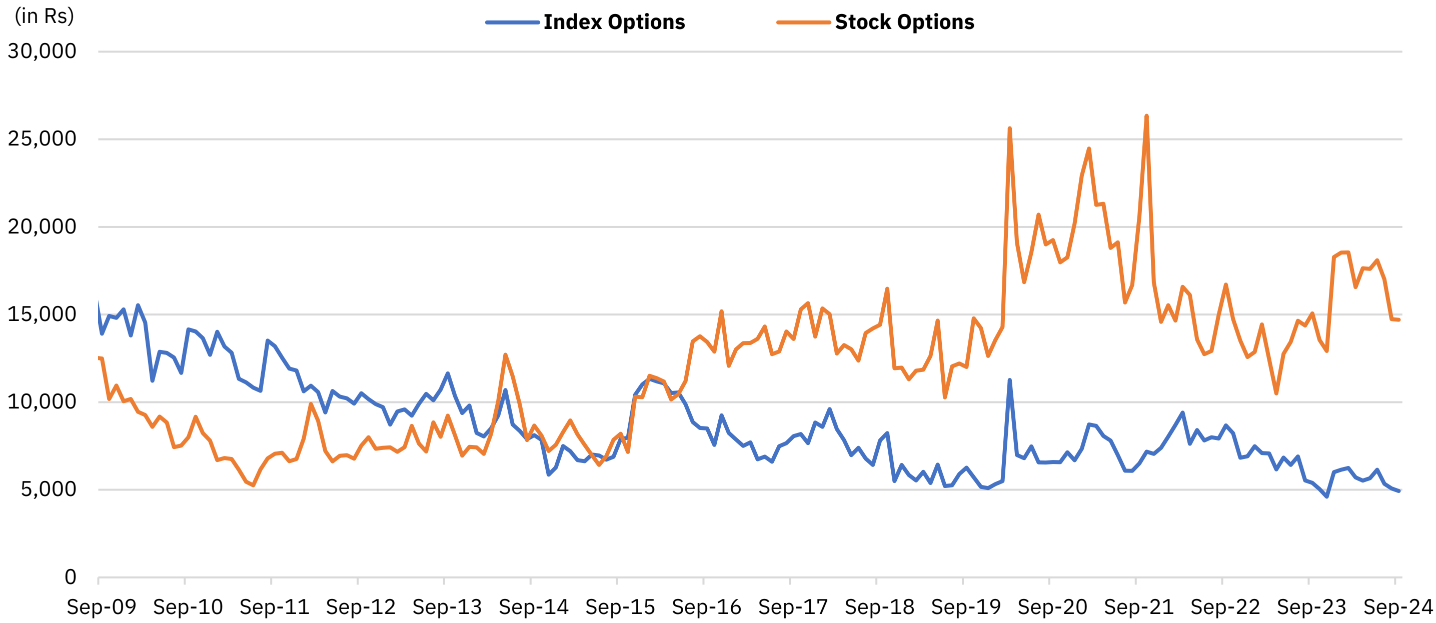
Source: NSE EPR.

Figure 177: Monthly trend in average trade size in equity futures



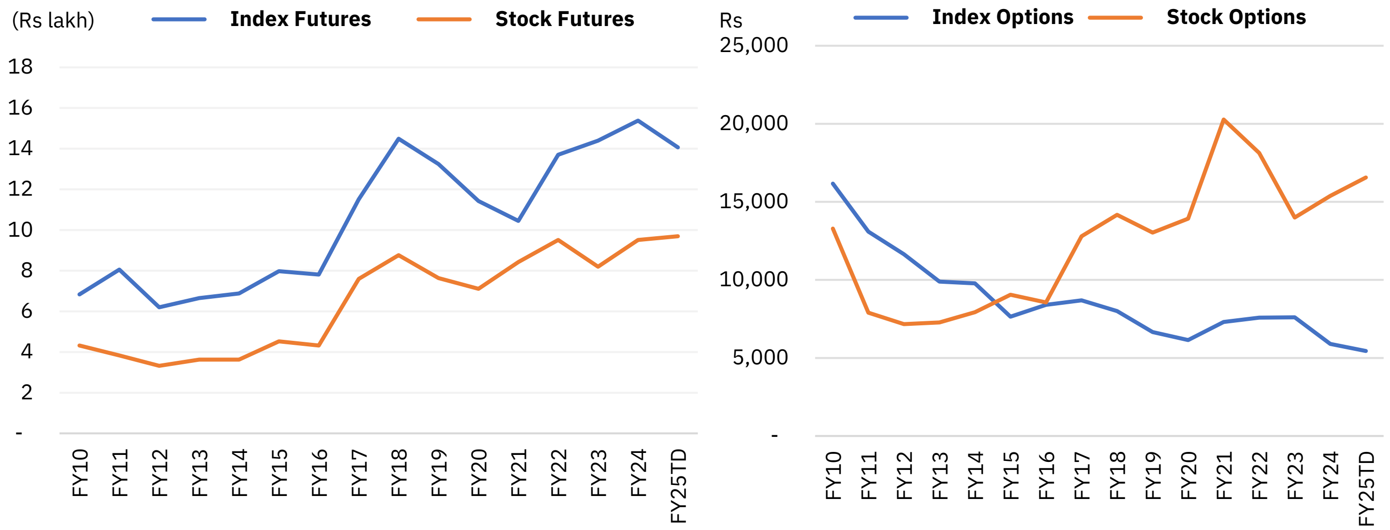
Source: NSE EPR.

Figure 178: Monthly trend in average trade size in equity options



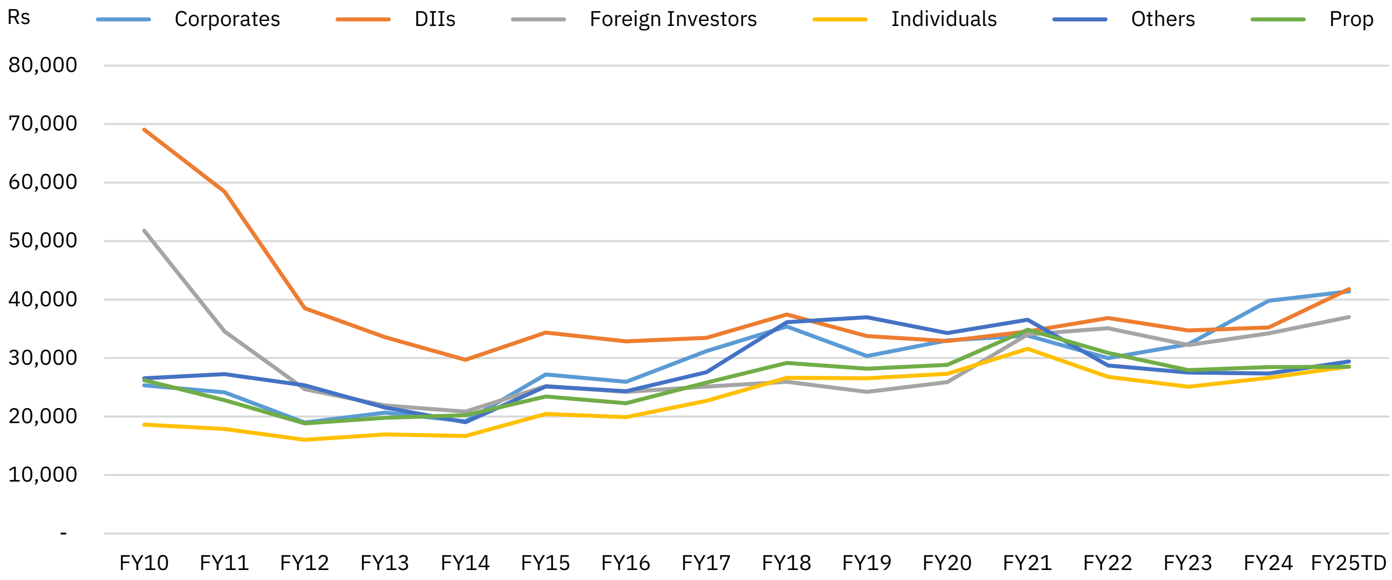
Source: NSE EPR.

Figure 179: Annual trend in average trade size in NSE equity derivatives segment



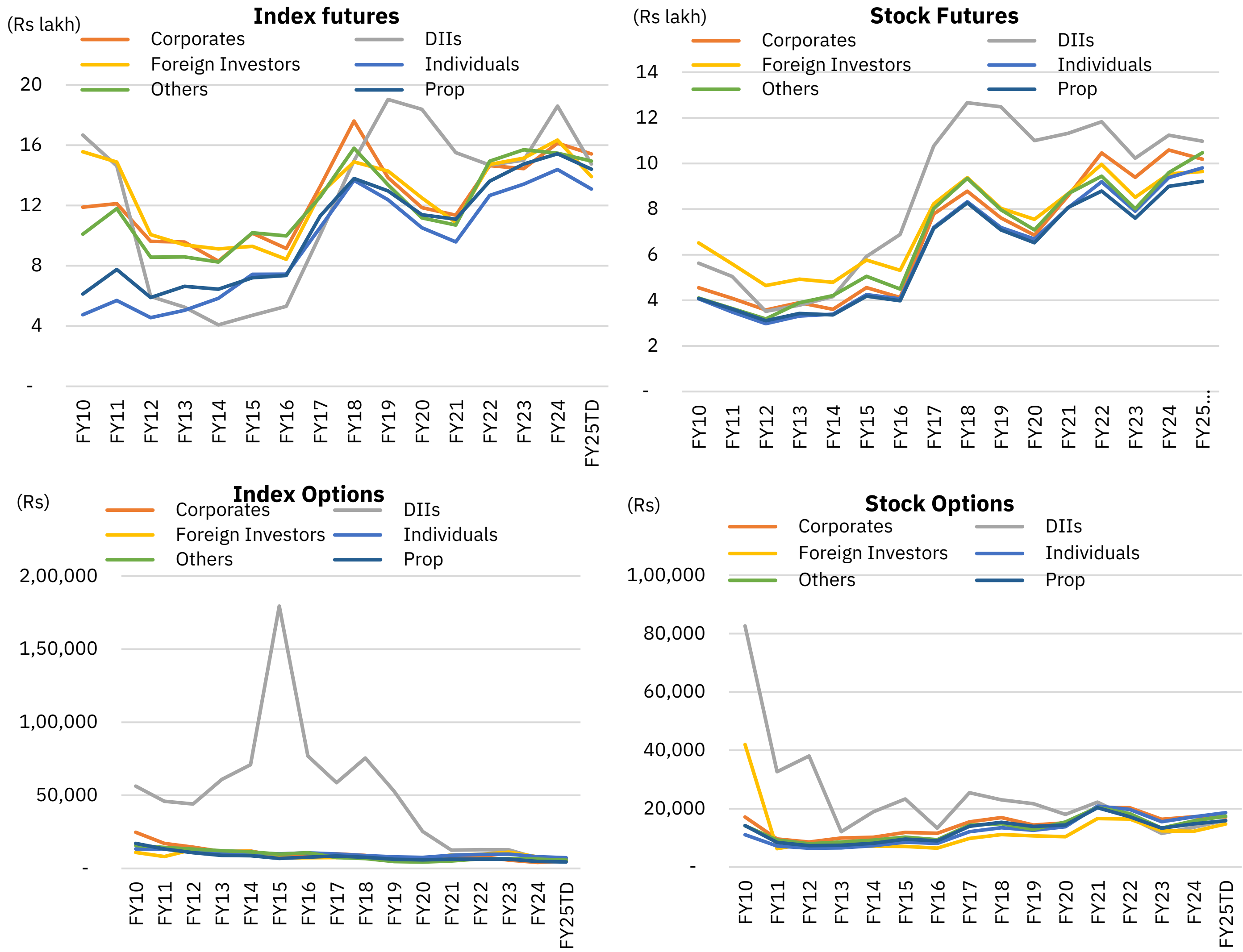
Source: NSE EPR.
Note: FY25 is as of September 30th, 2024

Figure 180: Annual trend in average trade size across categories in NSE CM segment



Source: NSE EPR.
Note: FY25 is as of September 30th, 2024

Figure 181: Annual trend in average trade size across categories in NSE equity derivatives segment



Source: NSE EPR. Note: FY25TD is as of September 30th, 2024

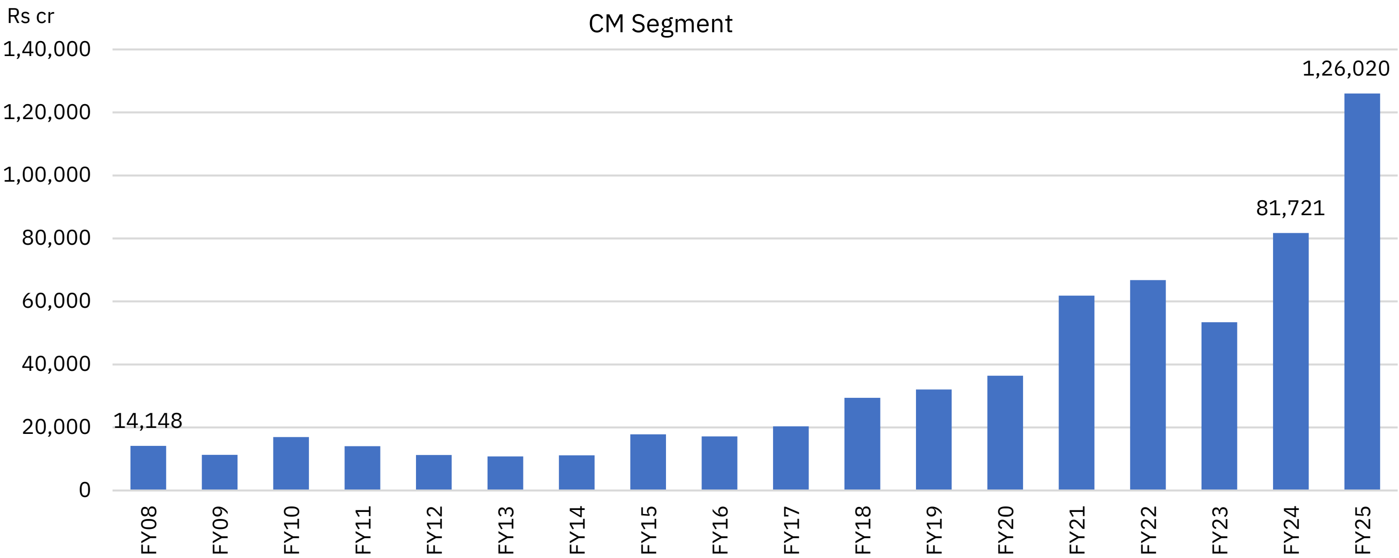
ADT in the CM segment declined across products, barring ETFs and SME Emerge, in September: Except ETFs and SME Emerge stocks, where ADT witnessed a marginal jump to Rs 1,529 crore (+2.1% MoM) and Rs 502 crore (+0.5% MoM) respectively, ADT declined across other products in Sep'24. The ADT for mainboard equities declined by 2.6% MoM to Rs 1.19 lakh crore, while that of SGBs, InvITs, and REITs also witnessed substantial reduction during the month. The YoY growth, however, remained robust across all products.

Table 56: Average daily turnover in NSE's CM Segment

Products (Rs crore)	Sep-24	Aug-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Capital Market	**121,875**	**125,627**	**(3.0)**	**126,020**	**68,224**	**84.7**	**81,721**	**120,633**
Equities (Main Board)	119,647	122,818	(2.6)	123,681	67,304	83.8	80,551	118,535
Exchange Traded Funds	1,529	1,498	2.1	1,489	598	148.8	754	1,342
SME Emerge	502	499	0.5	440	84	421.6	145	374
Sovereign Gold Bonds	9	12	(23.6)	14	8	73.7	9	13
InvITs	31	40	(23.0)	78	35	119.4	36	68
REITs	83	286	(70.8)	98	45	118.0	49	85
Others	74	473	(84.4)	222	149	49.4	177	215

Source: NSE EPR
Notes: 1. Average daily turnover (ADT) excludes auction market turnover. Equities (Main Board) include stocks in EQ, BE, BL and BZ series.
2. Others include corporate and government debt instruments (excl. SGBs), preferential shares, partly paid-up shares, warrants etc., among others.
3. Figures in brackets indicate negative numbers.
4. FY25TD is as of Sep'24 and FY24TD is as of Sep'23.

Figure 182: 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 Sep'24.

ADT in equity derivatives segment exhibited mixed trend across instruments: Average daily turnover (ADT) in stock futures and average daily premium turnover (ADPT) in stock options witnessed increments of 1.4% and 7.7% MoM respectively in Sep'24. On the other hand, ADT in index futures and ADPT in index options observed marginal reductions of 5.3% and 6.7% MoM respectively in Sep'24. In Index futures, BANKNIFTY witnessed the highest MoM fall of 13.1%, while NIFTYNXT50 witnessed an 11.5% MoM rise. Within index options, BANKNIFTY option contracts witnessed a MoM drop of 9.7%.

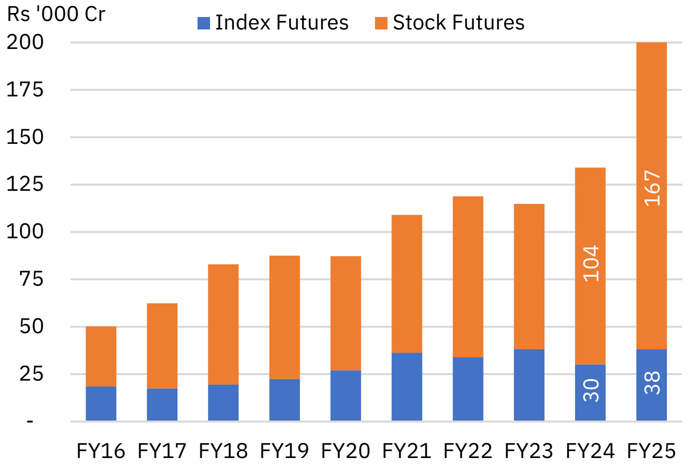
However, based on YoY comparison, the ADT of both stock and index derivatives exhibited sizeable growth, except for BANKNIFTY options contract, which showcased an 8.6% YoY drop in the first six months of FY25 as compared to the same period last year. A highlight would be the ADT growth of MIDCPNIFTY, which grew 1553.5% and 763% YoY in index futures and index options respectively.

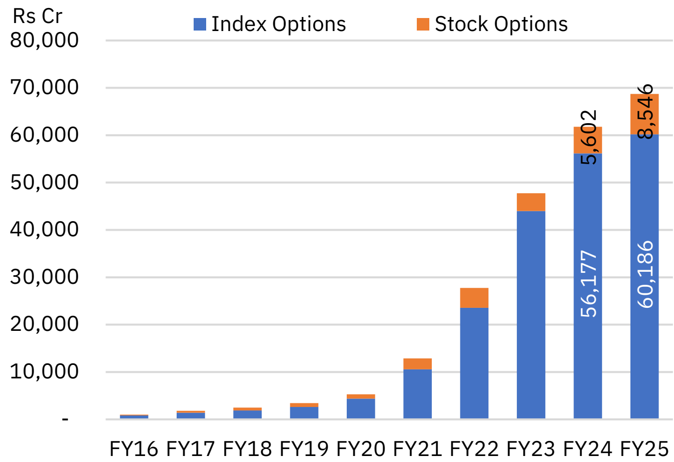
Table 57: Average daily turnover in NSE's equity derivatives segment

Product (Rs crore)	Sep-24	Aug-24	MoM Change (%)	FY25TD	FY24TD	YoY Change (%)	FY24	CY24TD
Equity Futures	**1,96,545**	**1,96,148**	**0.2**	**2,05,379**	**1,13,839**	**80.4**	**1,34,000**	**1,95,949**
Stock futures	**1,62,609**	**1,60,297**	**1.4**	**1,67,189**	**86,546**	**93.2**	**1,03,849**	**1,57,514**
Index futures	**33,936**	**35,852**	**-5.3**	**38,190**	**27,293**	**39.9**	**30,151**	**38,435**
BANKNIFTY	11,710	13,469	-13.1	14,783	13,341	10.8	13,841	15,493
NIFTY50	20,522	20,714	-0.9	21,871	13,676	59.9	15,742	21,536
FINNIFTY	303	301	0.6	305	205	48.4	228	299
MIDCPNIFTY	1,326	1,300	2.0	1,172	71	1553.5	339	1,068
NIFTYNXT50	75	67	11.5	59	-	NA	-	39
Equity Options	**62,432**	**65,746**	**-5.0**	**68,732**	**57,956**	**18.6**	**61,779**	**70,592**
Stock options	**8,304**	**7,714**	**7.7**	**8,546**	**4,428**	**93.0**	**5,602**	**8,260**
Index options	**54,127**	**58,032**	**-6.7**	**60,186**	**53,528**	**12.4**	**56,177**	**62,333**
BANKNIFTY	23,675	26,207	-9.7	28,136	30,796	-8.6	30,145	29,785
NIFTY50	20,027	20,477	-2.2	21,626	15,918	35.9	18,502	22,436
FINNIFTY	6,005	6,549	-8.3	6,433	6,352	1.28	6,088	6,429
MIDCPNIFTY	4,413	4,795	-8.0	3,987	462	763.0	1,441	3,683
NIFTYNXT50	6	5	NA	4	-	NA		

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

Figure 183: Trends in average daily turnover in NSE's equity derivatives segment





Source: NSE EPR. Notes: 1. The above figure reports premium turnover for options contracts. 2. FY25 data is as of Sep'24.

Average daily open interest (OI) registered a rise for index derivatives in September: The average daily OI of equity futures rose by a modest 3% MoM, while equity options recorded 11% MoM growth in Sep'24. Within index derivatives, the average daily OI value expanded by 16% for index options to Rs 14.7 lakh crore and 7% MoM for index futures to Rs 58,570 crore.

On annual comparison, equity futures average daily OI value rose by 73% YoY while that of equity options grew by 23% YoY in the first six months of FY25 as compared to the same period last year.

Table 58: Average daily open interest in NSE's equity derivatives segment

Product (Rs crore)	Sep-24	Aug-24	MoM Change (%)	FY25TD	FY24TD	YoY Change (%)
Equity Futures	**4,96,753**	**4,83,065**	**2.8**	**4,52,247**	**2,61,515**	**72.9**
Stock Futures	**4,38,182**	**4,28,337**	**2.3**	**4,00,113**	**2,27,498**	**75.9**
Index Futures	**58,570**	**54,728**	**7.0**	**52,134**	**34,017**	**53.3**
NIFTY	42,056	35,042	20.0	35,672	22,434	59.0
BANKNIFTY	13,114	16,396	(20.0)	13,680	11,406	19.9
FINNIFTY	241	186	30.0	185	120	53.7
MIDCPNIFTY	3,032	3,006	0.9	2,525	56	4390.5
NIFTYNEXT50	127	99	28.5	72	-	-
Equity Options	**17,89,944**	**16,09,438**	**11.2**	**15,34,481**	**12,48,199**	**22.9**
Stock Options	**3,15,472**	**3,37,671**	**(6.6)**	**2,90,701**	**1,82,046**	**59.7**
Index Options	**14,74,472**	**12,71,767**	**15.9**	**12,43,781**	**10,66,153**	**16.7**
NIFTY	8,73,234	7,43,172	17.5	7,23,401	5,61,553	28.8
BANKNIFTY	4,99,991	4,39,735	13.7	4,34,655	4,24,123	2.5
FINNIFTY	62,954	50,237	25.3	54,201	76,550	(29.2)
MIDCPNIFTY	37,840	38,273	(1.1)	31,191	3,926	694.4
NIFTYNEXT50	453	350	29.5	332	-	-

Source: NSE EPR. NM means not measurable.
Notes:
1. The above table reports notional turnover.
2. FY25TD is as of Sep'24 and FY24TD is as of Sep'23.

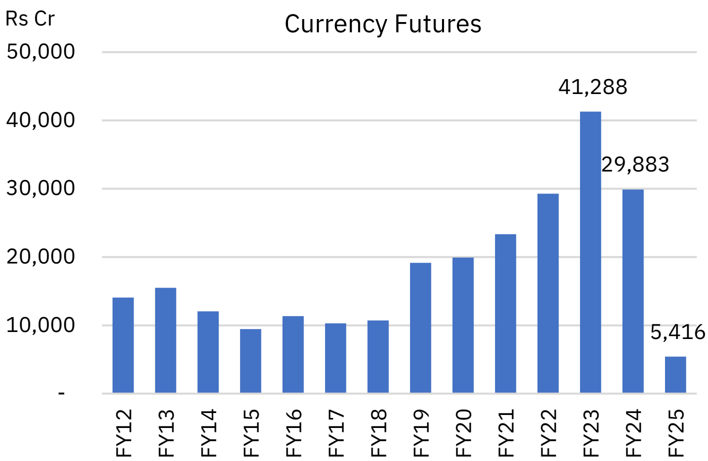
Average daily turnover in currency derivatives dropped in September: After a brief pivot in the direction, ADT in the currency derivatives segment fell again in September, wherein currency futures ADT declined by 38% MoM to Rs 3,201 crore and ADPT in the currency options segment fell by 21% MoM to Rs 5 lakh. In currency futures, USDINR was the highest-traded currency pair, followed by GBPINR and EURINR. The Japanese currency pairs, JPYINR and USDJPY, saw a drop in ADT to Rs 849 lakhs and Rs 47 lakh respectively. In currency options, GBPINR saw a heavy reduction in ADT (-100% MoM), while USDINR observed a fall (-20% MoM).

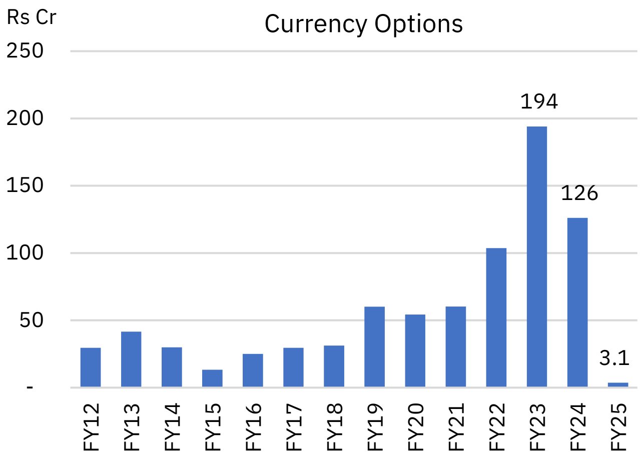
Table 59: Average daily turnover in currency derivatives segment

Product (Rs lakhs)	Sep-24	Aug-24	MoM change (%)	FY25TD	FY24TD	YoY Change (%)	FY24	CY24TD
Currency futures	**3,20,127**	**5,16,165**	**(38)**	**5,41,606**	**31,17,871**	**(83)**	**29,88,275**	**12,96,957**
EURINR	6,561	6,847	(4)	9,159	1,98,350	(95)	1,99,573	68,836
EURUSD	974	933	4	828	1,449	(43)	1,441	965
GBPINR	10,292	9,510	8	14,005	3,48,062	(96)	3,36,657	1,25,375
GBPUSD	277	210	32	829	1,092	(24)	1,147	926
JPYINR	849	998	(15)	2,296	58,608	(96)	59,177	20,637
USDINR	3,01,125	4,97,619	(39)	5,14,419	25,09,894	(80)	23,89,973	10,80,143
USDJPY	47	48	(2)	69	414	(83)	306	75
Currency options	**5**	**7**	**(21)**	**307.1**	**15,614.4**	**(98)**	**12,616**	**3,623**
EURINR	-	-	-	0.1	2.1	(96)	3.1	1.9
EURUSD	-	-	-	-	-	-	-	-
GBPINR	-	0.1	(100)	1.1	84	(99)	117	48
GBPUSD	-	-	-	-	-	-	-	-
JPYINR	-	-	-	-	0.1	(100)	0.2	0.0
USDINR	5.4	6.7	(20)	306	15,528	(98)	12,496	3,573
USDJPY	-	-	-	-	-	-	-	-

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

Figure 184: Trends in average daily turnover in currency derivatives segment





Source: NSE EPR
Note: 1. The above figure reports premium turnover for options contracts. 2. FY25 data is as of Sep 30th, 2024.

ADT of interest rate futures expanded substantially in September: The average daily turnover (ADT) in the interest rate futures segment expanded by 43.5% MoM to a 10-month high of Rs 115.3 crore in Sep'24. On the annual comparison, ADT of interest rate futures observed a 24.3% YoY decline to Rs 97 crore in the first six months of FY25 as compared to the same period last year.

Table 60: Average daily turnover in Interest rate derivatives

Product (Rs Lakhs)	Sep-24	Aug-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Interest rate futures	11,534	8,040	43.5	10,020	13,245	(24.3)	12,270	9,680

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

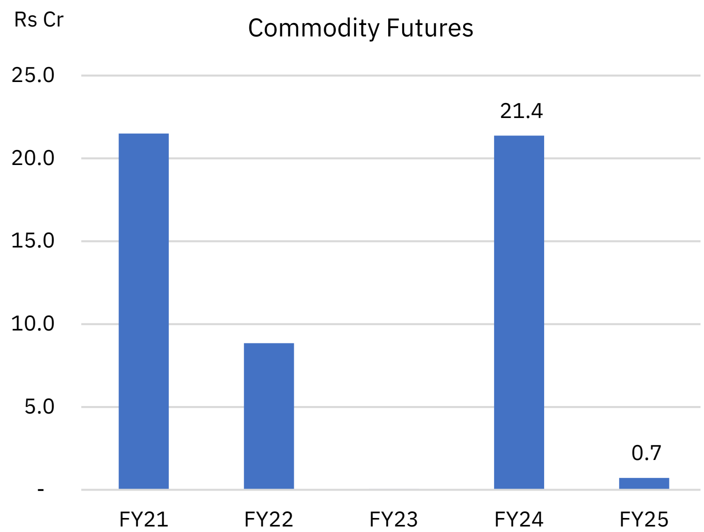
ADT of commodity derivatives expanded for the third consecutive month in September: The ADT of commodity futures increased by 62.9% MoM to an eight-month high of Rs 1.36 crore, while the ADPT of commodity options grew to an all-time high of Rs 13.8 crore in Sep'24. On annual comparison, ADT of commodity futures exhibited a 98.2% YoY decline, while commodity options' ADPT exhibited a notable 54x growth in the first six months of FY25 as compared to the same period last year.

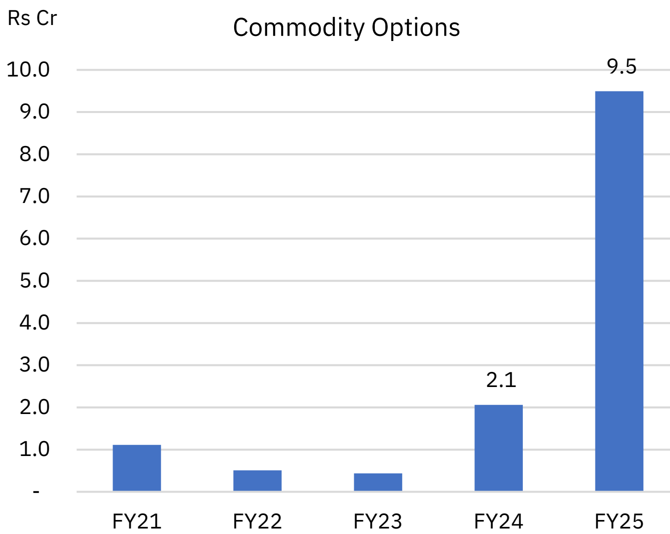
Table 61: Average daily turnover in commodities derivatives

Product (Rs Lakhs)	Sep-24	Aug-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Commodity futures	136	84	62.9	71	3,883	(98.2)	2,138	85
Commodity options	1,382	1,173	17.8	950	18	5,312	206	857

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

Figure 185: Trends in average daily turnover in commodity derivatives segment





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

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

DIIs continued their buying streak, foreign investors turned into buyers: Continuing their buying impetus for the 14th consecutive month, domestic institutional investors (DIIs) recorded a net inflow of Rs 25,469 crore in the NSE's capital market segment (secondary markets only) in September, reflecting their consistent confidence in the Indian capital market. Remarkably, the cumulative net investments by DIIs in the NSE's CM segment stood at Rs 2 lakh crore in the first six months of FY25, surpassing cumulative inflows recorded during the whole of FY24 of Rs 1.57 lakh crore. Individual investors, however, turned net sellers, breaking their five-month long buying streak, with net outflows of Rs 4,731 crore during the month, resulting in cumulative net inflow of Rs 57,089 crore during the first six months of the current fiscal year. Foreign investors turned into net buyers in September, with net inflows of Rs 13,302 crore, while they have been net sellers for seven out of the nine months in CY2024. Additionally, corporates and proprietary traders extended their selling spree in September with net outflows of Rs 12,957 crore and Rs 14,499 crore respectively.

Table 62: Category-wise flow in secondary markets in the last three months

(Rs crore)	Sep-24			Aug-24			Jul-24		
Category	**Buy Value**	**Sell Value**	**Net Value**	**Buy Value**	**Sell Value**	**Net Value**	**Buy Value**	**Sell Value**	**Net Value**
Corporates	1,15,476	1,28,433	(12,957)	1,20,444	1,30,217	(9,773)	1,55,757	1,64,504	(8,747)
DIIs	3,32,630	3,07,161	25,469	3,15,949	2,75,107	40,842	3,50,753	3,33,917	16,836
Foreign Investors	4,01,595	3,88,293	13,302	4,00,957	4,24,879	(23,922)	3,61,262	3,51,188	10,073
Individuals	8,77,549	8,82,280	(4,731)	9,28,426	9,14,190	14,235	11,71,600	11,63,294	8,306
Others	1,21,969	1,28,553	(6,584)	1,34,302	1,39,023	(4,721)	1,35,544	1,43,759	(8,215)
Prop	7,10,158	7,24,657	(14,499)	7,38,079	7,54,741	(16,661)	8,86,661	9,04,914	(18,253)
Total	**25,59,376**	**25,59,376**		**26,38,157**	**26,38,157**		**30,61,577**	**30,61,577**	

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 63: 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	7,68,645	8,09,790	(41,145)	11,05,673	11,47,170	(41,497)
DIIs	19,23,427	17,24,666	1,98,761	22,98,940	21,41,733	1,57,207
Foreign Investors	22,25,586	23,10,411	(84,825)	29,70,760	29,86,228	(15,468)
Individuals	56,02,810	55,45,722	57,089	71,52,033	71,04,792	47,241
Others	7,03,747	7,43,987	(40,239)	9,53,295	9,91,704	(38,410)
Prop	45,28,257	46,17,897	(89,640)	56,22,737	57,31,811	(1,09,074)
Total	**1,57,52,473**	**1,57,52,473**		**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 Sep'24.

Category-wise turnover in NSE's derivatives segment

Individual investors' trading activity declined across index derivatives in September: Decline in turnover in the equity derivatives segment in September was limited to index derivatives, even as turnover of stock derivatives witnessed a decent growth. Looking at investor categories, the turnover by individuals witnessed a significant drop in index options premium turnover (-7.5% MoM) and in index futures (-9% MoM) contributing nearly 39% and 53% of the MoM decline in the turnover in the respective instruments. In stock derivatives, individuals' turnover increased in both stock options (+10.1% MoM) and stock futures (+1.6% MoM) contributing 36% and 17% to the MoM rise in the turnover in respective instruments. Going against the tide, DIIs increased their trading in index futures (+14% MoM), and turnover (in terms of premium) by corporates increased in stock (+12.3% MoM) and index options (+0.9% MoM) in September.

Table 64: Category-wise turnover in equity derivatives

(Rs crore)	Sep-24		Aug-24		FY25TD		FY24	
Category wise	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Index Futures	**7,12,659**	**7,12,659**	**7,52,883**	**7,52,883**	**47,73,707**	**47,73,707**	**74,17,117**	**74,17,117**
Corporates	94,061	94,933	95,940	98,350	6,42,516	6,39,016	8,66,663	8,59,339
DIIs	28,168	28,986	25,341	24,786	1,37,209	1,39,099	2,52,024	2,54,039
Foreign Investors	1,06,721	99,881	1,10,088	1,04,875	7,42,683	7,13,880	10,29,423	10,34,622
Individuals	2,17,010	2,18,295	2,40,423	2,37,827	14,43,120	14,47,500	22,52,031	22,45,226
Others	40,734	40,125	46,236	45,576	2,87,748	2,86,650	5,53,345	5,51,145
Prop	2,25,966	2,30,441	2,34,856	2,41,470	15,20,431	15,47,562	24,63,632	24,72,745
Stock Futures	**34,14,779**	**34,14,779**	**33,66,229**	**33,66,229**	**2,08,98,612**	**2,08,98,612**	**2,55,46,966**	**2,55,46,966**
Corporates	2,32,356	2,37,279	2,48,669	2,47,588	15,42,618	15,48,964	18,31,649	18,36,717
DIIs	3,22,455	3,25,356	3,22,714	3,27,139	18,41,536	18,60,364	22,40,985	23,06,857
Foreign Investors	10,04,411	9,86,274	9,36,436	9,32,825	57,06,197	56,64,331	61,40,115	60,77,935
Individuals	5,30,367	5,32,675	5,25,223	5,21,279	34,38,980	34,26,725	42,54,504	42,27,680
Others	1,57,150	1,56,150	1,62,191	1,65,324	10,22,237	10,19,717	18,85,711	18,86,624
Prop	11,68,041	11,77,045	11,70,997	11,72,073	73,47,044	73,78,511	91,94,002	92,11,154
Index Options	**11,36,673**	**11,36,673**	**12,18,678**	**12,18,678**	**75,23,245**	**75,23,245**	**1,38,19,564**	**1,38,19,564**
Corporates	58,392	59,625	58,020	58,929	3,25,348	3,31,098	3,59,796	3,65,396
DIIs	1,078	752	1,090	922	6,652	5,122	10,266	9,761
Foreign Investors	1,11,546	1,12,500	1,14,779	1,15,270	7,54,182	7,60,861	12,39,326	12,55,559
Individuals	4,01,061	3,95,705	4,32,721	4,28,342	26,38,172	26,06,778	48,68,556	48,16,950
Others	27,868	28,453	35,373	36,148	2,35,998	2,40,253	6,23,829	6,29,650
Prop	5,36,728	5,39,638	5,76,696	5,79,067	35,62,893	35,79,133	67,17,790	67,42,248
Stock Options	**1,74,393**	**1,74,393**	**1,61,998**	**1,61,998**	**10,68,194**	**10,68,194**	**13,78,031**	**13,78,031**
Corporates	12,037	12,207	10,677	10,908	52,157	53,675	45,728	47,270
DIIs	192	448	191	391	1,054	2,652	1,169	3,013
Foreign Investors	12,834	13,133	12,577	12,830	83,347	84,066	65,710	66,229
Individuals	49,280	48,175	44,921	43,580	3,04,478	2,99,245	4,13,213	4,05,530
Others	2,604	2,711	3,209	3,265	20,760	21,289	29,210	29,842
Prop	97,447	97,721	90,423	91,024	6,06,398	6,07,268	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 Sep'24.

Corporates exhibited an increased turnover in currency futures: After a brief reversal in the trend in August, currency futures turnover contracted in Sep'24. Although the resistance by corporates was noted, evident by their increased trading activity in currency futures (+7% MoM) and currency options (+5% MoM), the reduction was eminent, due to a substantial reduction in trading activity by proprietary traders and foreign investors.

Currency options' turnover declined substantially in September, owing to a reduction in trading activity across categories. Note that this segment observed a sharp dip in trading activity post the implementation of RBI regulatory guidelines on exchange-traded currency derivatives.

Table 65: Category-wise turnover in currency derivatives in last three months (Jul'24-Sep'24)

(Rs crore)	Sep-24		Aug-24		Jul-24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**64,015**	**64,015**	**1,08,395**	**1,08,395**	**45,606**	**45,606**
Corporates	7,801	6,115	6,483	6,533	7,002	8,145
DIIs	1,146	895	1,459	1,559	807	751
Foreign Investors	8,058	7,249	9,388	6,770	5,379	4,699
Individuals	4,559	4,434	4,622	4,981	4,328	5,358
Others	1,233	1,176	1,378	1,439	1,369	1,389
Prop	41,219	44,146	85,065	87,113	26,722	25,265
Options	**1.1**	**1.1**	**1.4**	**1.4**	**1.5**	**1.5**
Corporates	0.5	0.4	0.5	0.5	0.6	0.8
DIIs	-	-	-	-	-	-
Foreign Investors	-	-	-	-	0.0	0.0
Individuals	0.4	0.5	0.6	0.9	0.4	0.6
Others	0.0	0.0	0.0	0.0	0.0	0.0
Prop	0.2	0.1	0.3	0.0	0.5	0.1

Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above table reports premium turnover for Options contracts.

