

Market Pulse

A monthly review of Indian economy and markets



Market Pulse

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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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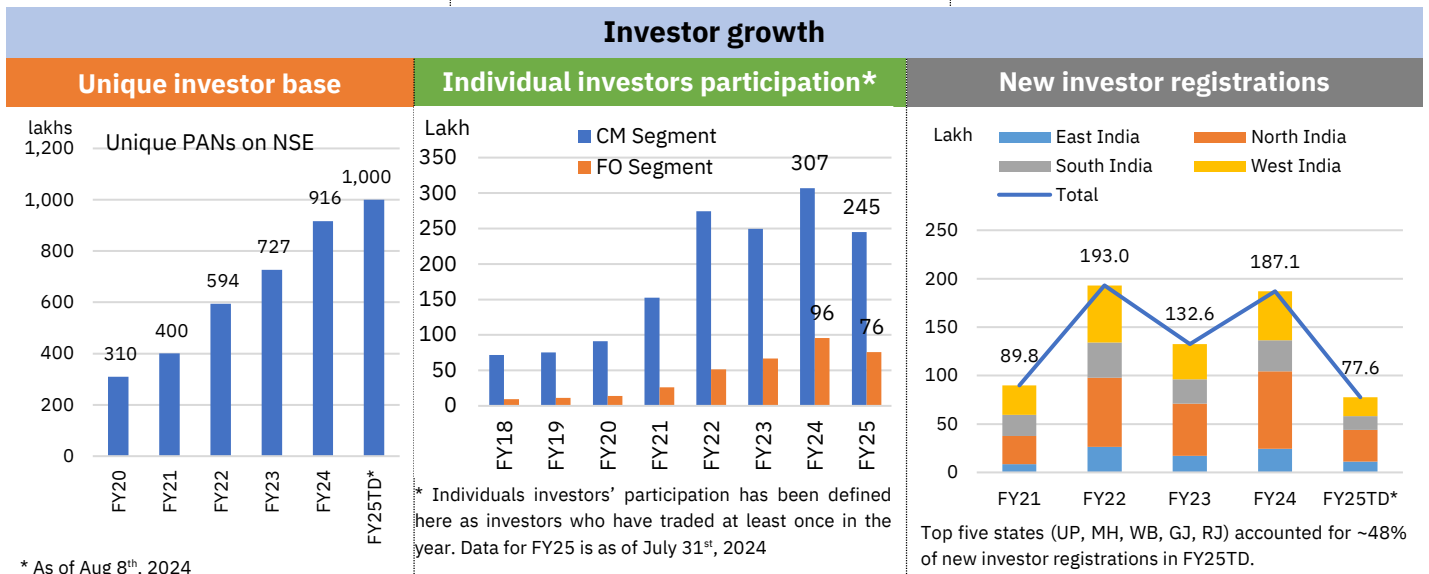
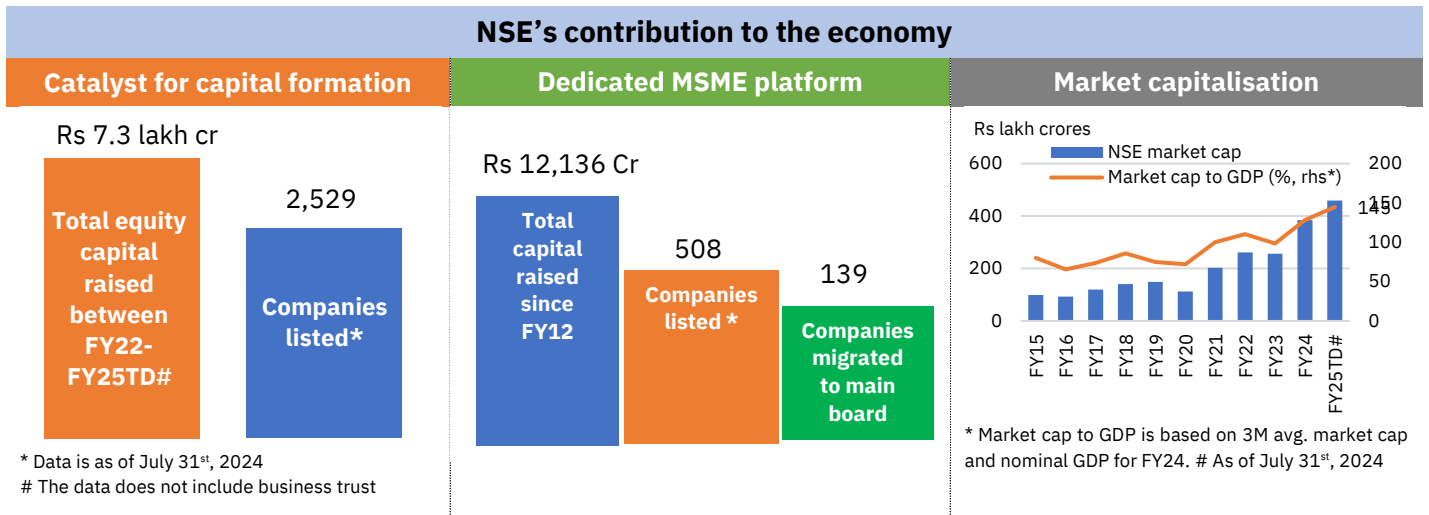
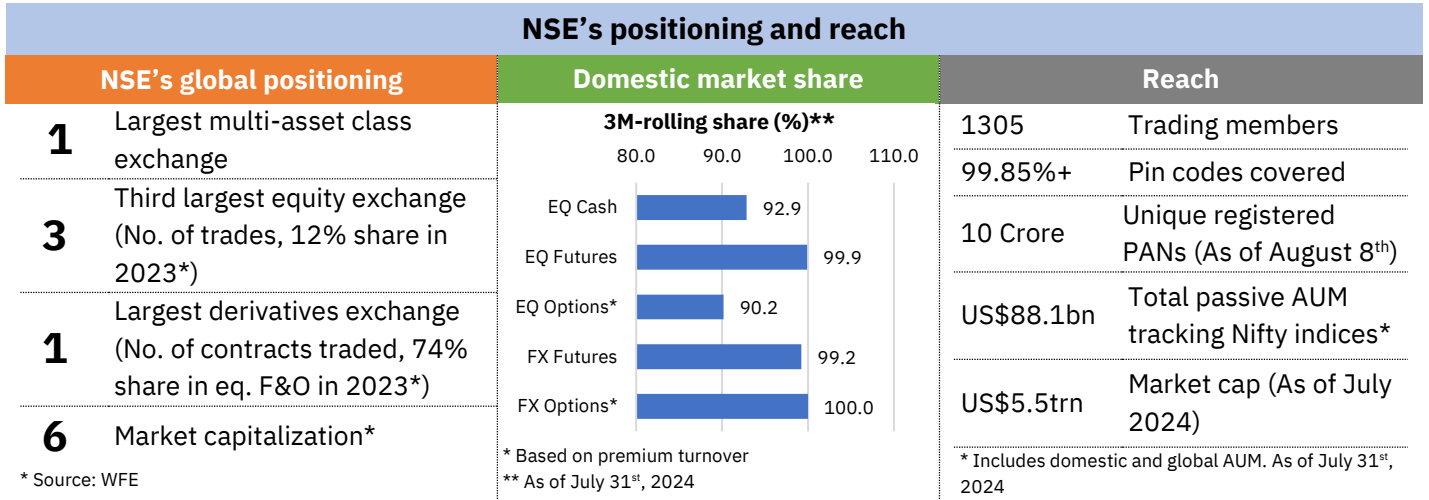
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NSE at a glance

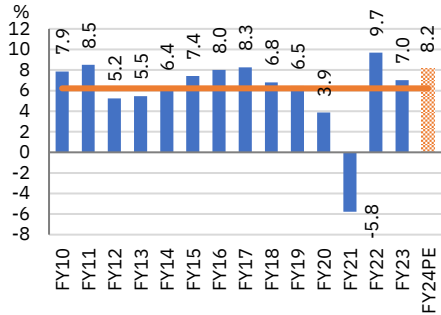


The registered investor base at NSE crossed the 10-crore mark on August 8th, 2024. The 1-crore increments from 4 crore to 10 crore investors have come through at an accelerated pace, taking on an average of about 6-7 months, with the last crore added in just over five months.