Table 66: 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	**6,49,917**	**6,49,917**	**72,01,771**	**72,01,771**
Corporates	62,323	56,923	4,21,444	4,22,361
DIIs	17,378	9,956	72,761	74,017
Foreign Investors	50,110	45,961	6,26,681	6,35,845
Individuals	47,573	42,425	10,95,914	10,94,033
Others	15,612	14,772	1,82,192	1,79,167
Prop	4,56,920	4,79,879	48,02,778	47,96,348
Options	**368.5**	**368.5**	**30,404.5**	**30,404.5**
Corporates	31.7	46.1	1,114.0	1,144.5
DIIs	0.1	1.4	14.8	0.4
Foreign Investors	14.9	28.2	1,483.9	1,156.9
Individuals	199.3	70.6	6,593.8	6,853.0
Others	3.7	2.1	1,030.0	1,085.5
Prop	118.9	220.0	20,168.0	20,164.3

Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above table reports premium turnover for Options contracts.
4. FY25TD is as of Sep'24.

Turnover of corporates and individuals increased in interest rate futures: Corporates witnessed a 51% MoM growth in turnover in interest rate futures (IRF) in Sep'24 contributing to over 90% of the rise in the turnover. Furthermore, individuals also observed an impressive 120% MoM hike in IRF turnovers in Sep'24, as the segment turnover itself saw an expansion in the month gone by.

Table 67: Category-wise trading turnover in interest rate futures in last three months (Jul'24-Sep'24)

(Rs crore)	Sep-24		Aug-24		Jul-24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**2,307**	**2,307**	**1,688**	**1,688**	**1,786**	**1,786**
Corporates	1,802	1,682	1,160	1,145	1,086	1,105
DIIs	5	5	-	-	-	-
Foreign Investors	2	2	2	2	3	3
Individuals	388	367	190	153	269	243
Others	42	2	93	26	26	26
Prop	68	249	244	362	402	409

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 68: Category-wise trading turnover in interest rate futures during FY25TD and FY24

(Rs crore)	FY25TD		FY24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**12,023**	**12,023**	**29,571**	**29,571**
Corporates	7,821	8,365	12,597	13,581
DIIs	5	5	321	296
Foreign Investors	16	16	66	66
Individuals	1,758	1,717	2,255	1,915
Others	215	85	66	62
Prop	2,209	1,835	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 Sep'24.

Proprietary traders and individuals contributed majorly to the growth in commodity derivatives turnover in September: Commodity futures turnover witnessed a 63.4% MoM rise, increasing to Rs 28.6 crore, and commodity options premium turnover witnessed a 17.8% MoM rise, increasing to Rs 290.2 crore in Sep'24, majorly driven by a surge in the turnover of proprietary traders and individual investors.

Table 69: Category-wise trading turnover in commodity derivatives in last three months (Jul'24-Sep'24)

(Rs crore)	Sep-24		Aug-24		Jul-24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**28.6**	**28.6**	**17.5**	**17.5**	**11.1**	**11.1**
Corporates	-	-	-	4.0	-	0.1
DIIs	-	-	-	-	-	-
Foreign Investors	0.3	-	-	-	-	-
Individuals	6.9	8.3	2.1	1.4	1.8	0.5
Others	0.3	0.3	0.9	1.1	0.1	0.1
Prop	21.1	20.0	14.5	11.1	9.3	10.5
Options	**290.2**	**290.2**	**246.3**	**246.3**	**178.1**	**178.1**
Corporates	1.4	1.4	0.9	0.9	0.9	0.9
DIIs	-	-	-	-	-	-
Foreign Investors	3.8	5.0	0.0	0.7	0.0	0.0
Individuals	34.4	33.7	29.9	29.7	23.3	23.0
Others	2.9	2.9	1.6	1.7	5.0	5.0
Prop	247.8	247.2	213.8	213.3	149.0	149.2

Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above table reports premium turnover for options contracts.

Table 70: Category-wise turnover in commodity derivatives during FY25TD and FY24

(Rs crore)	FY25TD		FY24	
Category	**Buy Value**	**Sell Value**	**Buy Value**	**Sell Value**
Futures	**92.6**	**92.6**	**5,429.3**	**5,429.3**
Corporates	1.1	5.1	138.4	138.5
DIIs	-	-	5.5	5.5
Foreign Investors	0.3	-	14.0	13.1
Individuals	14.6	15.3	724.6	723.6
Others	1.6	1.7	56.4	57.0
Prop	75.0	70.5	4,490.4	4,491.6
Options	**1,234.4**	**1,234.4**	**523.1**	**523.1**
Corporates	4.1	4.1	4.6	4.5
DIIs	-	-	-	-
Foreign Investors	4.9	6.5	0.1	0.0
Individuals	132.5	131.4	48.2	48.2
Others	18.7	18.8	6.4	6.5
Prop	1,074.1	1,073.6	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 Sep'24.

Category-wise participation in turnover across segments

This section gives a detailed analysis of client-wise participation in the total trading activity across all segments at NSE. The clients are broadly classified into six categories, *viz*. corporates, domestic institutional investors (DIIs), foreign investors, proprietary traders, individuals, and Others. The individual category includes individual domestic investors, NRIs, sole proprietorship firms and HUFs. The category Others includes Partnership Firms/LLP, Trust / Society, Depository Receipts, Statutory Bodies, etc. which are not included in any other categories mentioned above.

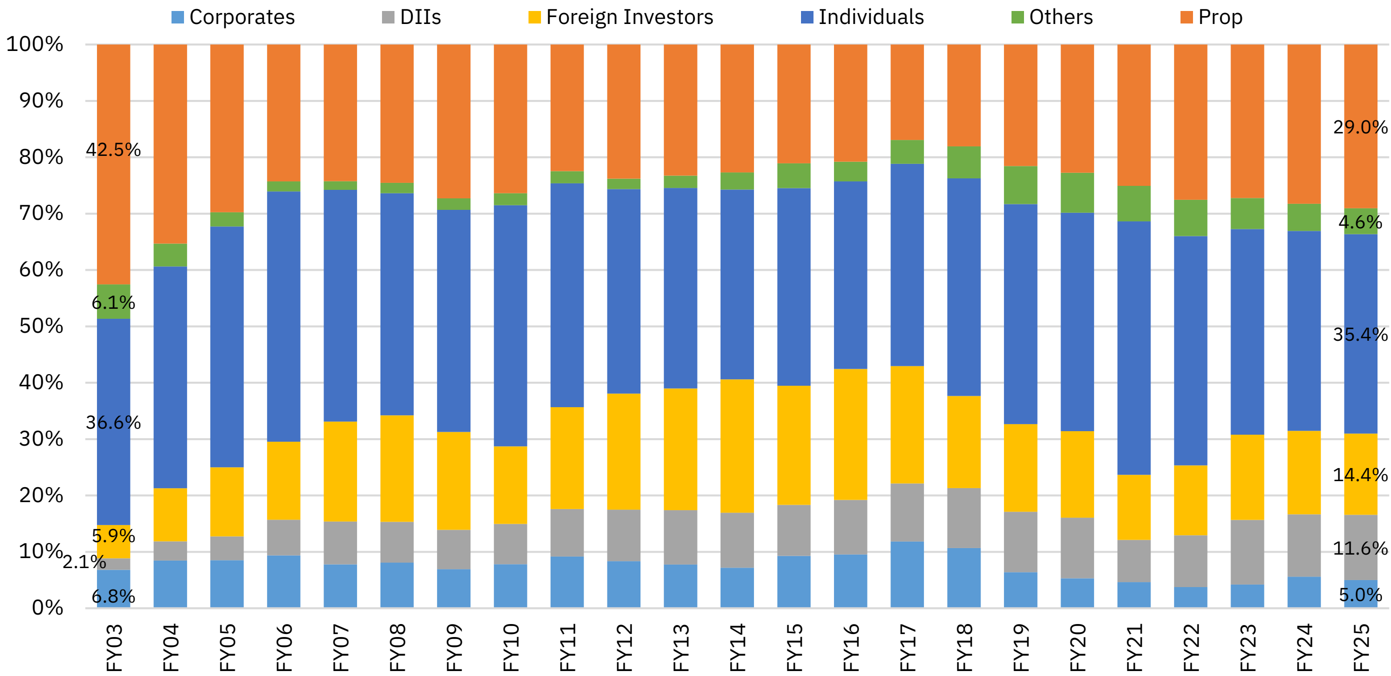
DIIs' share in the CM segment expanded in September: The share of DIIs in the overall turnover in the CM segment increased by 130bps MoM to a 17-month high of 12.5% in September. This was primarily led by mutual funds, supported by a continued upward trend in SIP inflows. This came at the expense of reduced share of individual investors, proprietary traders and foreign investors, though it should be noted that individuals remain the largest client category in the segment in terms of trading activity at 34.4%, followed by proprietary traders at 28%.

Table 71: Share of client participation in NSE cash market segment (%)

Client category	Sep-24	Aug-24	MoM Change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.8	4.8	1	5.0	5.5	(53)	5.6	5.2
DIIs	12.5	11.2	130	11.6	11.5	10	11.0	11.3
Foreign Investors	15.4	15.7	(22)	14.4	15.3	(89)	14.8	14.4
Individuals	34.4	34.9	(54)	35.4	34.8	61	35.5	35.5
Prop	28.0	28.3	(26)	29.0	27.9	111	28.2	29.0
Others	4.9	5.2	(29)	4.6	5.0	(40)	4.8	4.6

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 turnover i.e., buy-side turnover + sell-side turnover.
4. FY25TD is as of Sep '24.

Figure 186: Trends in share of client participation in NSE cash market segment (%)



Source: NSE EPR

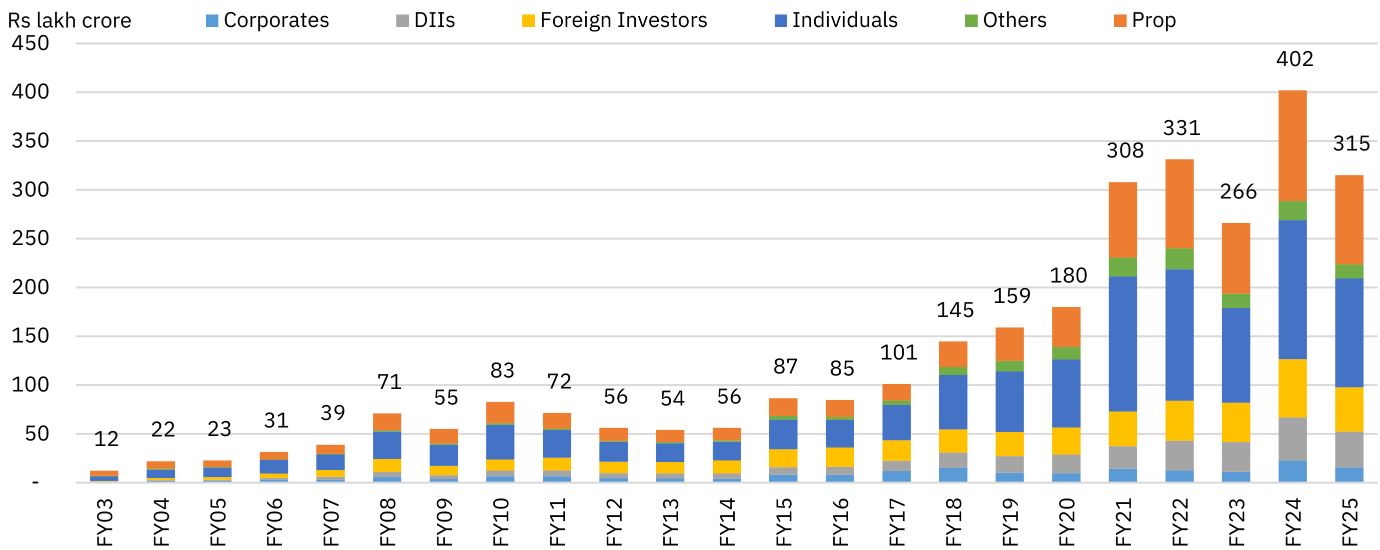
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

Figure 187: 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 Sep'24.

Proprietary traders and individuals maintained their dominant participation in equity derivatives in September: The shares of client categories in the equity derivatives segment, based on notional turnover in equity futures and options instruments, remained broadly unchanged in the month gone by. While foreign investors' share in equity futures expanded by 132bps MoM to 26.6%, proprietary traders continued to dominate the segment even as their share witnessed marginal reduction. After trailing individual investors in the month of August for the first time in 14 months, proprietary traders regained their leading position in index futures in the month of September. Foreign investors increased their share by 138bps MoM to 29.1% in stock futures – the highest in the last 51 months. However, the client category shares remained steady in equity options.

In FY25, the share of individuals in equity derivatives turnover fell by 187 bps YoY to 25.1%, while proprietary traders continued to dominate in this segment, with a 73bps YoY increase in share in the segment's turnover.

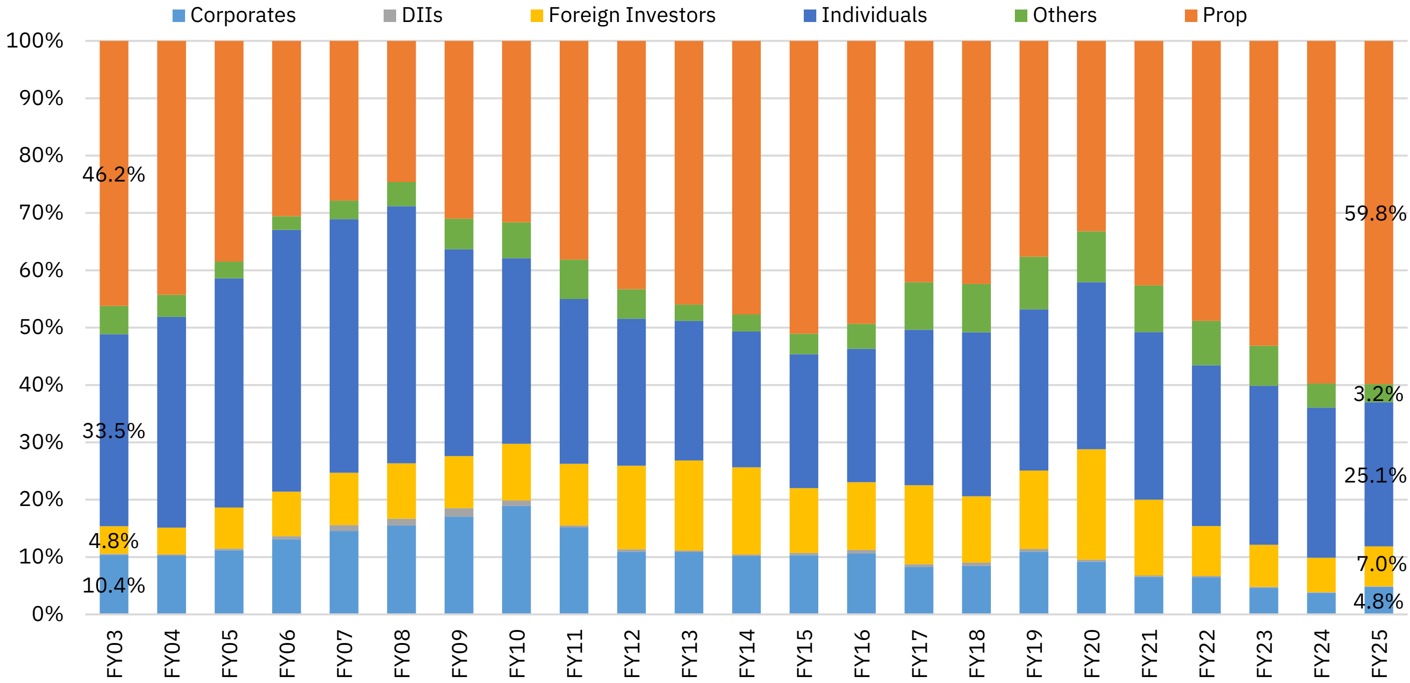
Table 72: Share of client participation in Equity Derivatives segment (Notional turnover) of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.3	4.3	1	4.8	3.5	130	3.8	4.5
DIIs	0.1	0.1	0	0.1	0.1	2	0.1	0.1
Foreign Investors	7.0	7.0	7	7.0	5.8	120	6.0	6.9
Individuals	24.8	24.6	19	25.1	27.0	(187)	26.2	25.0
Prop	61.1	61.1	7	59.8	59.1	73	59.7	60.0
Others	2.5	2.9	(34)	3.2	4.5	(138)	4.2	3.4

Source: NSE EPR

Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side turnover + sell-side turnover.
4. FY25TD is as of Sep '24.

Figure 188: Trends in share of client participation in Equity Derivatives (Notional Turnover) at NSE (%)



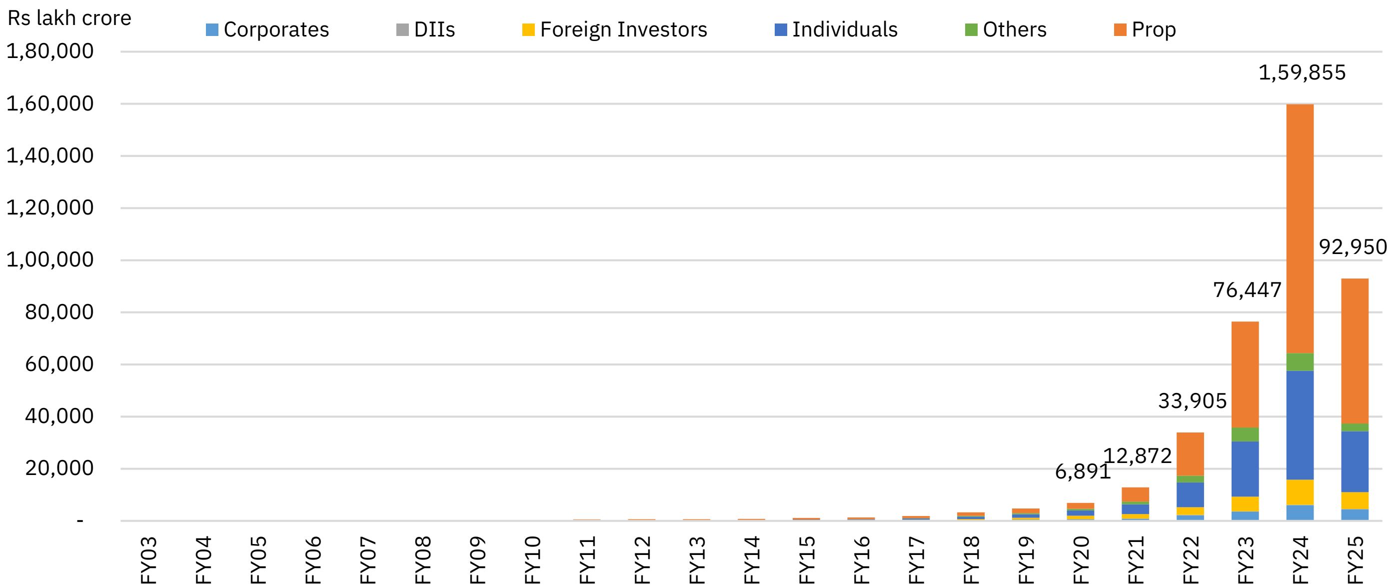
Source: NSE EPR

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 Sep'24.

Figure 189: 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.

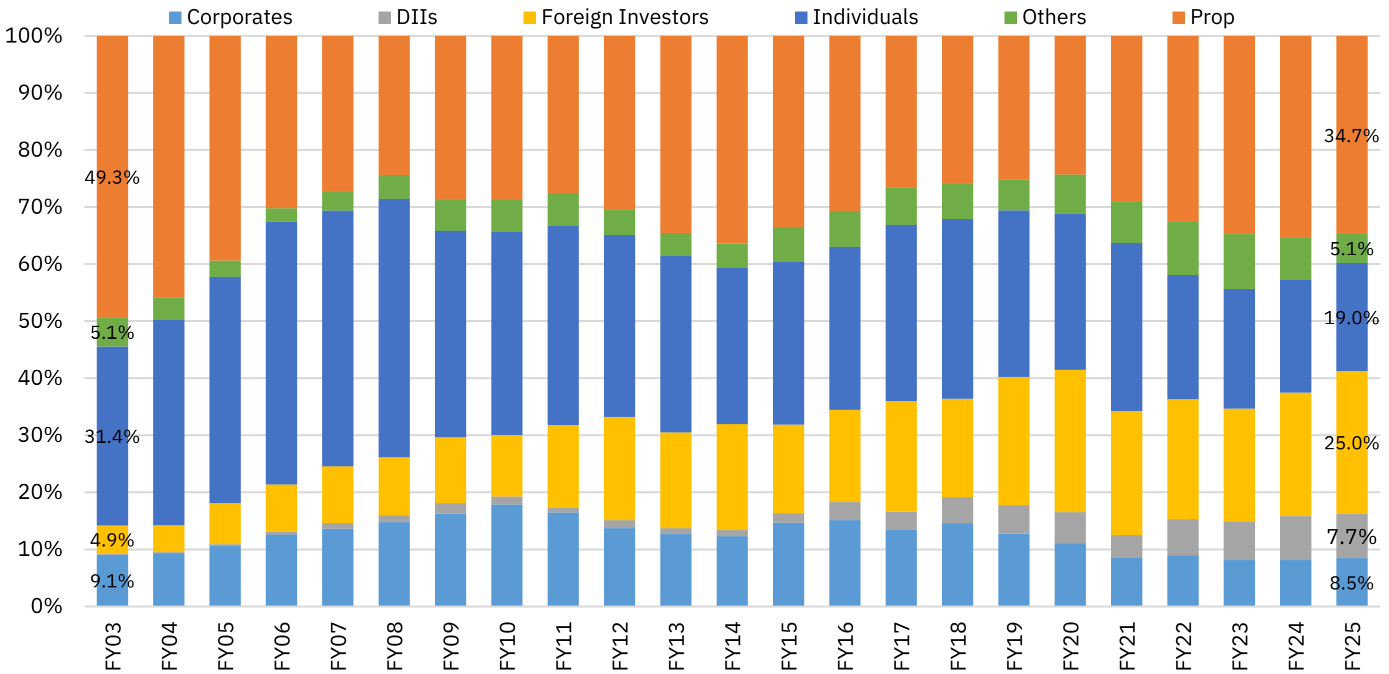
3. FY25 is as of Sep'24.

Table 73: Share of client participation in Equity futures (Notional Turnover) segment of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	8.0	8.4	(40)	8.5	8.0	51	8.2	8.5
DIIs	8.5	8.5	4	7.7	7.5	25	7.7	7.6
Foreign investors	26.6	25.3	132	25.0	21.6	337	21.7	24.1
Individuals	18.2	18.5	(36)	19.0	19.7	(73)	19.7	19.3
Prop	33.9	34.2	(29)	34.7	35.4	(72)	35.4	35.0
Others	4.8	5.1	(32)	5.1	7.8	(267)	7.4	5.6

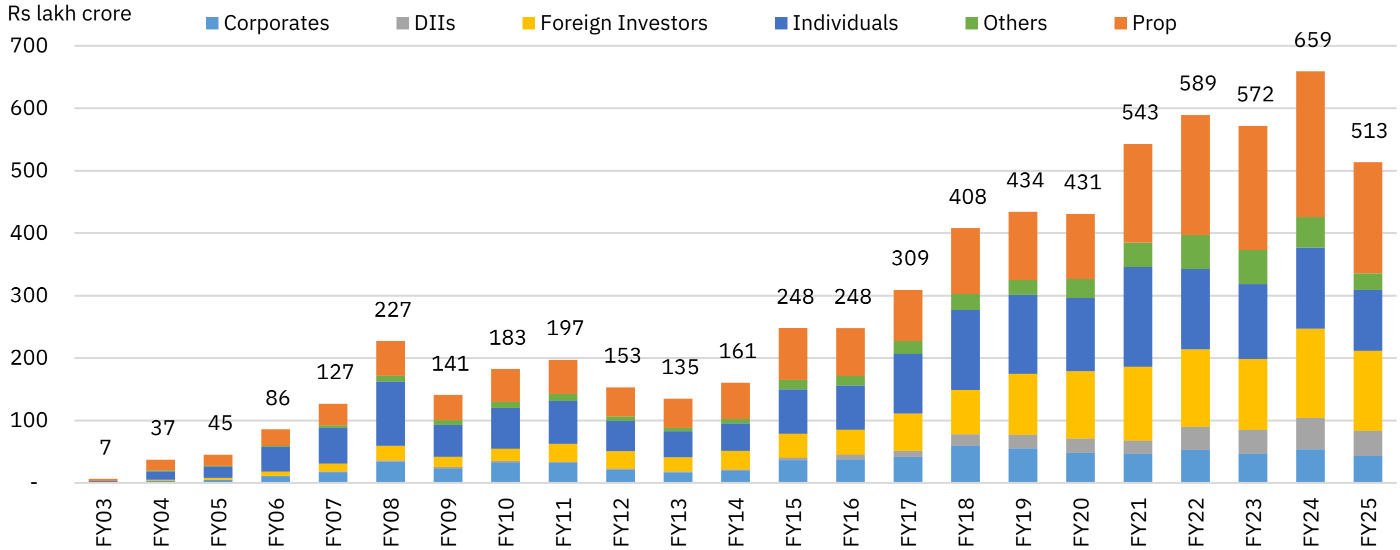
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Figure 190: Trends in share of client participation in Equity futures (Notional Turnover) at NSE (%)



Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25 data is as of Sep'24.

Figure 191: Trends in client category-wise gross turnover in Equity futures at NSE



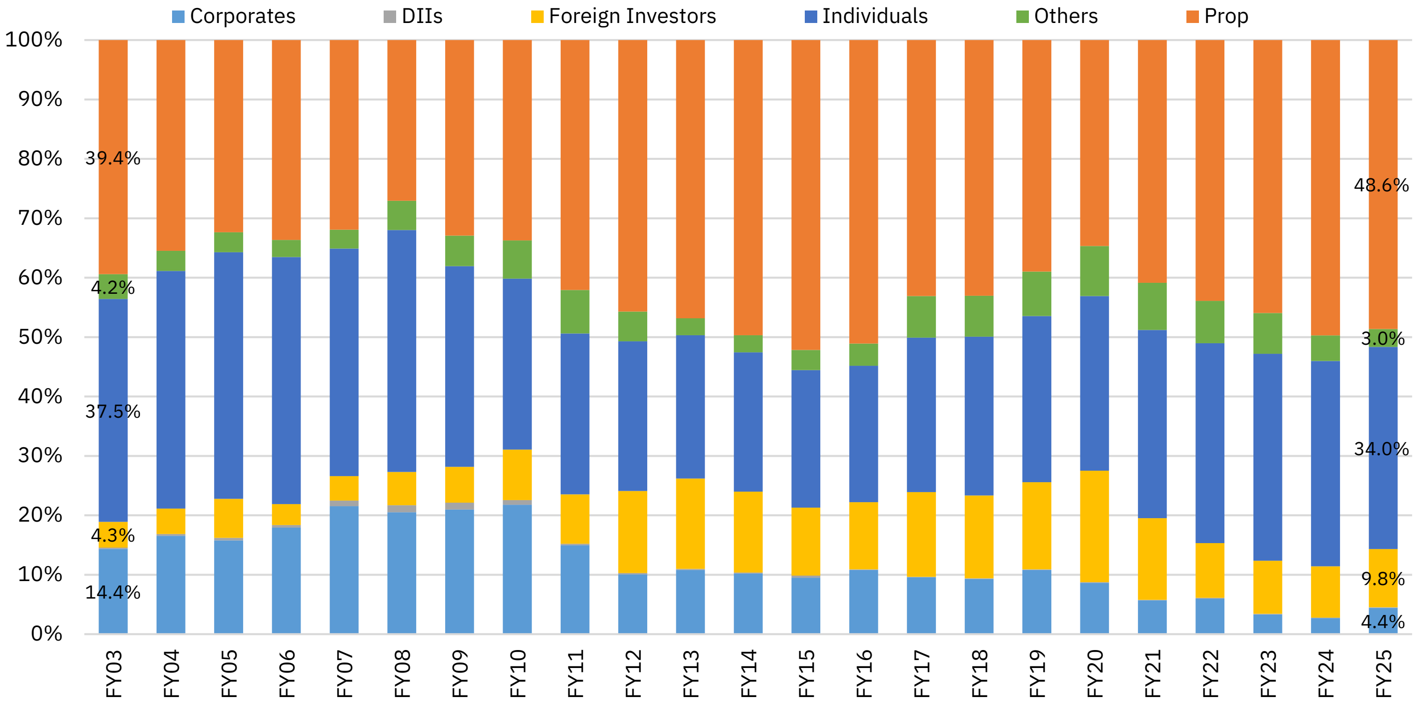
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Table 74: Share of client participation in Equity options segment (Premium Turnover) of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	5.4	5.0	41	4.4	2.8	165	2.7	3.8
DIIs	0.1	0.1	0	0.1	0.1	1	0.1	0.1
Foreign investors	9.5	9.3	28	9.8	7.5	229	8.6	10.2
Individuals	34.1	34.4	(28)	34.0	34.6	(57)	34.6	34.0
Prop	48.5	48.4	7	48.6	50.2	(153)	49.7	48.7
Others	2.4	2.8	(47)	3.0	4.9	(185)	4.3	3.3

Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side turnover + sell-side turnover.
4. FY25TD is as of Sep '24.

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



Source: NSE EPR

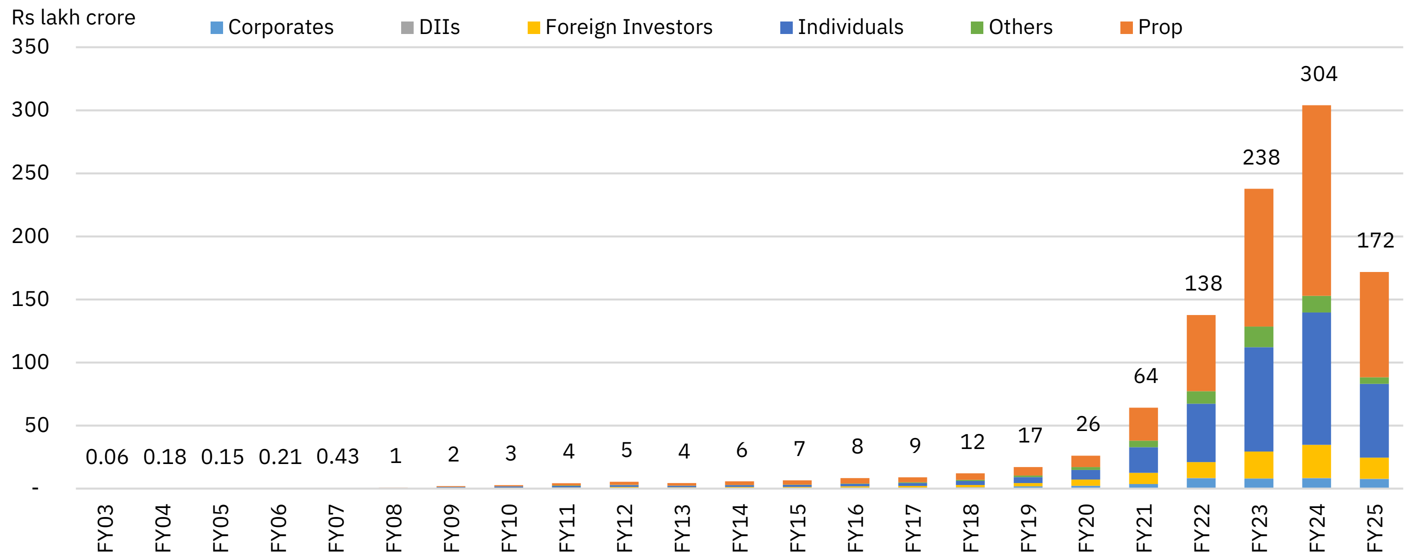
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

Figure 193: 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 Sep'24.

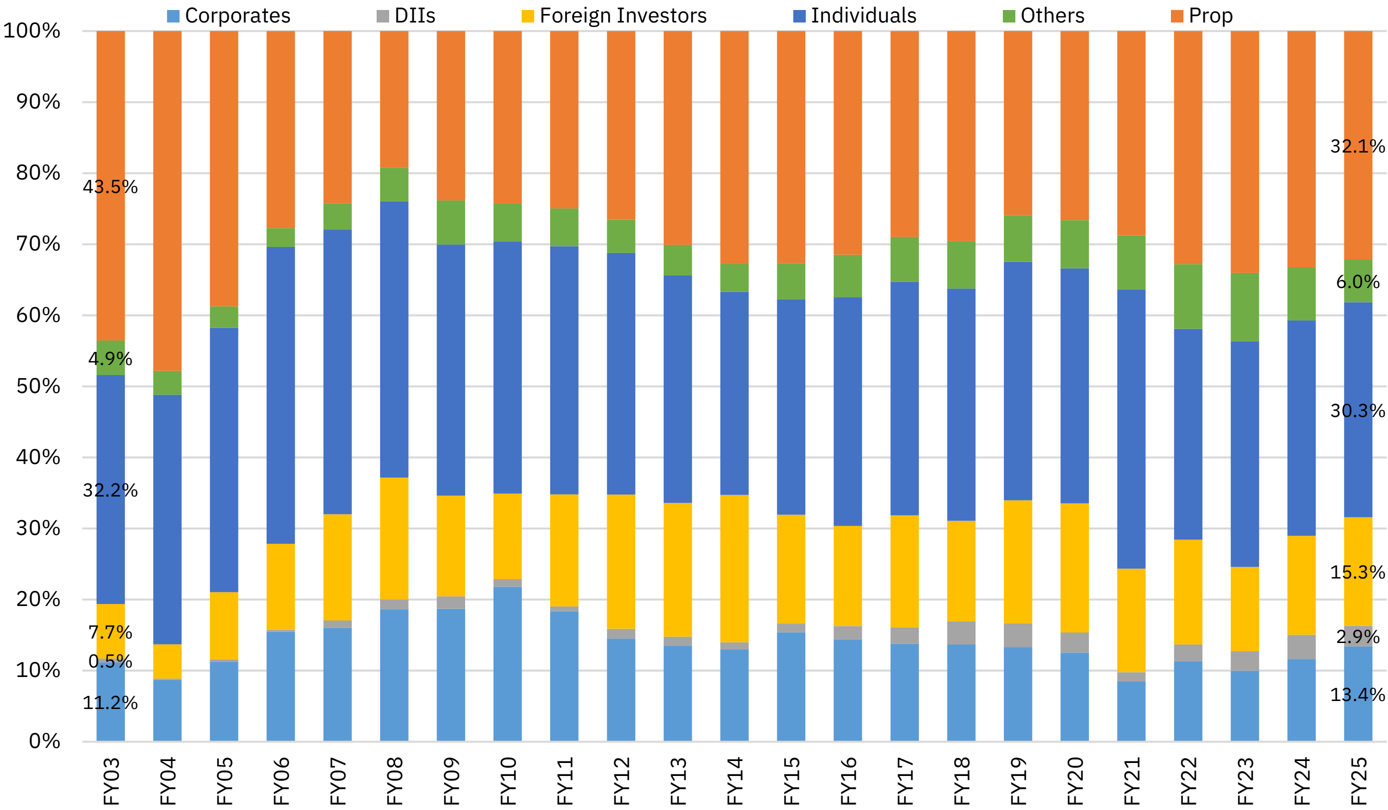
Table 75: Share of client participation in Index Futures of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	13.3	12.9	36	13.4	10.9	254	11.6	13.0
DIIs	4.0	3.3	68	2.9	3.3	(42)	3.4	2.9
Foreign investors	14.5	14.3	22	15.3	13.5	172	13.9	14.6
Individuals	30.5	31.8	(122)	30.3	31.0	(76)	30.3	30.2
Prop	32.0	31.6	39	32.1	33.7	(154)	33.3	32.7
Others	5.7	6.1	(42)	6.0	7.6	(154)	7.4	6.4

Source: NSE EPR

Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents share in gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
5. FY25TD is as of Sep'24.

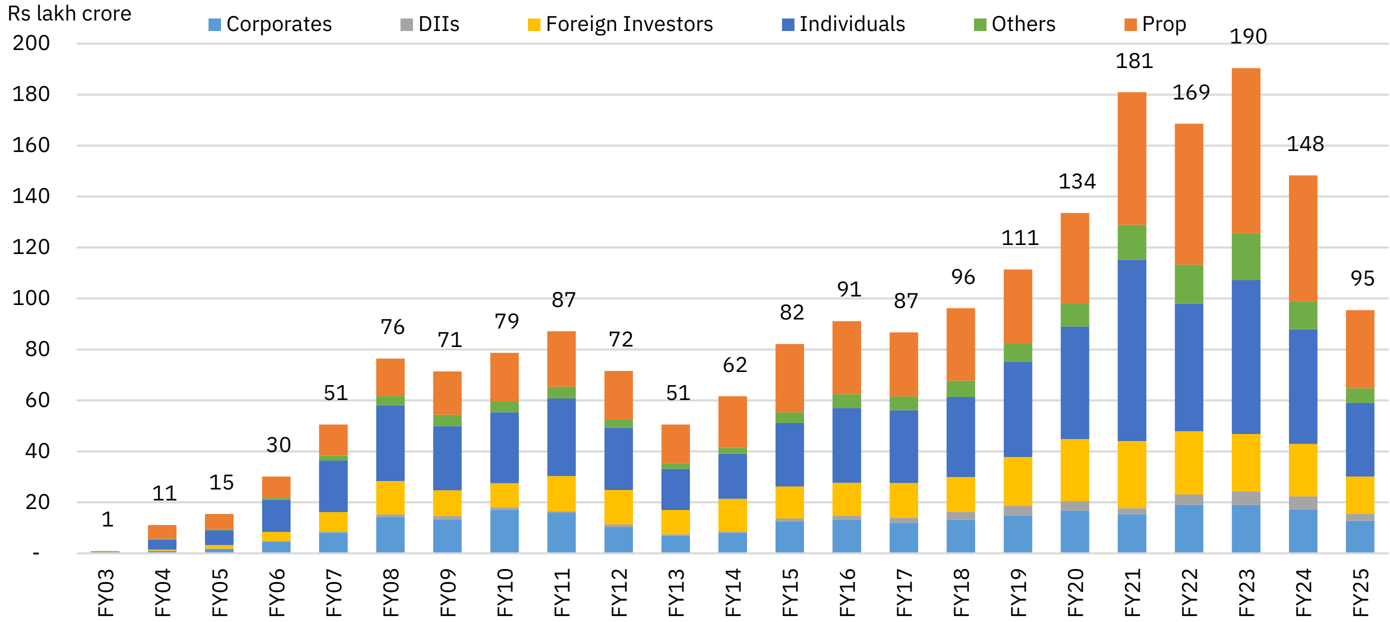
Figure 194: Trends in share of client participation in Index Futures at NSE (%)



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 Sep'24.

Figure 195: Trends in client category-wise gross turnover in Index Futures at NSE



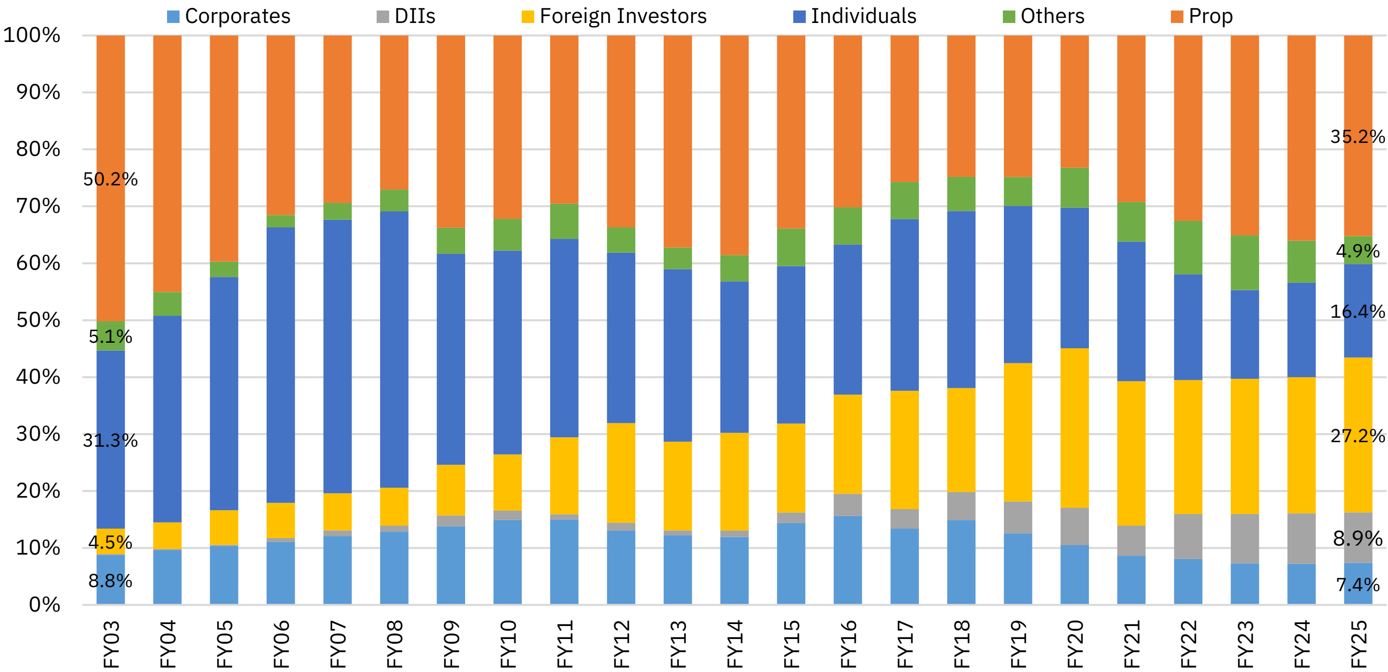
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Table 76: Share of client participation in Stock Futures of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	6.9	7.4	(49)	7.4	7.1	30	7.2	7.3
DIIs	9.5	9.7	(17)	8.9	8.8	3	8.9	8.8
Foreign investors	29.1	27.8	138	27.2	24.2	304	23.9	26.4
Individuals	15.6	15.5	2	16.4	16.2	26	16.6	16.6
Prop	34.3	34.8	(47)	35.2	35.9	(69)	36.0	35.5
Others	4.6	4.9	(28)	4.9	7.8	(295)	7.4	5.3

Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Figures in brackets indicate negative numbers.
4. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
5. FY25TD is as of Sep'24.

Figure 196: Trends in share of client participation in Stock Futures at NSE (%)



Source: NSE EPR

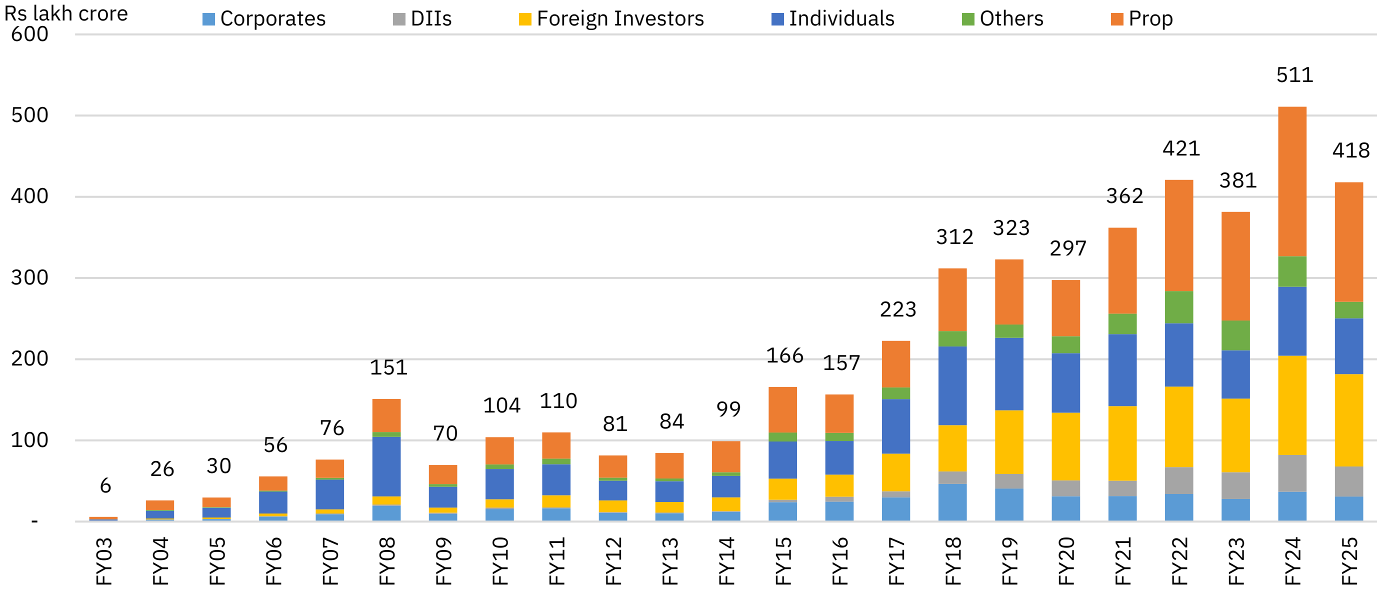
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

Figure 197: 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.

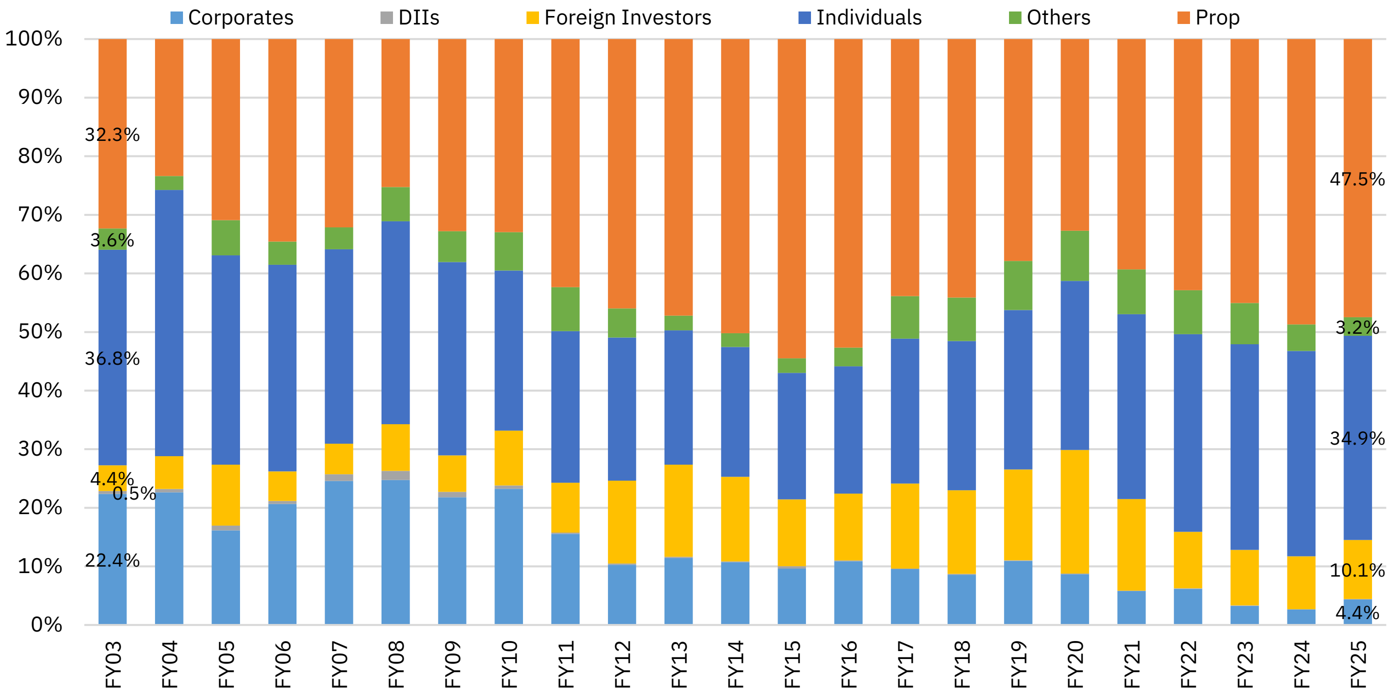
4. FY25 is as of Sep'24.

Table 77: Share of client participation in Index Options (Premium Turnover) of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	5.2	4.8	39	4.4	2.7	163	2.6	3.7
DIIs	0.1	0.1	(0)	0.1	0.1	1	0.1	0.1
Foreign investors	9.9	9.4	42	10.1	7.8	228	9.0	10.5
Individuals	35.0	35.3	(28)	34.9	34.9	(7)	35.0	34.8
Prop	47.3	47.4	(7)	47.5	49.4	(195)	48.7	47.4
Others	2.5	2.9	(46)	3.2	5.1	(190)	4.5	3.5

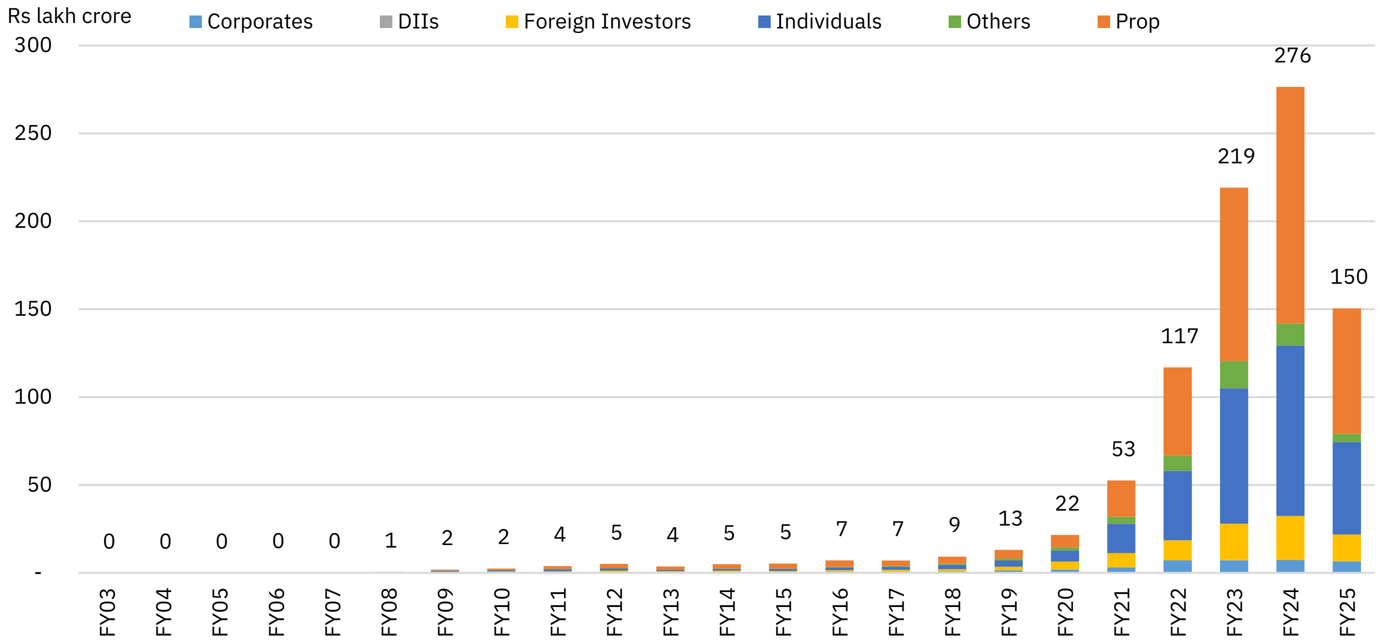
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Figure 198: 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 Sep'24.

Figure 199: Trends in client category-wise gross premium turnover in Index Options at NSE



Source: NSE EPR

Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross premium turnover i.e., buy-side premium turnover + sell-side premium turnover.
4. FY25 is as of Sep'24.

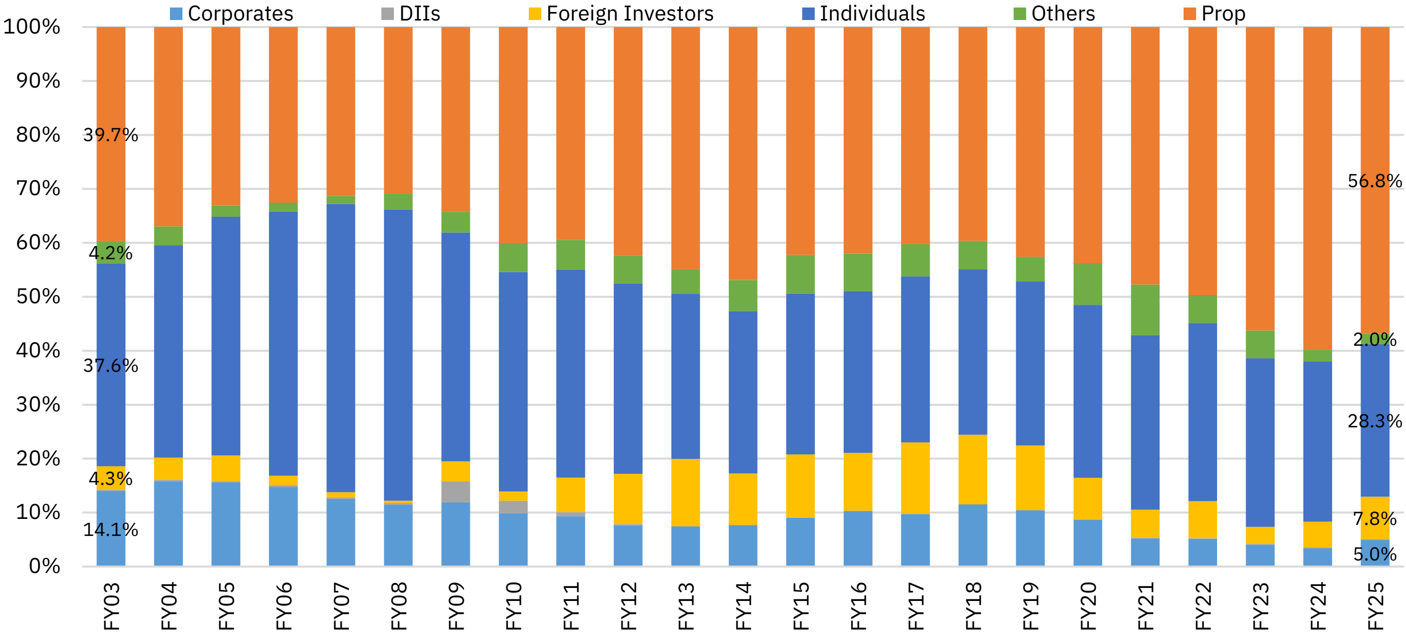
Table 78: Share of client participation in Stock Options (Premium Turnover) of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	7.0	6.7	29	5.0	3.5	147	3.4	4.4
DIIs	0.2	0.2	0	0.2	0.2	2	0.2	0.2
Foreign investors	7.4	7.8	(40)	7.8	4.0	384	4.8	7.3
Individuals	27.9	27.3	63	28.3	30.7	(247)	29.7	28.3
Prop	56.0	56.0	(5)	56.8	59.1	(232)	59.8	57.8
Others	1.5	2.0	(47)	2.0	2.5	(54)	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 Sep'24.

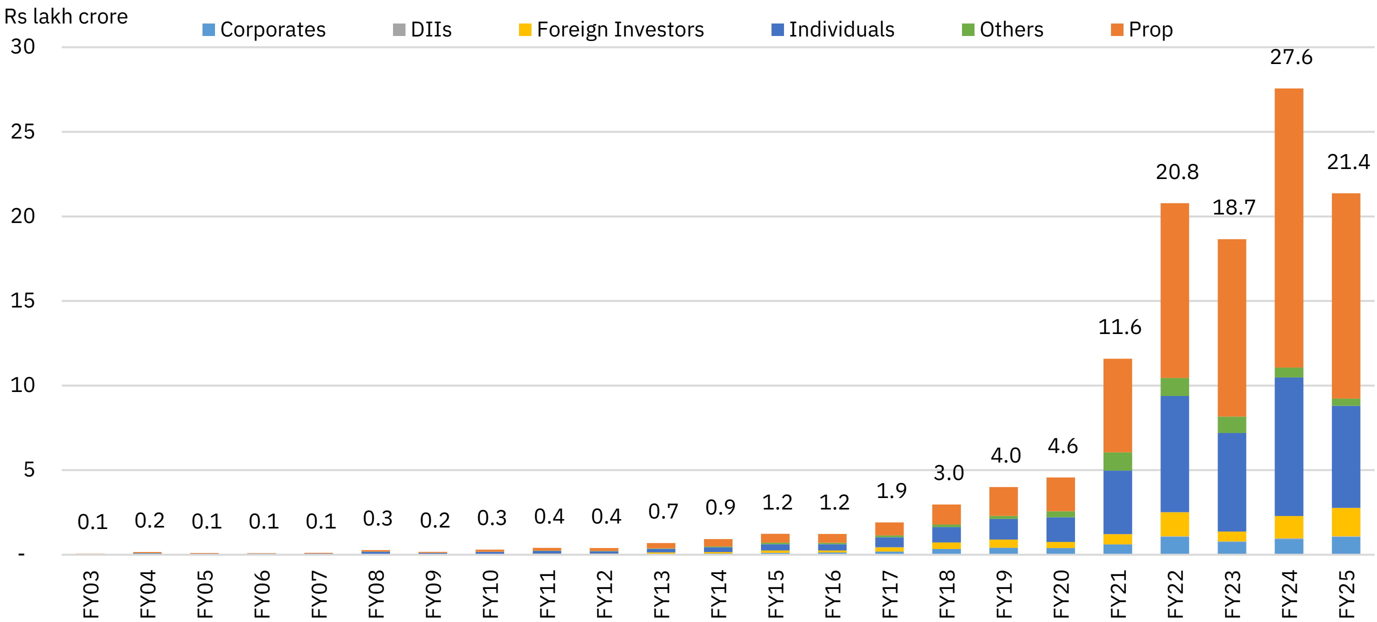
Figure 200: Trends in share of client participation in Stock Options (Premium Turnover) at NSE (%)



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 Sep'24.

Figure 201: 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 Sep'24.

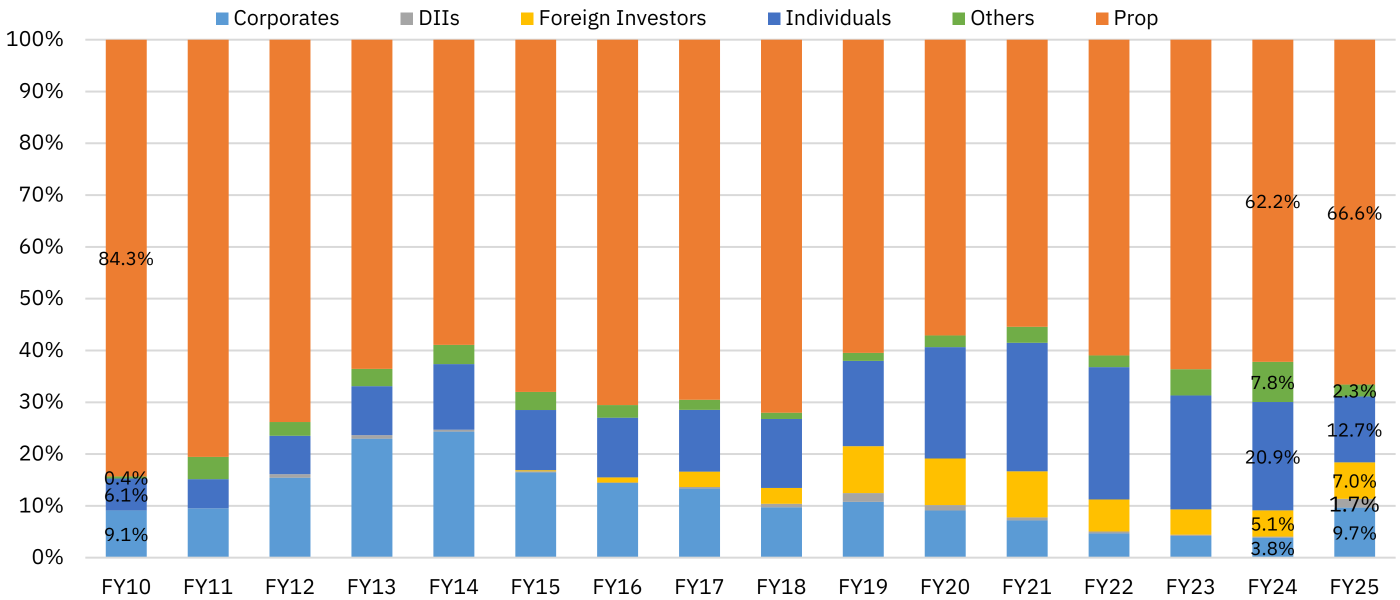
Share of proprietary traders recorded a substantial fall in September: Proprietary traders' share exhibited a 1,298bps MoM decline to 65.4% in the currency derivatives segment, though they continue to be the biggest category in the segment. The drawdown in their share was driven largely by a 1,275bps MoM contraction in currency futures, while their share in currency options (premium turnover) declined by 4bps MoM in Sep'24. On the contrary, individuals' share increased by 260bps MoM to 7% in currency futures, despite the MoM fall in notional turnover, and plunged by 1266bps MoM in currency options (premium turnover) during the month gone by.

Table 79: Share of client participation in Currency Derivatives segment (Notional Turnover) of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	11.8	6.5	531	9.7	3.8	580	3.8	4.5
DIIs	1.6	1.4	18	1.7	0.2	151	0.2	0.4
Foreign investors	11.7	7.3	432	7.0	4.5	253	5.1	6.0
Individuals	7.8	5.2	261	12.7	22.3	(958)	20.9	17.9
Prop	65.4	78.3	(1,298)	66.6	61.4	524	62.2	63.7
Others	1.8	1.3	55	2.3	7.8	(550)	7.8	7.5

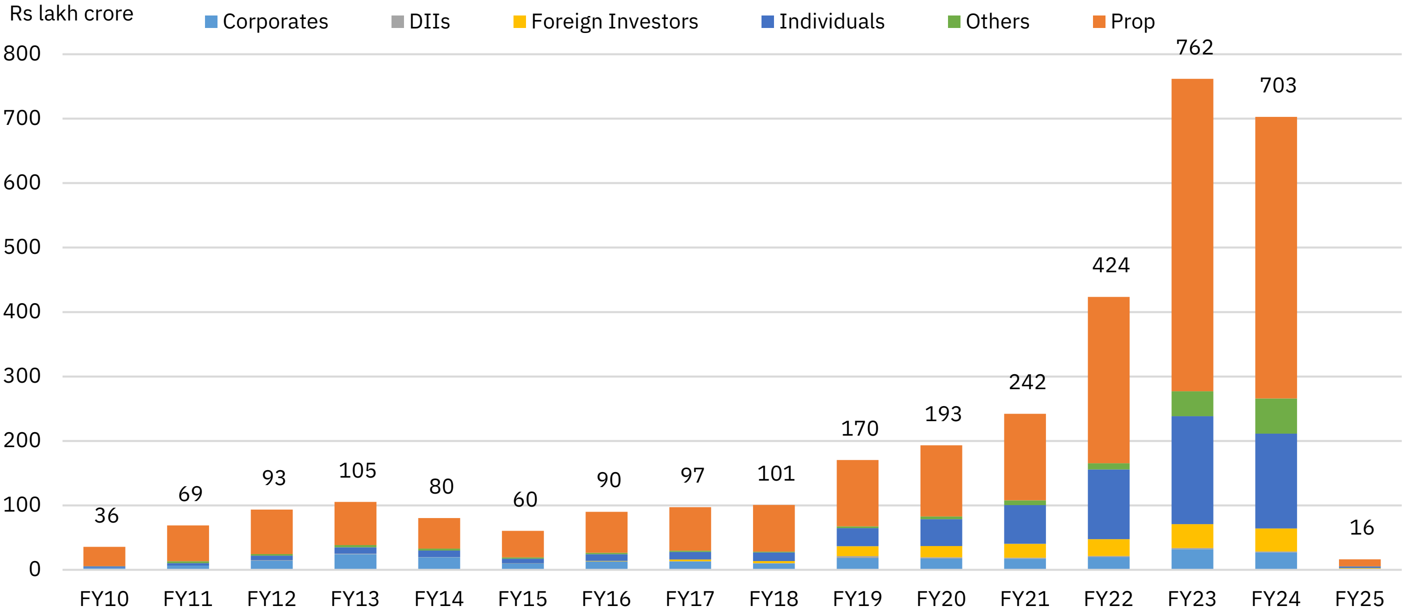
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Figure 202: 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 Sep'24.

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



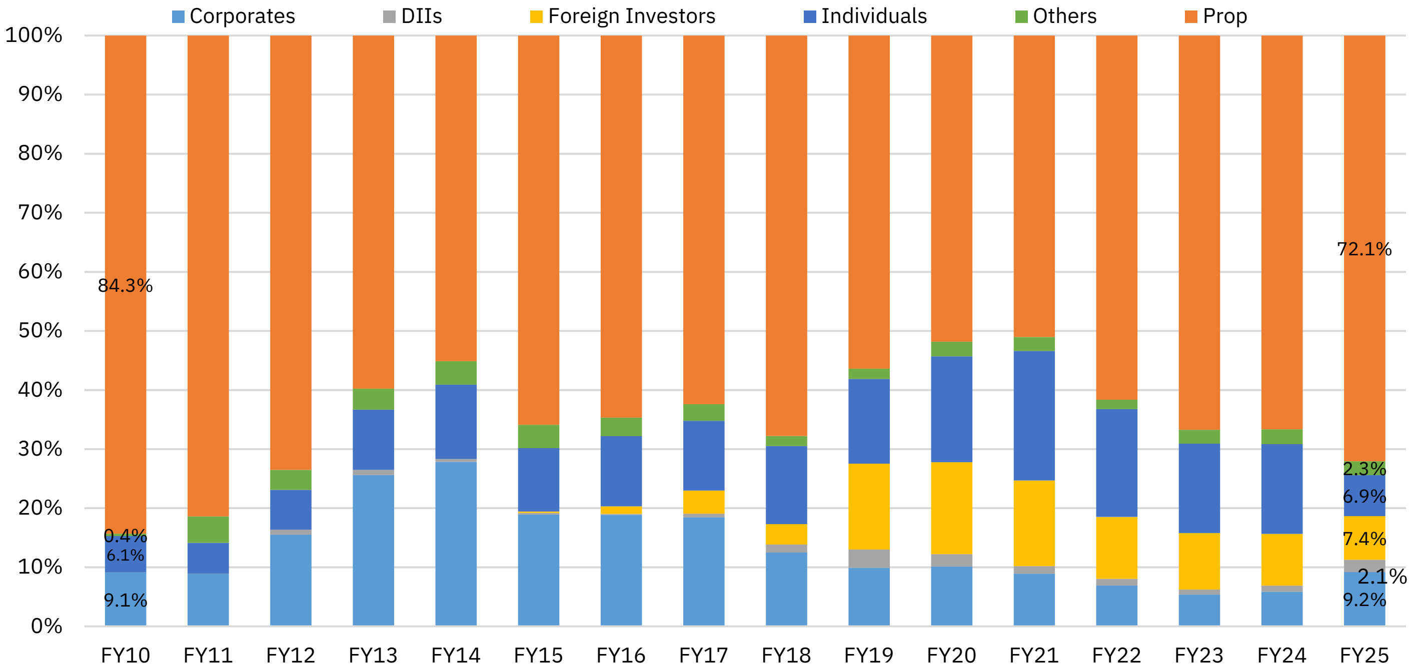
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Table 80: Share of client participation in Currency Futures of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	10.9	6.0	487	9.2	5.3	391	5.9	7.9
DIIs	1.6	1.4	20	2.1	0.9	122	1.0	1.4
Foreign investors	12.0	7.5	450	7.4	8.6	(121)	8.8	9.2
Individuals	7.0	4.4	260	6.9	16.3	(938)	15.2	12.1
Prop	66.7	79.4	(1,275)	72.1	66.5	552	66.6	66.6
Others	1.9	1.3	58	2.3	2.4	(6)	2.5	2.7

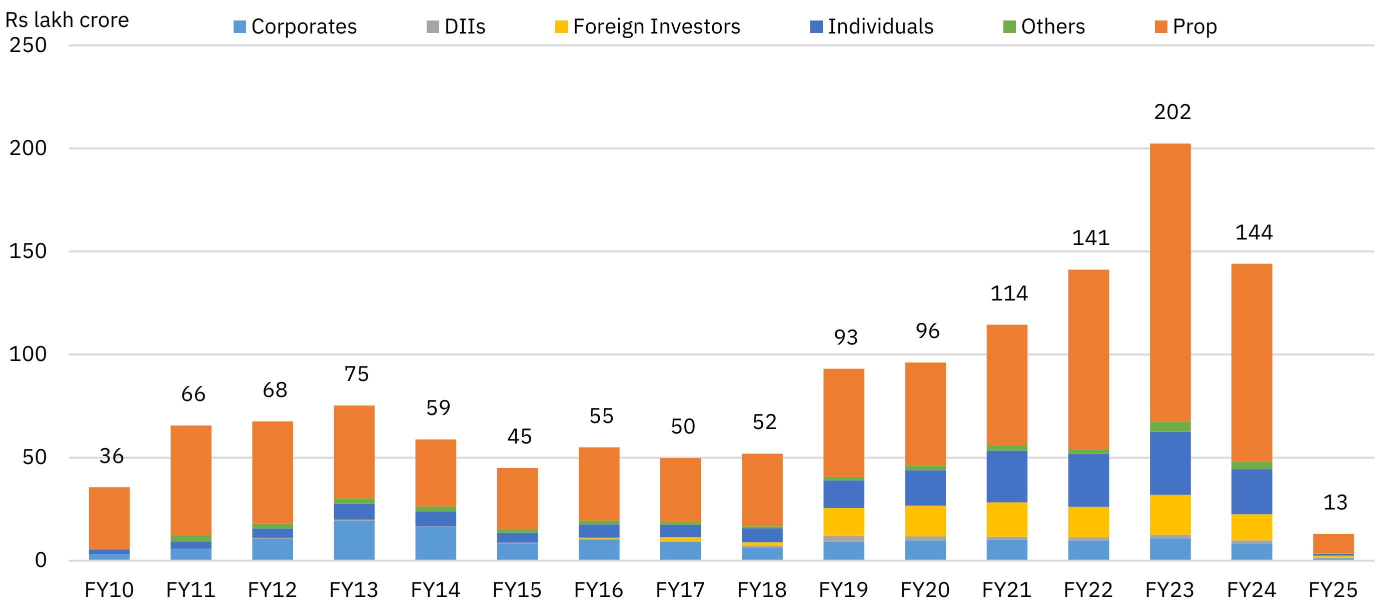
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Figure 204: 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 Sep'24.

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



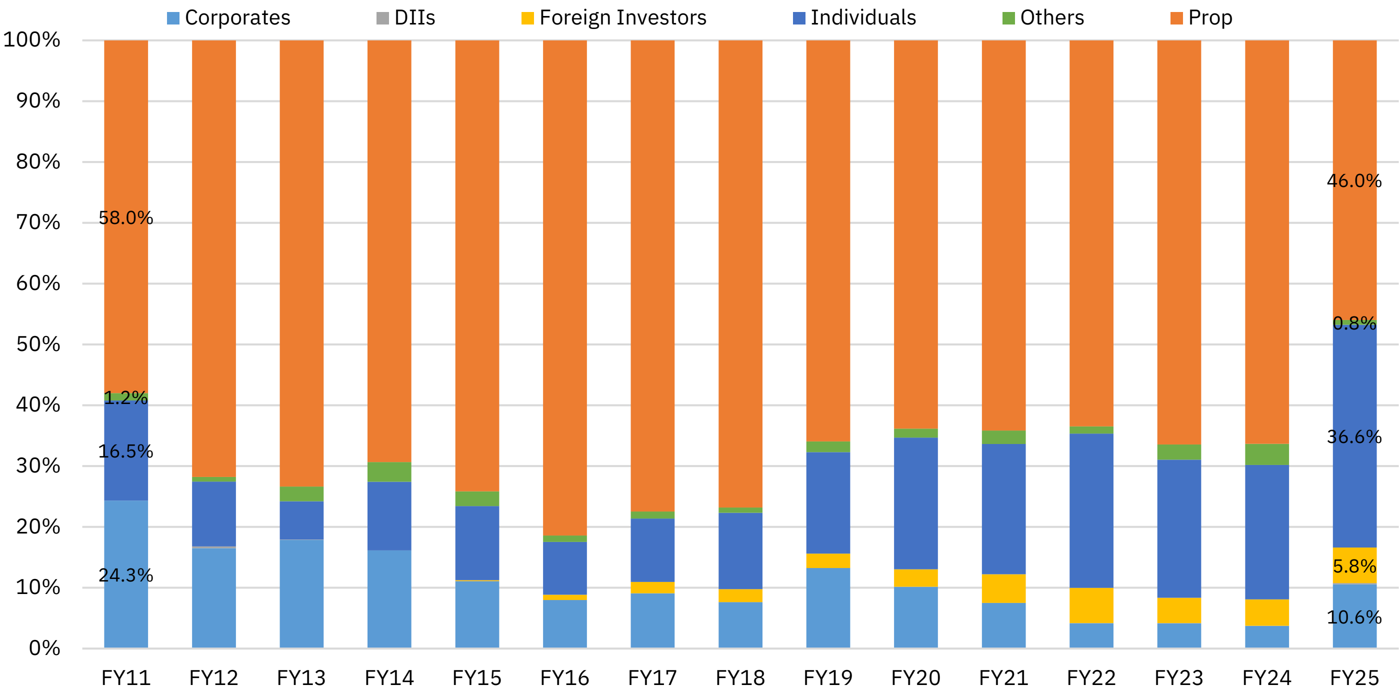
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Table 81: Share of client participation in Currency Options (Premium Turnover) of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	45.2	32.2	1,302	10.6	3.6	696	3.7	4.5
DIIs	0.0	0.0	-	0.2	0.0	17	0.0	0.0
Foreign investors	0.0	0.0	-	5.8	4.1	178	4.3	4.9
Individuals	42.0	54.7	(1,266)	36.6	22.6	1,398	22.1	20.9
Prop	12.7	12.7	(4)	46.0	65.9	(1,997)	66.3	66.7
Others	0.2	0.5	(31)	0.8	3.7	(293)	3.5	3.0

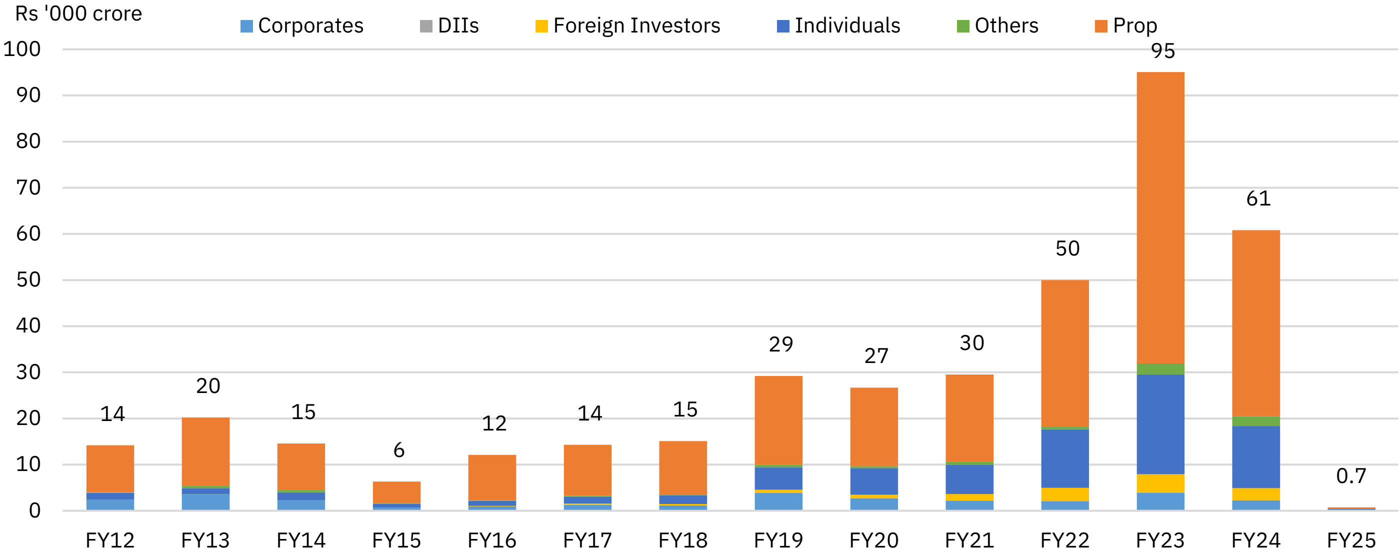
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Figure 206: 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 Sep'24.

Figure 207: 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 Sep'24.

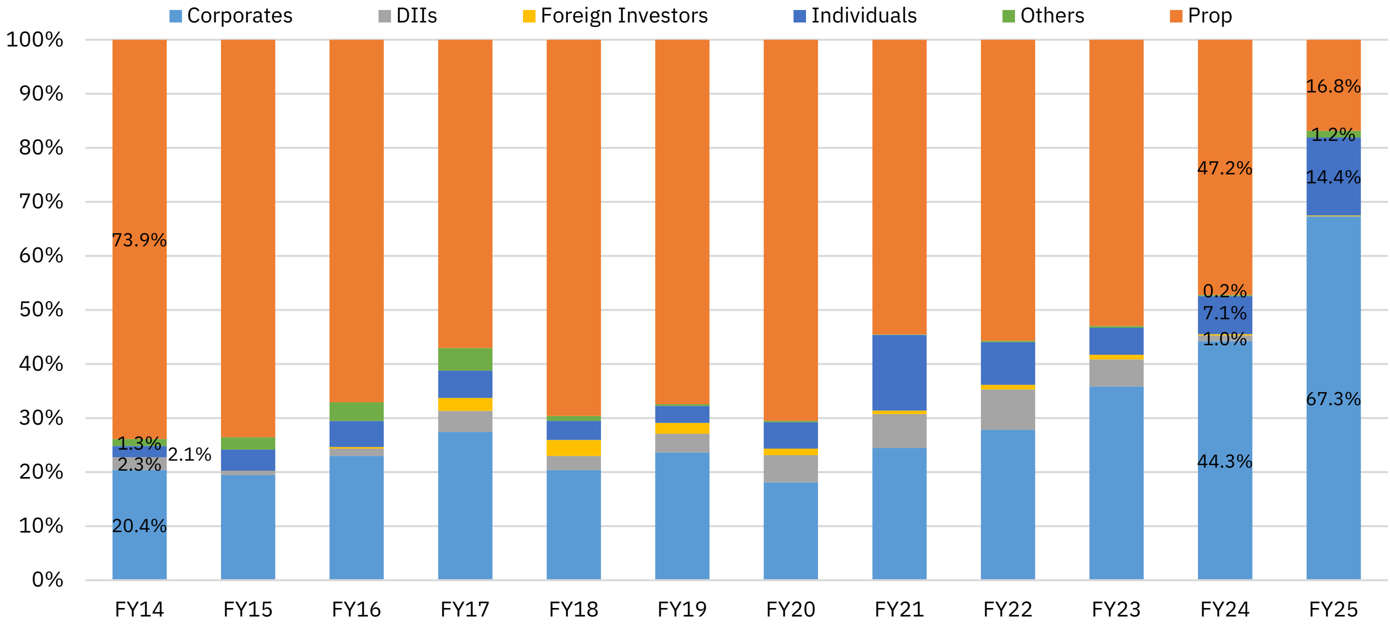
Corporates continued to hold the highest share in interest rate futures in September: Interest rate futures turnover witnessed considerable changes in the share of client participation in the month of September. Corporates and individual investors' share in interest rate futures rose to 75.5% (+725bps MoM) and 16.4% (+622bps MoM) respectively, while proprietary traders' share fell by 1108bps to 6.9%. In the first six months of FY25, the share of corporates increased by a significant 2,868bps YoY to 67.3% in the segment – the highest in last 12 years.