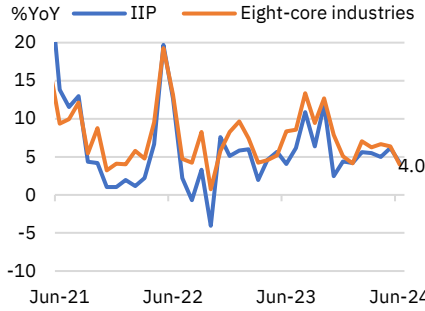
Key macro charts

Growth outlook robust

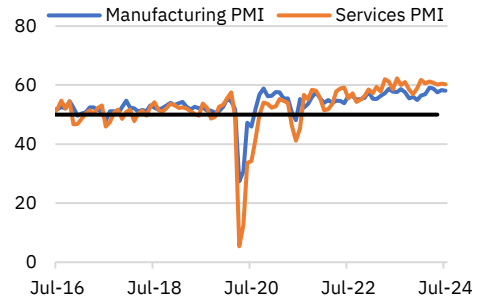
Annual GDP growth



Industrial activity decelerates

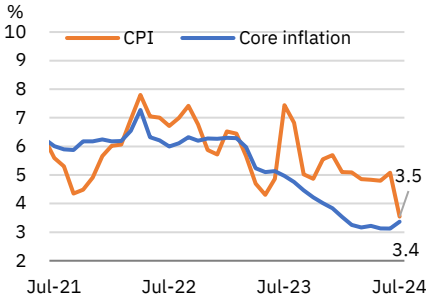


PMI in the expansion zone

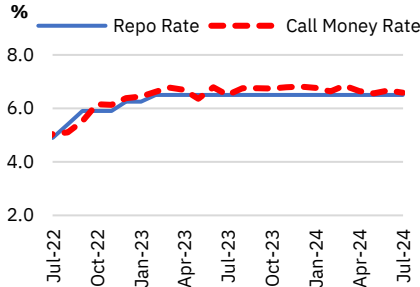


Inflation easing; policy to stay on hold for now

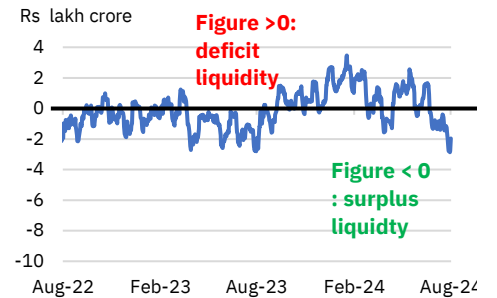
Inflation falls to five years low



Call money rate aligned with repo

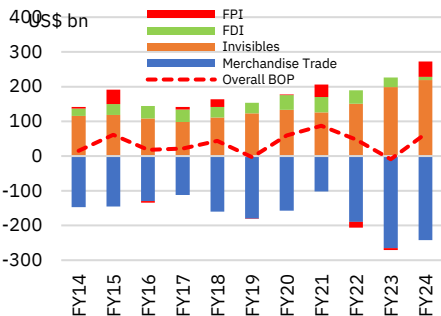


Liquidity conditions ease

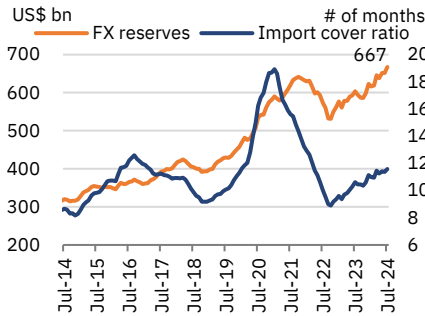


External situation comfortable; rupee stable

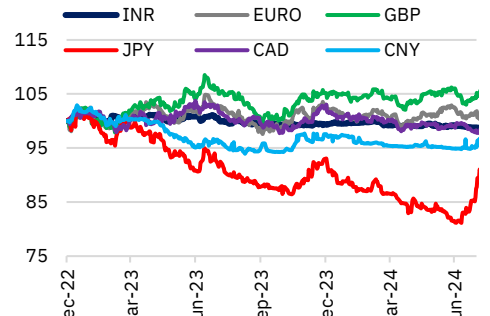
Overall BOP



Forex reserves



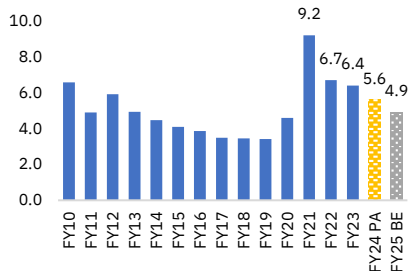
Rupee volatility contained



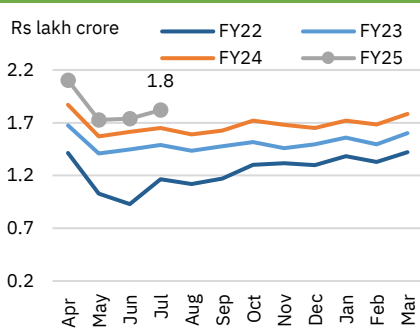
Fiscal prudence but with higher capex

Fiscal consolidation underway

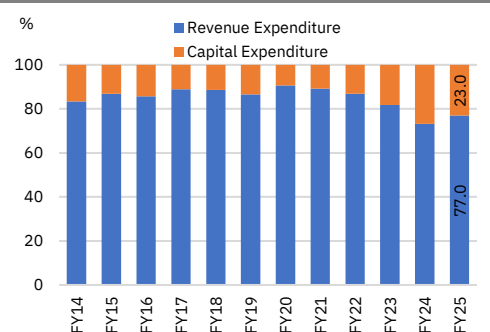
Fiscal Deficit trend (%GDP)



GST collections robust

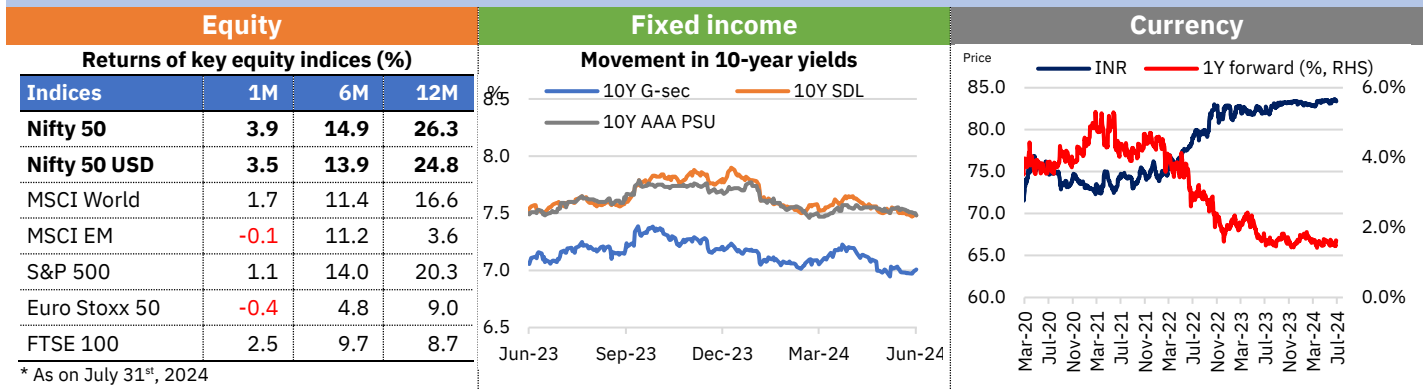


Share of capex rising

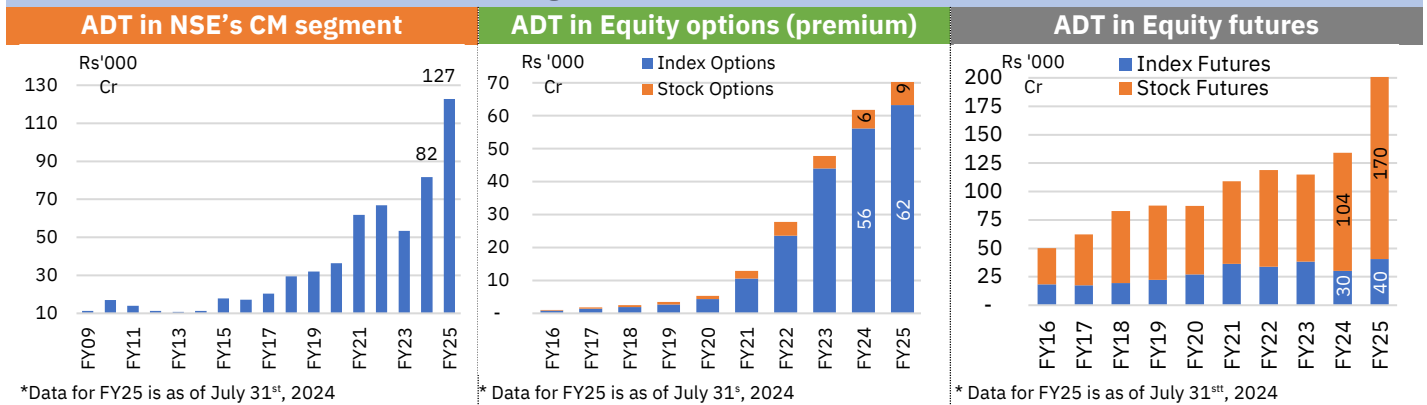


Key market charts

Performance across asset classes



Segment-wise turnover trend



Market activity

Category-wise gross turnover and share in FY25TD						Average open interest					
Client category	CM		Equity options#		Equity futures		Jul'24			Jun'24	
	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)	Value (Rs '000 Cr)	Share (%)	Instruments	Contracts ('000)	Value (Rs crore)	Contracts ('000)	Value (Rs crore)
Corporates	1,084	5%	481	4%	3,024	9%	Index Futures*	885	57,351	826	52,155
DIIIs	2,417	11%	10	0%	2,573	7%	Stock Futures	5,353	4,18,260	5,030	3,86,033
FIs	2,920	14%	1,177	10%	8,546	25%	Index Options*	18,606	12,58,105	18,704	12,20,509
Individuals	7,546	36%	4,005	34%	6,733	19%	Stock Options	3,624	2,85,061	3,665	2,89,131
Others	924	4%	379	3%	1,803	5%					
Prop	6,219	29%	5,747	49%	12,173	35%					

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

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													
FIIIs	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	35,565
DIIIs	-55,800	-73,052	-28,557	67,587	35,363	90,738	1,09,662	42,257	-35,663	94,846	2,75,726	1,81,482	2,60,473
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	1,00,182
In US\$bn													
FIIIs	24.4	20.1	16.1	3.2	3.2	7.5	-4.6	14.4	23.0	3.8	-16.5	20.7	4.3
DIIIs	-10.6	-12.8	-4.8	10.4	5.2	14.0	16.0	6.0	-4.8	12.6	35.7	22.0	31.3
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	12.0

* As of July 31st, 2024

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

Executive Summary

Markets take a breather; Indian investors over 10 crore

After months of a near one-way ride, global markets had a reckoning with fate in early August, as fears of a US recession materialised again with weak inflation and labour data, and lacklustre earnings by the US tech sector posed headwinds for global equities. A 'carry-trade' unwind in Japan, as investors worried about rising rates and an appreciating yen pushed Japanese markets to the biggest fall since 1987, only a few months after the Nikkei 225 had breached lifetime highs of the late 80s. Hopes of a rate cut by the Fed are strong now, with the first in September, followed by two more later in the year. Markets have since recovered to some extent but remain sensitive to data releases. Indian markets topped out above 25000 on market benchmark NIFTY50 before the correction, before recovering to 24,400 levels at the time of writing. What stood out though in our market was an equally impressive figure.