Table 82: Share of client participation in Interest Rate Futures of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	75.5	68.3	725	67.3	38.6	2,868	44.3	64.5
DIIs	0.2	0.0	22	0.0	1.6	(155)	1.0	0.3
Foreign Investors	0.1	0.1	(4)	0.1	0.2	(12)	0.2	0.2
Individuals	16.4	10.1	622	14.4	4.0	1,043	7.1	14.8
Prop	6.9	17.9	(1,108)	16.8	55.4	(3,857)	47.2	19.3
Others	1.0	3.5	(257)	1.2	0.1	114	0.2	1.0

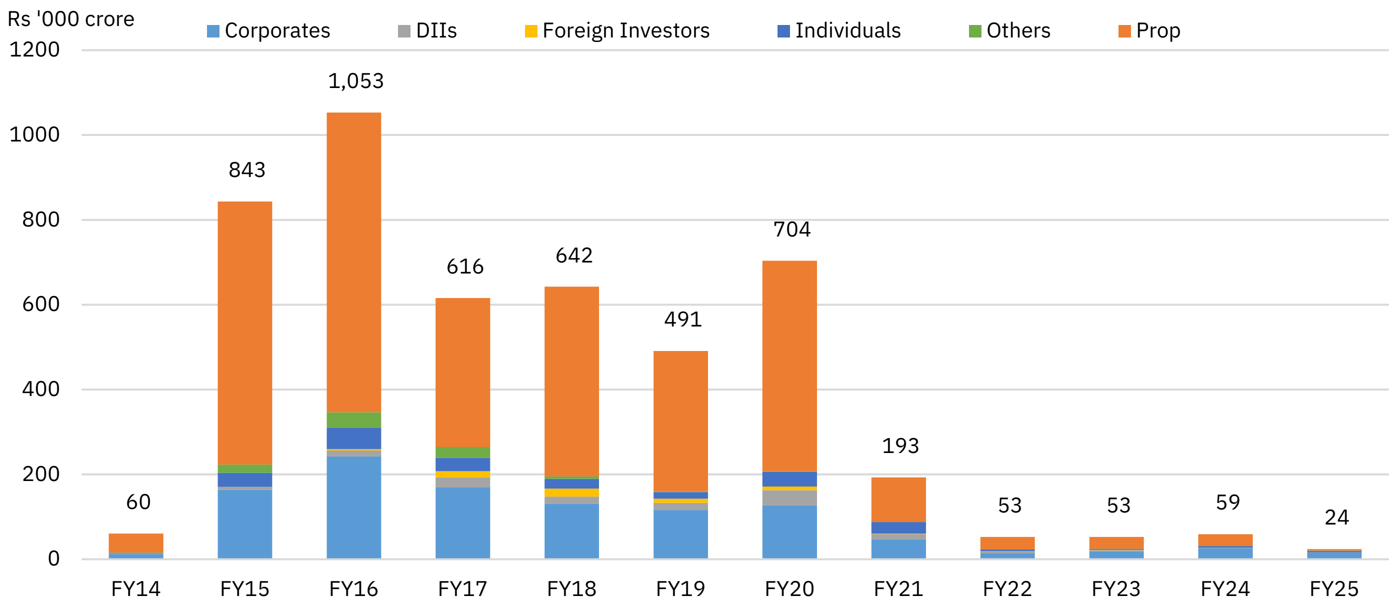
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Figure 208: Trends in share of client participation in Interest Rate Futures at NSE (%)



Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents gross notional turnover i.e., buy-side notional turnover + sell-side notional turnover.
4. FY25TD is as of Sep'24.

Figure 209: 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 Sep'24.

Share of individuals expanded in commodity futures turnover: The share of individuals in commodity futures increased by 1663pp MoM to 26.7%, surpassing the share of corporates, which declined by 1127bps MoM in Sep'24. On the other hand, the proprietary traders' share in commodity futures turnover declined further to 71.8% in Sep'24, though they remained the dominant player in the segment. The shares in commodity options (premium) turnover remained broadly unchanged.

Table 83: Share of client participation in Commodity derivatives segment of NSE (%)

Client category	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Commodity Futures								
Corporates	0.0	11.3	(1,127)	3.3	2.8	53	2.6	1.9
DIIs	0.0	0.0	-	0.0	0.1	(11)	0.1	0.0
Foreign investors	0.5	0.0	52	0.2	0.3	(11)	0.2	0.1
Individuals	26.7	10.0	1,663	16.1	13.1	304	13.3	13.1
Prop	71.8	72.9	(106)	78.6	82.9	(428)	82.7	83.1
Others	1.0	5.8	(482)	1.8	0.9	92	1.0	1.8
Commodity Options (Premium Turnover)								
Corporates	0.5	0.4	9	0.3	2.6	(229)	0.9	0.4
DIIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Foreign investors	1.5	0.1	138	0.5	0.0	46	0.0	0.4
Individuals	11.7	12.1	(38)	10.7	3.9	684	9.2	10.5
Prop	85.3	86.7	(143)	87.0	92.5	(551)	88.7	87.5
Others	1.0	0.7	33	1.5	1.0	50	1.2	1.3
Commodity Derivatives (Notional Turnover)								
Corporates	0.6	0.6	(0)	0.4	2.9	(253)	0.8	0.4
DIIs	0.0	0.0	-	0.0	0.1	(7)	0.0	0.0
Foreign investors	0.5	0.0	45	0.1	0.2	(7)	0.0	0.1
Individuals	10.4	10.8	(31)	9.7	9.3	43	10.2	9.8
Prop	88.3	88.4	(12)	88.4	86.6	176	88.2	88.4
Others	0.2	0.2	(1)	1.4	0.9	49	0.9	1.3

Source: NSE EPR

Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.

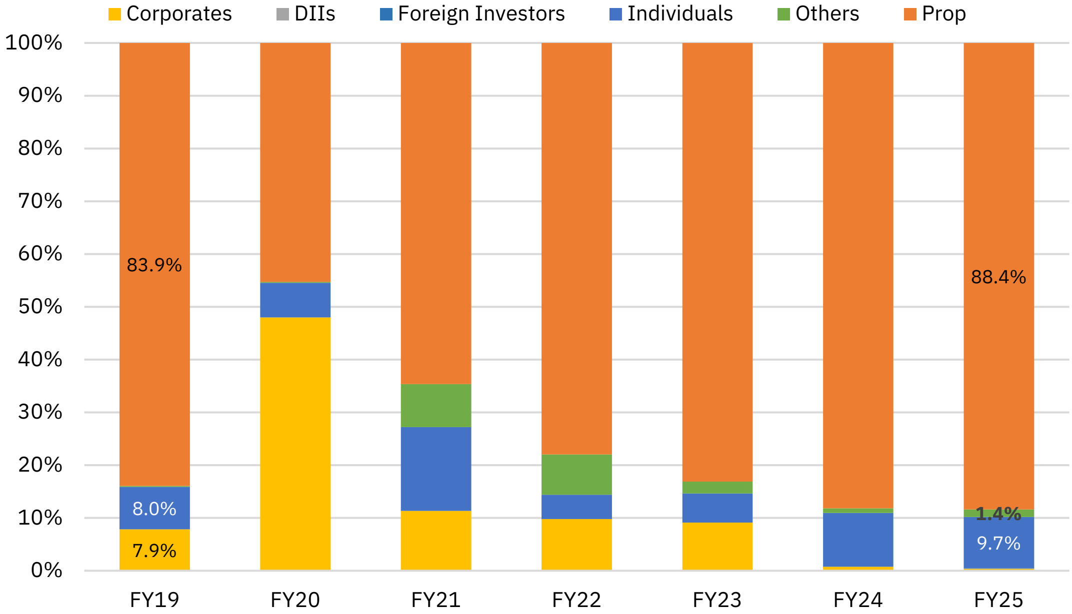
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Figures in brackets indicate negative numbers.

4. Above data represents share in gross turnover i.e., buy-side turnover + sell-side turnover.

5. FY25TD data is as of Sep'24 and FY24TD data is as of Sep 23.

Figure 210: Trends in share of client participation in Commodity Derivatives (Notional Turnover) at NSE (%)



Source: NSE EPR

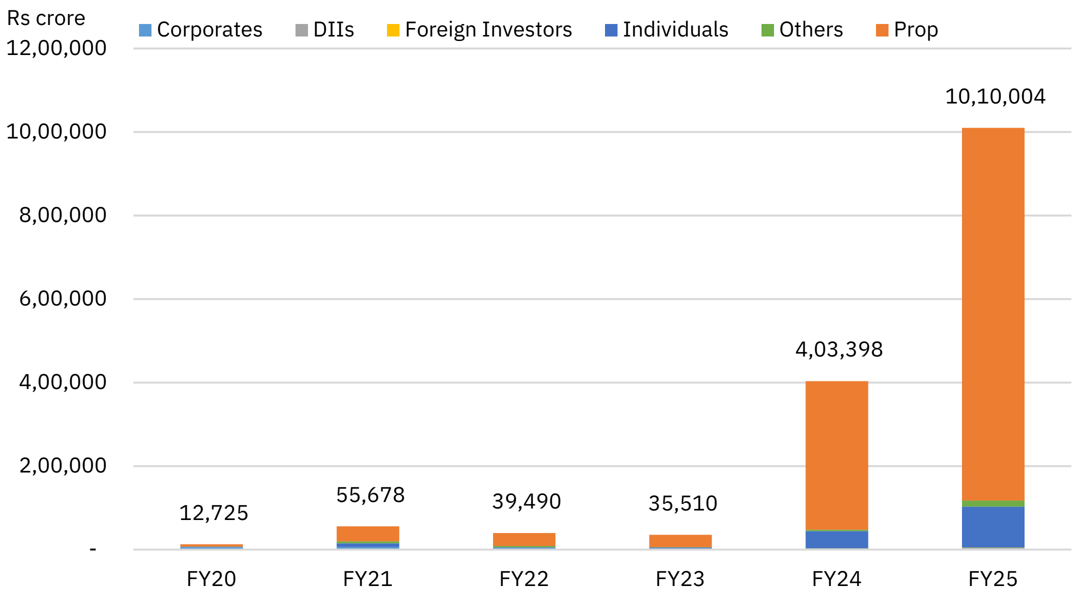
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

Figure 211: Trends in client category-wise gross notional turnover in Commodity Derivatives at NSE



Source: NSE EPR

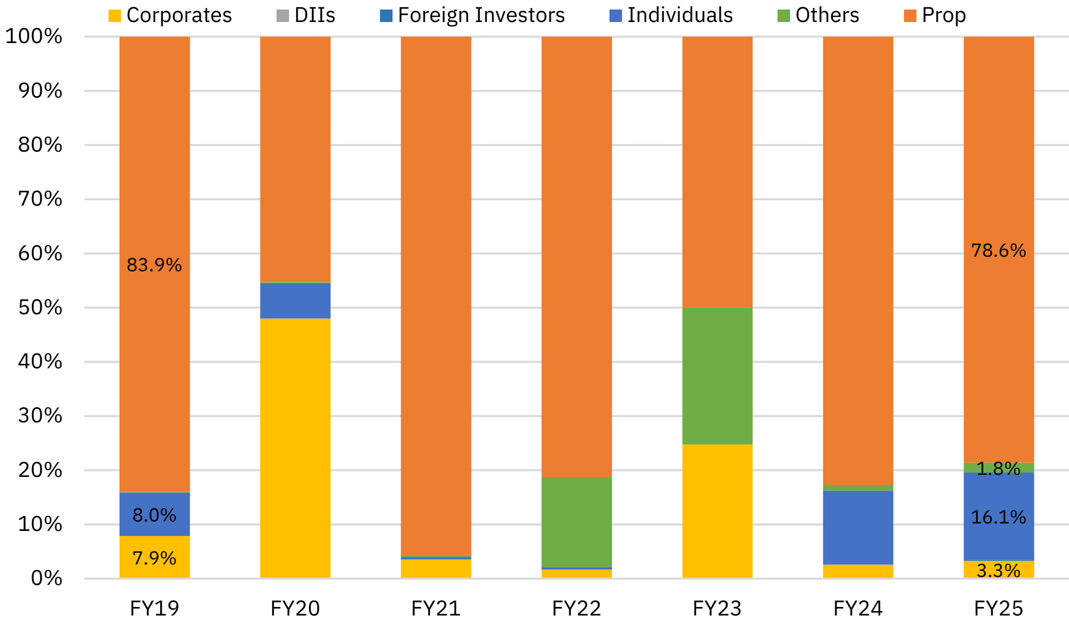
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

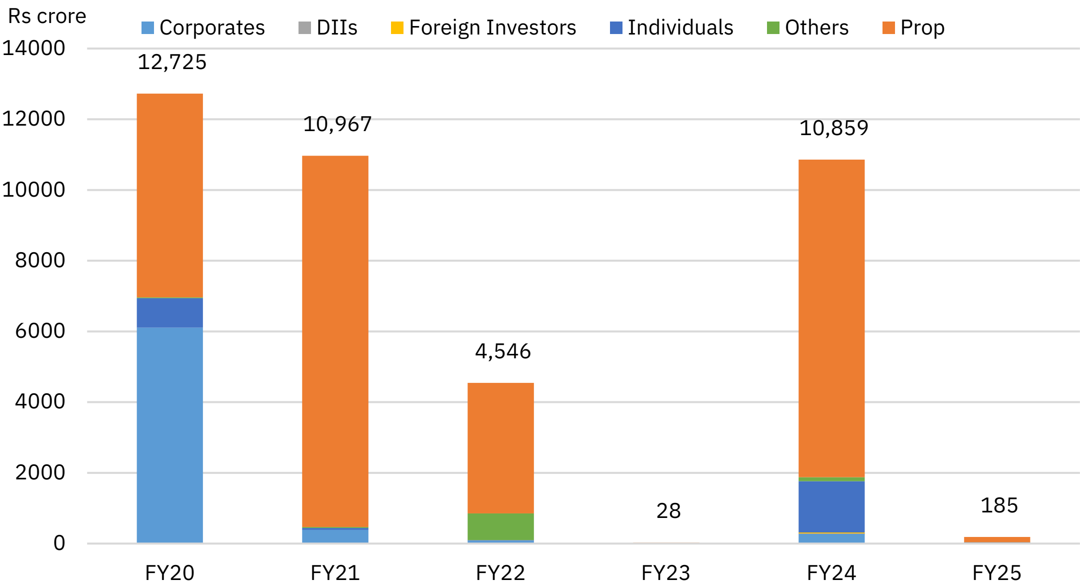
4. FY25 data is as of Sep'24.

Figure 212: Trends in share of client participation in Commodity Futures at NSE (%)



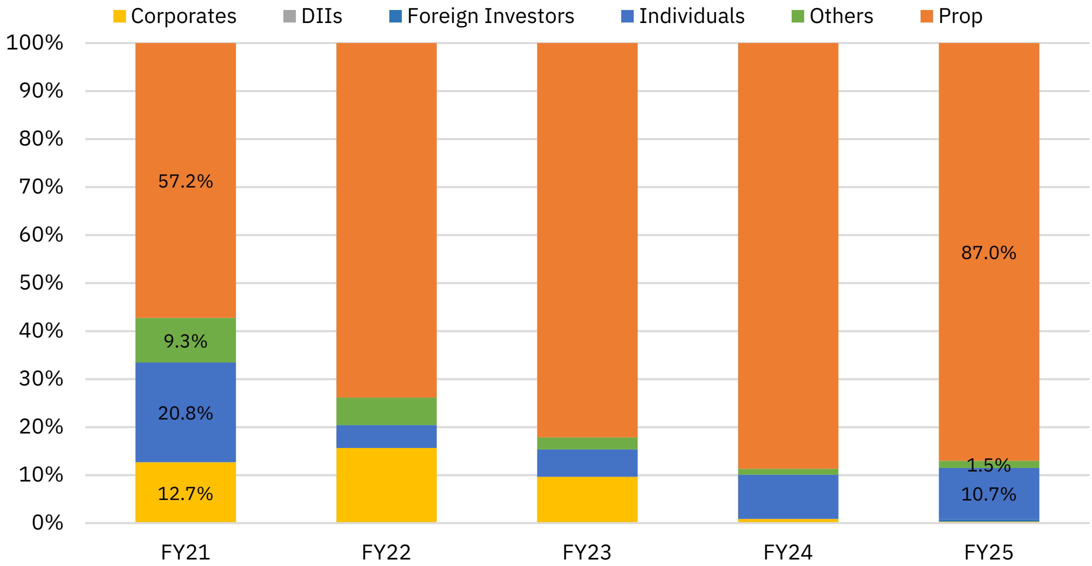
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Figure 213: Trends in client category-wise gross turnover in Commodity Futures at NSE



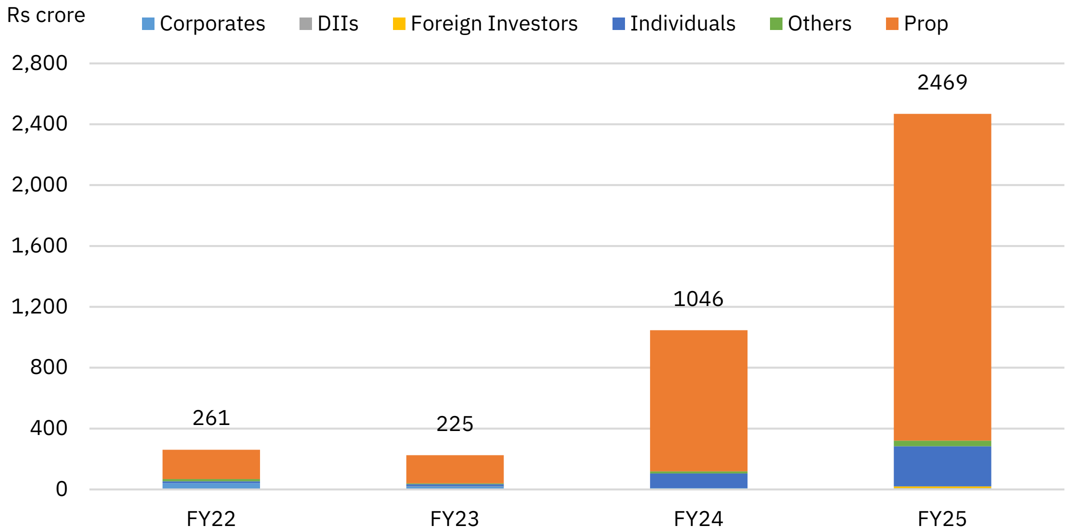
Source: NSE EPR
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories,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

Figure 214: 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 Sep'24.

Figure 215: 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 Sep'24.

Distribution of turnover by modes of trading

Colocation remains the dominant mode for trading in equity cash: The share of Colocation in the overall cash market turnover stood at 35.2% in the first half of FY25, which was the highest since inception on annual terms. Remarkably, its share has been increasing since FY10 consistently, barring FY17 and FY23 when it exhibited a decline on annual comparison. Notably, the share of mobile has also displayed a similar trend, which has increased from 0.7% in FY14 to 19.5% in FY24 and further to 20.9% in the first half of FY25 and stands as the 2nd most preferred mode for trading in the equity cash segment. This has come at the expense of non-algo share, that has dropped from 49.6% in FY14 to 18.3% in FY24 and further to 15.7% in the first half of the current fiscal year.

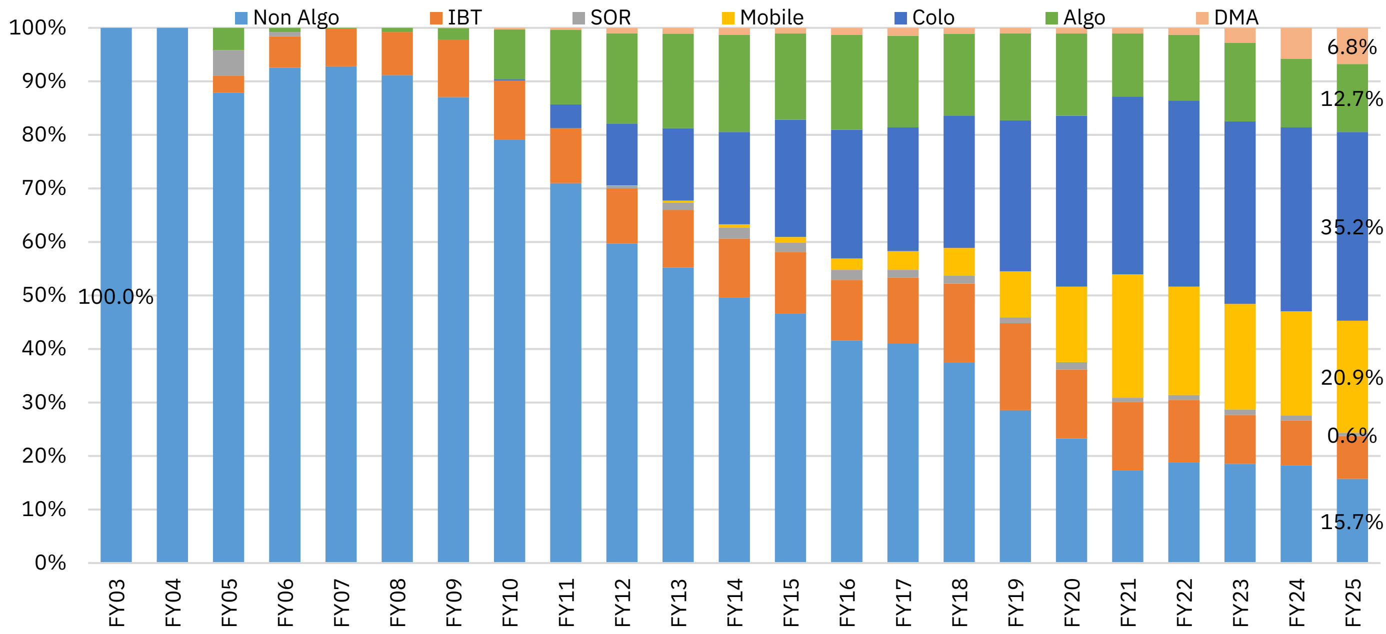
During the month gone by, the share of Algo, DMA (Direct Market Access), Colo and SOR (Smart Order Routing) trading recorded MoM rise while the share of non-Algo trading continued its downward trend, declining by a significant 118 bps MoM. The share of mobile and IBT (Internet-based Trading) also exhibited a drop of 30bps and 20bps MoM respectively. Overall, these trends indicate a shift towards technology-driven modes of trading over traditional methods such as non-algo.

Table 84: Share of different modes of trading in Capital Market segment of NSE (%)

Mode	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	14.9	16.0	(118)	15.7	19.3	(357)	18.3	16.1
IBT	7.9	8.0	(20)	8.0	8.4	(39)	8.4	8.1
SOR	0.6	0.5	4	0.6	1.0	(38)	0.9	0.7
Mobile	20.6	20.9	(30)	20.9	18.6	235	19.5	20.7
Colo	35.3	34.7	64	35.2	33.7	158	34.3	35.4
Algo	13.4	12.5	89	12.7	13.8	(108)	12.8	12.5
DMA	7.4	7.3	9	6.8	5.3	150	5.8	6.6

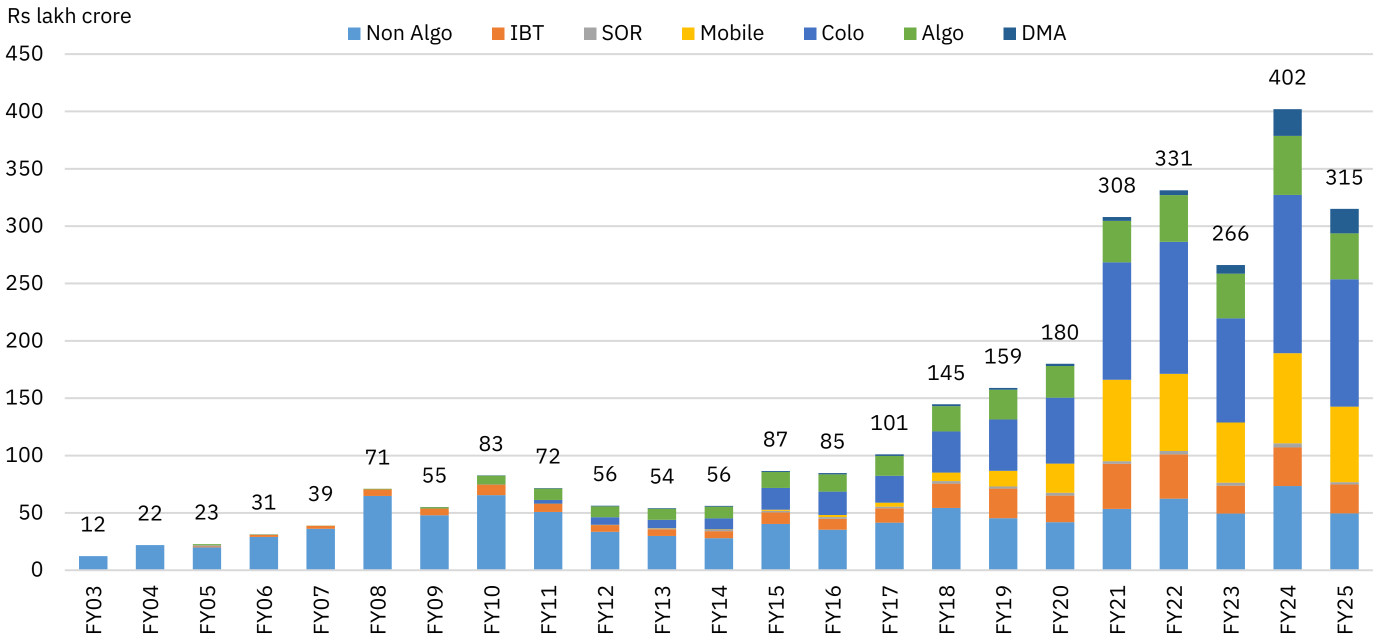
Source: NSE EPR
Note: 1. The above figures have been computed on the basis of gross turnover.
2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on gross turnover.
3. FY25TD is as of Sep’24.

Figure 216: 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 Sep'24.

Figure 217: 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 Sep'24.

Colocation remains the preferred mode for trading in equity derivatives: The derivatives segment has exhibited a trend parallel to that of the equity cash market as far as mode of trading is concerned. The share of Colocation and mobile has exhibited a similar trend since its introduction, rising from a mere 0.5% in FY10 to 33.2% in FY14, which further increased in the following five years to 47.6% of notional turnover in FY19. It stood at 61.6% during the last fiscal year, which further grew by 29bps in the first half of FY25 to 61.9% of notional turnover as compared to the full year of FY24. While Colocation remains the preferred mode for trading, the share of mobile has exhibited consistent increase between FY14 to FY24 from a mere 0.5% to 17.4% of notional turnover. Although its share has declined 28bps in the first half of the current fiscal as compared to that in the whole of FY24, it remains the 2nd most preferred mode for trading in equity derivatives markets. Remarkably, the share of non-algo trade has shown a declining trend, reducing from 83% in FY10 to 40.3% in FY14, 6.4% in FY24 and further dropping to 4.5% in the first half of FY25.

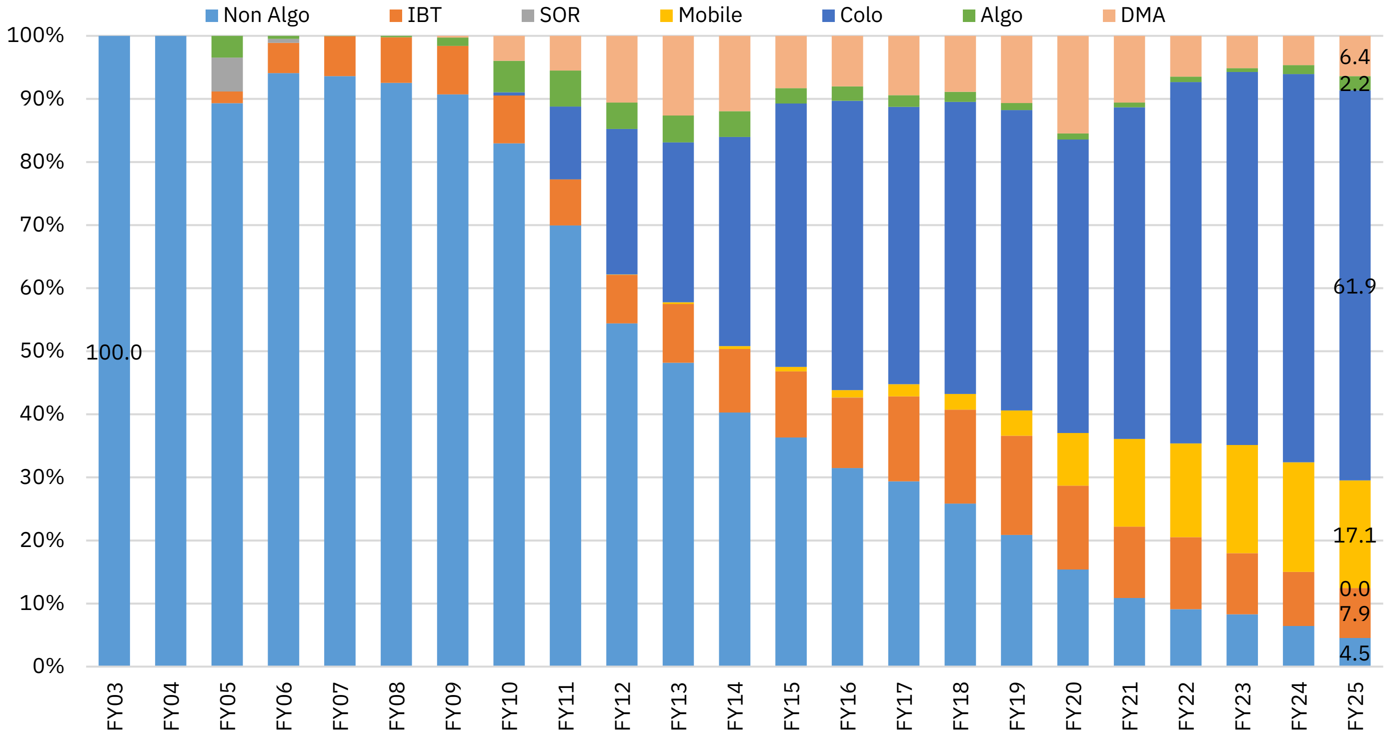
On monthly comparison, the share of non-Algo trading decreased to 4.1% of notional turnover, down 19 bps MoM in Sep'24. It also witnessed a significant YoY decline of 318 bps compared to same period of FY24. The share of IBT remained stable at 7.8%, with a slight 7bps MoM decline. However, it recorded a much higher YoY decline of 115 bps in the first half of FY25, as compared to same period last year. Mobile trading, which held the second highest market share, increased 23bps MoM to 16.9% while Colo trading saw a minor decrease of 19 bps to 61.7% of notional turnover, yet it continues to be the dominant trading mode on monthly basis as well. Interestingly, the share of DMA has been on a consistent upward trajectory in the last six months and registered an increase of 35bps MoM to 7.3% of notional turnover in Sep'24, the highest in the last 30 months.

Table 85: Share of different modes of trading in Equity Derivatives segment (Notional turnover) of NSE (%)

Mode	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	4.1	4.3	(19)	4.5	7.7	(318)	6.4	4.7
IBT	7.8	7.8	(7)	7.9	9.1	(115)	8.6	7.9
Mobile	16.9	16.7	23	17.1	17.7	(59)	17.4	17.0
Colo	61.7	61.9	(19)	61.9	60.4	144	61.6	62.4
Algo	2.1	2.3	(14)	2.2	0.6	161	1.4	2.2
DMA	7.3	7.0	35	6.4	4.5	188	4.6	5.8

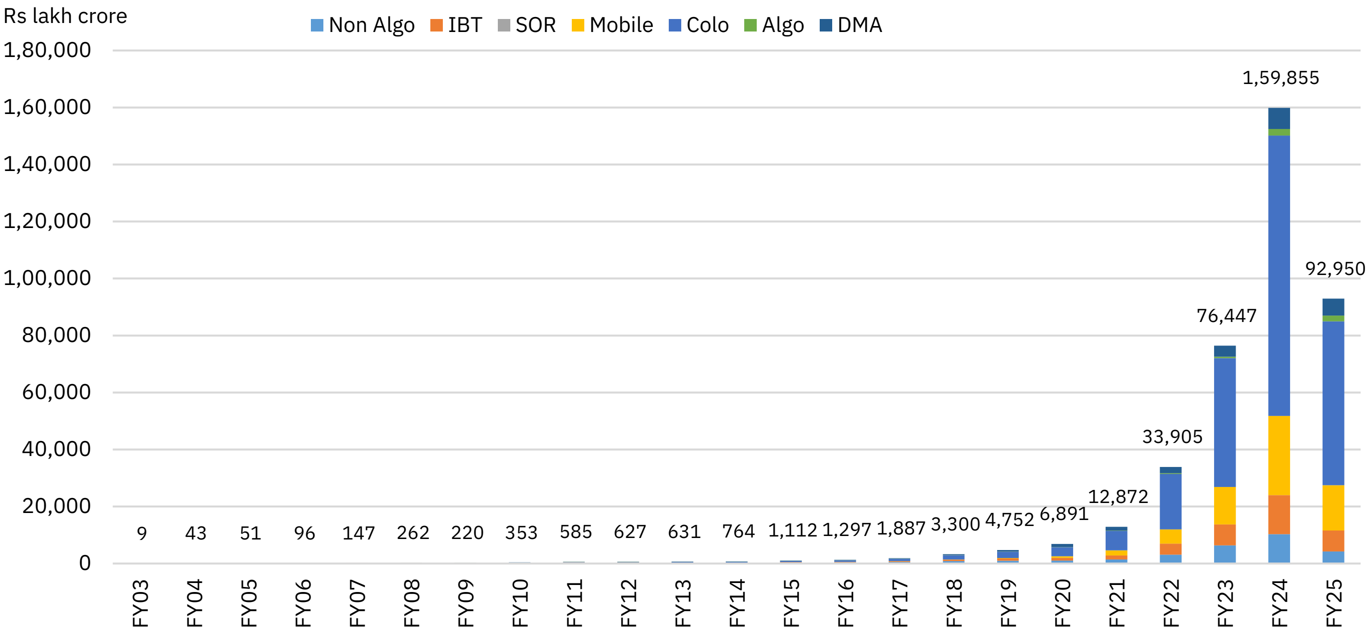
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25TD is as of Sep'24.

Figure 218: Trends in share of different modes of trading in Equity Derivatives segment at NSE (%)



Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25 data is as of Sep'24.

Figure 219: 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 Sep'24.

Currency derivatives segment witnessed a significant shift in mode of trading: The mode of trading for the segment has undergone a significant change in the current fiscal year. Since its launch, the share of non-algo trading in the currency derivatives segment has been declining with the increase in overall turnover. It reduced from 79% of notional turnover in FY10 to 48.6% in FY14 and to 28.5% in FY19. It stood at 26.1% during the last year of notional turnover, however, the trend changed in the current fiscal year as the share of non-algo trading recorded a significant rise to 66.9% in the first half of FY25 as the notional turnover also kept on declining on monthly basis. Contrary, during the same period till last year, the share of Colocation and Mobile has been consistently rising and stood at 46.7% and 11.3% in FY24, respectively. Interesting, both these methods of trading has lost a significant share in the first half of FY25.

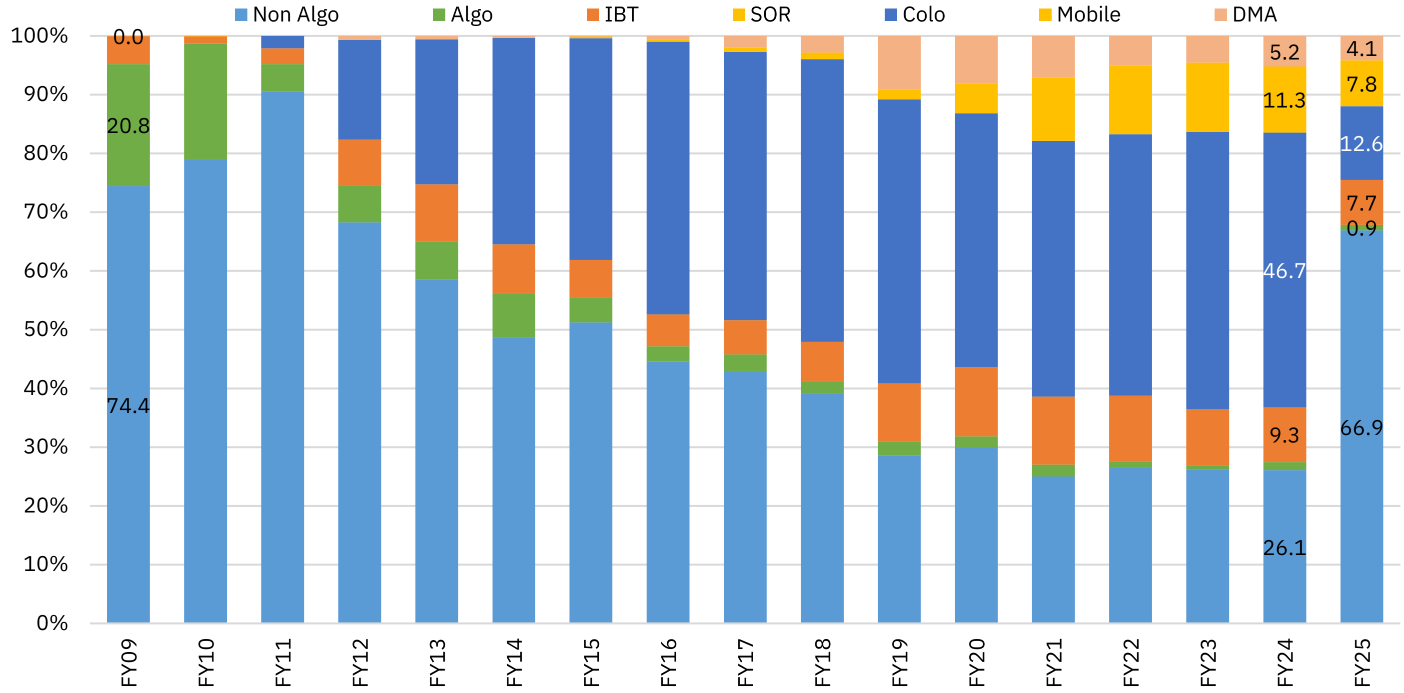
On monthly comparison, the share of Colo trading rose by 117 bps to 4% in Sep'24, although it was much lower as compare 41.3% in Sep'23. On the other hand, the share of non-algo declined 529bps MoM to 81.6% of notional turnover, however it remains as the preferred mode of trading on monthly basis.

Table 86: Share of different modes of trading in Currency Derivatives segment of NSE (%)

Mode	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	81.6	86.9	(529)	66.9	25.8	4107	26.1	29.9
IBT	3.7	2.7	101	7.7	9.6	(198)	9.3	8.5
Mobile	5.8	4.1	177	7.8	12.2	(441)	11.3	9.5
Colo	4.0	2.9	117	12.6	46.0	(3341)	46.7	44.6
Algo	1.6	0.9	68	0.9	1.6	(63)	1.3	1.8
DMA	3.2	2.6	66	4.1	4.8	(63)	5.2	5.7

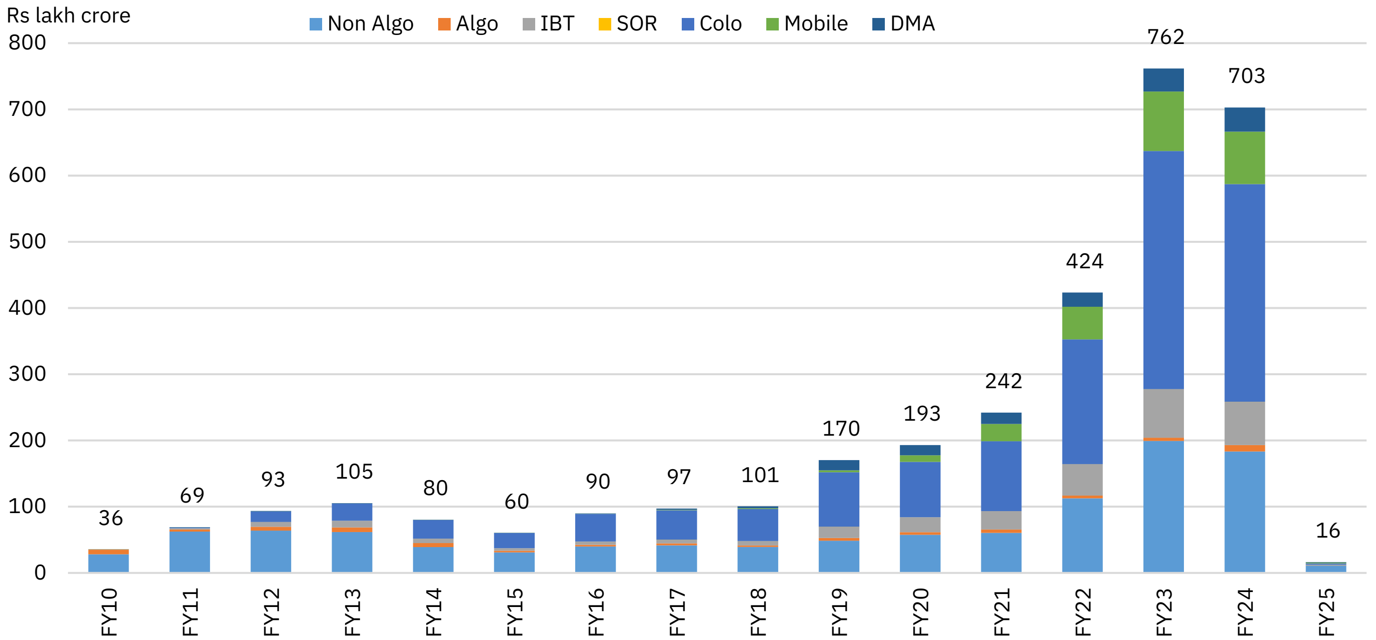
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25TD is as of Sep'24.

Figure 220: Trends in share of different modes of trading in Currency Derivatives segment at NSE (%)



Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25 is as of Sep'24.

Figure 221: 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 Sep'24.