The total number of unique registered investors in India crossed the 10-crore mark in August, a little over five months since the 9-crore mark in February. Markets can be accessed through more than one broker, and the total number of accounts between these investors is nearly 19 crore. Somewhat similar is the number of accounts in mutual funds, held by over four crore unique investors. Between their direct and indirect investments, Indian households today hold nearly 19% of the market, Rs 81.4 lakh crore, which translates to nearly a fifth of their financial wealth, and 28% of FY24 GDP.

A combination of a rise in digitisation, investor awareness, improved market access, and its relative performance against other asset classes has driven increased market participation since the pandemic. It took over 25 years to have four crore investor, but the subsequent milestones have been crossed much sooner, with new investors predominantly in the 20-30 age bracket. The median age of investors in the market today is ~32 years, with 40% of them below 30 years. It was 39 years, just before the pandemic. One in five investors today is a female. The investor community is widely spread in the country, with all but 30 pin codes having at least one investor directly investing in the market. Maharashtra with 1.7 crore, Uttar Pradesh with 1.1 crore and Gujarat with 87 lakh investors lead the pack among states.

Market activity remained high in the month of July across several metrics. We had 27 listings (vs. 20 last month), five of which were on the Mainboard, and 22 in NSE EMERGE, which crossed 500 listings (514 at the time of writing). The total market cap of these companies is Rs 1.9 lakh crore, and they have together raised Rs 12,000 crore from the markets. Investor participation in the CM segment at 1.57 crore was the highest ever in July; their inflows this year at Rs47,000 crore is already higher than in all of FY24. Their share in overall turnover at 38% is also the highest since the 40% levels seen during the pandemic.

Our Story of the month records the ownership trends in across the listed universe. Some of the familiar themes seen in the past five years continue. Foreign ownership (FPI) of the market, driven by outflows and relative loss vs. other categories, and at 17.6% now is the lowest in 12 years. In contrast, the share of domestic mutual funds (DMFs) and individuals (9.6%) rises further. The steady rise of small and midcap stocks in the recent past has also led to the share of NIFTY50 companies in Individual investor portfolios fall to a 36.8%--a 22-year low. Even as the share of FPIs drops, the number of companies they have invested in continues to rise, esp. vis-à-vis DMFs, homegrown familiarity or otherwise. So while mutual funds today have invested in 1267 companies—their highest ever—FPIs have investments in 1733.

Back to the markets, Developed Markets (DM) equities (MSCI World Index) are up 11.1% this year, post the underperformance in August, and remain ahead of EM equities (5.2% YTD). The US 10-year yield has dropped by 65bps since June to 3.8%, pointing to easing economic growth and rate cut expectations. Indian markets rose to fresh lifetime highs as we wrote, before the global reality check, and are up 11% YTD. More in our markets section.

On the macro, we got another expected pause from RBI MPC, with food inflation expected to remain on the radar in the months ahead. A favourable base led the headline CPI figure to dip below the 4% target for first time since

September 2019. While ephemeral, the plentiful and widespread rains this year bode well for food production and rural consumption. Apart from inflation and policy we also cover Union finances, IIP and a monsoon update in the macro section.

Our insights section this month has three papers from the CBS team at IIM Ahmedabad, one each from the PSS and EPR teams at NSE. The first paper explores investment behaviour of women entrepreneurs. An exploratory analysis of interviews conducted by authors reveals that women are more risk averse, loss averse, most of them prefer long term investments and lack investment product knowledge. Real estate, gold, Fixed Deposits and Mutual Funds are most preferred choice of investment. As high as 83% of women responders invest for themselves and families. Cultural and parental influence plays an important role in determining this behaviour. The second paper distinguishes between financial awareness and financial literacy. Conducting surveys, it highlights financial self-awareness is positively related to saving and prudent investment decisions.

The third and most interesting paper presents an incentivised experimental study that examines various risk elicitation methods (REM) in terms of their perceived suitability for investors and their impact on the use of financial advice. A notable finding of the study is that process similarity has a significant impact on advice suitability and process similarity and source credibility are positively correlated. Prepared by the Product Strategy and Services (PSS) team at NSE, the third paper in the Insights section looks at public vs private issuances, the role of debt ETFs and secondary market trading among other relevant topics. The report be found [here](#).

Our fourth paper, summarised by the EPR department examines how the mandatory voting rule on RPTs in India affects their volume, firm performance and foreign institutional holdings. It finds that the usage of RPTs has declined after the implementation of a regulation that provided shareholders the right to approve specified RPTs. It also shows that decline in RPTs resulted in higher firm performance and foreign institutional holdings due to improved corporate governance.

Our highlight this month has been the Indian investor community, now over 10-crore strong, and the wealth it represents. Reflecting 78 years after our Independence Day, the concept of independence takes several meanings, not the least of which is financial independence. Accumulating wealth in the markets requires a disciplined approach keeping diversification and risks in mind. The opportunity to participate in the India growth story comes with the benefits of compounded returns over time, allowing greater freedom in career pursuits, retirement planning, or simply for personal pursuits.

On that note, we bring you the August edition of the Market Pulse. As always, we welcome your comments and suggestions.

Tirthankar Patnaik
Chief Economist

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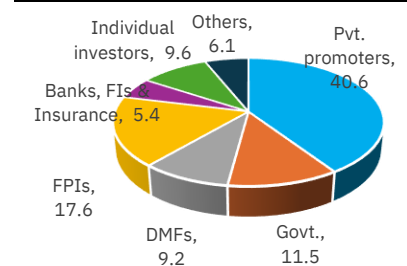
Story of the month

Who owns India Inc.? – Mutual fund share at an all-time high, FPI share drops further

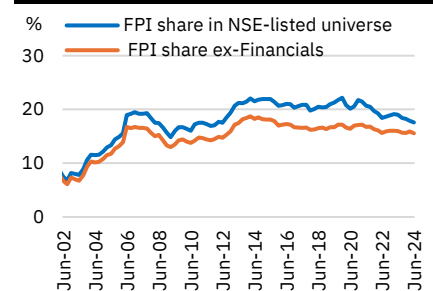
In this edition of our quarterly report “India Inc. Ownership Tracker”,¹ we extend our analysis of ownership trends and patterns in NSE companies to include the data available for the quarter ending Jun’24. Additionally, we also analyse concentration of category-wise ownership across market cap deciles. We note: 1) An increase in promoter ownership for the fifth quarter in a row to 51.5% in NSE listed companies, primarily led by a rise in Government and foreign promoter share; 2) A drop in FPI² (foreign portfolio investors) ownership for the fifth consecutive quarter to a 12-year low of 17.6%, corroborating with significant foreign capital outflows in the first two months of the quarter; 3) An increase in DMF (domestic mutual funds) share to a fresh record high of 9.2% (Active: 7.5%, Passive: 1.7%), aided by sustained SIP inflows; 4) A modest increase in individual investors’ direct non-promoter ownership to 9.6% in the listed universe; including indirect ownership via mutual funds, individuals’ non-promoter holding at 17.4% is only 20bps of that of the FPIs; 5) FPIs strengthened their outsized OW³ bet on Financials, and maintained a negative view on Consumer Staples, Materials and Industrials; 6) DMFs also turned incrementally positive on Financials, turned incrementally cautions on India’s consumption outlook with a reduced OW position on Consumer Discretionary and sustained negative stance on Consumer Services, and retained an UW stance on commodity sectors including Energy and Materials; 7) A drop in the share of Nifty 50 companies in the institutional and individuals’ portfolios to near 22-year lows, even as they continued to have a significant exposure to such companies. For instance, companies in the top decile by market cap accounted for 65%, 80%, and 88% of the individuals’, DMFs’ and FPIs’ holdings respectively.

- Promoter share inched up further in the listed universe:** Total promoter ownership in the Nifty 500 and NSE listed companies rose for the fifth quarter in a row by 14bps QoQ each to a seven-quarter high of 50.9% and 51.5% respectively in the quarter ending June 2024. This was primarily led by an increase in Government and foreign promoter share, partly offset by a decline in private Indian promoter ownership for the second and fourth quarter in row respectively. Promoter ownership in Nifty 50 companies, however, declined by a steep 54bps QoQ to 42.3% in the June quarter, marking the first drop in six quarters.
- Government ownership continued to rise amid PSU rally:** The Government ownership (promoter and non-promoter) in the NSE listed universe and Nifty 500 companies rose by 27bps and 37bps QoQ to a 30-quarter high of 11.5% and 12.1% respectively. The Nifty 50 index also saw a modest 12bps QoQ to an 18-quarter high of 7.1% in the June quarter. This was led by continued outperformance of the Government-owned companies, with the NIFTY PSE index generating a gain of 17.1% in the June quarter compared to the 7.5% and 11.4% returns recorded by Nifty50 and Nifty500 Index respectively.
- FPI share fell further in Nifty500/listed companies but inched up in Nifty 50:** FPI ownership continued to taper in the Nifty 500/NSE listed companies, falling by 24bps/28bps QoQ to 18.7%/17.6%. This marked the fifth drop in a row, corroborating with strong foreign capital outflows in the first two months of the quarter (-US\$4.1bn in Apr-May’24). That said, in value terms, FPI holding in NSE listed companies expanded by

Who owns India Inc.? NSE-listed in Jun’24



FPI ownership in NSE-listed companies



Source: CMIE Prowess, NSE EPR.

¹ The “India Inc. Ownership Tracker” report examines ownership trends and patterns in Indian companies listed on the NSE since 2001.

² FII ownership includes ownership through depository receipts held by custodians.

³ Overweight (OW), neutral (N) or underweight (UW) stance on any sector is with respect to the sector’s weight in the Index. An OW/UW position on a sector implies more than 100bps higher/lower allocation to the sector than its weight in the Index. A ‘N’ position on a sector implies an allocation within +/- 100bps of the sector’s weight

11.4% to Rs 76 lakh crore as of June-end. FPI ownership in Nifty50 companies, however, inched up by a modest 15bps QoQ to 24.5%.

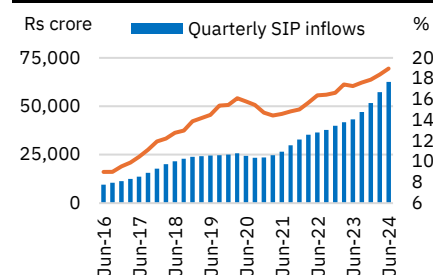
FPIs strengthened their outsized OW bet on Financials, more so on larger companies in the sector, and turned incrementally positive on Communication Services, reflecting the impact of recent tariff hikes. This came at the expense of deepened negative stance on Industrials, Materials and Consumer Staples, indicating a cautious view of FPIs on India's consumption as well as investment outlook. Among other sectors, FPIs turned mildly negative on global sectors, viz., Information Technology and Healthcare, and remained neutral on Energy and Consumer Discretionary.

DMFs' share rose to fresh all-time high level: Aided by sustained SIP inflows, DMFs' share rose further to a fresh all-time high of 11.1%/9.6% /9.2% in Nifty 50/Nifty 500/NSE listed companies. DMFs injected a net amount of Rs 1.3 lakh crore into Indian equities in the June quarter, taking total net inflows to Rs 8.1 lakh crore since April 2022. Out of total share held by DMFs, passive funds' share remained broadly steady at 1.7%, with the balance 7.5% held by active funds, up 21 bps QoQ.⁴

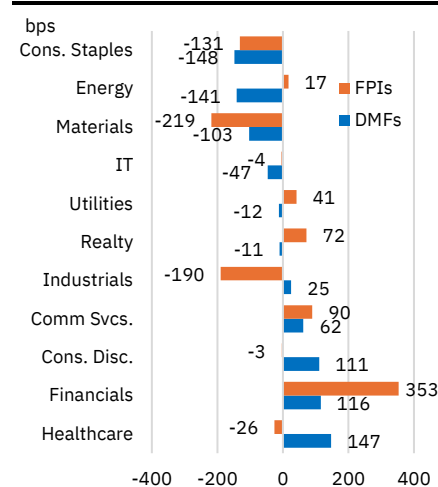
In line with FPIs, DMFs also turned incrementally bullish on Financials, strengthening their OW position on the sector. This came at the expense of a reduced exposure to Consumer Staples and Materials. Among other sectors, DMFs maintained their trimmed-yet-OW stance on Healthcare and Consumer Discretionary within the Nifty 500 companies, and a neutral stance on Industrials, Information Technology and Communication Services.

- Individual investors' share rose marginally in the June quarter:** After falling in the previous two quarters, individual investors' direct ownership as non-promoters rose by 10bps QoQ to 9.6% and 14bps QoQ to 8.7% in the NSE listed and Nifty 500 companies respectively but fell by 8bps QoQ to 8% in the Nifty50 companies. Adding indirect holding via mutual funds and direct holding as promoters to this, individuals now own slightly shy of a quarter (24%) in the NSE listed companies, up from about 20% in March 2019, and 15.6% over a decade ago (March 2014).
- Ownership concentration:** The share of Nifty 50 companies in total institutional holding fell for the fifth quarter in a row to the lowest level since the beginning of our analysis (Mar'01) to 60% in the June quarter. This is a result of the combination of sustained inflows in mid- and small-cap funds, and relative outperformance of such companies vis-à-vis the large cap universe. Individuals also saw the share of these companies in their overall portfolio falling to over 22-year low of 36.8% (-3pp QoQ) in the June quarter, translating into an 11pp drop in the last five quarters. That said, large companies still contribute to a significant portion to both individual and institutional portfolios, with companies in the top decile (200 companies) by market cap contributing to 65% of individuals' holdings and 86% of institutional holdings.

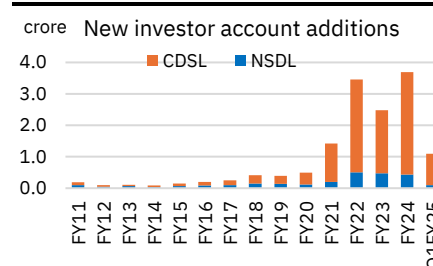
DMF ownership in NSE-listed companies



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



New investor account additions



Decile-wise portfolio share (Jun'24)

Deciles	FPIs	DMFs	Ind.	Total mkt cap
1	88.4	79.5	65.2	79.0
2	7.7	13.8	14.2	11.2
3	2.5	4.2	8.8	4.7
4	0.9	1.9	4.7	2.4
5	0.2	0.4	3.0	1.2
6	0.1	0.1	2.0	0.7
7	0.0	0.0	1.1	0.4
8	0.0	0.0	0.6	0.2
9	0.0	0.0	0.3	0.1
10	0.0	0.0	0.0	0.0

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

⁴ Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager.

Annual India Inc. ownership trends

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

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

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

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

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

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

Listed universe ownership trends

Ownership pattern of the NSE-listed universe (June 2024)

Promoter share in NSE listed companies rose to a seven-quarter high: Total promoter ownership in the NSE listed universe rose for the fifth quarter in a row by 14bps QoQ to a seven-quarter high of 51.5% in the June quarter, translating into an 80bps increase in the first half of 2024. This was primarily driven by an increase in Government and foreign promoter share, partly offset by a decline in private Indian promoter ownership for the second quarter in row. Foreign promoters saw their ownership in NSE listed companies rising by 28bps QoQ to 8.3%. Conversely, private Indian promoters' stake fell by 33bps QoQ to an 18-quarter low of 32.4% in the June quarter, attributed to a drop in non-individual private promoter share, even as individual promoters (including HUFs) saw their share rising by 20bps QoQ to 6.5%. Notably, individuals accounted for a 20% share in the private Indian promoter holding in the NSE listed universe.

Total promoter share rose for the fifth quarter in a row by 14bps QoQ to 51.5% in the June quarter.

Government ownership surged to a 30-quarter high: After a steady decline between 2010 and 2022, thanks to Government's efforts to garner higher revenues through the disinvestment route, Government ownership (promoter as well as non-promoter) in the NSE listed companies rose by a steep 2.4 percentage points (pp) in FY23, attributed to the listing of LIC during the year, and by another 2.8pp in FY24, aided by relative outperformance of PSUs. The trend has continued in the new fiscal year as well, with the Government ownership in NSE listed companies inching up by 27bps QoQ (+127bps in H1 2024) to a 30-quarter high of 11.5%. This was yet again driven by continued outperformance of PSUs relative to the broader market. For instance, the NIFTY PSE index generated a gain of 17.1% in the June quarter compared to the 7.5% and 11.4% returns recorded by Nifty50 and Nifty500 Index respectively.

After rising over the previous two years, Government ownership in the listed space rose further in the June quarter, driven by strong performance of PSUs.

FPI ownership dropped to 12-year lows...: FPI shareholding declined for the fifth quarter in a row by 28bps QoQ to a 12-year low of 17.6% as of June 30th, 2024, translating into a 65bps dip in the first half of 2024. That said, FPIs' portfolio expanded by 11.4% QoQ, growing for the fifth quarter in a row, albeit lower than 13.4% rise in the total market cap in the June quarter. The decline in FPI share is partly attributed to steep foreign capital outflows in the first two months of the quarter, with net FPI outflows in the quarter at US\$ 911m. After seeing a dip in the previous four quarters, FPI share in Financials actually inched up by a modest 14bps QoQ to 24.5%. Excluding Financials, FPI share in the NSE listed universe fell by an even higher 35bps QoQ to a 47-quarter low of 15.6%.

FPI ownership declined to a 12-year low of 17.6% in the June quarter, translating into a 65bps drop in the share in H1 2024.

...While DMF shareholding surged to fresh record high levels: Continuing the steady upward trend seen over the previous three quarters, DMF share in the listed universe rose by 25bps QoQ to fresh all-time high of 9.2% in the June quarter, corroborating with sustained buying by DMFs during this period. DMFs injected a net amount of Rs 1.3 lakh crore into Indian equities in the first quarter of this fiscal year, taking the total net inflows to Rs 8.1 lakh crore since April 2022. A part of this is attributed to rising indirect participation of individuals via the SIP route. SIP inflows have risen steadily in the last few years, with an average monthly run rate rising by 9.1% QoQ to Rs 20,846 crore in the June quarter. Out of the total DMF share of 9.2%, passive funds' share remained broadly steady at 1.7%, with the balance 7.5% was held by active funds, up 21 bps QoQ.