Shares of Non Algo and IBT expanded in interest rate futures (IRF) turnover: The share of non-algo trading gradually decreased from 87.8% in FY14 to 54.3% in FY24, and further to 45.2% in the first half of FY25. However, it experienced a substantial increase of 1,349 bps MoM to 55.4% in Sep'24. In contrast, the shares of Colo, and Direct Market Access (DMA) have risen significantly since FY15—moving from 7.5% and 0.8% respectively to 20.8% and 19.4% respectively in the first half of FY25. However, their shares declined on MoM basis during the month gone by.

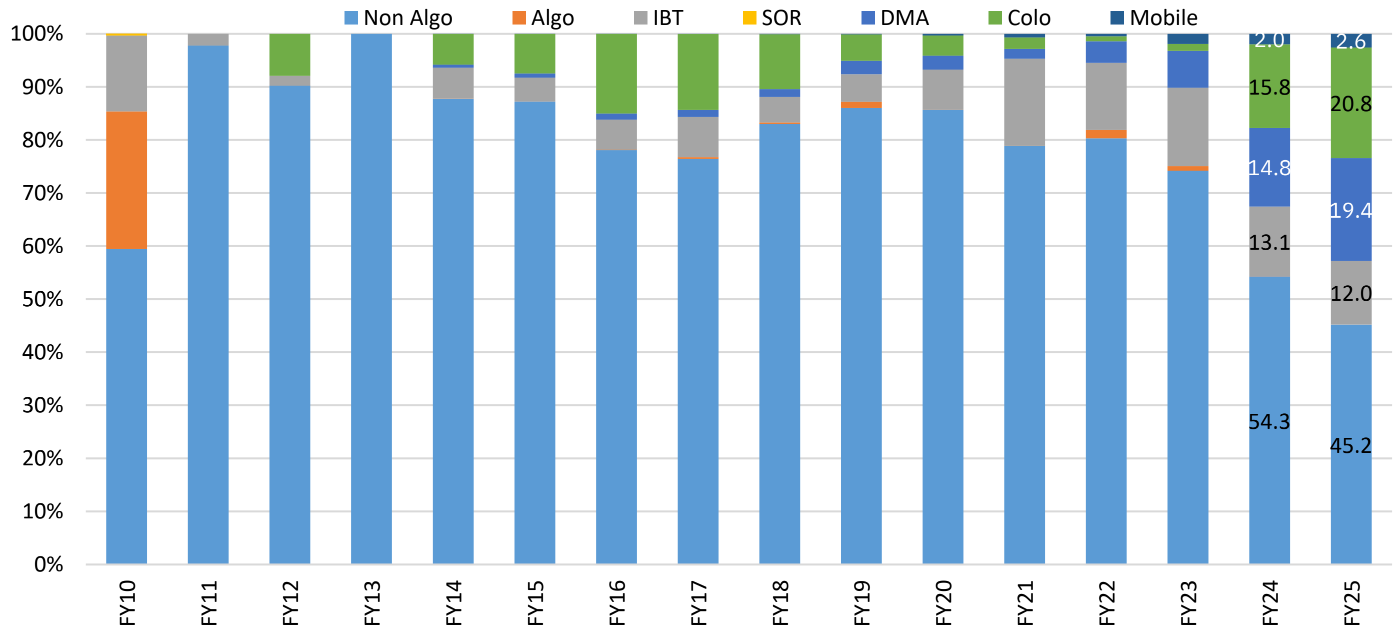
The share of mobile trading has been volatile in the last twelve months while it increased from 2.1% in Sep'23 to 6.1% in Mar'24 and 8.1% in Apr'24, it started exhibited declining trend onward May'24. It further witnessed 40bps MoM drop in its share to 1.1% during the month gone by. DMA, which had held the second position in Aug'24, fell to third position after a significant decline of 1,218 bps MoM to 13.2% in Sep'24. Conversely, Colo regained its position as the second preferred trading mode, despite a 315-bps MoM decline in Sep'24.

Table 87: Share of different modes of trading in Interest Rate Derivatives segment of NSE (%)

Mode	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	55.4	41.9	1349	45.2	56.6	(1137)	54.3	45.8
IBT	10.9	8.7	225	12.0	11.3	65	13.1	12.8
Mobile	1.1	1.6	(40)	2.6	1.5	112	2.0	3.0
Colo	19.3	22.5	(315)	20.8	16.2	458	15.8	19.3
Algo	-	-	0	-	0.0	(2)	0.0	0.0
DMA	13.2	25.4	(1218)	19.4	14.3	503	14.8	19.0

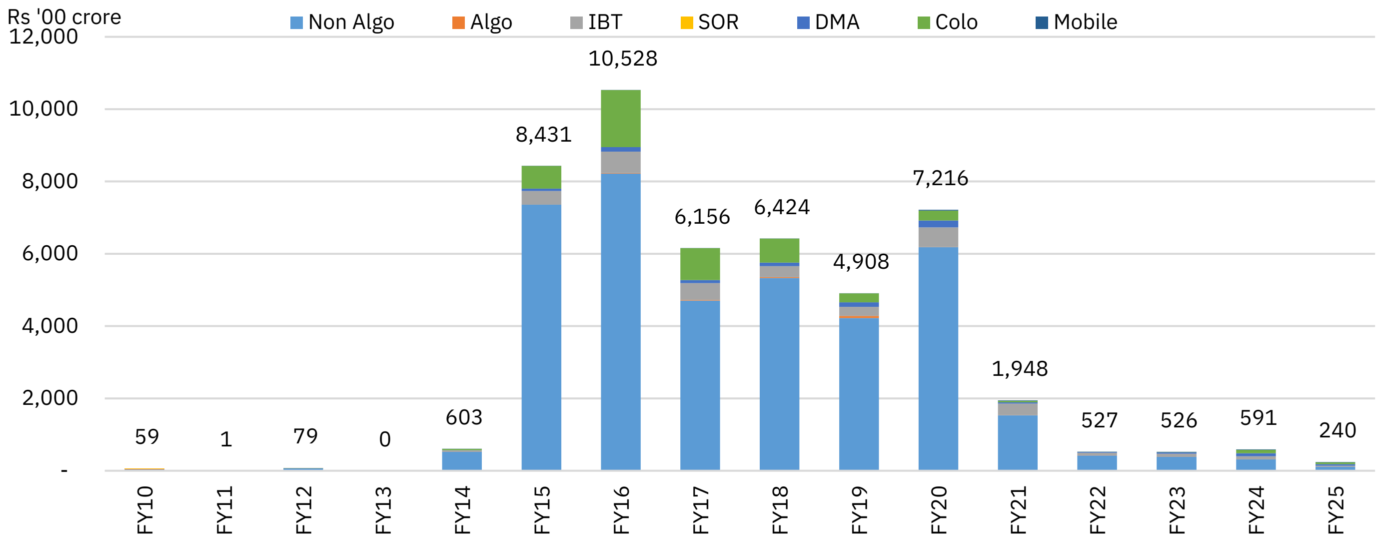
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25TD is as of Sep'24.

Figure 222: 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 the case of futures and options.
4. FY25 is as of Sep'24.

Figure 223: 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 Sep'24.

Non-algo trading expanded while algo trading declined in commodity derivatives segment in the month of September: The trend in non-algo trading increased consistently from 22.4% in FY21 to 65.8% in FY24, and further to 68.1% in the first half of FY25. On monthly comparison, it recorded a 479 bps MoM rise to 62.5% in Sep'24, reflecting a strong preference for traditional trading methods for the segment. In contrast, the share of algo trading has been in steady decline since FY21, falling from 73.2% to just 29.7% in the first half of FY25.

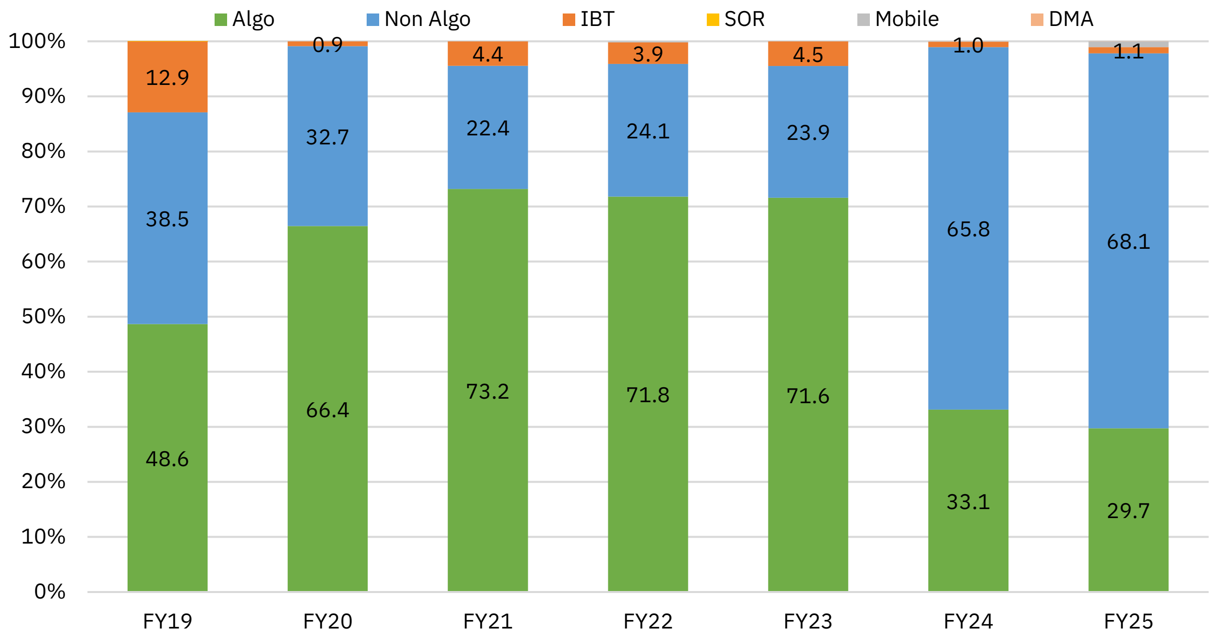
The share of IBT remained stagnant at 1.0% in Sep'24, however it declined of 142 bps YoY in the first half of FY25 as compared to last year same period. Mobile trading saw a decrease of 57 bps, dropping to 1.3% in Sep'24, although it showed a YoY improvement of 103 bps as compared to last year's same period.

Table 88: Share of different modes of trading in Commodity Derivatives segment of NSE (%)

Mode	Sep-24	Aug-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	62.5	57.7	479	68.1	40.1	2800	65.8	68.2
IBT	1.0	1.0	0	1.1	2.5	(142)	1.0	1.0
Mobile	1.3	1.9	(57)	1.0	0.0	103	0.1	0.8
Algo	35.1	39.4	(423)	29.7	57.3	(2762)	33.2	29.9
DMA	-	-	0	0.0	0.0	1	0.0	0.0

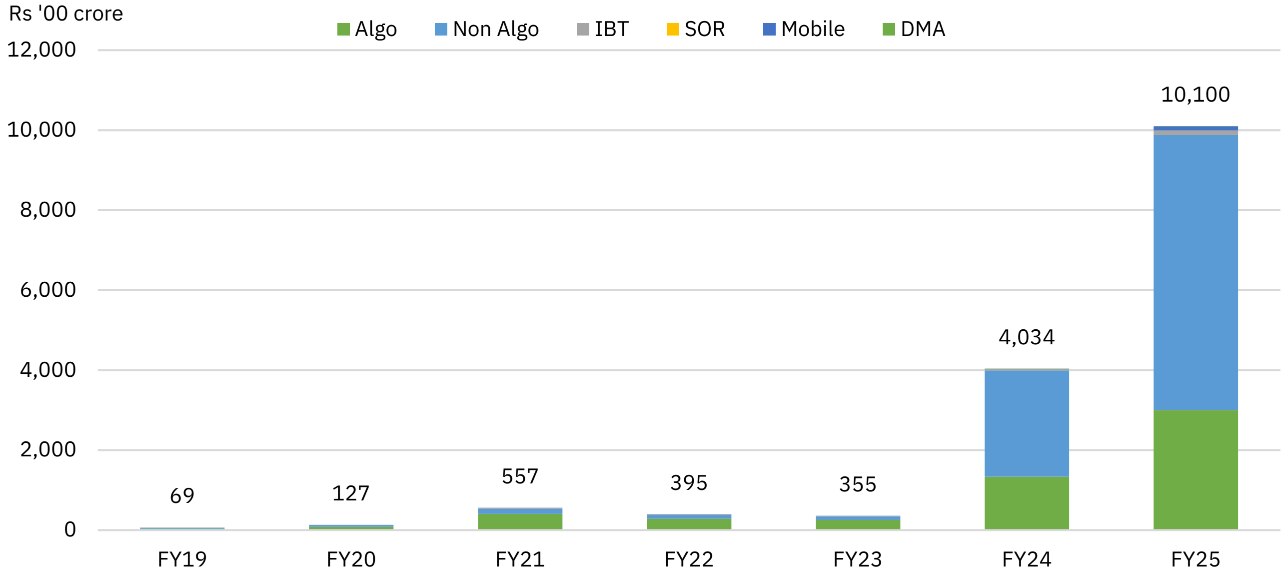
Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. Notional turnover considered in the case of futures and options.
4. FY25TD is of Sep'24.

Figure 224: Trends in share of different modes of trading in Commodity Derivatives segment at NSE (%)



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

Figure 225: Trends in mode of trading in terms of gross notional turnover in Commodity Derivatives segment

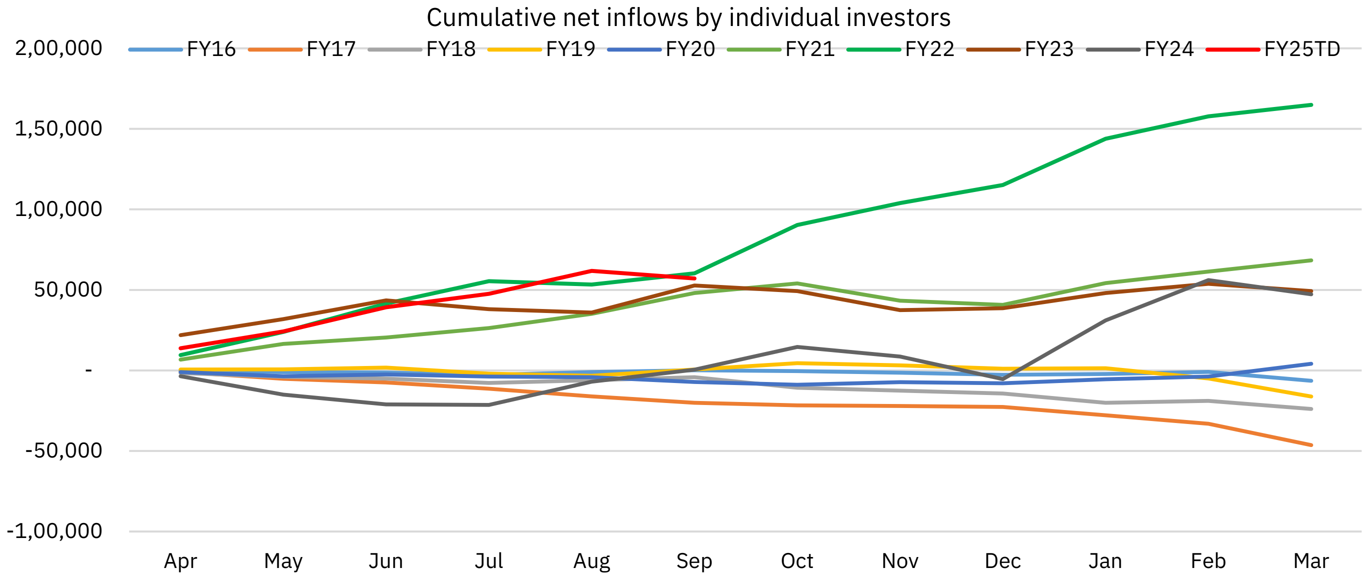


Source: NSE EPR
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.
2. The above figures have been computed on the basis of gross turnover.
3. FY25TD data is as of Sep'24.

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

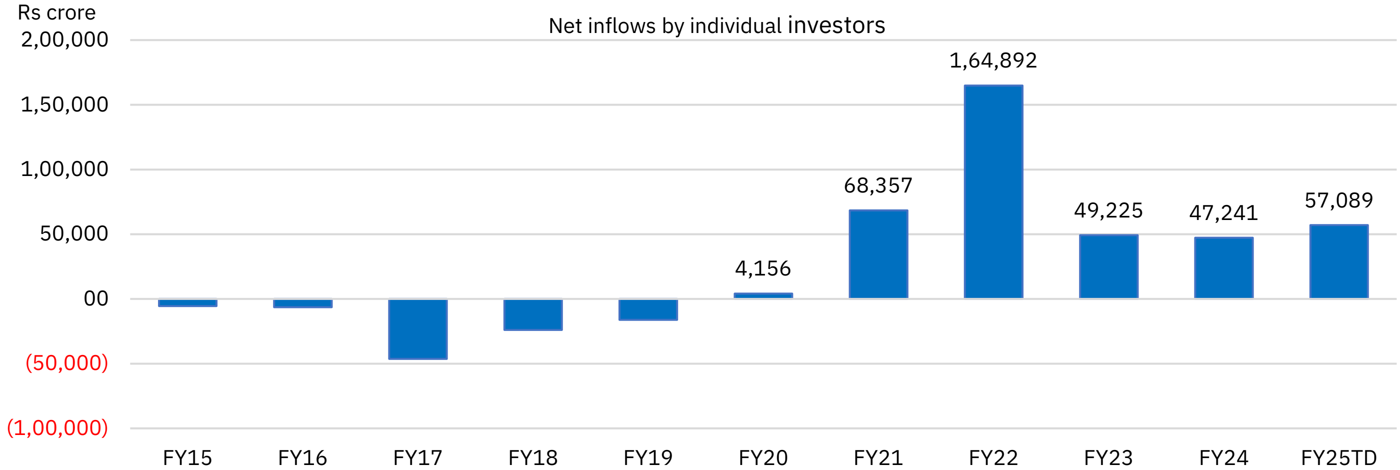
Individual investors turned net sellers for first time in FY25: For the first time in FY25, individual investors turned net sellers in September 2024, resulting in cumulative net inflow for FY25 falling to Rs 57,089 crore as on September 30th, 2024 *vs* Rs 61,820 crore as on August 31st, 2024. Interestingly, cumulative inflows thus far in FY25 still surpass the total net investments of Rs 47,241 crore in FY24 and Rs 49,225 crore in FY23. Despite the September outflow, the average monthly inflow during this fiscal year stands at Rs 9,515 crore, higher than the average of FY23 and FY24 for the same period, indicating continuous investor engagement. Even with the recent outflow, the figures for FY25 highlight strong sentiment among individual investors showing signs of resilience in individual investor participation.

Figure 226: Overall cumulative net inflows of individual investors in NSE's CM segment in last ten fiscal years



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

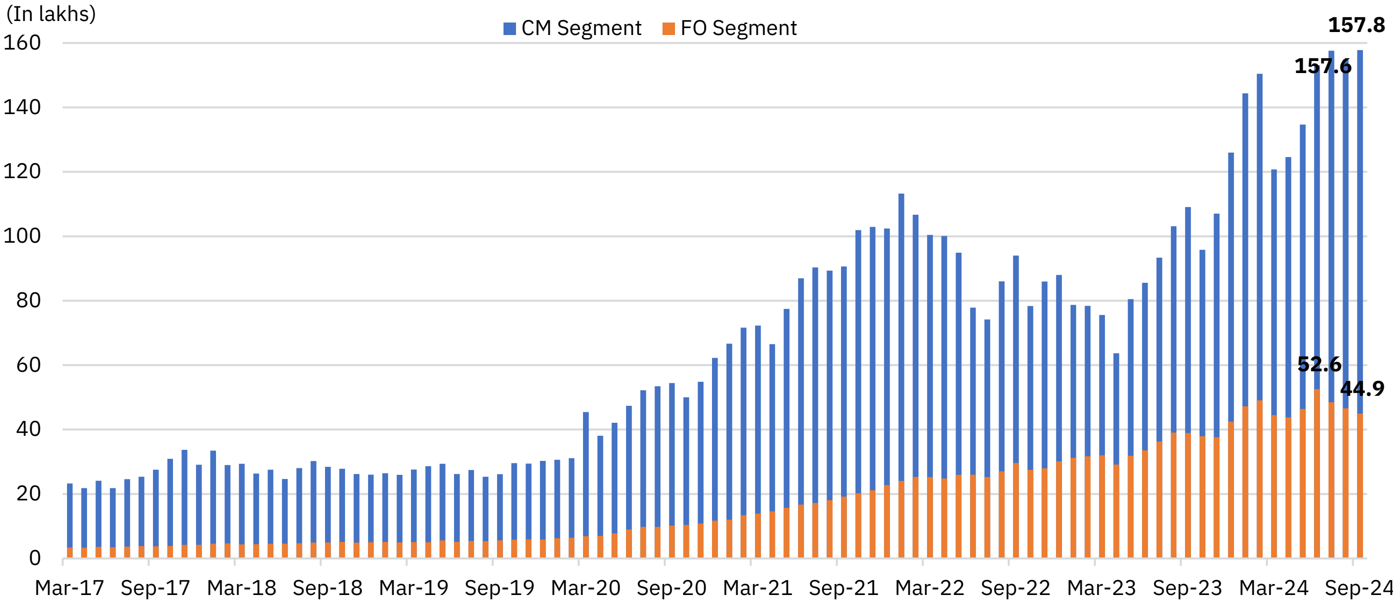
Figure 227: Annual trend of net inflows of individual investors in NSE's CM segment



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

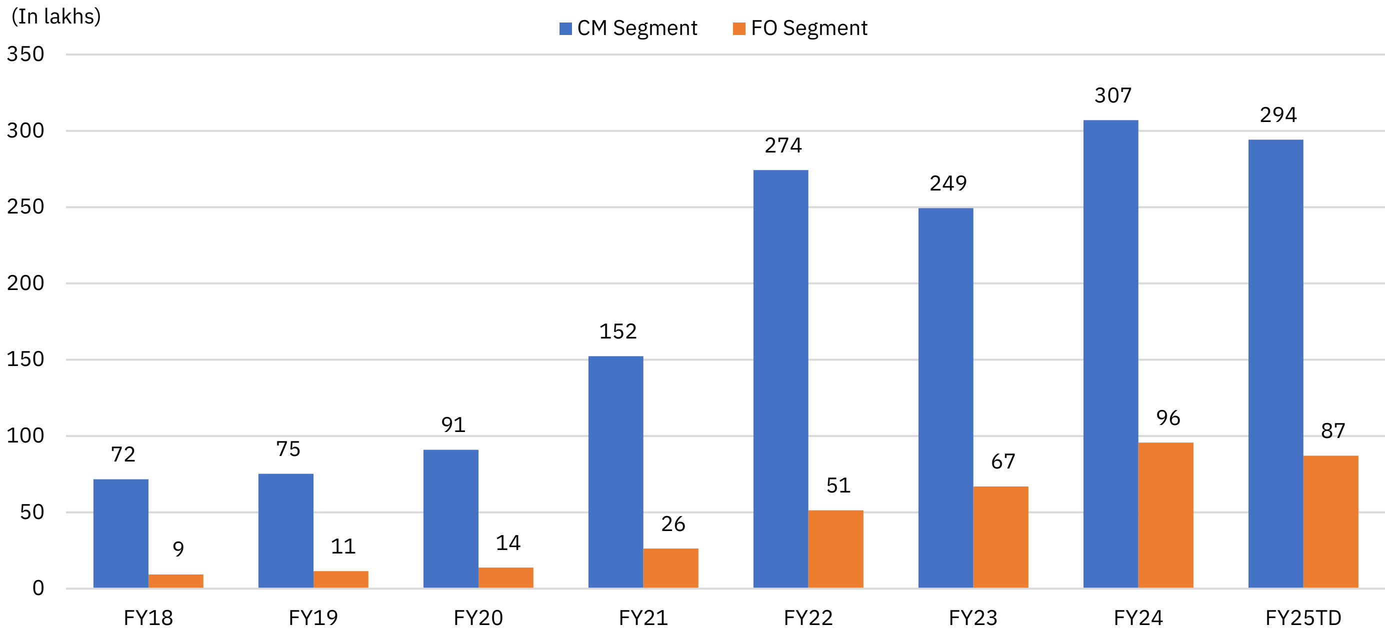
Individual investors' participation reaches an all-time high in CM segment in September: Individual investor participation increased by 1.9% MoM in Sep'24, with the number of unique investors trading at least once in a month rising to an all-time high of 157.8 lakhs, up from 154.9 lakhs in August. Notably, individual investor participation in the first six months of FY25 was approximately 65% higher compared to the same period last year. In contrast, participation in the equity derivatives segment saw a decline of 3.6% MoM, dropping to 44.6 lakhs in September from 46.6 lakhs in August, marking the lowest level in the past four months. However, despite this decline, the number of individual investors in the equity derivatives segment during the first six months of FY25 was 35.4% higher than the average monthly participation in the same period last year.

Figure 228: Monthly trend of individual investors participation in NSE cash and equity derivative segments



Source: NSE EPR
Notes:
1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. The chart above gives the count of individual investors who traded at least once in the month.

Figure 229: Annual trends of individual investors participating 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 Sep'24.

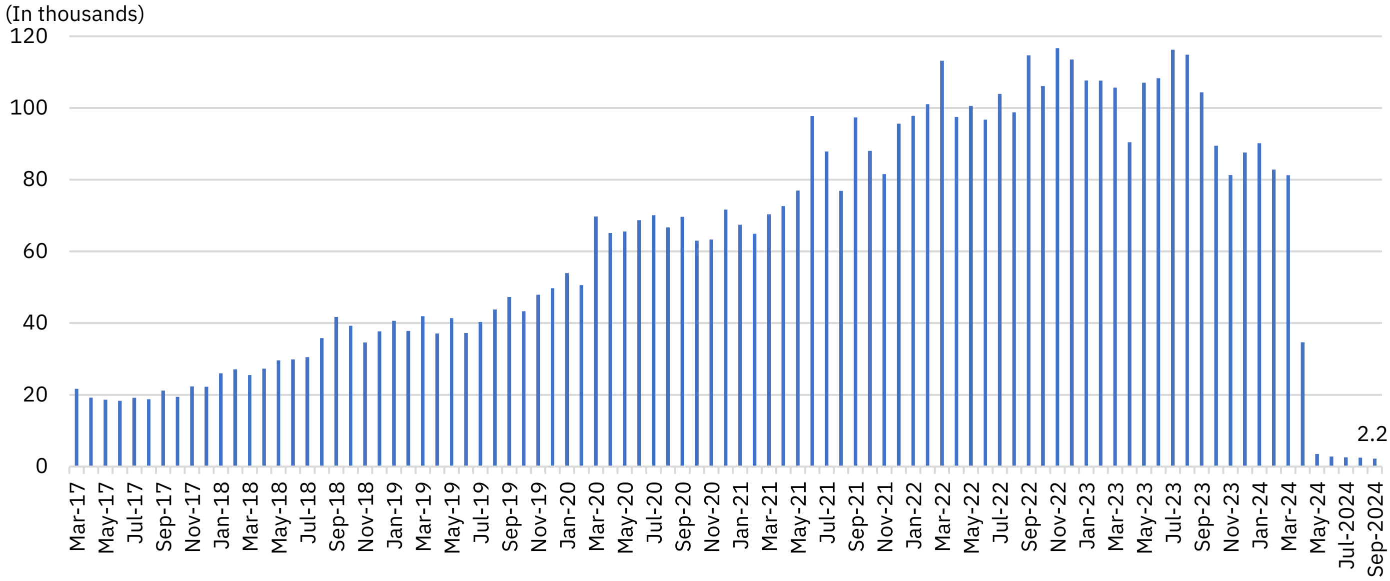
Table 89: Annual trend of individual investors participation in NSE cash and equity derivatives segment

(In Lakhs)	CM Total	FO Total	CM Alone	FO Alone	CM & FO Both
FY18	72	9	63	1.1	8
FY19	75	11	65	1.4	10
FY20	91	14	79	1.6	12
FY21	152	26	128	2.3	24
FY22	274	51	228	5.6	46
FY23	249	67	195	12.3	55
FY24	307	96	230	18.9	77
FY25TD	294	87	228	21.4	66

Source: NSE EPR
Notes:
1.Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2.FY25TD data is as of Sep'24.

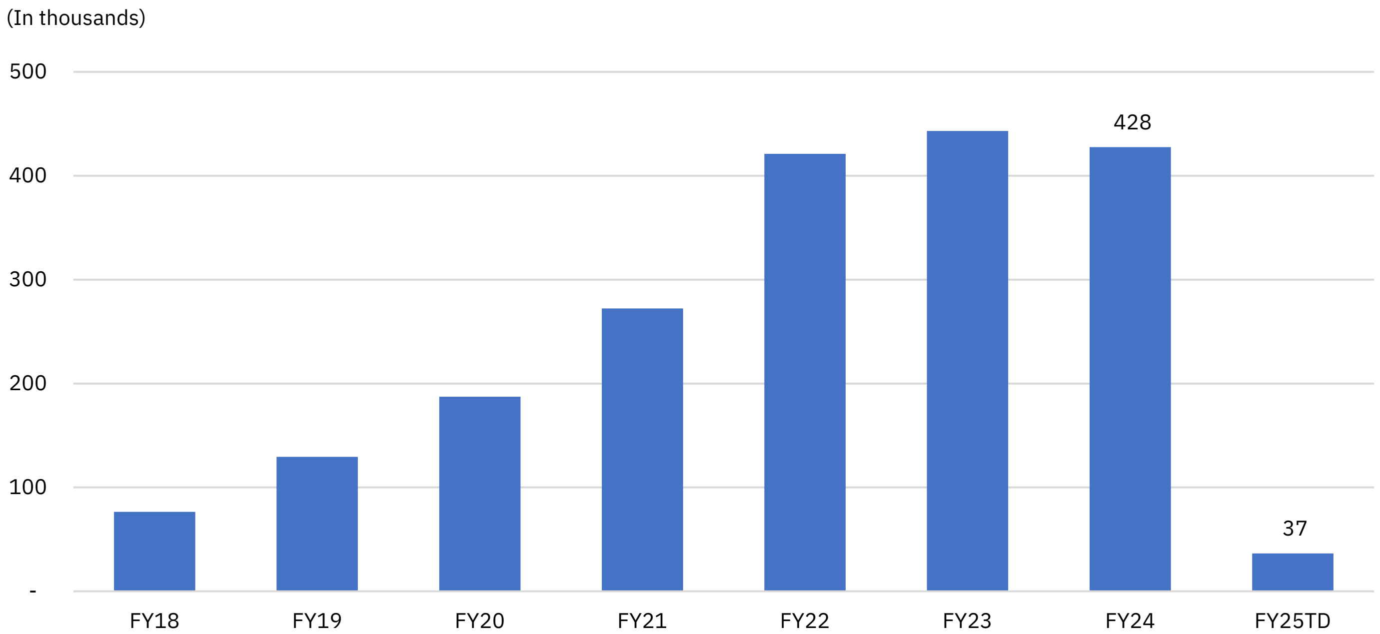
Individual investors' participation in the CD segment continued to decline: The RBI circular mandating that investors must have an underlying exposure to trade in exchange-traded currency derivatives has had a profound impact on individual investor participation in the currency derivatives segment. Following the implementation of this directive, participation plummeted from 34,648 in April 2024 to just 3,511 in May 2024. Since then, participation has continued to decline steadily. In September 2024, individual investor participation fell by 11.1%, dropping to 2,214 from 2,490 in August.

Figure 230: 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 231: Annual trend of individual investors participating 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 Sep'24.

Youths dominate as new participants enter the market: The proportion of younger investors (under 30 years) surged from 22.9% as of Mar'18 to 40.0% as of Sep'24, indicating a growing interest in investing among this age group. Conversely, the share of middle-aged investors (30-39 years) remained relatively stable but showed a slight decline. Investors aged 40-49 years experienced a notable decrease from 20.3% to 15.5% in Sep'24, while those aged 50-59 and 60 years and above also saw declines.

Table 90: 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	Sep'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	29.4
40-49 years	20.3	20.1	19.7	17.9	15.8	15.6	15.4	15.5
50- 59 years	13.1	13.1	12.6	11.0	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	7.1

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

Table 91: Mean and median age of registered individual investors

Age (years)	Mar'18	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Sep'24
Median	38	38	38	36	33	33	32	32
Mean	41.2	41.3	41.1	39.2	36.8	36.4	36.8	35.7

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

Distribution of trading activity by turnover

90% of investors contributed only 2.8% of overall turnover in equity cash in Sep'24: The overall turnover distributed remained skewed in equity cash during the month gone by, with over 68% of all investors or 1.1 crore investors participating in less than a lakh turnover range, contributing a mere 0.5% of the turnover. Another 35.6 lakh investors or 22.5% of all investors participated between Rs 1 lakh to Rs 10 lakh and held 2.3% of overall turnover. They combined represented more than 90% of all investors who participated in less than Rs 10 lakh range during the month with a combined share of 2.8% of the overall turnover during the month gone by.

Notably, nearly 77% of the equity cash turnover was generated by just 0.2% of all investors who traded above Rs 10 crore in Sep'24. While another 1.6% of all investors traded between Rs 1 crore to Rs 10 crores, contributing 13.2% of the overall turnover. Both these investor categories accounted for just 1.7% of all investors who traded above a crore, but accounting for a huge 90% of overall turnover during the month.

Institutional investors remained the major contributors for high value category of Rs 10 crore plus as proprietary traders dominated with 36.4% of the turnover for the range, followed by foreign investors and domestic institutional investors (DIIs), who contributed 20% and 16.2%, respectively.

Table 92: Distribution of turnover by range in cash market for all investors

Turnover range	Jul-24		Aug-24		Sep-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	719	46.9	757	49.4	737	0.03%	48.9	30.9%
Rs 10,000 - Rs 1 lakh	10,362	53.0	10,423	53.9	11,523	0.5%	59.1	37.3%
Rs 1 lakh - Rs 10 lakh	68,181	39.4	61,933	36.5	59,737	2.3%	35.6	22.5%
Rs 10 lakh - Rs 1 cr	2,31,666	15.1	1,89,910	12.6	1,79,772	7.0%	11.9	7.5%
Rs 1 cr – Rs 10 cr	4,39,555	3.2	3,51,890	2.6	3,37,456	13.2%	2.5	1.6%
>Rs 10 cr	23,11,093	0.36	20,23,244	0.3	19,70,150	77.0%	0.3	0.2%
Total	**30,61,577**	**158.0**	**26,38,157**	**155.3**	**25,59,376**	**100%**	**158.2**	**100%**

Source: NSE EPR
Notes
1. Turnover ranges are based on gross turnover.
2. Investor categorization is based on gross turnover i.e. buy traded value + sell traded value
3. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2

Table 93: Category-wise share in turnover across different turnover ranges in NSE's cash market in Sep-2024

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Client category-wise turnover share (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	737	0.03%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	11,523	0.5%	0.0%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 1 lakh - Rs 10 lakh	59,737	2.3%	0.2%	0.1%	0.0%	99.6%	0.0%	0.1%
Rs 10 lakh - Rs 1 cr	1,79,772	7.0%	0.7%	0.2%	0.0%	98.7%	0.0%	0.3%
Rs 1 cr - Rs 10 cr	3,37,456	13.2%	2.1%	0.3%	0.2%	96.2%	0.1%	1.1%
> Rs 10cr	19,70,150	77.0%	5.8%	16.2%	20.0%	15.5%	36.4%	6.1%
Total	**25,59,376**	**100%**	**4.8%**	**12.5%**	**15.4%**	**34.4%**	**28.0%**	**4.9%**

Source: NSE EPR
Notes
1. Turnover ranges are based on gross turnover.
2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2
3. 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

Overall turnover remained skewed with 4% of all investors contributing 88% of overall premium turnover in September 2024: The premium turnover distribution for equity options remained skewed with a mere 0.2% of all investors who traded above Rs 10 crore premium value contributed over 72% of premium turnover in Sep'35. Investors who traded between Rs 1 crore to Rs 10 crore, represented 3.7% of all investors with 15.7% of total premium turnover during the month gone by. These investors put together held 88% of overall premium turnover. It underscores the dominance of high-value transactions, indicating that a small group of large investors continues to contribute to most of the market turnover for the instrument. Notably, proprietary traders held 67% of total premium turnover for above Rs 10 crore turnover value, followed by foreign investors with 13.2%, individuals with 9.3% and corporates with 7.3% share during the month.

On the other hand, the lower turnover ranges exhibited a broader base of participation, primarily composed of individual investors. Nearly 45.7% of all investors or 20 lakh investors participated below Rs 1 lakh turnover range contributing a mere 0.2% of premium turnover while another 50% of investors traded between Rs 1 lakh to Rs 1 crore, contributed 11.8% of overall premium turnover during the month gone by. Individual investors continued to hold a major share of this turnover range.

Table 94: Distribution of turnover by range in equity options market for all investors

Turnover range	Jul-24		Aug-24		Sep-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	151	9.5	148	9.2	142	0.0%	8.6	19.6%
Rs 10,000-Rs 1 lakh	2,569	12.2	2,477	11.8	2,408	0.2%	11.4	26.1%
Rs 1 lakh - Rs 10 lakh	28,731	15.0	27,583	14.4	26,778	2.0%	14.0	31.9%
Rs 10 lakh - Rs 1 cr	1,40,253	8.8	1,32,228	8.3	1,28,256	9.8%	8.1	18.5%
Rs 1 cr – 10 cr	2,32,494	1.8	2,19,722	1.7	2,05,972	15.7%	1.6	3.7%
>Rs 10 cr	11,05,876	0.11	9,98,518	0.1	9,47,509	72.3%	0.1	0.2%
Total	**15,10,073**	**47.4**	**13,80,676**	**45.6**	**13,11,066**	**100.0%**	**43.9**	**100.0%**

Source: NSE EPR
Notes: 1. Turnover ranges are based on gross premium turnover.
2. Investors categorisation is based on gross premium turnover i.e. buy premium turnover + sell premium value
3. Data has been provided for single side i.e. (Buy premium turnover + sell premium turnover)/2

Table 95: Distribution of turnover and the share of investors categories in equity options during the month

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	142	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	2,408	0.2%	0.1%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 1 lakh - Rs 10 lakh	26,778	2.0%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 10 lakh - Rs 1 cr	1,28,256	9.8%	0.3%	0.0%	0.0%	99.6%	0.0%	0.2%
Rs 1 cr - Rs 10 cr	2,05,972	15.7%	1.0%	0.0%	0.1%	98.2%	0.1%	0.6%
> Rs 10cr	9,47,509	72.3%	7.3%	0.1%	13.2%	9.3%	67.1%	3.1%
Total	**13,11,066**	**100.0%**	**5.4%**	**0.1%**	**9.5%**	**34.1%**	**48.5%**	**2.4%**

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 as well: Investors who traded a total of Rs 10 crore in the whole of September represented 8.8% of all investors who traded in the instrument during the month, but they together contributed a major 93.5% share in the segment's total turnover. This was primarily contributed by proprietary traders who took up 36.3% share in the overall turnover of this range (>=Rs 10crore), followed by foreign investors who held 28.5% share while Individual, DIIs and corporates held 12.6%, 9.1% and 8.4% share respectively.

Lower turnover ranges, on the other hand, continued to engage a larger number of investors, but their impact on overall turnover was minimal, as was the case in the equity cash and options markets. The turnover value between Rs 1 lakh to Rs 10 lakh range contributed negligible to the total turnover. Similarly, the Rs 10 lakh to Rs 1 crore turnover range accounted for a mere 0.8% of the overall turnover during the month but had 51% of all investors who traded at least once during the month. Notably, 40.2% of all investors traded a total value between Rs 1 crore and Rs 10 crore, contributing 5.7% of the overall turnover for the segment.