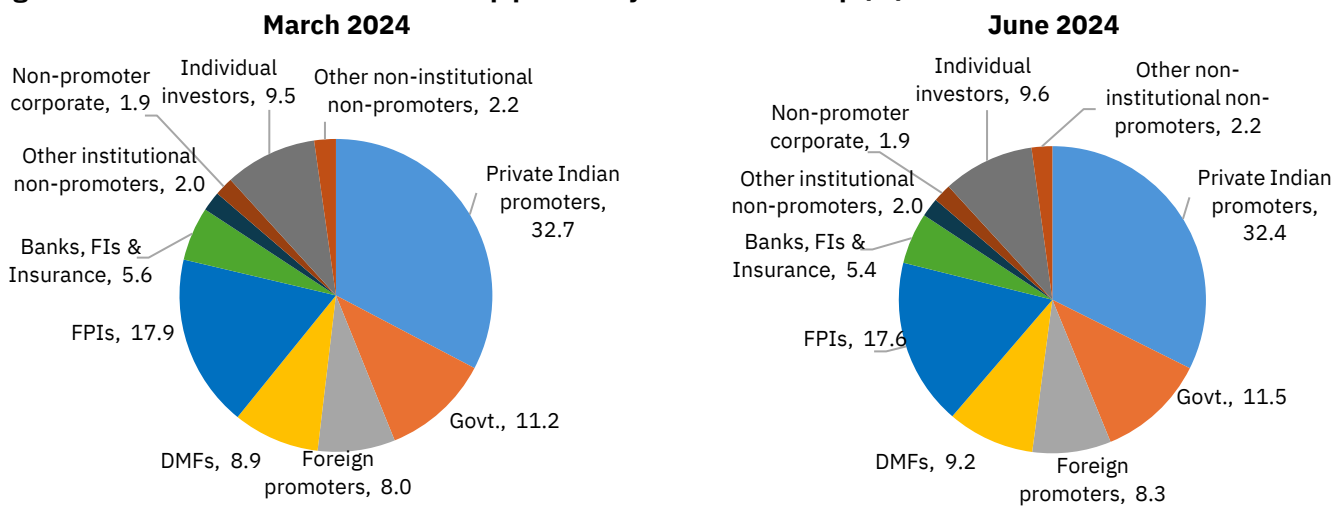
DMF share in the listed universe continued to rise, reaching a fresh high of 9.2% in the June quarter. Share of Banks, Financial Institutions and Insurance remained largely unchanged at 5.6%.

The share of Banks, Financial Institutions and Insurance companies in the NSE-listed space dropped for the fifth quarter in a row to a two-year low of 5.4% in the June quarter, even as it remains nearly a percentage point higher than the post-pandemic lows.

Individual investors' holding inched up marginally in the June quarter: After seeing a modest drop in the previous two quarters, individual investors' share of the total NSE listed universe inched up by 10bps QoQ to 9.6% at the end of the June quarter. This was supported by robust net investments by individual investors in the last couple of quarters. Individuals injected a net amount of Rs 39,278 crore in the June quarter (NSE's secondary markets only), on top of Rs 52,568 crore in the previous quarter. All sectors, barring Materials and Consumer Staples, saw the ownership of individual investors increase or remain broadly steady in the June quarter. Adding indirect ownership via mutual funds of 7.8% to this (Individuals—retail and HNIs put together—accounted for 84% of total mutual fund investments into equity as of June quarter vs. 76% in the previous quarter), individuals' share in equity markets as non-promoter shareholders is now only 20bps shy of that of the FPIs. This gap was as high as 7.1% in FY21, indicating the growing role and significance of individual investors in the Indian equity markets.

Individuals' share in equity markets as non-promoter shareholders, directly as well as indirectly, is now only 20bps shy of that of the FPIs.

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



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

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

%	Private Indian promoters	Govt.	Foreign promoters	Passive DMFs ^	Active DMFs \$	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others **
Sep-21	36.0	6.0	8.9	1.3	6.0	4.4	20.5	3.4	9.3	4.1
Dec-21	36.4	5.7	8.7	1.3	6.1	4.4	19.7	3.7	9.7	4.3
Mar-22	36.3	6.0	8.7	1.4	6.3	4.5	19.2	3.6	9.7	4.3
Jun-22	35.2	7.6	9.1	1.5	6.4	4.6	18.4	3.7	9.5	4.0
Sep-22	35.0	7.5	9.5	1.6	6.4	5.7	18.6	2.8	9.2	3.7
Dec-22	34.2	8.6	8.9	1.6	6.5	5.8	18.9	1.8	9.2	4.5
Mar-23	33.2	8.4	8.8	1.7	7.0	6.1	19.1	1.7	9.4	4.7
Jun-23	33.4	8.4	8.7	1.7	6.9	5.9	19.0	1.9	9.4	4.7
Sep-23	33.1	9.4	8.3	1.7	7.1	5.7	18.4	2.0	9.7	4.6
Dec-23	33.1	10.2	7.9	1.7	7.1	5.6	18.2	2.0	9.7	4.5
Mar-24	32.7	11.2	8.0	1.7	7.2	5.6	17.9	1.9	9.5	4.3
Jun-24	32.4	11.5	8.3	1.7	7.5	5.4	17.6	1.9	9.6	4.2
QoQ change	-33bps	27bps	28bps	3bps	21bps	-17bps	-28bps	-1bps	10bps	-10bps

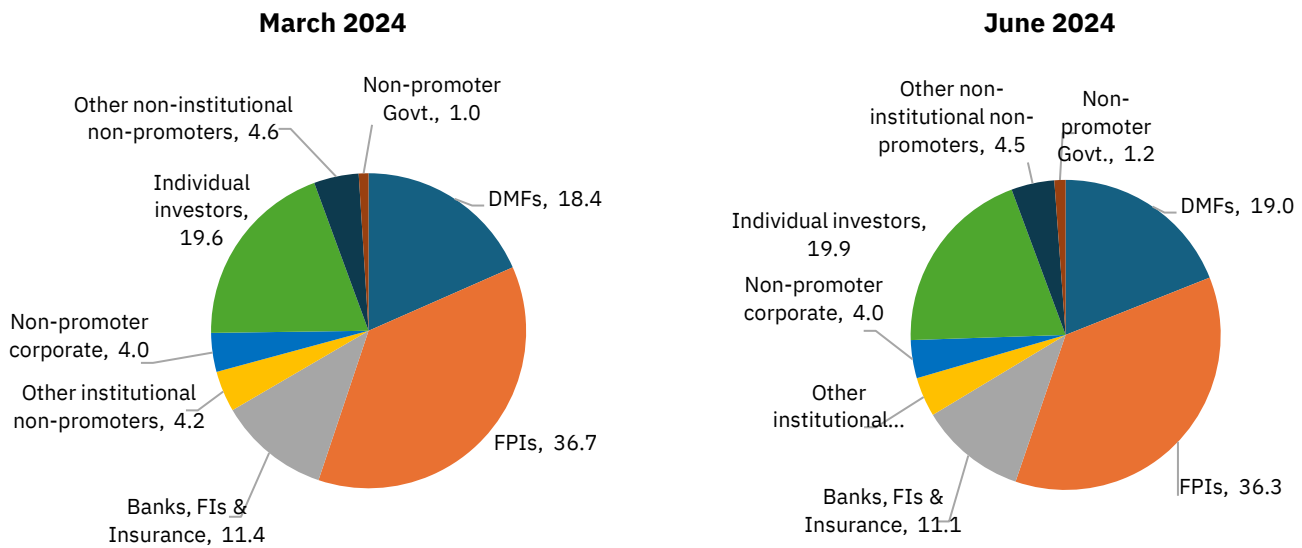
Source: CMIE Prowess, NSE EPR. Note: Ownership across promoters and non-promoters are based on total market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters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

Institutional ownership in NSE floating stock fell marginally: DMF ownership in the NSE floating stock rose by 57bps QoQ to a fresh all-time high of 19.0% in the Jun 2024 quarter, marking a full percentage point rise in the first half. On the other hand, FPI holding in the floating stock of the NSE listed universe dipped for the fifth consecutive quarter, standing at over 15-year low of 36.3%. FPI share in the NSE floating stock is now 9.4pp below the peak share seen eight years back (March 2014). This dip, however, was much stronger in smaller companies, as evidenced from a steep 2pp QoQ drop in FPI share in the free float stock of the NSE listed universe excluding the Nifty 500 companies.

On the contrary, DMF's share in floating stock of these companies surged by a higher 2.3pp to an all-time high of 12.8% in the June quarter, surpassing that of FPIs for the first time in 22 years. Banks, Financial Institutions and Insurance companies' share in the free float of NSE-listed companies fell by 31bps QoQ to a two-year low of 11.1%. Overall institutional ownership of the NSE free float fell by 30bps QoQ to 70.5%, 1.8pp below the all-time high of 72.3% (Mar'23).

Individual investors' ownership of the NSE free-float market cap increased by 26bps QoQ to a 15-year high of 19.9% in the June quarter. That said, the share stands nearly 9.2% below the peak individual ownership level seen over the last 23+ years.

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



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

Table 4: NSE-listed universe: Ownership trend across key stakeholders by floating stock over last three years

%	Passive DMFs ^	Active DMFs \$	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Sep-21	2.6	12.2	9.0	41.6	6.9	18.9	8.9
Dec-21	2.7	12.4	8.8	39.9	7.6	19.6	9.1
Mar-22	2.9	12.7	9.1	39.1	7.3	19.7	9.3
Jun-22	3.1	13.3	9.6	38.1	7.6	19.7	8.7
Sep-22	3.2	13.2	11.9	38.5	5.7	19.1	8.4
Dec-22	3.4	13.3	12.0	38.8	3.7	18.9	10.0
Mar-23	3.5	14.0	12.1	38.1	3.5	18.7	10.2
Jun-23	3.5	13.8	11.7	38.1	3.8	18.8	10.3
Sep-23	3.4	14.2	11.5	37.1	4.0	19.5	10.2
Dec-23	3.4	14.5	11.3	37.0	4.0	19.6	10.2
Mar-24	3.5	14.9	11.4	36.7	4.0	19.6	9.8
Jun-24	3.6	15.4	11.1	36.3	4.0	19.9	9.8
<i>QoQ change</i>	<i>8bps</i>	<i>49bps</i>	<i>-31bps</i>	<i>-48bps</i>	<i>-2bps</i>	<i>26bps</i>	<i>-2bps</i>

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

Long-term ownership trend of the NSE-listed universe

Long-term trend shows a steady drop in promoter ownership during 2009-2019, followed by a marginal increase thereafter: The long-term trend indicates a sharp rise in promoter ownership between 2001 and 2009 (To a 19-year high of 57.6% in March 2009) that gradually tapered off since, coinciding with the SEBI's decision to increase the minimum required free float from 10% to 25% in 2010. However, the drop has been primarily led by a sharp decline in Government ownership over the years, and strategically so, with the aim of expanding public partnership in the ownership of CPSEs (Central Public Sector Enterprises) and augmenting its resources for higher expenditure towards economic development. On the other hand, overall private promoter ownership—Indian and foreign promoters combined—has increased by ~11.6pp between June 2010 to December 2021. Promoter share, however, has been inching up since the last few years barring FY23, primarily led by an increase in Government share.

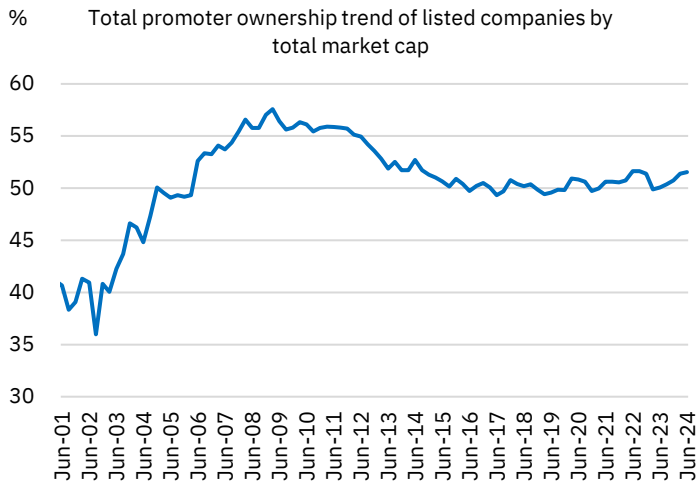
Government ownership in the NSE-listed universe has been coming off since 2010, barring a steep jump last year.

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

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

FPI ownership dropped to sub-18% in FY24 after more than 11 years: FPI ownership in the NSE-listed space saw a gradual increase between 2002 and 2015, except for a brief

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



Source: CMIE Prowess, NSE EPR.

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

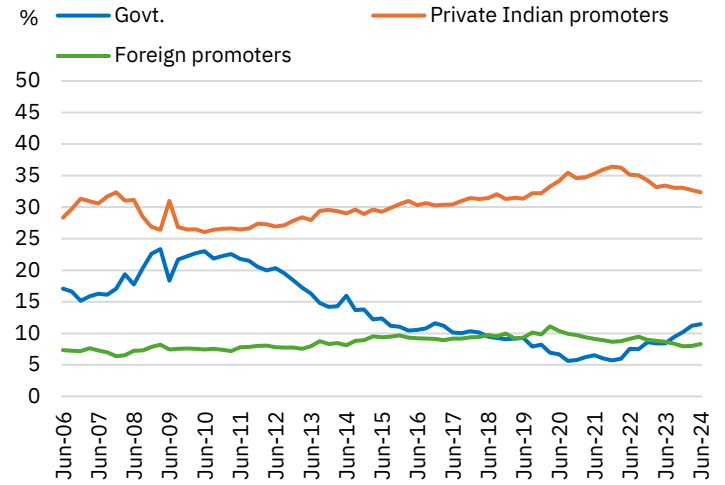
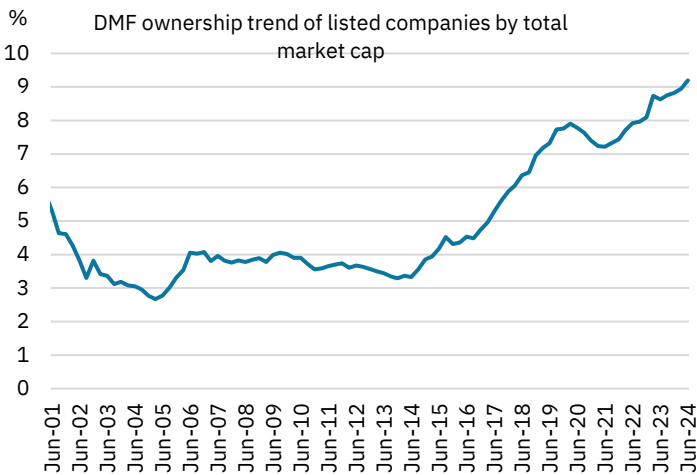


Figure 6: DMF ownership trend of NSE-listed companies by total market cap



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

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

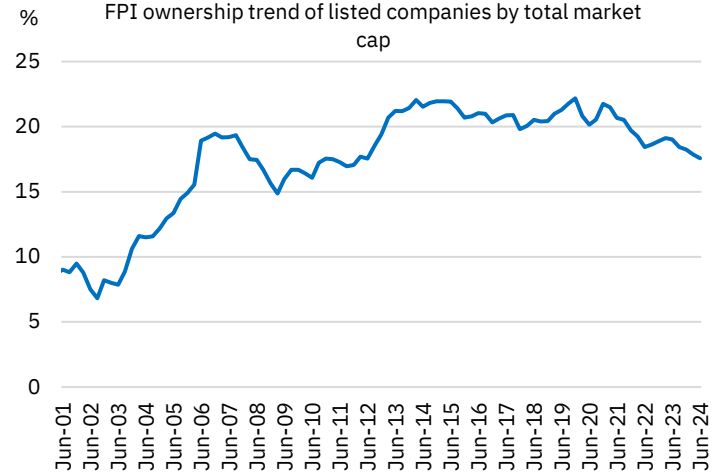
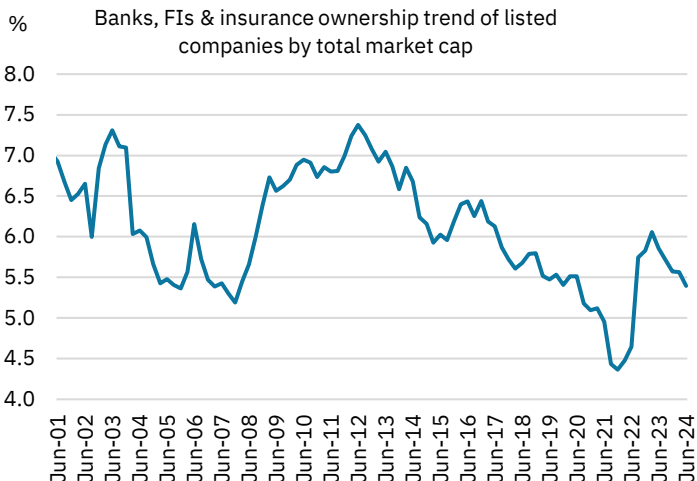


Figure 8: Banks, FIs & Insurance ownership trend of NSE-listed companies by total market cap



Source: CMIE Prowess, NSE EPR.