Table 96: Distribution of turnover by range in equity futures market for all investors

Turnover range	Jul-24		Aug-24		Sep-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	503	0.1	559	0.16	577	0.0%	0.16	4.6%
Rs 10 lakh - Rs 1 cr	33,278	1.6	34,030	1.7	34,277	0.8%	1.7	46.5%
Rs 1 cr – 10 cr	2,55,461	1.5	2,31,932	1.4	2,34,077	5.7%	1.4	40.2%
>Rs 10 cr	43,67,593	0.37	38,52,591	0.3	38,58,507	93.5%	0.3	8.8%
Total	**46,56,835**	**3.6**	**41,19,112**	**3.5**	**41,27,438**	**100%**	**3.6**	**100%**

Source: NSE EPR.
Notes
1. Turnover ranges are based on gross turnover.
2. Investors categorization is based on gross turnover i.e. buy turnover + sell value
3. Data has been provided for single side i.e. (Buy turnover + sell turnover)/2

Table 97: Distribution of turnover and the share of investors categories in equity futures during the month

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Client category-wise share in premium turnover (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
Rs 1 lakh - Rs 10 lakh	577	0.0%	0.5%	0.0%	0.0%	99.2%	0.0%	0.3%
Rs 10 lakh - Rs 1 cr	34,277	0.8%	0.6%	0.0%	0.0%	98.9%	0.0%	0.5%
Rs 1 cr - Rs 10 cr	2,34,077	5.7%	1.5%	0.0%	0.0%	97.5%	0.1%	0.9%
> Rs 10cr	38,58,507	93.5%	8.4%	9.1%	28.5%	12.6%	36.3%	5.0%
Total	**41,27,438**	**100%**	**8.0%**	**8.5%**	**26.6%**	**18.2%**	**33.9%**	**4.8%**

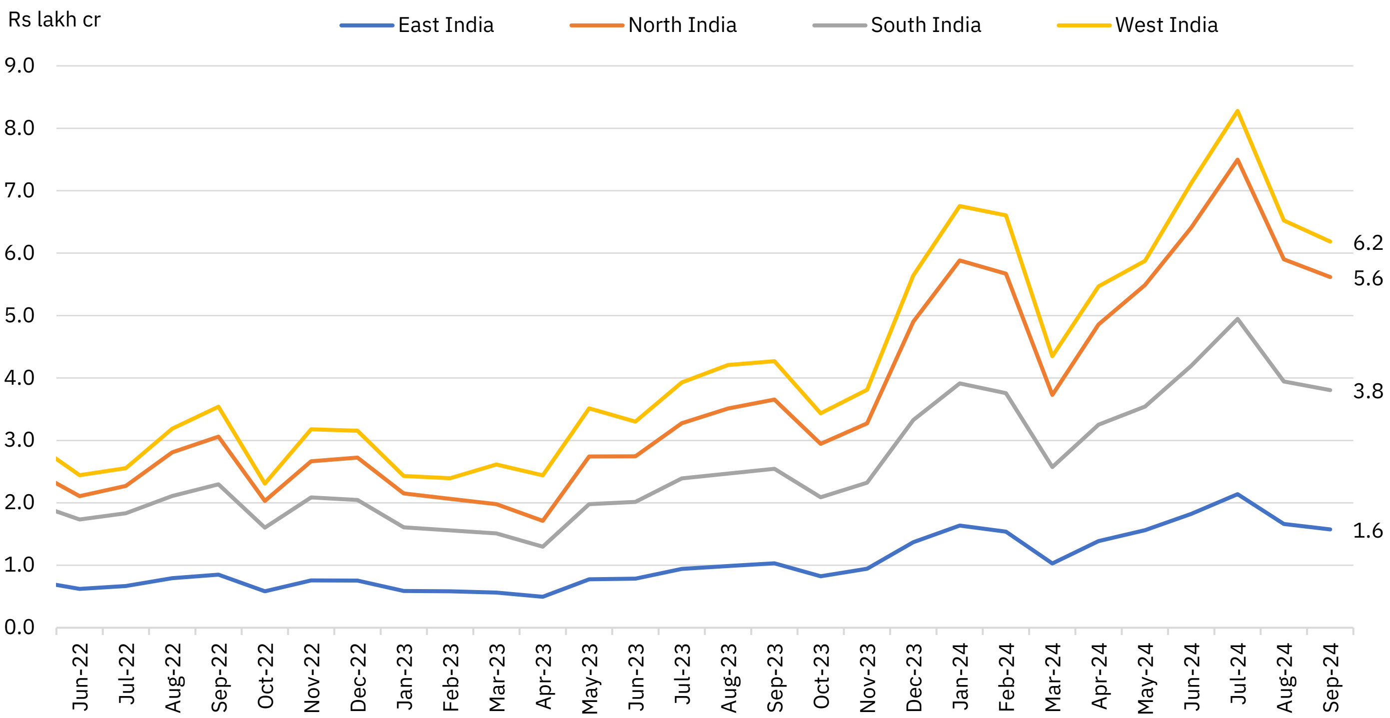
Source: NSE EPR
Notes
1. Turnover ranges are based on gross turnover.
2. Data has been provided for single side turnover i.e. (Buy turnover + sell turnover)/2
3. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital 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 continues to fall for the second month in a row across all regions...: After a steady rise in the first four months of FY25, the total turnover of individual investors fell for the second month in a row by 4.7% MoM in September to Rs 17.4 lakh crore on top of a 21% MoM decline in the previous month. The decline was broad-based across regions, led by the Eastern and Western regions that registered the highest MoM fall of 5.2% each followed by the Northern region (4.8%).

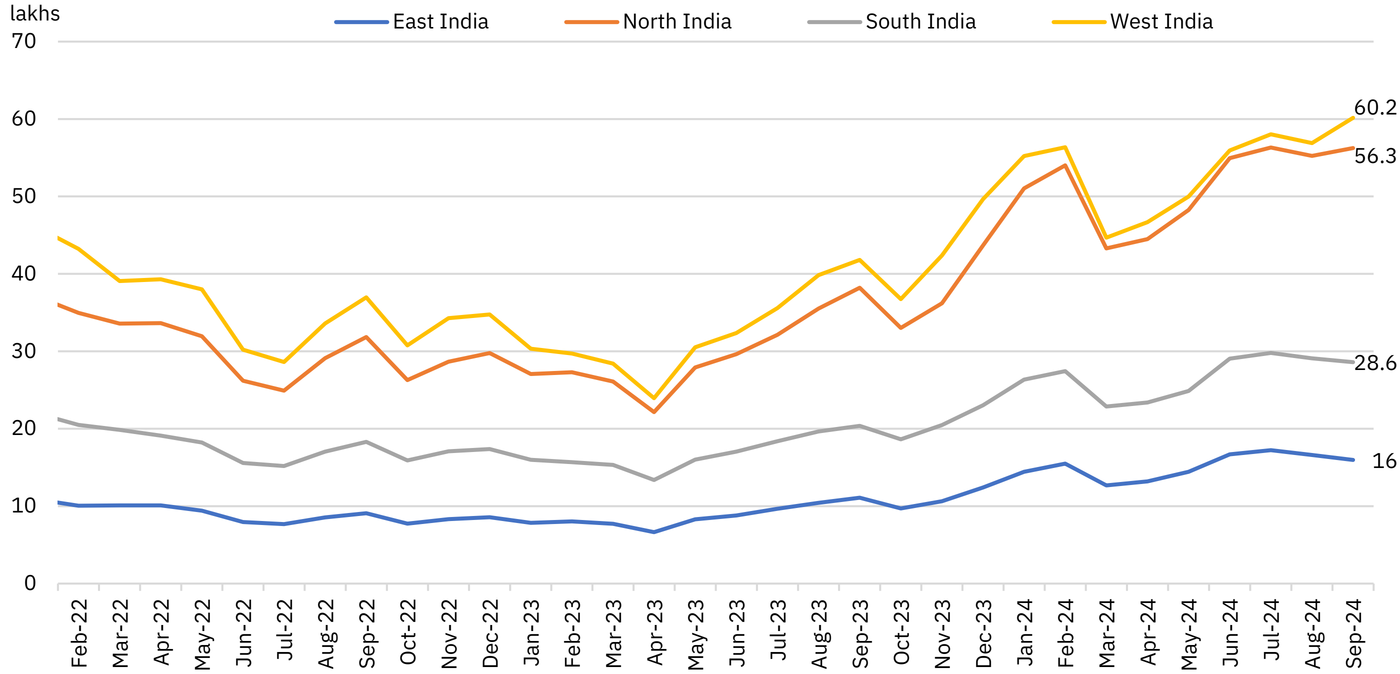
...Accompanied with a marginal rise in the investor base which traded at least once in last month: The overall number of individual investors which traded at least during the month rose by a modest 2% MoM to reach 1.6 crore in Sep'24, after registering a modest decline in the previous month. Region-wise, the Western and Northern India witnessed a rise of 5.7% MoM to 60.1 lakh and 1.9% MoM to 56.3 lakh, respectively. Eastern and Southern regions saw a fall of 3.8% and 1.7% to 16 lakh and 28.6 lakh, respectively.

Figure 232: 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 233: Region-wise distribution of individual investors traded in the cash market



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

Region-wise distribution of individuals' turnover remained broadly unchanged in September'24: The distributional pattern of turnover has remained almost unchanged across all regions. The share of Western, Eastern and Northern India in overall individual investors' turnover saw a marginal dip while the share of Southern region experienced a marginal rise. West India and North India continue to lead with maximum share in turnover with 35.6% and 32.3%, respectively.

Distribution in terms of investors who traded at least once in the last month saw significant rise for Western region: The distributional pattern of individuals over the past one month has witnessed a rise for western region but a marginal dip for other regions. The Western region's share of investors inched up by 129 bps MoM to 36.8% in September 2024. While Northern, Southern and Eastern region's share saw a fall of 6 bps, 67 bps and 60 bps MoM to 34.4%, 17.5% and 9.8%, respectively. Notably, the gap between the shares of Western and Northern regions has also widened in the last month.

Figure 234: Region-wise share of individual investors' turnover in cash market (%)

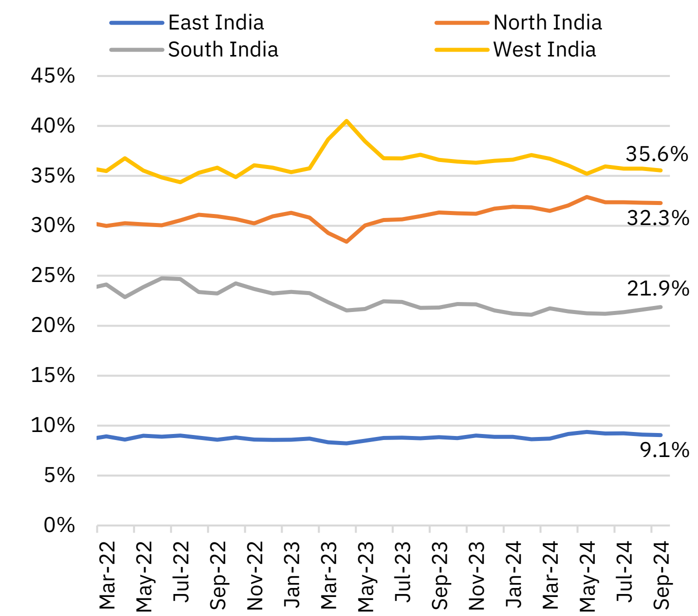
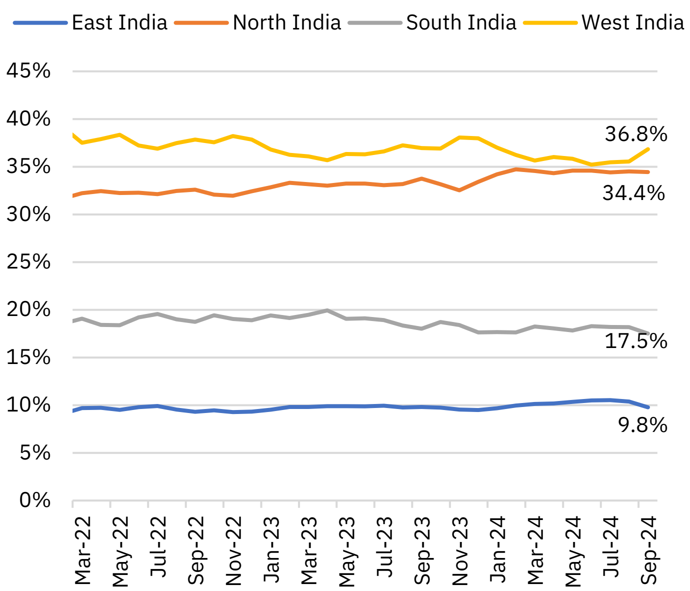


Figure 235: Region-wise share of individual investors traded in cash market (%)

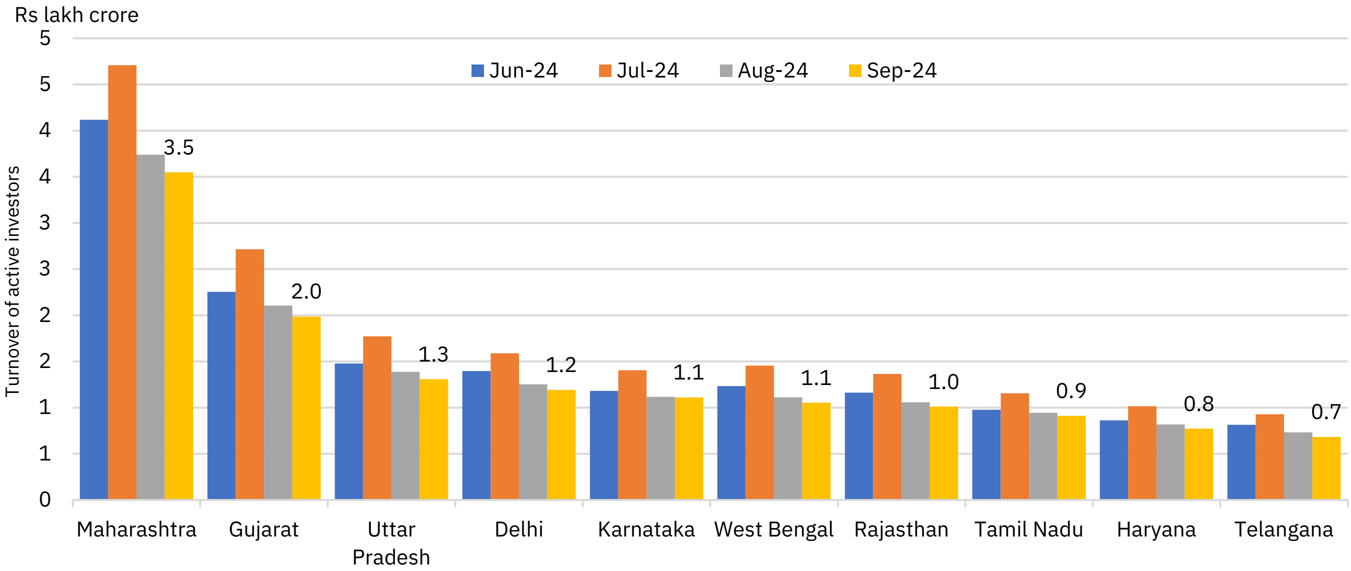


Source: NSE EPR.
Note: Individual investors include Individual / Proprietorship firms and HUF.

Turnover of individuals from all the top 10 states fell further in September 2024: The individual segment's turnover saw a fall in all the top 10 states, with the top 10's total turnover falling by 4.8% MoM (as against the MoM fall of 21.2% in August) to Rs 13.6 lakh crore in September 2024. The share of the top 10 states in individuals' total turnover in the CM segment remained steady at 78% in September. 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 3.5 lakh crore, Rs 2 lakh crore and 1.3 lakh crore, respectively. Among the top 10 states, Telangana witnessed the highest fall of 6.9%, followed by Uttar Pradesh (-5.8%) and Haryana (-5.7%).

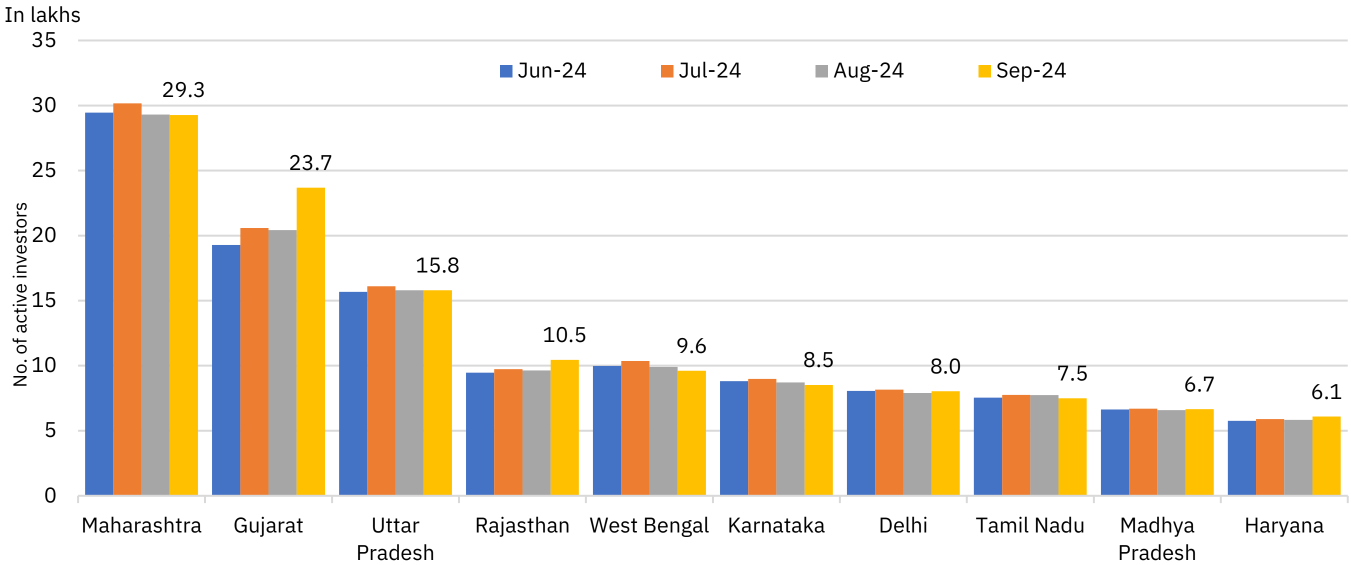
...accompanied by an overall rise in the number of investors who traded at least once in the month across top 10 states: The count of individuals who traded at least once has increased in the month of September, rising by 3.1% MoM (as against the fall of 2.1% MoM witnessed last month) to 1.3 crore. Maharashtra upheld its lead, with active investors at 29.3 lakh (-0.1% MoM). Surprisingly, Gujarat and Rajasthan saw a significant rise of 16% and 8.5% to 23.7 lakh and 10.5 lakh investors, respectively. Additionally, the active investor counts of Uttar Pradesh, West Bengal and Karnataka, marginally fell to 15.8 lakh, 9.6 lakh and 8.5 lakh investors respectively.

Figure 236: 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 237: Top 10 states based on individual investors traded in the cash market



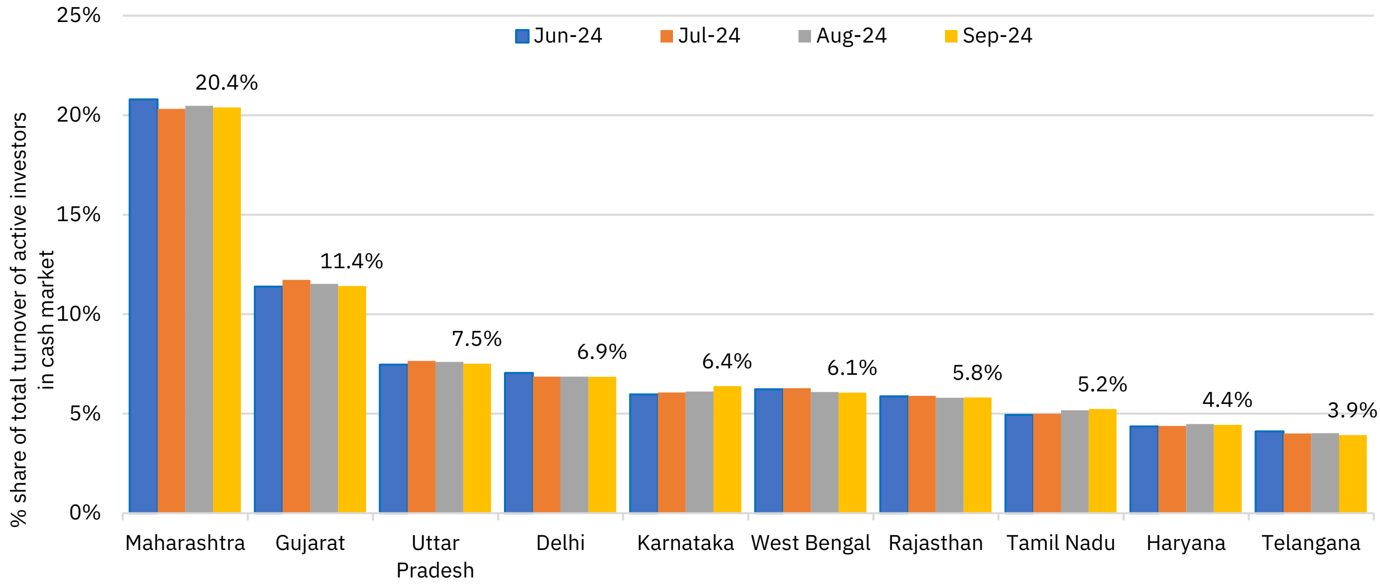
Source: NSE EPR.
Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on last month's data.

Contribution of top 10 states in individuals' turnover remained unchanged in Sep'24: Individuals' turnover in the cash segment continued to remain concentrated to a handful of states, and so is the number of individuals who traded at least once during the month. The top 10 states collectively accounted for 78% of the total turnover in Sep'24, a marginal fall from the previous month's 78.1%. The contribution of the top four states experienced a marginal fall, while Karnataka, the fifth largest state in terms of contribution to individual's turnover, saw a marginal rise in its share by 27 bps in the month gone by. The ranking of the top 10 states remained the same, with the top three states being Maharashtra, Gujarat and Uttar Pradesh.

...followed by a slight increase in investor base share: The share of the top 10 states in the count of individuals who traded at least once during the month rose marginally to

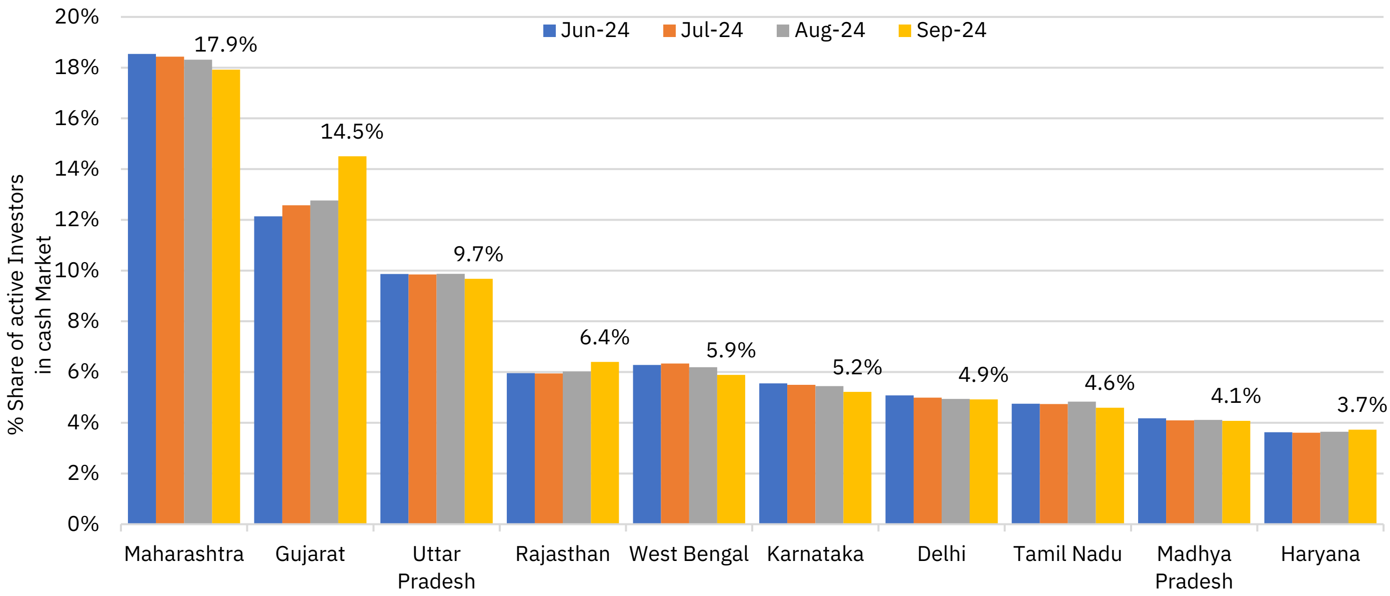
76.9% in Sep'24 from 76.1% in the previous month. Maharashtra's share saw the largest fall of 39bps MoM to 17.9% in Sep'24, while Gujarat's share saw the highest rise of 174 bps to 14.5%. Uttar Pradesh retained the third spot with a share of 9.7% (-20 bps MoM). Rajasthan saw a rise in its share by 38 bps to 6.4% and overtook West Bengal (5.9%) to claim the fourth spot in terms of number of individuals who traded at least once during the month.

Figure 238: 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 239: Share of the top 10 states based on number of individual investors traded in the cash market



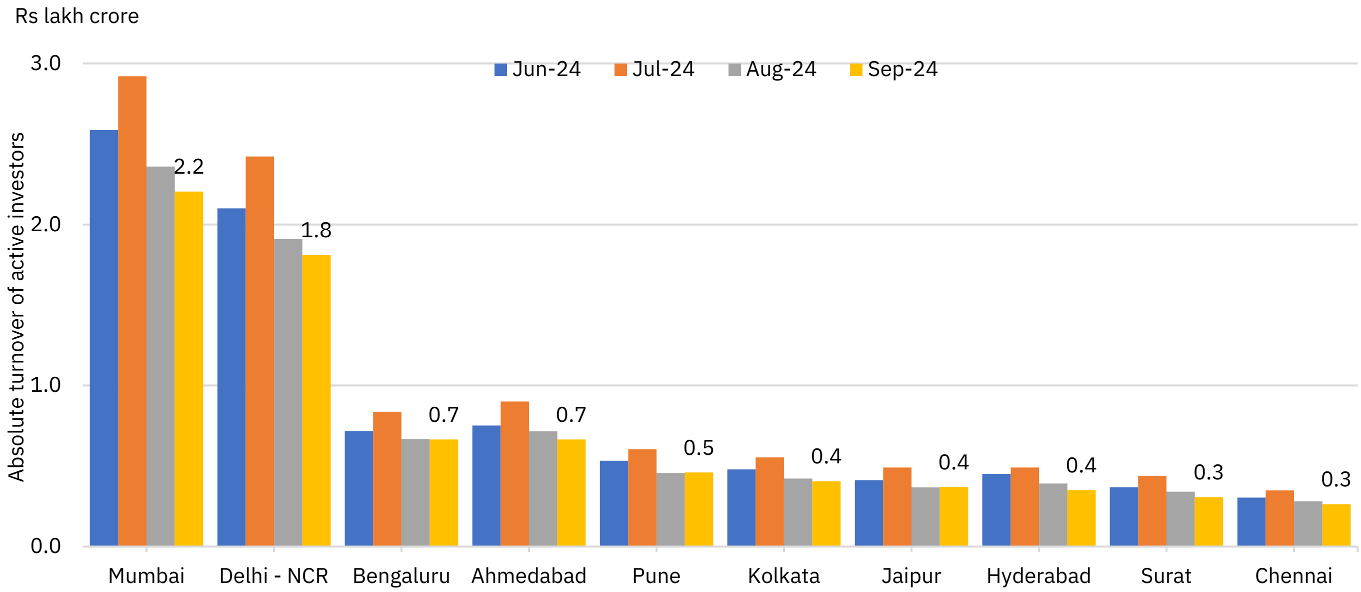
Source: NSE EPR.
Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on last month's data.

Individuals' turnover in eight out of the top 10 districts fell in September 2024...: Individual investors' turnover in the top 10 districts (by turnover) fell by 5.2% MoM in September 2024 to Rs 7.5 lakh crore, following a 20.9% decline in the previous month.

Mumbai and Delhi held their positions as the top two districts, with a turnover of Rs 2.2 lakh crore (-6.6% MoM) and Rs 1.8 lakh crore (-5.2% MoM) respectively. Among the top 10 districts, Jaipur witnessed the highest fall for the second time in a row of 10.4% MoM in individual investors' turnover.

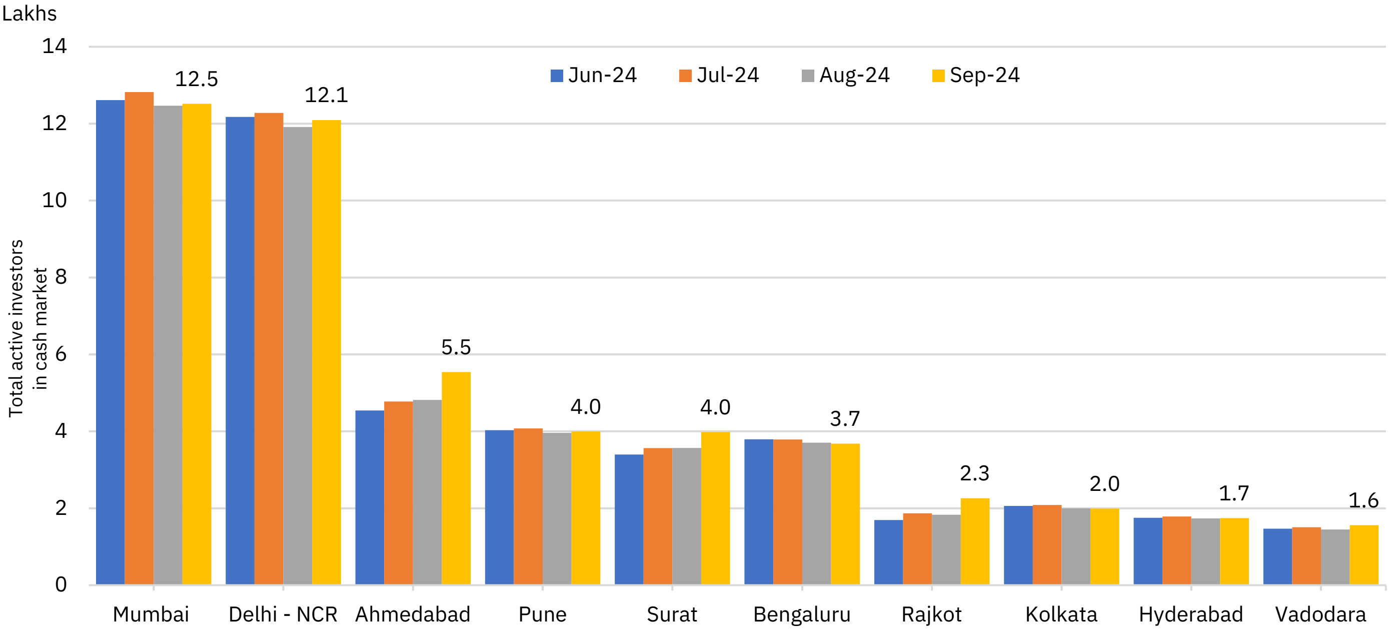
...accompanied by a rise in the number of investors who traded during the month: The number of individual investors which traded at least once in the last month registered a substantial rise across the top 10 districts, with an overall rise of 4% MoM to 51.8 lakh in September 2024. Mumbai continued to lead, with a 0.4% MoM growth to 12.5 lakh investors, while Delhi-NCR retained the second spot with 12.1 lakh active investors during the month (+1.5% MoM). Ahmedabad, who stood in third, recorded an increase of 15.1% MoM to 5.5 lakh investors. Surat, which witnessed a growth of 11.6% in the number of individual investors, overtook Bengaluru to claim fifth spot. Rajkot witnessed the highest growth of 23.5% MoM and moved to seventh spot (from eighth position last month). Interestingly, four districts from Gujarat are now in the top 10 districts in terms of the number of investors traded in the last month.

Figure 240: Top 10 districts based on cash turnover of individual investors



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

Figure 241: Top 10 districts based on individual investors traded in the cash market

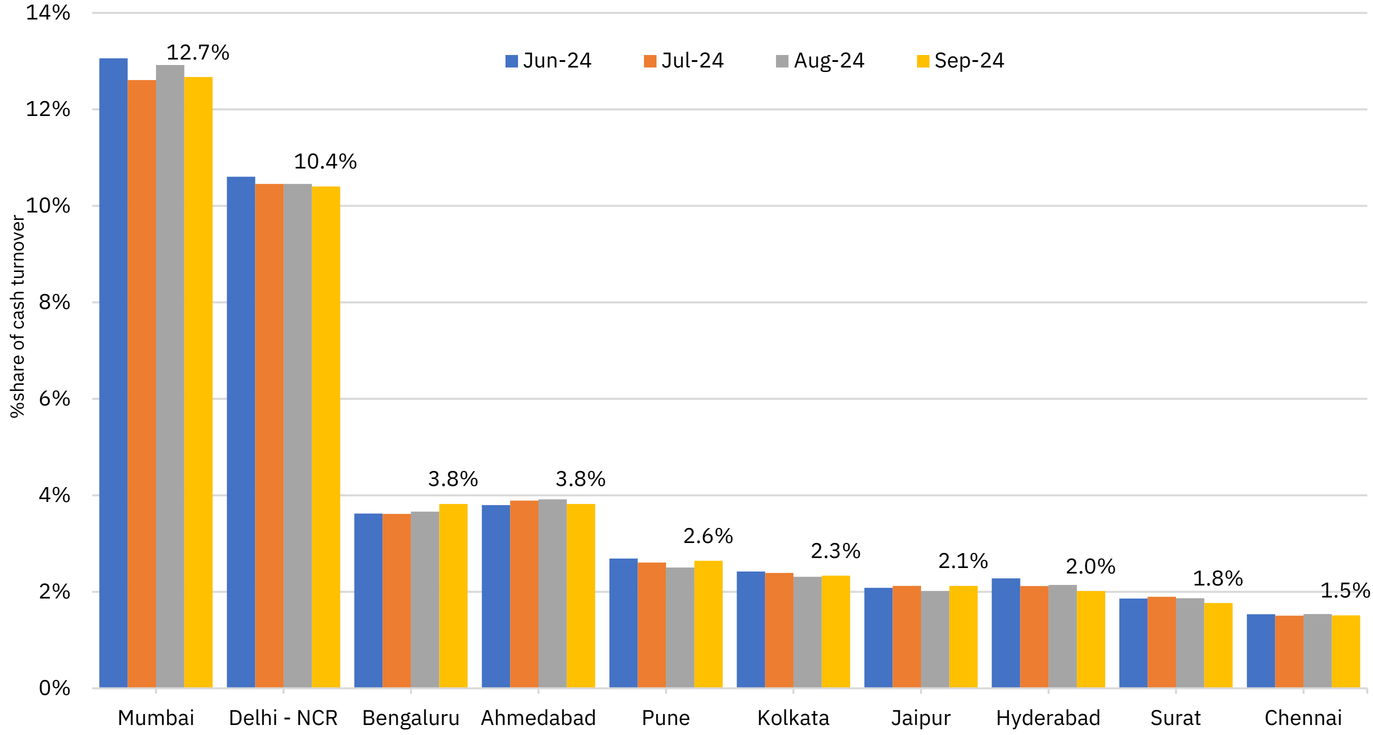


Source: NSE EPR
Note: 1. Mumbai includes Mumbai (MH/TN/RG); 2. Individual investors include Individual / Proprietorship firms and HUF. The top ten districts are chosen based on last month's data.

Share of top 10 districts in individual turnover fell marginally in September 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 stood at 43.1% in Sep'24, down from 43.3% in Aug'24. Among the top 10 districts, the top two districts' share stood at over 23.1% - highlighting the highly skewed distribution. The share of Mumbai fell by 25 bps MoM to 12.7% while Delhi 's share fell by 5 bps MoM to 10.4% in Sep'24. Bengaluru saw the highest rise in share of 16 bps, overtaking Ahmedabad (-10 bps MoM) to claim third place with a share of 3.8%.

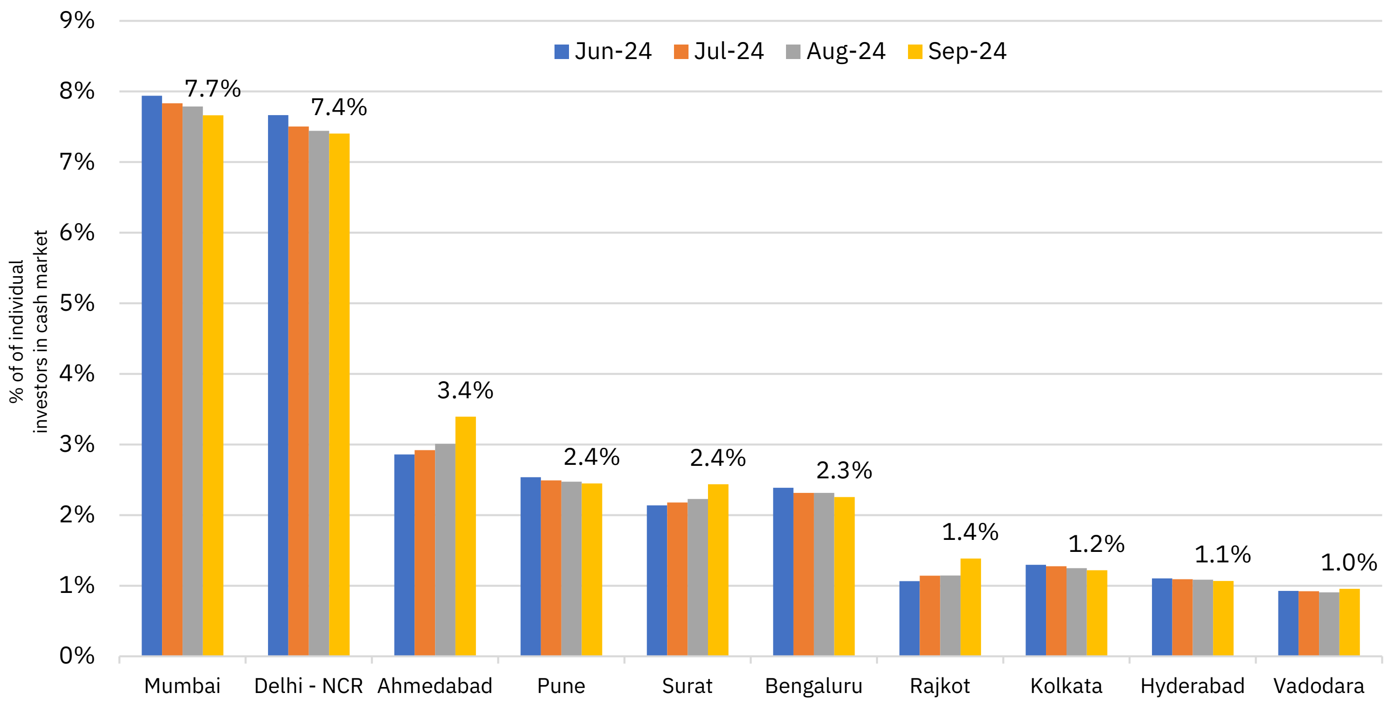
...along with a marginal rise in the share of active individuals last month: The contribution of the top 10 districts in the share of active investors rose significantly in the month of September at 31.7% as compared to 31% in August'24. The share of Mumbai stood at 7.7%, falling from a peak of 9.32% in October'22. Delhi – NCR's share remained at 7.4%. Third and fourth position were retained by Ahmedabad (3.4%) and Pune (2.4%) respectively. Surat (2.4%) overtook Bengaluru (2.3%) to claim the fifth position.

Figure 242: Share of the top 10 districts based on individual turnover in the cash market



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

Figure 243: Share of the top 10 districts based on individual investors traded in the cash market



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

Turnover of top 10 traded companies during the month

In September 2024, total turnover decreased by 3%, while the turnover of the top 10 traded scrips in NSE's CM segment rose by 12.2% month-over-month, reaching Rs 3.3 lakh crore. Consequently, the percentage share of these top 10 scrips increased by 1.8pp, accounting for 13.1% of the overall turnover.

Despite HDFC Bank maintaining its position as the most-traded scrip, it experienced the largest decline in turnover among the top 10. Zomato, which had previously recorded a remarkable 141% growth in August 2024, witnessed a 21.9% MoM decline, dropping two places to fourth. Tata Motors maintained 5th position despite a moderation of 4.4% MoM in its turnover. In contrast, Infosys, State Bank of India, and ICICI Bank exhibited an increase in turnover. Additionally, Premier Energies, Bajaj Housing Finance, and Bajaj Finance entered the top 10 list this month.

Table 98: Top 10 companies of NSE CM segment in September 2024

Securities (Rs Cr)	Sep-24	Aug-24	%Change
HDFC Bank Limited	53,357	92,560	(42.4)
Reliance Industries Limited	44,246	38,755	14.2
ICICI Bank Limited	41,661	30,104	38.4
Zomato Limited	35,920	45,998	(21.9)
Tata Motors Limited	29,381	30,736	(4.4)
State Bank of India	27,121	23,052	17.7
Premier Energies Limited	26,739	0	NM
Bajaj Housing Finance Limited	26,364	0	NM
Infosys Limited	25,714	22,972	11.9
Bajaj Finance Limited	23,834	13,804	72.7
Top 10 scrips turnover	**334,338**	**297,981**	**12.2**
Total turnover	**2,559,376**	**2,638,157**	**(3.0)**
% share of Top 10 scrips	**13.1**	**11.3**	**1.8**

Source: NSE EPR. Figures in brackets indicate negative numbers.
Note: 1. The scrip-wise turnover data for the previous month is based on the current month's top 10 scrips.
2. NM means not measurable.

In September 2024, the turnover for the top 10 traded scrips in stock futures reached Rs 7.8 lakh crore, marking a 2.5% MoM increase, while the percentage share of these top securities rose slightly by 24 bps MoM to 22.7% of the total turnover.

As witnessed in capital markets segment, HDFC Bank Limited remained the highest-traded scrip, albeit it experienced a 19% MoM decline to Rs 1.5 lakh crore. Both Tata Motors Limited and Hindustan Aeronautics Limited recorded decreases in turnover of 6.1% and 3.8% MoM, respectively. Notably, Bajaj Finance Limited entered the top 10 list with an 43.4% MoM rise in its turnover during the month gone by. Overall, seven out of the ten scrips experienced a rise in turnover during the month.

Table 99: Top 10 companies of stock futures in September 2024

Securities (Rs Cr)	Sep-24	Aug-24	%Change
HDFC Bank Limited	154,853	191,275	(19.0)
ICICI Bank Limited	106,185	86,561	22.7
Reliance Industries Limited	104,142	101,250	2.9
State Bank of India	78,458	70,354	11.5
Bajaj Finance Limited	63,938	44,587	43.4
Tata Motors Limited	60,152	64,031	(6.1)
Infosys Limited	57,615	52,672	9.4
Axis Bank Limited	52,684	47,902	10.0
Vedanta Limited	48,636	47,033	3.4
Hindustan Aeronautics Limited	48,349	50,281	(3.8)
Top 10 scrips turnover	**775,012**	**755,946**	**2.5**
Total Turnover	**34,14,779**	**33,66,229**	**1.4**
% share of Top 10 scrips	**22.7%**	**22.5%**	**0.2**

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

In September 2024, the turnover for the top 10 traded scrips in the stock options (premium turnover) stood at Rs 40,609 crore, reflecting a notable MoM increase of 19.9%. The percentage share of these top scrips rose 238 bps MoM to 23.3% of the total premium turnover.

Notably, HDFC Bank dropped to 6th position in terms of premium turnover with a 26.4% MoM drop in the turnover while Dixon Technologies Limited emerged as the highest traded scrip with a remarkable 107.9% MoM increase in its premium turnover. The entry of Dixon Technologies, Bajaj Finance Limited, Bajaj Auto Limited, and Tata Power Company Limited into the top 10 scrips contributed majorly to the overall increase in the turnover of top 10 securities. Among the top 10 scrips, six recorded a rise in turnover, with three achieving MoM growth over 100%.

Table 100: Top 10 companies (based on premium turnover) of stock options in Sep -2024

Securities (Rs Cr)	Sep-24	Aug-24	%Change
Dixon Technologies (India) Limited	5,922	2,849	107.9
Bajaj Finance Limited	5,542	2,163	156.2
Reliance Industries Limited	5,014	5,243	(4.4)
Tata Motors Limited	4,208	4,416	(4.7)
Hindustan Aeronautics Limited	4,126	3,373	22.3
HDFC Bank Limited	4,101	5,575	(26.4)
State Bank of India	3,113	2,958	5.2
Bajaj Auto Limited	2,873	1,354	112.2
Maruti Suzuki India Limited	2,864	3,781	(24.2)
Tata Power Company Limited	2,847	2,155	32.1
Top 10 scrips premium turnover	**40,609**	**33,866**	**19.9**
Total premium turnover	**1,74,393**	**1,61,998**	**7.7**
% share of Top 10 scrips	**23.3%**	**20.9%**	**2.4**

Source: NSE EPR. Figures in brackets indicate negative numbers.
Note: The scrip-wise turnover data for the previous month is based on the current month's top 10 scrips.

Record statistics

Nifty50 touched an all-time high on September 26th: Nifty 50 touched an all-time high of 26,216 on September 26th, 2024. Remarkably, Nifty50 crossed the 25,000 mark on August 1st, 2024, and quickly surged past the 26,000 mark on September 25, 2024, within 39 trading sessions.

Market capitalization for the listed companies at NSE also achieved a new milestone with its market capitalization reaching a new high of Rs 473.8 lakh crore (US$ 5.66 trn) on September 27th, 2024.

Table 101: Segment-wise record turnover till October 14th, 2024

Particulars	Value	Date of Record
Nifty50	26216.05	26-Sep-24
Market Cap (Rs crore)	4,73,83,695	27-Sep-24
Capital market turnover (Rs crore)	2,71,245	04-Jun-24
Number of trades in cash market segment (In crore)	8.85	04-Jun-24
Index futures turnover (Rs crore)	1,57,036	04-Jun-24
Index options turnover (Rs crore)	2,13,406	04-Jun-24
Stock futures turnover (Rs crore)	3,98,161	23-Jul-24
Stock options turnover (Rs crore)	20,683	04-Jun-24
Number of trades in equity derivatives segment (In crore)	24.25	19-Jun-24
Currency futures turnover (Rs crore)	99,346	22-Mar-24
Commodity options turnover (Rs crore)	21	18-Mar-24
Currency options turnover (Rs crore)	635	11-Nov-22
Commodity futures turnover (Rs crore)	145	29-Aug-19

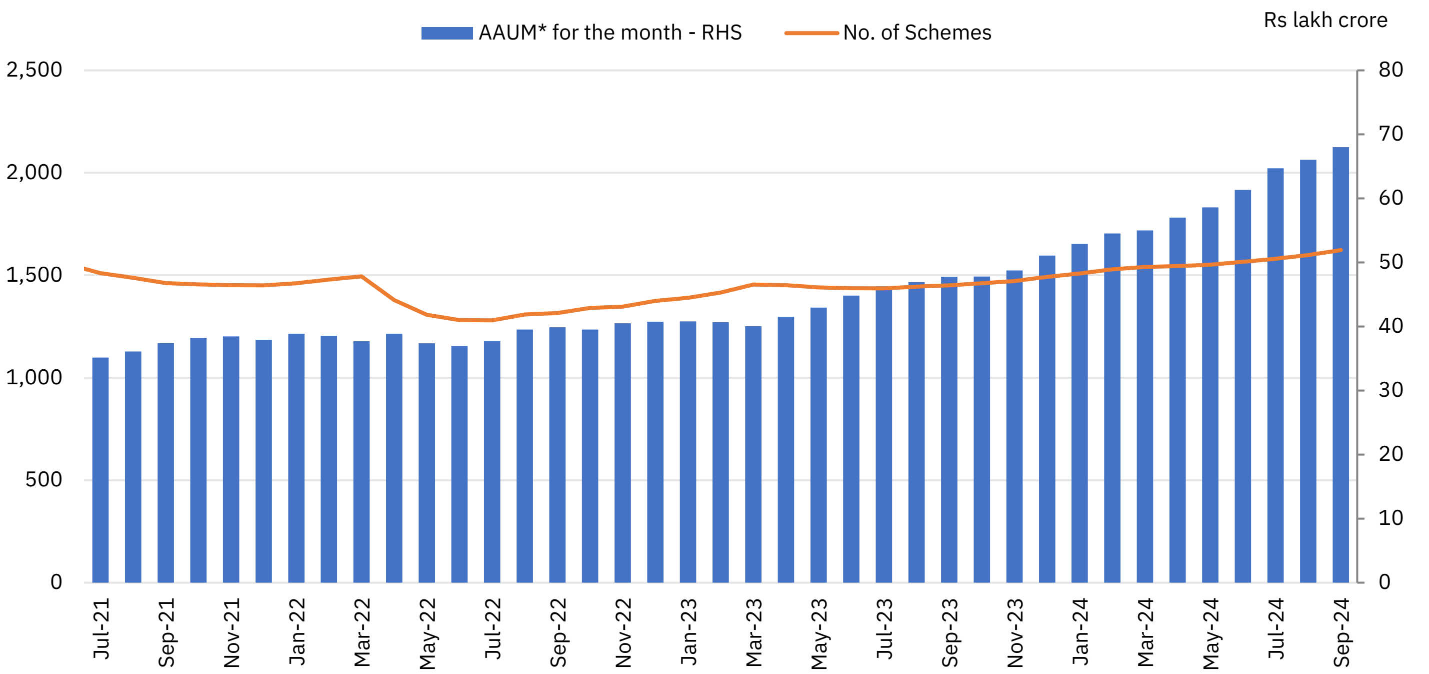
Source: NSE EPR
Note: Premium turnover has been considered for options contracts.

Investment through mutual funds in India

Mutual funds' asset under management (AUM) sustained record all-time high to Rs 68 lakh crore mark in Sep'24: The overall AUM of Indian mutual funds experienced an increase of 3% MoM to an all-time high of Rs 68 lakh crore in September. This was despite net outflows during the month, reflecting the impact of mark-to-market (MTM) gains as markets surged to all-time high levels during the month. On a YoY basis, the MF AUM registered an increase of 42.3% and is 175.2% higher than the post-pandemic lows. The month gone by saw net outflows to the tune of Rs 71k crore as compared to net inflows of Rs 1.1 lakh crore in the previous month. A large part of this is attributed to higher withdrawals on account of advance tax obligations, a trend usually observed at the end of each quarter. As such, redemptions, up 28.2% MoM, more than negated the impact of continued inflows via the SIP route, as reflected from an 8.8% MoM increase in fund mobilization. SIP inflows into mutual funds touched a new record level of Rs 24,509 crores in September, up 4.1% on a MoM basis, reflecting investors' preference towards disciplined and long term wealth accumulation. As of September 2024, the SIP AUM stood at Rs 13.8 lakh crore and is now nearly one-fifth of the overall industry AUM.

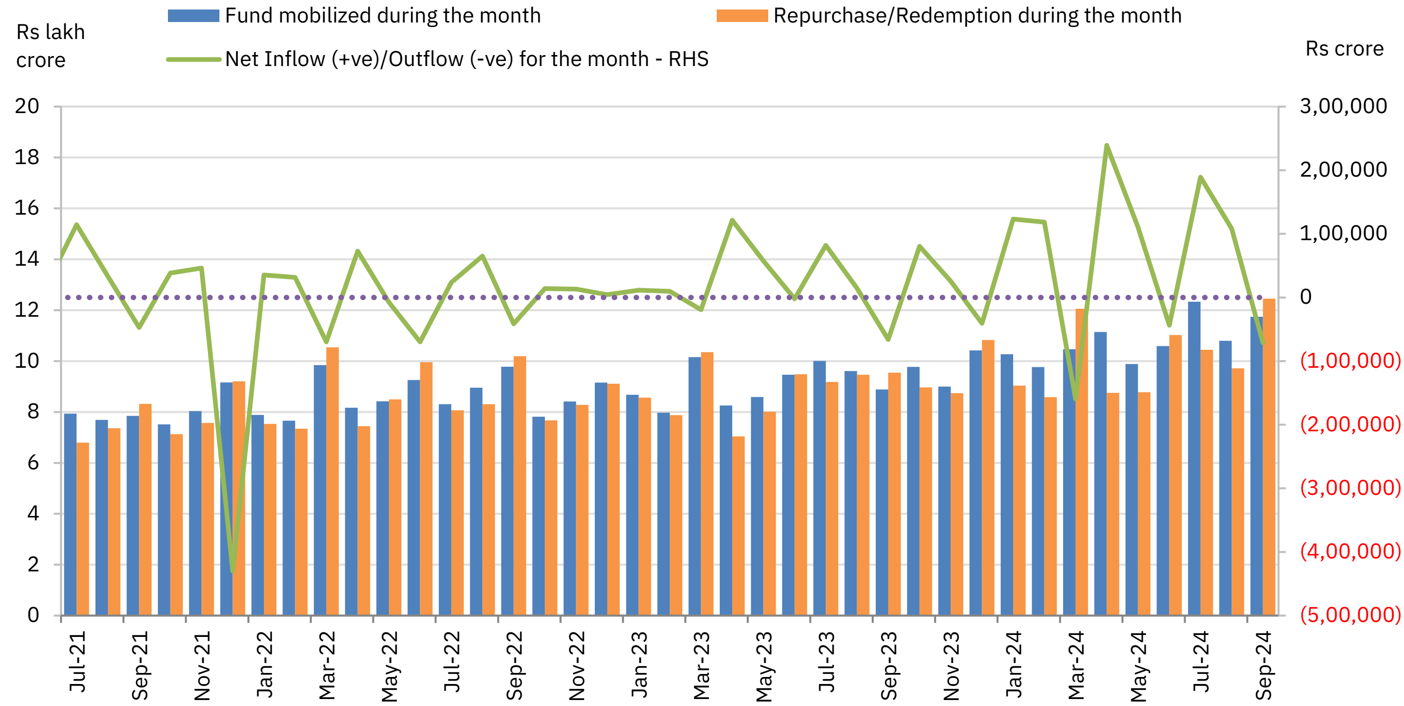
A marginal increase in the AUM of close-ended schemes was observed to Rs 26,896 crore in September and contributed only 0.4% to the total mutual fund AUM. Furthermore, of the total number of schemes, 1,509 were open-ended schemes, 102 were close-ended and the rest 12 were interval schemes.

Figure 244: Monthly trend of total MF schemes and average AUM



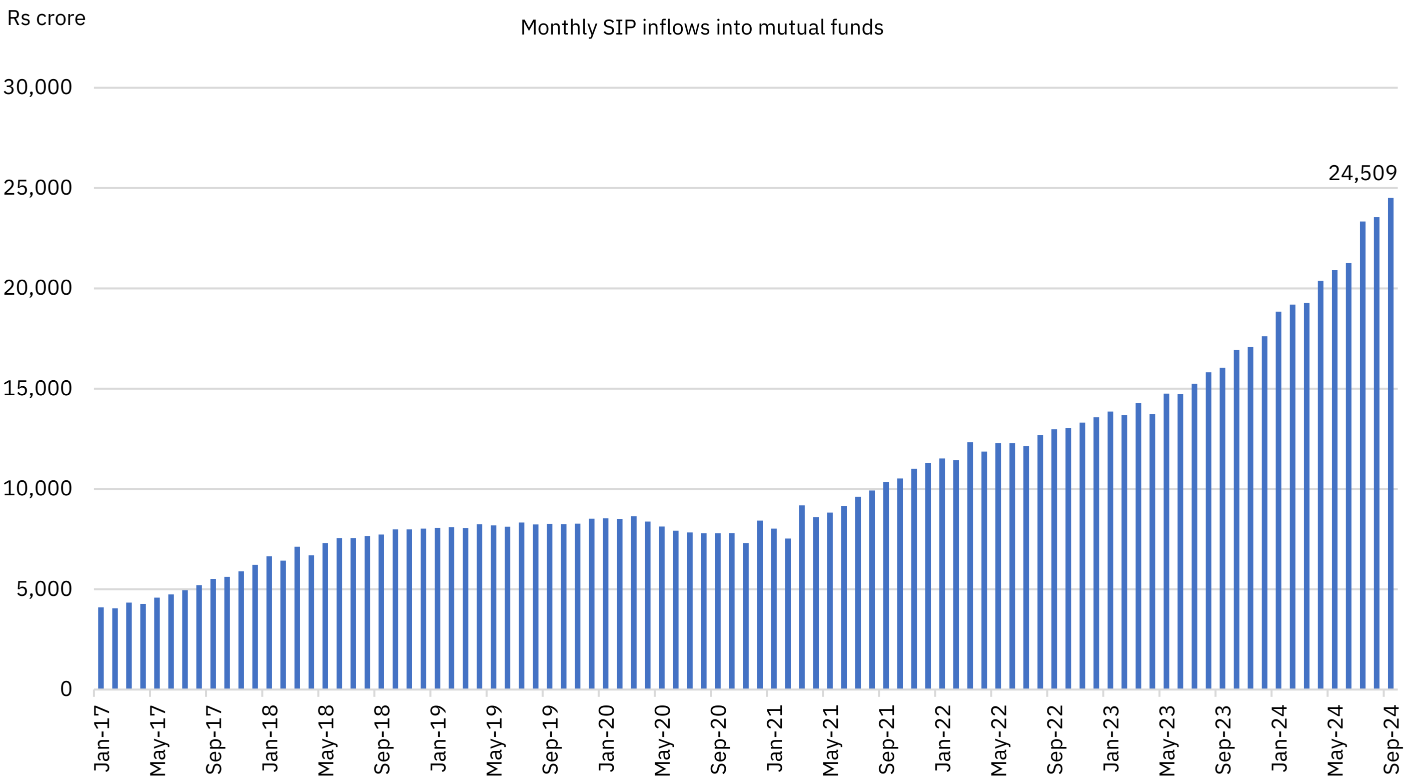
Source: AMFI, NSE EPR. *AAUM-Average Assets under Management.

Figure 245: Monthly trend of total investment through mutual funds



Source: AMFI, NSE EPR.

Figure 246: Monthly trend of total investment through mutual funds



Source: AMFI, NSE EPR.

A major portion of the mutual fund AUM is actively managed: Out of the overall industry AUM of Rs 68 lakh crore as of Sep'24, Rs 56.2 lakh crore or 82.6% is actively managed. Similarly, within pure equity AUM of Rs 39.1 lakh crore (+4.9% MoM), passive equity funds constitute Rs 8.4 lakh crore (+4.4% MoM), of which ETFs accounted for an 82%

share, while the balance Rs 30.7 lakh crore was in active equity funds (+5% MoM). The total debt AUM stood at Rs 18.4 lakh crore as of Sep-end (-0.9% MoM, 27.1% of the overall AUM), out of which only 3.1% or Rs 2.1 lakh crore (-1.9% MoM), was managed passively, with the balance Rs 16.3 lakh crore (-0.7% MoM) being actively managed. The AUM of hybrid funds stood at Rs 9.1 lakh crore (+2.7% MoM) in September, with its share decreasing marginally to 13.4% in Sep'24 from 13.5% in the previous month.

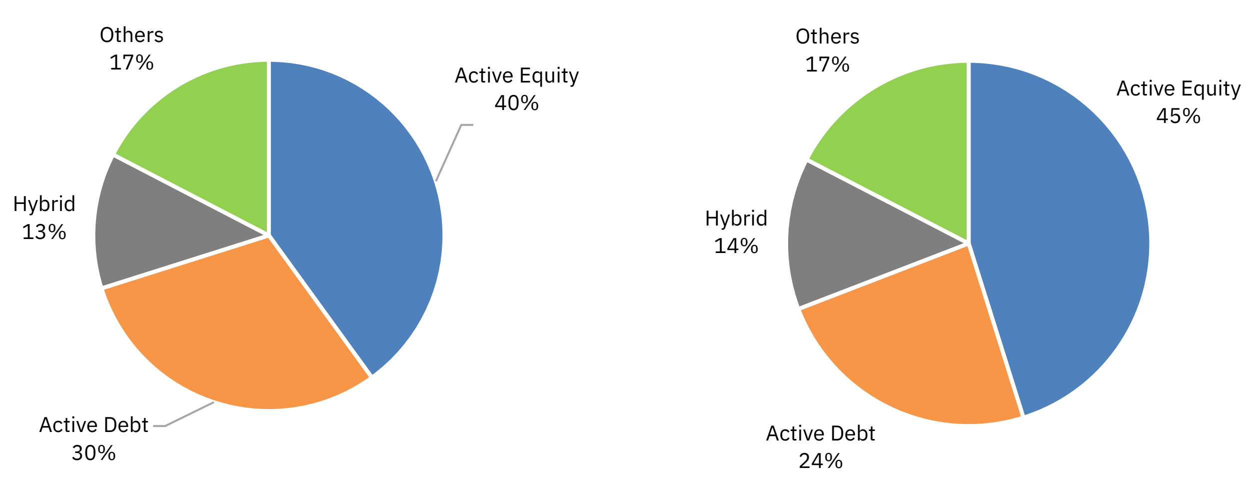
Table 102: Monthly trend of average AUM of mutual funds across categories

Rs crore	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	% share
Total MF AUM	**57,01,359**	**58,59,951**	**61,33,227**	**64,70,664**	**66,04,057**	**68,00,486**	**100.0**
Equity	**31,03,415**	**32,08,739**	**34,31,691**	**36,46,416**	**37,31,334**	**39,14,552**	**57.6**
Active	24,25,708	25,10,895	26,87,142	28,54,590	29,23,249	30,70,667	45.2
Passive	6,77,707	6,97,845	7,44,548	7,91,826	8,08,086	8,43,884	12.4
Index funds	1,07,214	1,14,345	1,25,731	1,39,127	1,45,194	1,55,035	2.3
Domestic	1,02,865	1,09,846	1,21,036	1,34,267	1,40,245	1,49,949	2.2
International	4,349	4,499	4,695	4,860	4,950	5,086	0.1
ETFs	5,70,493	5,83,500	6,18,818	6,52,699	6,62,891	6,88,849	10.1
Domestic	5,59,677	5,72,249	6,07,133	6,40,658	6,51,181	6,76,869	10.0
International	10,816	11,251	11,685	12,041	11,711	11,980	0.2
Debt	**17,08,477**	**17,30,387**	**17,48,162**	**18,29,390**	**18,56,849**	**18,40,812**	**27.1**
Active	15,03,887	15,24,429	15,40,597	16,17,213	16,44,029	16,32,115	24.0
Passive	2,04,590	2,05,958	2,07,566	2,12,177	2,12,820	2,08,697	3.1
Index funds	1,07,602	1,08,789	1,09,098	1,09,584	1,09,768	1,07,290	1.6
ETFs	1,07,600	1,08,786	1,09,095	1,09,580	1,09,763	1,07,290	1.6
Hybrid	**7,77,148**	**8,05,619**	**8,33,978**	**8,71,986**	**8,90,464**	**9,14,360**	**13.4**
Others*	**1,12,319**	**1,15,205**	**1,19,396**	**1,22,873**	**1,25,410**	**1,30,761**	**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.

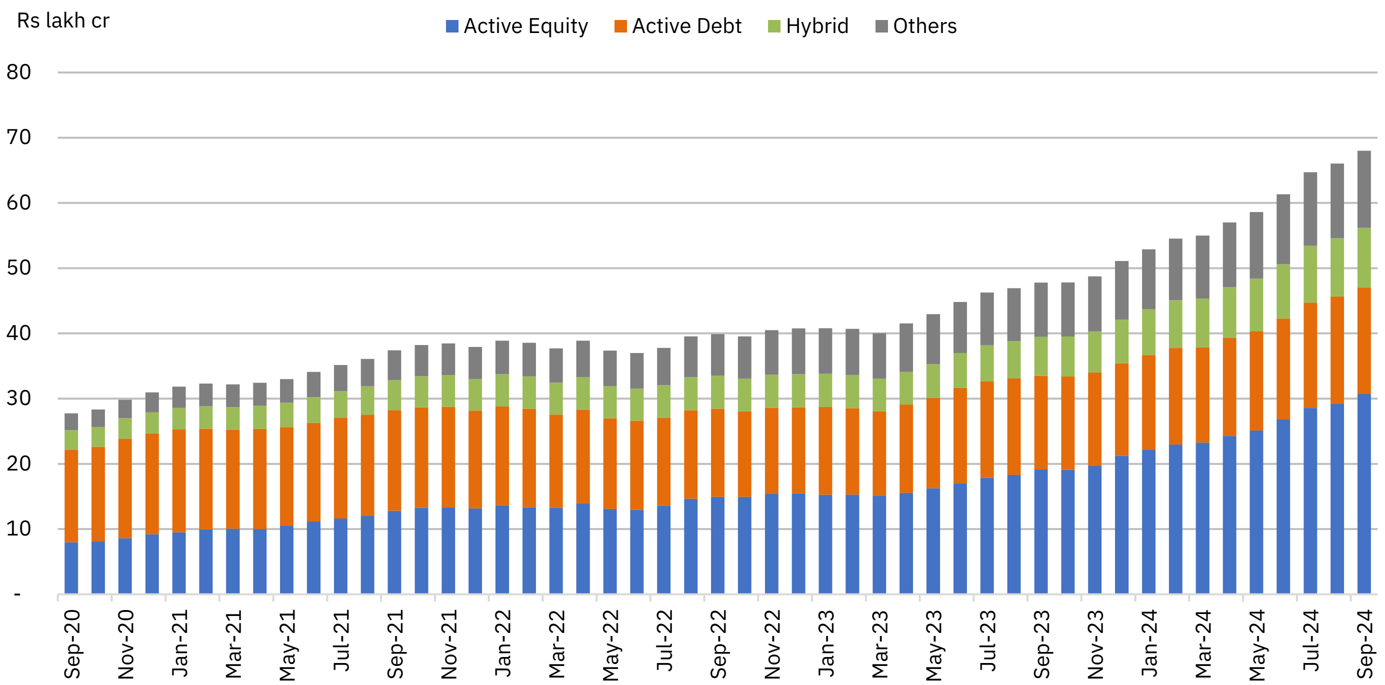
Growth largely driven by active equity schemes: The active equity AUM rose 5% MoM/61% YoY to Rs 30.7 lakh crore, marginally higher than a 3% MoM increase in the industry's overall AUM. The share of active equity funds in the overall AUM rose further to 45.2% in Sep'24 from 40% in the year-ago period. The AUM of active debt-oriented schemes decreased by 0.7% MoM but increased by 13.4% YoY (+25.7% since Mar'20) to Rs 16.3 lakh crore in Sep'24. This resulted in a marginal drop in the share of debt funds for the 14th month in a row to 24% in Sep'24 as compared to 24.9% in the previous month, down 611bps YoY. A part of this may be due to the removal of indexation benefits introduced in the 2023 budget.

Figure 247: Share of overall mutual fund AUM across asset classes



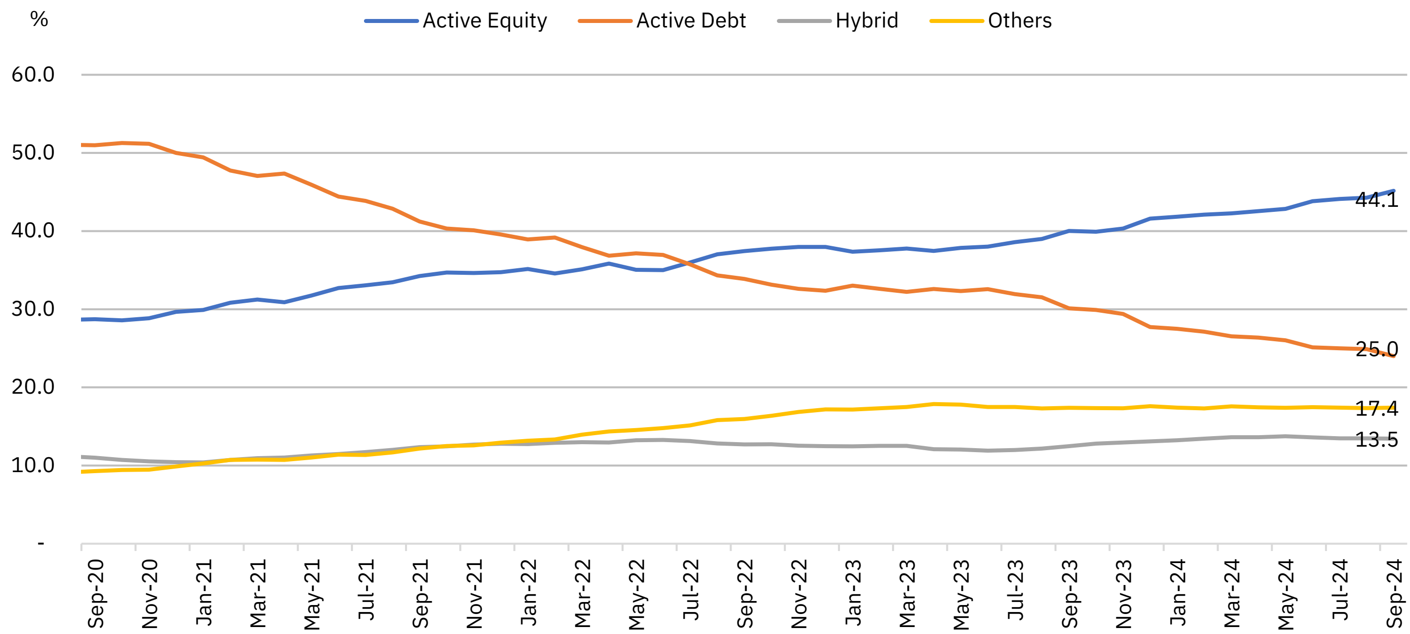
Source: CMIE Economic Outlook, AMFI, NSE EPR
Note: Others include all passive funds (Index funds and ETFs), solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Figure 248: 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.

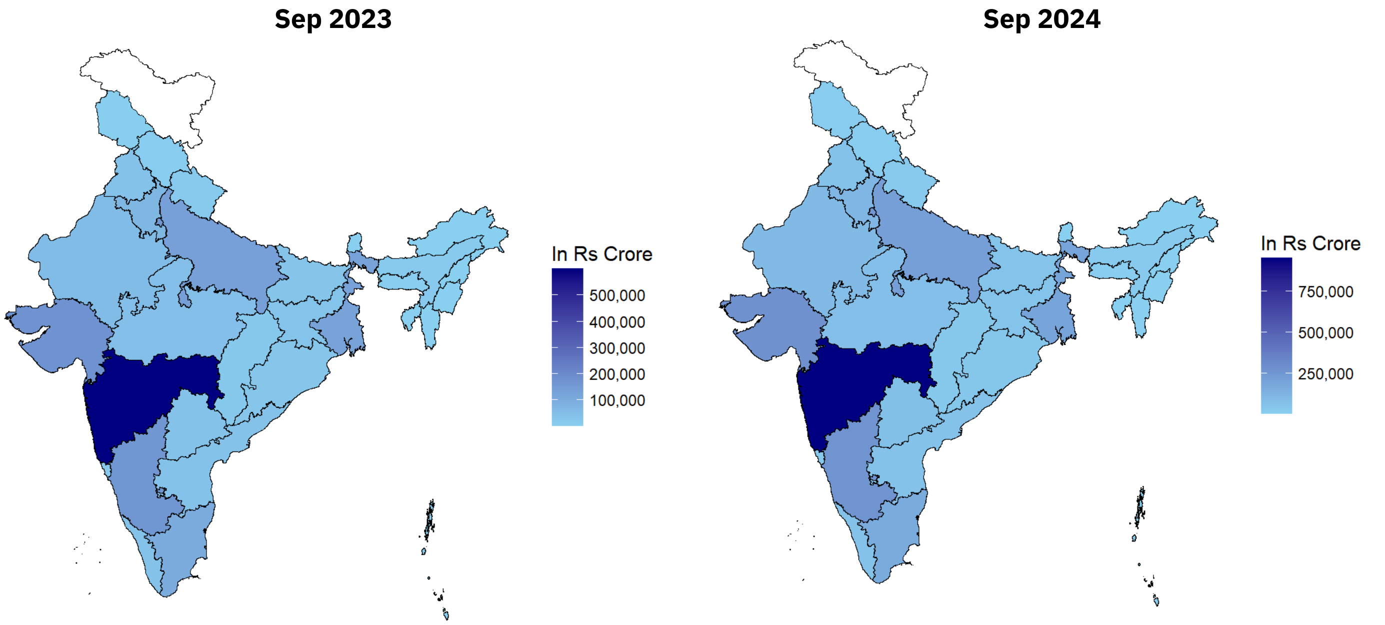
Figure 249: Category-wise share in MF AUM*



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 remained concentrated in a few states: Maharashtra and Gujarat together contributed 36.9% of the overall equity mutual fund AUM in Sep'24, almost same as the previous month. Among the top five states, Gujarat (-2bps, 8.29%), and Delhi (-2bps, 7.73%) saw a fall in share while Uttar Pradesh (+1bps, 6.55%), and Maharashtra (+2bps, 28.61%), recorded an increase and no change in Karnataka (8.07%) in share of equity AUM. The remaining states (except West Bengal) contributed less than 5% each to the overall equity AUM of the mutual fund industry.

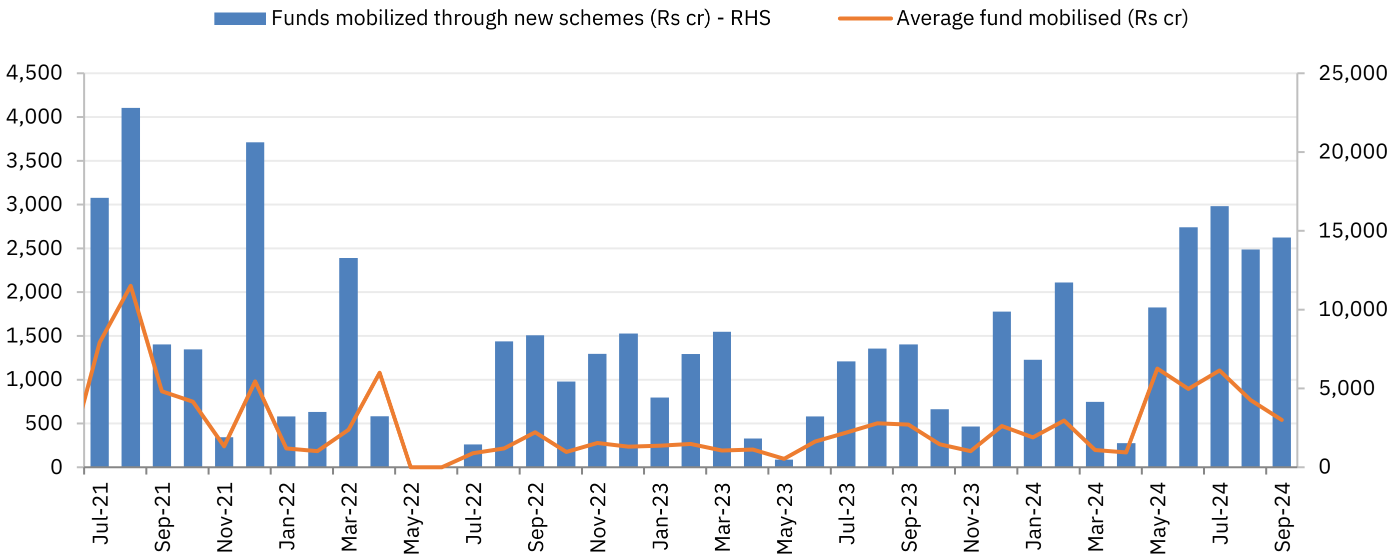
Figure 250: State-wise distribution of Equity schemes AUM in Sep'23 and Sep'24



Source: NSE EPR
Note: The maps are created using the state-level shapefile (https://github.com/AnujTiwari/India-State-and-Country-Shapefile-Updated-Jan-2020)

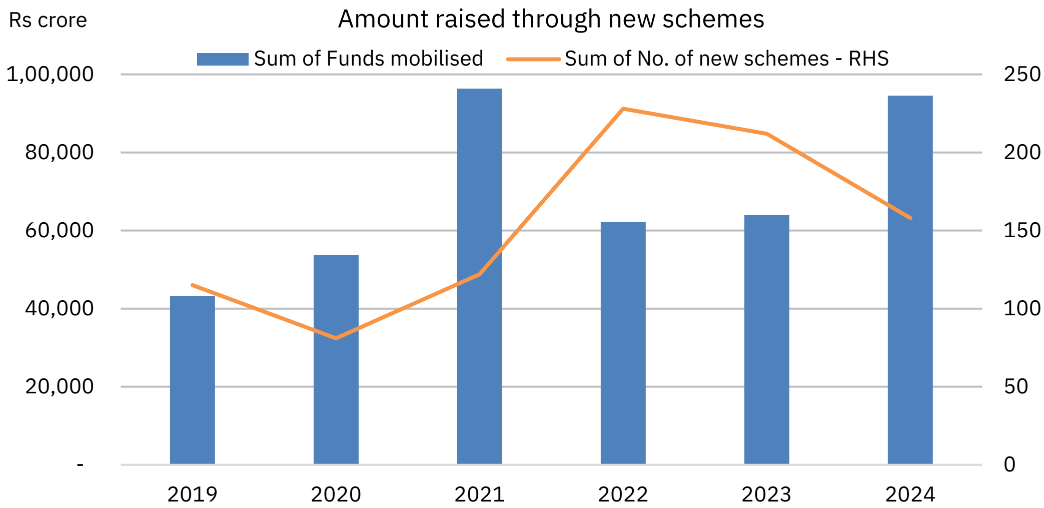
Fund mobilization through new schemes continued to increase in Sep'24: The fiscal year gone by saw the launch of 185 new schemes, mobilizing Rs 66,404 crore as compared to 253 schemes with a mobilization of Rs 62,378 crore in FY23. The average fund mobilized per scheme increased from Rs 246 crore in FY23 to Rs 359 crore in FY24. In September, the number of new schemes stood at 27 vs. 18 in the previous month, with the total fund mobilization of Rs 14,575 crore as compared to the fund mobilization of Rs 13,815 crore in the previous month. However, per scheme fund mobilization decreased from Rs 767.5 crore in Aug'24 to Rs 539.8 crore in Sep'24. In the first six months of FY25, total fund mobilization stood at Rs 71,854 crore, up 160.5% on a YoY basis, with fund mobilization per scheme rising by a steep 100% from that in FY24 to Rs 756.3 crore.

Figure 251: Monthly trend of total investment through new schemes



Source: AMFI, NSE EPR.

Figure 252: Annual trend of fund mobilization through new schemes*



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

Comparison of trading activities across major exchanges globally

Global equities continued their upward trajectory in the month gone by, with the MSCI World index gaining 1.7%, driven by a 2% rise in the US S&P 500. The rally was fueled by central bank rate cuts, particularly the US Fed's 50 basis point reduction, and China's aggressive fiscal and monetary stimulus packages. US stocks reached all-time highs, supported by steady economic data and strong corporate earnings. In contrast, European markets slowed down, grappling with stagnant growth and high debt levels. Japan's central bank bucked the trend by raising rates, causing the yen to appreciate and equities to fall. Emerging markets showed mixed performance, with NIFTY50 rising 2.3%, while Brazilian markets declined due to inflationary pressures. Asian markets generally performed well, benefiting from China's stimulus measures, though South Korea lagged as tech-based shares fell. The global rally was further bolstered by falling oil prices and a weakening US dollar, while gold prices surged to record highs amid declining interest rates.

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'14-Sep'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 continues to grow**: Global equity markets exhibited robust performance in Sep'24, with six of the top ten exchanges posting significant gains. The Shenzhen Stock Exchange emerged as the standout performer, registering 26.5% MoM growth, contributing to a substantial 21.5% YoY increase in the aggregate market capitalization of the top ten exchanges. Notably, emerging markets demonstrated strength, with the MSCI EM Index surging 6.4% MoM, significantly outpacing the MSCI World Index's 1.7% gain.

- **NSE maintains its sixth position with US$5.6 tn market capitalization:** In September 2024, NSE maintained its sixth position globally in market capitalization, reaching US$5.6 tn (+2.3% MoM) showing a 47.4% YoY growth. The NYSE remained the world's largest stock exchange with a market cap of US$30.1 tn (+7.5% MoM), followed by Nasdaq at US$27.5 tn. JPX continued to hold the third position with a market cap of US$6.7 tn (+0.3% MoM), while the SSE held steady at fourth place with US$7.4 tn (+18.8% MoM). Euronext maintained its fifth position, albeit with a drop of 1.5% MoM, ending Sep'24 with a market cap of US$5.7 tn. The seventh and eighth positions continued to be held by HKEX and SZSE, with market caps of US$4.8 tn (+16.6% MoM) and US$4.6 tn (+26.5% MoM) respectively. TMX group and Saudi Exchange continued to anchor at the bottom of the top 10 list, with market caps of US$3.4 tn and US$2.7 tn (-1.2% MoM) respectively.

- **NSE slips to the second position in equity market trades:** NSE slipped to the second position as the number of trades declined to 84 crore (-4.6% MoM) in Sep'24. SZSE climbed to the top position with 85 crore trades (+2.3% MoM), while Shanghai Stock Exchange held on to the third position with 62 crore trades (+1% MoM). In 9MCY24, SZSE led with 818 crore trades, followed by NSE with 732.6 crore trades and Shanghai Stock Exchange (615.3 crore trades). During the same period, NSE's market share stood at 20.6%. Among the top ten exchanges, only NSE and JPX observed an increase in their market shares in 9MCY24 compared to the previous year.

- **NSE leads global markets in equity derivatives segment:** NSE's share in the equity derivatives segment in terms of number of contracts traded rose sharply from 15.3% in 2014 to 74.4% in 2023. The share further expanded to 82.3% in the first nine months of 2024, with 9,460 crore contracts traded during this period. This growth has led to a decline in the market share of the other top ten exchanges, except for TSE. B3 maintained its second position, with its share decreasing from 6.3% in 2023 to 5.1% in 2024 (as of Sep'24). CBOE Global followed, witnessing a fall in share from 2.2% in 2023 to 1.6% in 2024 (as of Sep'24) in contracts traded.