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

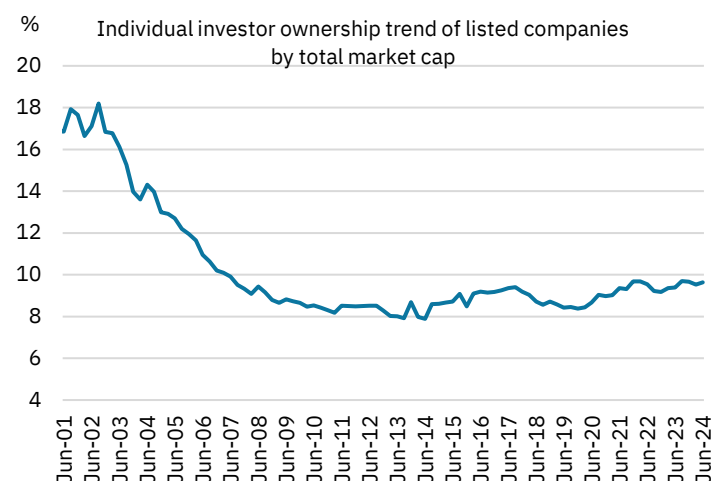
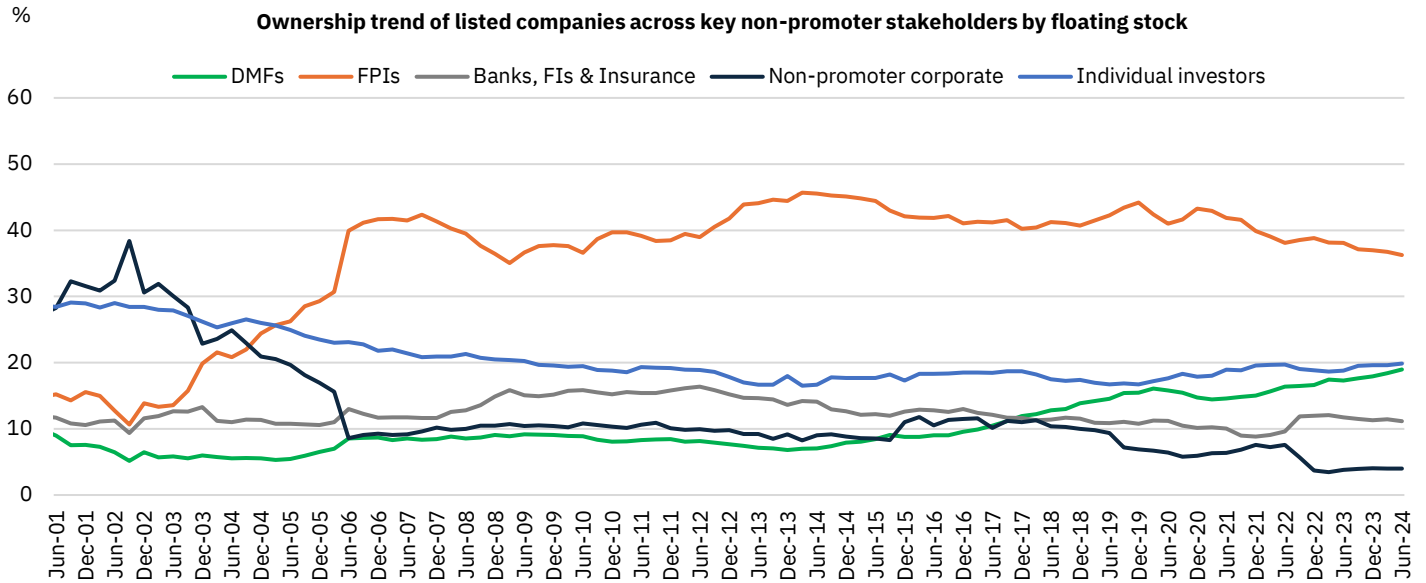
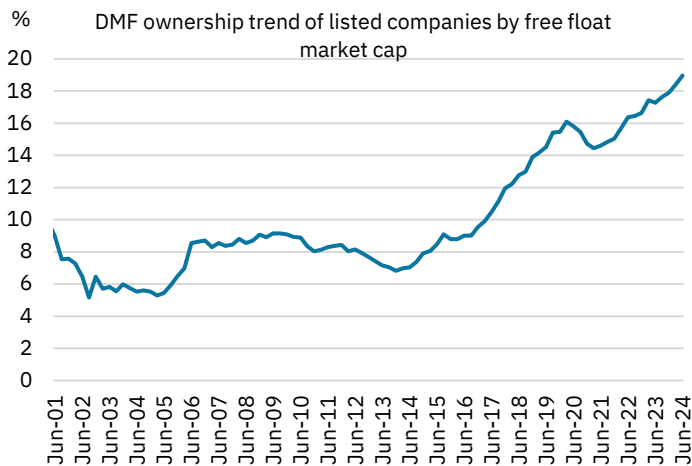
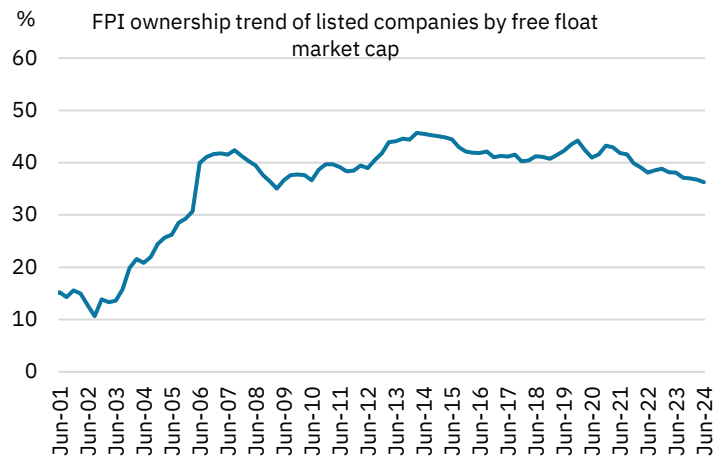
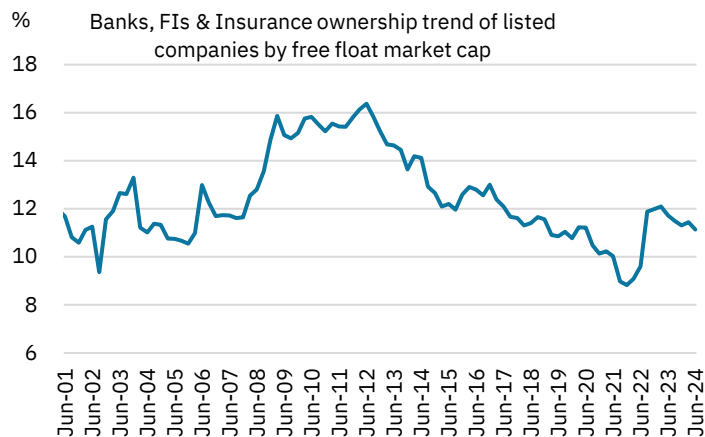


Figure 10: NSE-listed universe: Long-term ownership trend across key stakeholders by free float market cap


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

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


Source: CMIE Prowess, NSE EPR.

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

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


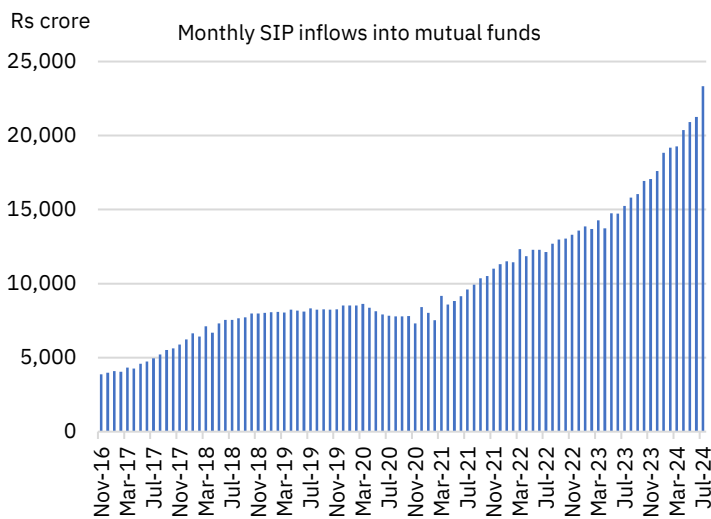
Source: CMIE Prowess, NSE EPR.

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


SIP inflows continue to rise: SIPs have been a preferred route for individual investors to invest in equity markets barring FY20-21. After a drop in 2020, that saw individual investors shift away from being indirect investors to direct participants in the equity market, inflows into mutual funds through the SIP route has been rising steadily since then, barring some moderation in early FY22 due to the virulent second wave of the pandemic. Average monthly inflows through the SIP route stood at Rs 20,846 crore in the first quarter of FY25 vs. Rs 19,099 crore in the previous quarter and Rs 16,602 crore in FY24. Every quarter in the last 15 quarters recorded higher inflows than the previous one, which led to the continued upsurge in DMF ownership.

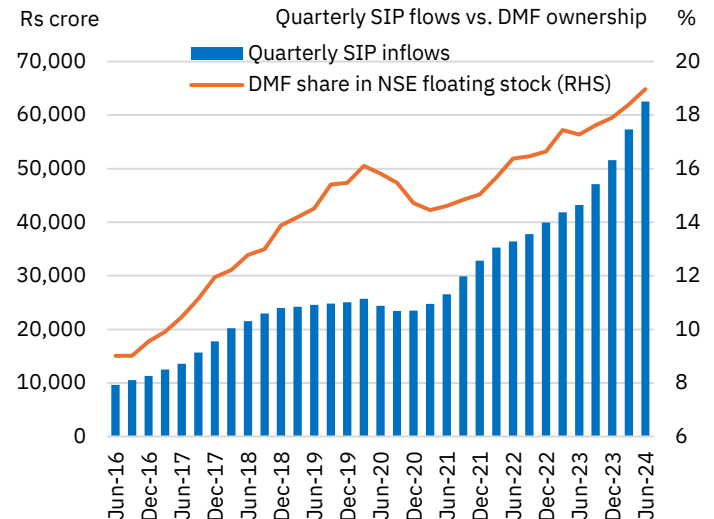
Average monthly SIP inflows in Q1 FY25 rose by 9.1% QoQ to Rs 20,846 crore.

Figure 15: Monthly SIP inflows into mutual funds



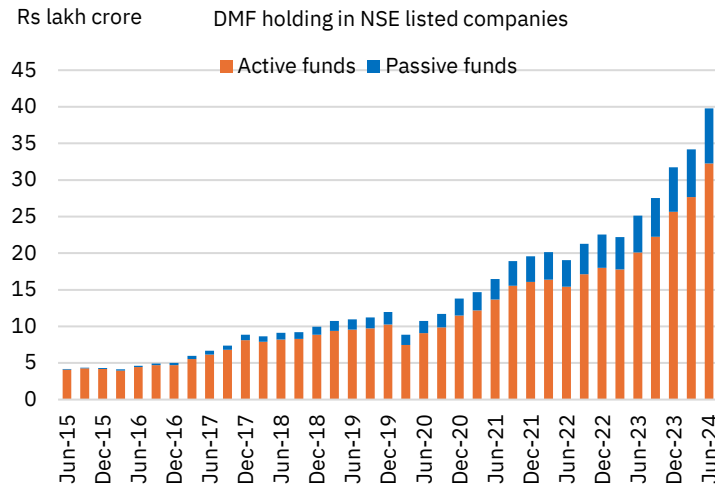
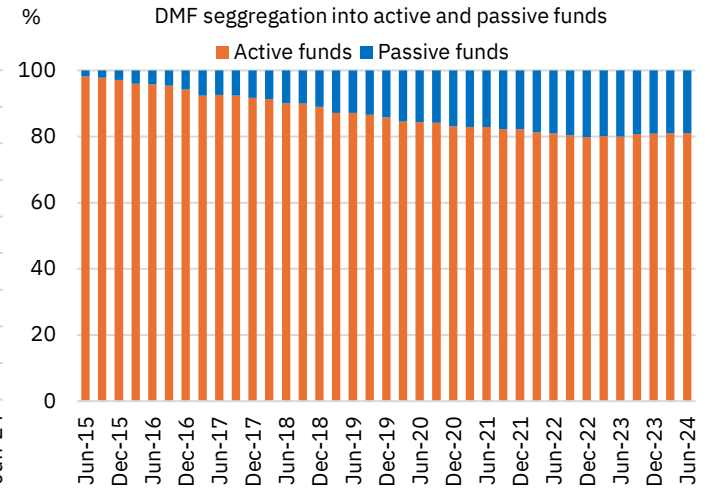
Source: AMFI, NSE EPR.