- **NSE holds third position in the stock options segment:** NSE maintained its third position in the stock options segment with 15.2 crore contracts traded in Sep'24, up 7.8% MoM. Notwithstanding the geopolitical tensions, Iran Fara Bourse Securities Exchange secured the top position with 28.4 crore contracts traded, while Nasdaq remained in the second place with 17.9 crore contracts traded. Tehran Stock Exchange displayed a growth of 24.5% MoM with 14.3 contracts traded. On the contrary, NYSE (10.5 crore contracts traded, -12% MoM), MIAX Exchange Group (7 crore contracts traded, -8.7% MoM) and ISE (6.6 crore contracts traded, -9.3% MoM) experienced a decline in the number of contracts traded.

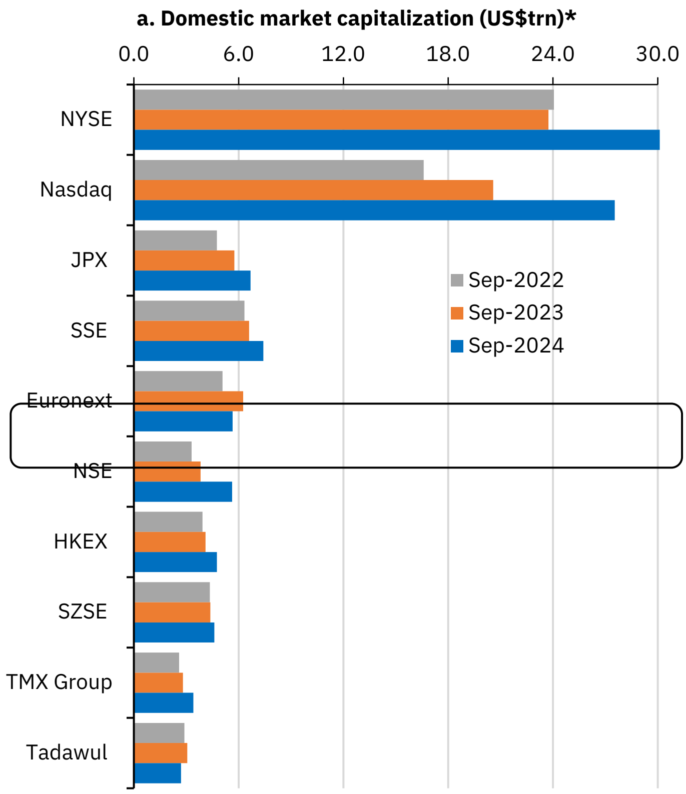
- **NSE maintains fourth position in the stock futures segment:** NSE maintained the fourth position in the stock futures segment, although the number of contracts traded reduced to 4.2 crore (-0.5% MoM) in Sep'24. The top three positions were held by B3 (15.1 crore contracts traded), Borsa Istanbul (13.8 crore contracts traded, +1.3% MoM), and Korea Exchange (12.4 crore contracts traded, -4.9% MoM). Among the top ten exchanges, PSE and NSE have shown the highest YoY growth of 95.9% and 71.8% for 9MCY24.

- **NSE continues to dominate global markets in the index options segment:** NSE continues to lead in the index option segment, trading 1183.3 crore contracts (+0.4% MoM) and capturing a significant market share of 98%. CBOE Global Markets remained in second position with 9.7 crore contracts traded in Sep'24. Among the top ten exchanges, China Financial Futures Exchange (38.3% MoM), Hong Kong Exchanges and Clearing (37.8% MoM) and Tel-Aviv Stock Exchange (16.8% MoM) have been the major gainers, while Korea Exchange (-9.8% MoM), CME Group (-13.6% MoM), Deutsche Boerse AG (-23.1% MoM), Taiwan Futures Exchange (-4.5% MoM) and Japan Exchange Group (-22.5% MoM) witnessed a fall in the number of contracts traded. Additionally, for 9MCY24, NSE continued to grow at an impressive 74.3% YoY, with 9298.3 crore contracts traded in the index options segment.

- **NSE slides to the eighth position in index futures segment:** NSE ranking dropped to eighth position with 1 crore contracts traded, reflecting an 8.2% MoM decline in Sep'24. B3 remains in the top position with 33.6 crore contracts traded, capturing a substantial 55.9% market share. CME Group follows in second place with 11.6 crore contracts traded (-8.5% MoM). Deutsche Boerse AG overtook JPX to secure the third position with 4.4 crore contracts traded (+53.3% MoM) in Sep'24. The JPX (3.6 crore contracts traded, -16.4% MoM) and Taiwan futures Exchange (1.3 crore contracts traded, -24.9% MoM) witnessed a substantial decline in number of contracts traded.

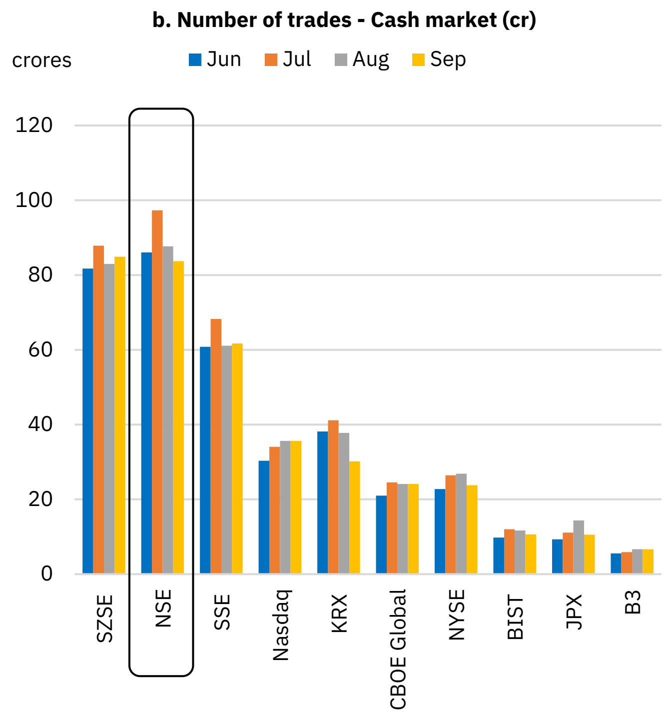
- **NSE holds steady at the fifth position in the currency options segment:** In Sep'24, NSE maintained its fifth position, with 2 lakh contracts traded (-11% MoM). This comes at the backdrop of RBI's directive on currency derivative trading in Apr'24, leading to a significant decline in contracts traded in the currency derivatives segment. Meanwhile, JSE (12 lakh contracts traded, -40.8% MoM) maintained its top position, albeit with a decline in the number of contracts traded. The Tel-Aviv Stock Exchange stood in second position with 9.2 lakh contracts traded (+21.5% MoM), followed by the CME Group with 8 lakh contracts traded (-25.1% MoM). Only three out of the top ten exchanges experienced growth in Sep'24. In 9MCY24, NSE remained the largest exchange in the currency options segment, trading 83.1 crore contracts.
- **NSE continues to rank fifth globally in the currency futures segment:** NSE continues to be in fifth place with 80 lakh contracts traded in Sep'24. B3 and CME Group continue to hold the first and second positions with 7.8 crore and 2.5 crore contracts traded respectively. Korea Exchange (-23% MoM), Matba Rofex (-5.3% MoM), Hong Kong Exchange and Clearing (-5.3% MoM) and Borsa Istanbul (-10.2% MoM) experienced a fall in the number of contracts traded, while JSE experienced growth of 160.1% MoM, with 60 lakh contracts traded. In 9MCY24, NSE slipped to the third position overall with 27.4 crore contracts traded, with a substantial decline of 63.1% YoY.

Figure 253: Domestic market cap of top ranked exchanges*



Source: WFE monthly statistics, NSE EPR

Figure 254: Number of trades in Cash market of top ten exchanges*



Source: WFE monthly statistics, NSE EPR

Table 103: No. of trades (cr) in the top 10 exchanges in cash market*

Exchange	2022	2023	2024 (Jan-Sep)
SZSE	1,129.9	1,063.6	818.0
NSE	**495.6**	**553.5**	**732.6**
SSE	810.9	749.9	615.3
Nasdaq #	398.6	472.6	353.3
KRX	454.2	391.2	307.9
CBOE Global #	361.7	302.9	232.7
NYSE	382.6	297.6	221.4
BIST	88.4	165.8	119.4
JPX	91.9	102.8	100.1
B3	77.2	65.9	51.0

Source: WFE monthly statistics, NSE EPR
Note: Aug'24 data has been used for Nasdaq and CBOE Global Market for Sep'24 due to its unavailability on the WFE portal

Table 104: Global market share of trades in the top 10 exchanges in cash market*

Exchange	2022	2023	2024 (Jan-Sep)
SZSE	26.3%	25.5%	23.0%
NSE	**11.6%**	**13.3%**	**20.6%**
SSE	18.9%	18.0%	17.3%
Nasdaq #	9.3%	11.3%	9.9%
KRX	10.6%	9.4%	8.7%
CBOE Global #	8.4%	7.3%	6.6%
NYSE	8.9%	7.1%	6.2%
BIST	2.1%	4.0%	3.4%
JPX	2.1%	2.5%	2.8%
B3	1.8%	1.6%	1.4%

Source: WFE monthly statistics, NSE EPR
Note: Aug'24 data has been used for Nasdaq and CBOE Global Markets for Sep'24 due to its unavailability on the WFE portal

Table 105: No. of contracts traded (cr) in the top 10 exchanges in equity derivatives segment*

Exchange	2022	2023	2024 (Jan-Sep)
NSE	**3,378**	**8,021**	**9,460**
B3 #	729	680	588
CBOE Global	226	239	187
KRX	187	185	174
Nasdaq	179	178	150
TSE	21	122	145
CME Group	192	167	132
BIST	259	195	130
NYSE	109	106	101
DBAG	123	114	84

Source: WFE monthly statistics, NSE EPR
Note: Aug'24 data has been used for B3 for Sep'24 due to its unavailability on the WFE portal.

Table 106: Global market share of contracts traded in the top 10 exchanges in equity derivatives segment*

Exchange	2022	2023	2024 (Jan-Sep)
NSE	**63%**	**80%**	**84.8%**
B3 #	13%	7%	5.3%
CBOE Global	4%	2%	1.7%
KRX	3%	2%	1.6%
Nasdaq	3%	2%	1.3%
TSE	0%	1%	1.3%
CME Group	4%	2%	1.2%
BIST	5%	2%	1.2%
NYSE	2%	1%	0.9%
DBAG	2%	1%	0.8%

Source: WFE monthly statistics, NSE EPR
Note: Aug'24 data has been used for B3 for Sep'24 due to its unavailability on the WFE portal.

Table 107: Number of contracts traded (cr) traded in Stock futures of top-ranked exchanges*

Exchange	2022 (Jan-Sep)	2023 (Jan-Sep)	2024 (Jan-Sep)	% YoY
BIST	185.8	140.0	125.5	-10.3
B3 #	108.9	108.2	113.9	5.2
KRX	67.3	69.4	101.9	46.9
NSE	**22.2**	**21.1**	**36.2**	**71.8**
DBAG	8.3	7.0	9.5	35.0
PSE	3.6	3.0	5.8	95.9
TAIFEX	4.2	3.8	5.2	36.2
BME Spanish	4.4	3.5	2.4	-31.2
MX	1.4	1.3	1.4	11.7
ICEFE	1.6	1.4	1.2	-12.6

Source: WFE monthly statistics, NSE EPR
Note: Aug'24 data has been used for B3 for Sep'24 due to its unavailability on the WFE portal.

Table 108: Number of contracts traded (cr) traded in Stock options of top-ranked exchanges*

Exchange	2022 (Jan-Sep)	2023 (Jan-Sep)	2024 (Jan-Sep)	% YoY
Nasdaq	134.4	134.1	149.1	11.2
TSE	8.4	74.1	145.3	95.9
B3 #	118.2	117.4	141.2	20.2
NSE	**60.6**	**71.7**	**115.6**	**61.3**
CBOE Global	115.3	109.7	108.4	-1.2
NYSE	82.3	80.3	101.3	26.1
MIAX	57.9	72.2	72.2	-0.0
ISE	39.1	43.7	58.6	34.0
IFB	145.4	273.5	32.4	-88.2
KRX	2.9	4.5	9.3	107.8

Source: WFE monthly statistics, NSE EPR
Note: Aug'24 data has been used for B3 for Sep'24 due to its unavailability on the WFE portal.

Table 109: Number of contracts traded (cr) in Index futures of top ranked exchanges*

Exchange	2022 (Jan-Sep)	2023 (Jan- Sep)	2024 (Jan- Sep)	% YoY
B3 #	318.3	288.9	331.5	14.7
CME Group	122.7	98.7	101.1	2.4
JPX	26.4	24.2	31.7	30.8
DBAG	41.2	36.0	31.2	-13.5
SGX #	13.8	11.7	11.7	-0.5
HKEX	9.8	10.4	10.6	2.6
TAIFEX	9.5	7.2	9.9	38.0
NSE	**8.8**	**6.4**	**9.8**	**52.3**
KRX	9.1	8.7	8.5	-2.1
CFFEX	5.5	5.1	7.8	51.6

Source: WFE monthly statistics, NSE EPR
Note: Aug'24 data has been used for B3 and SGX for Sep'24 due to its unavailability on the WFE portal.

Table 110: Number of contracts traded (cr) in Index options of top ranked exchanges*

Exchange	2022 (Jan- Sep)	2023 (Jan- Sep)	2024 (Jan- Sep)	% YoY
NSE	**2,252.4**	**5,334.3**	**9,298.3**	**74.3**
CBOE Global	50.3	68.7	78.7	14.6
KRX	60.1	55.3	54.1	-2.2
CME Group	22.3	25.1	30.9	22.8
DBAG	31.9	29.9	30.0	0.2
TAIFEX	14.6	13.0	15.2	16.7
CFFEX	2.7	3.8	5.5	43.2
HKEX	2.0	2.6	2.7	1.4
JPX	1.9	2.3	2.3	2.9
TASE	2.2	2.0	2.2	13.5

Source: WFE monthly statistics, NSE EPR

Table 111: Number of contracts traded (cr) in Currency futures of top ranked exchanges*

Exchange	2022 (Jan-Sep)	2023 (Jan-Sep)	2024 (Jan-Sep)	% YoY
B3 #	68.9	55.02	55.2	0.4
NSE	**89.7**	**74.16**	**27.4**	**-63.1**
CME Group	17.7	16.81	18.9	12.6
KRX	9.0	8.18	9.7	18.5
MTR.BA	12.9	14.43	9.3	-35.4
SGX #	2.4	2.97	4.2	42.0
BIST	5.8	4.86	4.0	-17.5
JSE	2.4	2.71	3.0	12.0
HKEX	0.3	0.55	1.7	215.6
TFEX	0.6	0.88	0.8	-11.0

Source: WFE monthly statistics, NSE EPR
Note: Aug'24 data has been used for B3 and SGX for Sep'24 due to its unavailability on the WFE portal.

Table 112: Number of contracts traded (cr) in Currency options of top ranked exchanges*

Exchange	2022 (Jan-Jul)	2023 (Jan-Jul)	2024 (Jan-Jul)	% YoY
NSE	**210.0**	**293.96**	**83.1**	**-71.7**
JSE	1.1	2.87	1.6	-43.7
CME Group	0.8	0.71	0.8	13.4
TASE	0.8	0.69	0.7	-1.3
B3 #	0.3	0.37	0.3	-5.5
BIST	0.0	0.03	0.1	313.5
BET	0.0	0.00	0.0	170.9
MX	0.0	0.00	0.0	466.6
SGX #	0.0	0.01	0.0	-69.0
BMV	0.0	0.00	0.0	7.1

Source: WFE monthly statistics, NSE EPR
Note: Aug'24 data has been used for B3 and SGX for Sep'24 due to its unavailability on the WFE portal.

* ASX -Australian Securities Exchange, BIST -Borsa Istanbul, BME -Spanish Exchanges, BMV-Bolsa Mexicana de Valores, BET-Budapest Stock Exchange, BYMA -Bolsa y Mercados Argentinos, CBOE -Chicago Board Options Exchange, CFFEX-China Financial Futures Exchange, DBAG -Deutsche Boerse AG, Euronext-Euronext, HKEX -Hong Kong Exchanges and Clearing, IDX-Indonesia Stock Exchange, IFB-Iran Fara Bourse Securities Exchange, India INX -India International Exchange, ISE -International Securities Exchange, JPX -Japan Exchange Group, JSE -Johannesburg Stock Exchange, KRX -Korea Exchange, MIAX -MIAX Exchange Group, MOEX -Moscow Exchange, MTR.BA-Matba Rofex, MX -Bourse de Montreal, Nasdaq– US - Nasdaq, NSE-National Stock Exchange of India, NYSE-NYSE, SET-The Stock Exchange of Thailand, SGX - Singapore Exchange, SIX-SIX Swiss Exchange, SSE -Shanghai Stock Exchange, SZSE -Shenzhen Stock Exchange, Tadawul -Saudi Exchange (Tadawul), TAIEX-Taiwan Stock Exchange, TAIFEX -Taiwan Futures Exchange, TASE -Tel-Aviv Stock Exchange, TFEX -Thailand Futures Exchange, TMX Group-TMX Group, TSE -Tehran Stock Exchange, LSE Group-LSE Group London Stock Exchange, PSE-Pakistan Stock Exchange, CME Group-CME Group, CBOE Europe-CBOE Europe, B3-B3 - Brasil Bolsa Balcão, DGCX-Dubai Gold and Commodities Exchange, CBOE Global-CBOE Global Markets, ICE Futures US-ICE Futures US, MSE-Metropolitan Stock Exchange of India, CBOE Futures-CBOE Futures Exchange, ICE Futures Europe-ICE Futures Europe, Athens-Athens Stock Exchange, GPW-Warsaw Stock Exchange, IFEU-ICE Futures Europe, BME -BME Spanish, IFUS-ICE Futures US, NSX-National Stock Exchange of Australia, BSE-BSE India Limited, BVC-Bolsa de Valores de Colombia, NSEIX-NSE IX India. Only WFE member exchanges are included in the analysis.

Policy developments

India

Key policy measures by the SEBI during September 2024

Sep 06, 2024	**Change in timeline regarding payment status reporting to the stock exchanges** Previously, the issuers of commercial papers listed on the stock exchange were required to submit a certificate confirming the fulfilment of their payment obligations within two days of the payment becoming due. Now, the time period of confirmation is reduced to one day instead of two days.
Sep 11, 2024	**Allowing securities funded through cash collateral as maintenance margin** Based on the request of market participants, SEBI has relaxed the margin requirement rule. As per the new rule, securities funded through cash collateral could be used as maintenance margin for margin trading facility (MTF). It can now be considered as maintenance margin if the broker has provided cash collateral to the Clearing Corporation (CC) and the CC has returned securities against the cash collateral.
Sep 12, 2024	**Modified Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) of Market Infrastructure Institutions (MIIs)** SEBI made considerable changes in the BCP & DR for stock exchanges, clearing corporations, and depositories. Now, stock exchanges, clearing corporations, and depositories are required to have a Near Site (NS) in addition to the Disaster Recovery Site (DRS) to ensure near-zero data loss. Further, manpower at the DRS should have the same expertise as at the Primary Data Center (PDC), and MIIs should ensure sufficiently trained staff at the DRS to operate independently and handle live operations if needed. Apart from this, the solution architecture of PDC and DRS / NS shall ensure high availability, fault tolerance, no single point of failure, near zero data loss, and data and transaction integrity.
Sep 16, 2024	**T+2 trading of Bonus shares** SEBI has reduced the timeline for the credit and trading of bonus shares from the record date (T) to the T+2 day. Issuers must ensure timely documentation and submission. These changes will apply to bonus issues announced from October 1, 2024, and non-compliance will attract penalties.
Sep 20, 2024	**Flexibility in participation of Mutual Funds in Credit Default Swaps (CDS)** Until now, mutual funds have been allowed to participate in CDS as users only to hedge the credit risk of corporate bond portfolios of fixed maturity plans (FMP) schemes with more than one year of tenure. Now, SEBI has allowed mutual funds to actively buy and sell CDS, offering them a new avenue for risk management and potential investment. This flexibility is designed to enhance liquidity in the corporate bond market and provide mutual funds with additional tools to manage credit risk. Investment-grade ratings are key for sellers of CDS, and exposure limits have been set to ensure prudent risk management.
Sep 24, 2024	**Usage of UPI by individual investors for making an application in public issue**

	To simplify and streamline the application process for public issues of debt securities, preference shares, municipal debt, and securitized instruments, SEBI has mandated the use of UPI for individual investors with application amounts up to ₹5 lakh to block the fund.
Sep 26, 2024	**New timeline for listing of debt securities and Non-convertible Redeemable Preference Shares** SEBI changed the listing timeline for debt securities and NCRPS from T+6 working days to T+3 working days. This change aims to improve liquidity for investors and speed up fund access for issuers. Initially, issuers can opt for this new timeline voluntarily, and it will become mandatory by November 2025.

Annual macro snapshot

	FY18	FY19	FY20	FY21	FY22	FY23	FY24*	FY25#
National income								
GDP (Current) (Rs lakh crore)	170.9	189.0	201.0	198.5	236.0	269.5	295.36	326.4
GDP (Current) Growth (%)	11.0	10.6	6.4	-1.2	18.9	14.2	9.6	10.5
GDP (Constant) Growth (%)	6.8	6.5	3.9	-5.8	9.7	7.0	8.2	
GVA (Constant) Growth (%)	6.2	5.8	3.9	-4.2	8.8	7.0	7.6	
Agriculture growth (%)	6.6	2.1	6.2	4.0	4.6	4.7	1.4	
Industry growth (%)	5.9	5.3	-1.4	-0.4	12.2	2.1	9.5	
Services growth (%)	6.3	7.2	6.4	-8.4	9.2	10.0	7.6	
Per Capita GDP (Curr) (Rs)	1,31,743	1,44,620	1,52,504	1,48,586	1,72,422	1,94,879	2,11,725	
Prices								
CPI Inflation (%)	3.6	3.4	4.8	6.2	5.5	6.7	5.4	
Food & beverages (%)	2.2	0.7	6.0	7.3	4.2	6.7	7.0	
Core inflation (%)	4.5	5.8	4.0	5.3	6.1	6.3	4.4	
WPI Inflation (%)	2.9	4.3	1.7	1.3	13.0	9.4	(0.7)	
Primary articles (%)	1.4	2.7	6.8	1.7	10.3	10.0	3.5	
Fuel & power (%)	8.2	11.5	-1.8	-8.0	32.5	28.1	(4.6)	
Manuf. prods (%)	2.8	3.7	0.3	2.8	11.1	5.6	(1.7)	
Money, banking & interest rates								
Money supply (M3) growth (%)	9.2	10.5	8.9	12.2	8.8	9.0	11.2	
Aggregate deposit growth (%)	6.2	10.0	7.9	11.4	8.9	9.6	13.5	
Bank credit growth (%)	10.0	13.3	6.1	5.6	8.6	15.0	20.2	
Non-food credit growth (%)	10.2	13.4	6.1	5.5	8.7	15.4	20.2	
Cash Reserve Ratio (%, eop)	4.0	4.0	4.0	3.0	4.0	4.5	4.5	
Bank Rate (%, eop)	6.25	6.50	4.65	4.25	4.25	6.75	6.75	
Public Finance								
GOI rev. receipts growth (%)	4.4	8.2	8.5	-3.0	32.8	9.8	13.6	14.7
Gross tax receipts growth (%)	11.8	8.4	-3.4	0.9	33.7	12.7	13.5	10.8
GOI Expenditure growth (%)	8.4	8.1	16.0	30.7	8.1	10.5	6.1	8.5
Subsidies growth (%)	-4.4	-0.7	17.7	189.0	-33.5	14.7	-22.1	-2.8
Interest expense growth (%)	10.0	10.2	5.1	11.1	18.5	15.3	14.6	9.3
External transactions								
Exports growth (%)	10.1	8.8	-5.2	-7.1	45.1	6.7	-3.0	
POL exports growth (%)	18.8	24.5	-11.6	-37.6	162.8	43.9	-13.5	
Non-POL exports (%)	9.0	6.6	-4.1	-2.5	33.7	-0.4	-0.1	
Imports growth (%)	21.2	10.5	-7.8	-17.1	56.2	16.3	-5.7	
Non-POL imports growth (%)	20.1	4.6	-7.9	-9.6	45.4	12.1	-2.0	
POL imports growth (%)	25.0	29.9	-7.5	-36.9	96.7	29.1	-14.2	
Net FDI (US$bn)	30.3	30.7	43.0	44.0	38.6	28.0	9.8	
Net FII (US$bn)	22.1	-2.4	1.4	36.1	-16.8	-5.2	44.1	
Trade Balance: RBI – (US$bn)	-160.0	-180.3	-157.5	-102.2	-189.5	-265.3	-242.1	
Current Acc. Balance (US$bn)	-48.7	-57.2	-24.6	24.0	-38.8	-67.1	-23.3	
Forex Reserves (US$bn)	424.4	411.9	475.6	579.3	617.6	578.4	645.6	
Exchange rate (USDINR)	64.5	69.9	70.9	74.2	74.5	80.4	83.4	

Source: CMIE Economic Outlook, NSE; *FY24 public finance data and national income data is as per PE; #FY25 public finance data and national income data are budget estimates.

Glossary

Indicators	Definition
General	
Compounded Annual Growth Rate (CAGR)	Average annual rate of return on an investment over a specified time period, assuming the profits are reinvested each year.
Fiscal Year (FY)	The 12-month period from April 1 to March 31 of the following year, used by Indian government and businesses for financial reporting and budgeting.
Month to Date (MTD)	The period from the beginning of the current month up to the current date, used to measure performance or track data over the partial month so far.
Month-over-Month (MoM)	A comparison of data from one month to the previous month.
Year to Date (YTD)	The period from the beginning of the current calendar or fiscal year up to the present date, used to assess performance or analyse data for the year in progress.
Year-over-Year (YoY)	A comparison of data from one year to the previous year.
Macro	
Balance of Payments (BOP)	A comprehensive record of a country's economic transactions with the rest of the world, including trade, investment, and financial transfers.
Capital Expenditure (Capex)	The amount of money used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, or equipment over a specific period. It is essential for business operations and growth.
Capital Account	A component of the balance of payments that records all transactions involving the purchase and sale of assets, including foreign investments and loans.
Consumer Price Index (CPI)	A measure of average change in prices paid by consumers for a basket of goods and services over time.
Crowding Out	A situation where increased government spending leads to a reduction in private sector investment, often due to higher interest rates resulting from increased borrowing.
Current Account Deficit	A situation where a country's total imports of goods, services, and transfers exceed its total exports, indicating a net outflow of domestic currency to foreign markets.
Deflation	A decrease in the general price level of goods and services, often associated with a reduction in the supply of money or credit.
Economic Cycle	Natural fluctuation of the economy between periods of expansion (growth) and contraction (recession), typically measured by changes in GDP growth.
Exchange Rate	The value of one currency for the purpose of conversion to another, which affects international trade and investment flows.
Fiscal Deficit	The financial situation when a government's total expenditure exceeds its total revenues, excluding money from borrowings.
Fiscal Policy	The use of government spending and taxation to influence the economy with an aim to manage economic fluctuations and promote economic growth.
Foreign Direct Investment (FDI)	Investment made by a company or individual in business interests in another country, typically through establishing business operations or acquiring assets. It indicates a long-term interest in the foreign economy.
Gross Domestic Product (GDP)	The total monetary value of all finished goods and services produced within a country's borders in a specific time-period. It is a comprehensive measure of a nation's overall economic activity and health.
Gross Value Added (GVA)	The monetary value of goods and services produced by an economy after subtracting the cost of intermediate goods and services used.

Index of Industrial Production (IIP)	A measure of change in the production of a basket of industrial products during a given period with respect to that in a chosen base period.
Monetary Policy	The process by which a central bank manages the money supply and interest rates to achieve macroeconomic objectives such as controlling inflation, consumption, growth, and liquidity.
Monetary Stance	The central bank's position on monetary policy, typically classified as hawkish (favouring higher rates to control inflation), dovish (preferring lower rates), neutral (balanced approach), or accommodative (expanding money supply to boost growth).
Nominal Effective Exchange Rate (NEER)	An unadjusted weighted average rate at which a country's currency is exchanged for a basket of multiple foreign currencies.
Policy Rates	Interest rates set by central banks to influence monetary policy, affecting costs, inflation, and overall economic activity.
Public Debt	The total amount of money that a government owes to creditors, resulting from borrowing to finance budget deficits and other expenditure.
Real Effective Exchange Rate (REER)	A measure of the value of a country's currency against a basket of other currencies, adjusted for inflation, reflecting its competitiveness in international trade.
Trade Balance	Difference between a country's total value of exports and total value of imports over a specific period.
Wholesale Price Index (WPI)	A measure of average change in prices of goods at the wholesale level before retail sale over time.
Markets	
Algorithmic (Algo) Trading	A trading strategy based on computer programming, where orders are placed automatically based on pre-defined sets of conditions and algorithms, often used for high-frequency trading.
Average Daily Turnover (ADT)	Average value of securities traded on the exchange each day, indicating the liquidity and activity level of the market over a specific period.
Average Trade Size	Average monetary value of individual trades executed on an exchange, calculated by dividing the total traded value by the number of trades over a specific period.
Bonds	Debt securities where investors lend money to an entity (typically a corporation or government) for a defined period at a variable or fixed interest rate.
Cash Market (CM)	A marketplace where financial instruments, such as stocks and bonds, are bought and sold for immediate delivery and payment.
Colocation (Colo) Trading	The practice of positioning trading servers near exchange servers to minimize data transmission delays and optimize trade execution speed.
Credit Rating	An assessment of the creditworthiness of an individual, corporation, or government, evaluating their ability to repay borrowed funds.
Derivatives	Financial instruments whose value is derived from an underlying asset, such as stocks, bonds, and commodities, among others.
Direct Market Access (DMA)	A facility allowing investors to directly access exchange trading systems through their broker's infrastructure without manual intervention.
Domestic Institutional Investors (DII)	Financial institutions based within a country that invest in that country's financial markets, including mutual funds, insurance companies, and pension funds.
Equity Derivatives	Financial instruments whose value is derived from the value of an underlying equity securities, such as stock.
Equity Futures	Financial contracts obligating parties to buy or sell the underlying asset at a predetermined price on a specified future date.

Equity Options	Financial contracts giving the holder the right, but not obligation, to buy (call) or sell (put) a specific quantity of stocks at a predetermined price within a set timeframe.
Follow-on Public Offering (FPO)	A process through which a company that is already publicly traded issues additional shares to raise more capital, allowing existing shareholders to sell their shares as well.
Foreign Portfolio Investment (FPI)	Investments made by foreign investors in financial assets in another country, primarily in stocks and bonds, without acquiring significant control or influence over the companies.
Index Options	Contracts that give the buyer the right but not the obligation to buy or sell a specified quantity of a stock market index at a predetermined price on a specified expiration date.
Initial Public Offering (IPO)	Process through which a private company offers its shares to the public for the first time, allowing it to raise capital, and/or provide an exit opportunity for existing investors.
Institutional Investors	Organizations that pool and invest large sums of money on behalf of others, such as pension funds, mutual funds, and insurance companies.
Internet Based Trading (IBT)	A process of buying and selling financial securities through online platforms, enabling direct trading of various financial instruments via the internet without traditional brokers.
Liquidity	The ease with which an asset can be quickly bought or sold in the market without affecting its price, indicating how quickly an asset can be converted into cash.
Market Capitalization	Total market value of a company's outstanding shares, calculated by multiplying the current share price by the total number of outstanding shares.
Market Maker	A financial intermediary that provides liquidity by continuously quoting buy and sell prices for specific securities, facilitating smooth trading in financial markets.
Market Volatility	The degree of variation in the price of a financial asset or market over time.
Mutual Funds	An investment vehicle that pools money from multiple investors to buy a diversified portfolio of stocks, bonds, or other securities.
Nifty50 Index	A benchmark Indian stock market index representing the weighted average of 50 of the largest Indian companies listed on the National Stock Exchange.
Offer for Sale (OFS)	A method through which existing shareholders, typically promoters or large stakeholders, sell their shares to the public or institutional investors.
Option Premium	Price paid by an investor to purchase an option contract, comprising both its intrinsic value and time value.
Preferential Allotments	The issuance of shares or securities to specific investors, usually at a predetermined price, to raise funds for a company while bypassing public offerings.
Price-to-Book Value (P/B)	A ratio comparing a company's market capitalization to its book value, indicating how much investors are willing to pay for each unit of net assets.
Price-to-Earnings (P/E)	A ratio comparing a company's current share price to its Earnings per Share (EPS), indicating how much investors are willing to pay for each unit of earnings.
Qualified Institutional Buyers (QIB)	Institutional investors that meet certain criteria set by regulators, allowing them to invest in unregistered securities and participate in private placements.
Retail Individual Investors	Non-professional, individual investors who buy and sell securities, such as stocks and bonds, primarily for personal investment purposes rather than for institutional or commercial reasons.
Rights Issue	An offer to existing shareholders to purchase additional shares at a discounted price, typically to raise capital for the company.
Smart Order Routing (SOR)	A technology that automatically directs trade orders to the most favourable venues, optimizing execution by considering factors such as price, speed, and liquidity.
Turnover	The total value of all transactions (buying and selling) that occur within a specific period, reflecting the volume of trading activity on the exchange.

Unique Client Code (UCC)	Unique identification code allocated to each client by a stockbroker for the purpose of trading in the securities market.
Unique Registered Investors	The total number of distinct investors registered with an exchange based on their Permanent Account Number (PAN).
Valuation	The process of determining the current worth or fair market value of an asset, company, or investment.
World Federation of Exchanges (WFE)	A global trade association representing publicly regulated stock, futures, and options exchanges, as well as central counterparties, fostering collaboration and standardization in the financial markets industry.

Note: This glossary provides concise definitions for key Economic and Financial terms. While these definitions aim to capture the essence of each concept, many of these terms have nuanced meanings that may vary slightly depending on context or specific applications in Economics, or Financial market analysis. For more comprehensive understanding, readers are encouraged to consult specialized literature or seek advice from domain experts. It's important to note that this glossary may not be exhaustive or holistic in its current form. We aim to expand and refine these definitions in future editions to provide a more comprehensive resource.

Our reports on the economy and markets since January 2022

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1	15-Oct-24	State of States: Capex pace moderates in FY25BE
2	09-Oct-24	Macro Review: RBI Monetary Policy
3	01-Oct-24	Macro Review: Q1FY25 Balance of Payments
4	02-Sep-24	Macro Review: Q1FY25 India GDP
5	16-Aug-24	NSE-Assocham Corporate Bond Report 2024
6	16-Aug-24	Market Pulse August 2024: Markets take a breather; Indian investors over 10 crore
7	10-Aug-24	India Ownership Tracker Q1FY25
8	08-Aug-24	Macro Review: RBI Monetary Policy
9	31-Aug-24	Market Pulse July 2024: Citius, Altius, Fortius!
10	24-Jul-24	Indian Capital Market: Transformative shifts achieved through tech and reforms
11	23-Jul-24	Union Budget 2024-25: Roadmap to Viksit Bharat
12	17-Jul-24	EY-NSE The Cost of Capital Survey 2024
13	28-Jun-24	Market Pulse June 2024: The last mile on the inflation path
14	28-Jun-24	Q4FY24 Corporate Earnings Review
15	25-Jun-24	Macro Review: Q4FY24 Balance of Payments
16	07-Jun-24	Macro Review: RBI Monetary Policy
17	01-Jun-24	Macro Review: Q4FY24 India GDP
18	29-May-24	Market Pulse May 2024: US$5trn and beyond
19	22-May-24	India Ownership Tracker Q4FY24
20	26-Apr-24	Market Pulse April 2024: Markets and macro in the year that was
21	05-Apr-24	Macro Review: RBI Monetary Policy
22	26-Mar-24	Market Pulse March 2024: Indian investors cross the 9-crore mark
23	24-Mar-24	India Ownership Tracker Q3FY24
24	01-Mar-24	Macro Review: Q3FY24 India GDP
25	27-Feb-24	Market Pulse February 2024: On a high: Markets, investors, flows, and Generative AI
26	12-Feb-24	Macro Review: RBI Monetary Policy
27	01-Feb-24	Macro Review: Union Budget FY2024-25
28	26-Jan-24	Market Pulse January 2024: January effect...as January goes, so does the year?
29	22-Dec-23	Market Pulse Nov-Dec 2023: Hope smiles from the threshold of the year
30	15-Dec-23	India Ownership Tracker Q2FY24
31	08-Dec-23	Macro Review: RBI Monetary Policy
32	01-Dec-23	Macro Review: Q2FY24 India GDP
33	30-Nov-23	Q2FY24 Corporate Earnings Review
34	30-Oct-23	Market Pulse October 2023: Israel-Palestine redux, and the need for cooperation

35	06-Oct-23	Macro Review: RBI Monetary Policy
36	05-Oct-23	State of states: Will major states push capex in FY24
37	29-Sep-23	Macro Review: Q1 FY24 India Balance of Payments
38	12-Sep-23	Market Pulse September 2023: India@G20, Nifty@20k
39	01-Sep-23	Macro Review: Q1 FY24 India GDP
40	10-Aug-23	Macro Review: RBI Monetary Policy
41	27-Jun-23	India Ownership Tracker December 2022
42	18-Jul-23	Market Pulse July 2023: A monthly review of Indian economy and markets
43	15-Jul-23	Q4FY23 Corporate Earnings Review
44	28-Jun-23	Macro Review: Q4FY23 Balance of Payments
45	27-Jun-23	India Ownership Tracker December 2022
46	13-Jun-23	Market Pulse June 2023: A monthly review of Indian economy and markets
47	08-Jun-23	Macro Review: RBI Monetary Policy
48	01-Jun-23	Macro Review: Q4FY23 India GDP
49	12-May-23	Market Pulse May 2023: A monthly review of Indian economy and markets
50	12-Apr-23	Market Pulse Apr-May 2023: A monthly review of Indian economy and markets
51	06-Apr-23	Macro Review: RBI Monetary Policy
52	29-Mar-23	India Ownership Tracker December 2022
53	24-Feb-23	Market Pulse February 2023: A monthly review of Indian economy and markets
54	08-Feb-23	Macro Review: RBI Monetary Policy
55	01-Feb-23	Macro Review: Union Budget FY2023-24
56	25-Jan-23	Market Pulse January 2023: A monthly review of Indian economy and markets
57	23-Dec-22	Market Pulse Nov-Dec 2022: A monthly review of Indian economy and markets
58	07-Dec-22	Macro Review: RBI Monetary Policy
59	05-Dec-22	Q2FY23 Corporate Earnings Review
60	30-Nov-22	Macro Review: Q2FY23 India GDP
61	21-Oct-22	Market Pulse October 2022: A monthly review of Indian economy and markets
62	30-Sep-22	Macro Review: RBI Monetary Policy
63	28-Sep-22	Market Pulse September 2022: A monthly review of Indian economy and markets
64	22-Sep-22	India Ownership Tracker June 2022
65	26-Aug-22	Market Pulse August 2022: A monthly review of Indian economy and markets
66	25-Aug-22	Q1FY23 Corporate Earnings Review
67	05-Aug-22	Macro Review: RBI Monetary Policy
68	28-Jul-22	Market Pulse July 2022: A monthly review of Indian economy and markets
69	29-Jun-22	Market Pulse June 2022: A monthly review of Indian economy and markets
70	27-Jun-22	Q4FY22 Corporate Earnings Review

71	24-Jun-22	India Ownership Tracker March 2022
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74	03-Jun-22	Macro Review: State Budget Analysis
75	01-Jun-22	Corporate Governance: ESG scores of NIFTY 50 companies
76	01-Jun-22	Macro Review: Q4FY22 India GDP
77	24-May-22	Market Pulse May 2022: A monthly review of Indian economy and markets
78	05-May-22	Macro Review: RBI Monetary Policy
79	29-Apr-22	Market Pulse April 2022: A monthly review of Indian economy and markets
80	11-Apr-22	India Ownership Tracker December 2021
81	08-Apr-22	Macro Review: RBI Monetary Policy
82	03-Apr-22	Macro Review: Q3FY22 Balance of Payments
83	31-Mar-22	Quarterly Briefing: Mandatory Board Governance in India
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85	28-Feb-22	Market Pulse February 2022: A monthly review of Indian economy and markets
86	24-Feb-22	Q3FY22 Corporate Earnings Review
87	18-Feb-22	Quarterly Briefing: Related Party Transactions: Implications for Investor Protection
88	10-Feb-22	Macro Review: RBI Monetary Policy
89	01-Feb-22	Union Budget FY2022-23
90	29-Jan-22	Market Pulse January 2022: A monthly review of Indian economy and markets
91	03-Jan-22	Macro Review: Q2FY22 Balance of Payments

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