Figure 16: Quarterly SIP inflows vs DMF ownership

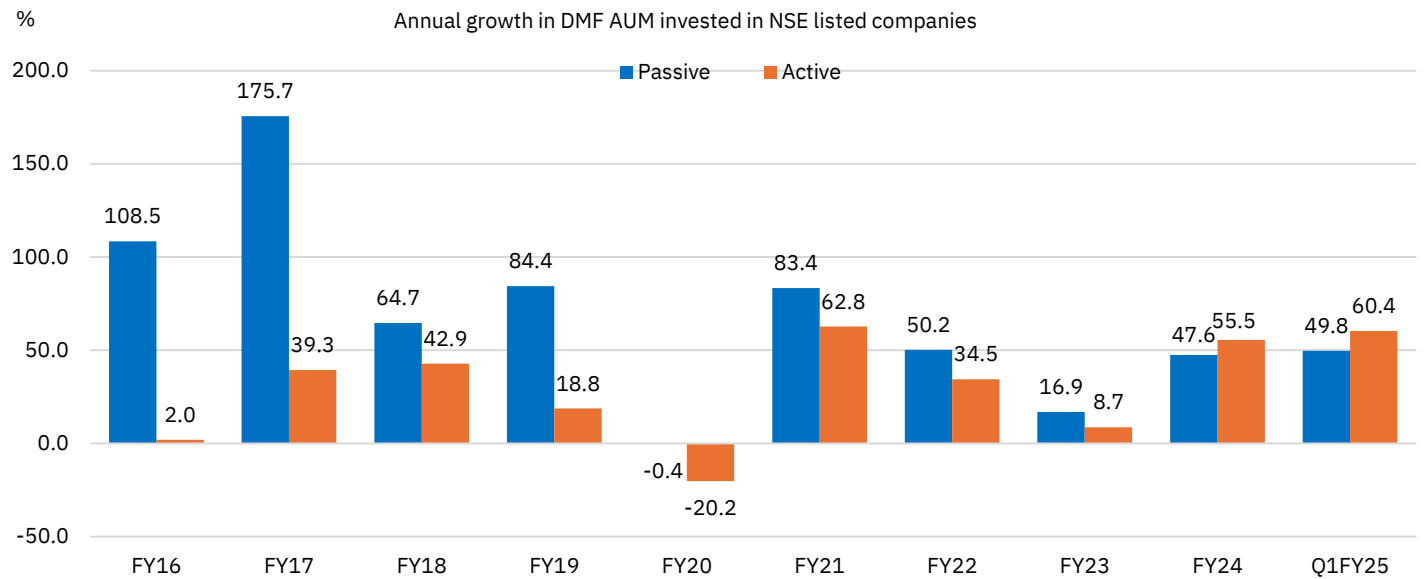


DMF ownership in the June quarter supported by active funds: Passive holding of DMFs through ETFs and index funds in the NSE listed companies has risen rapidly over the past few years. The AUM of passive funds has risen at a CAGR of 66.7% over the last nine years, significantly higher than the 25.8% annualized growth recorded by actively managed mutual funds during this period. The quarter gone by saw passive funds' AUM rise by a strong 15.5% QoQ to Rs 7.5 lakh crore, while that of active funds' rose by a slightly higher 16.5% to Rs 32.3 lakh crore. This has led to the share of passive funds in the total AUM of equity-oriented funds fall by a modest 14bps QoQ to 18.9% in the June quarter, nearly 125bps lower than the peak share of 20.1% recorded in Dec'22.

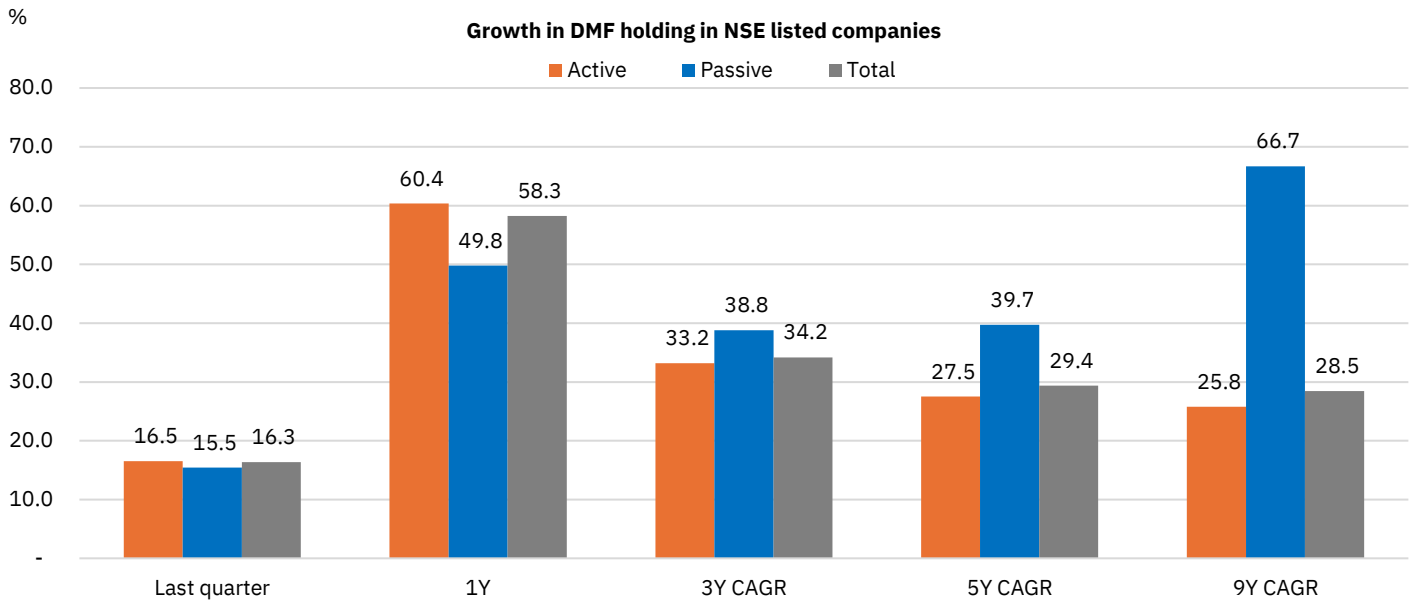
Out of the 9.2% of the market capitalization of NSE listed universe held by DMFs, ownership of passive funds remained broadly steady at 1.7% in the Jun quarter, while that of active funds rose by a 21bps QoQ to 7.5%. In terms of free float market capitalization, passive funds' ownership now stands marginally higher at 3.6% (vs. 3.5% in Mar'24), with active funds' shareholding standing at 15.4% (vs. 14.9% in Mar'24).

Figure 17: DMF holding in NSE listed universe

Figure 18: DMF segregation: active and passive funds


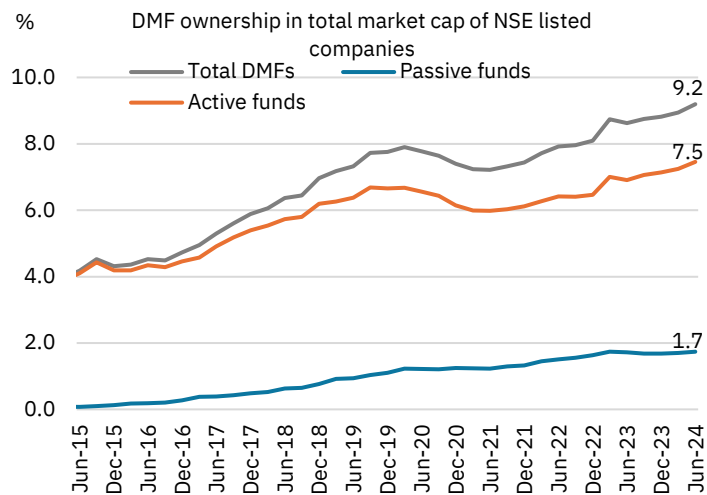
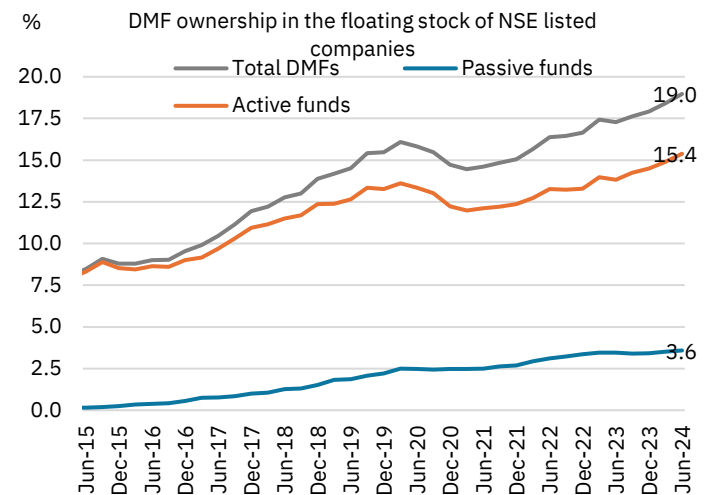
Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting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

Figure 19: Annual growth of DMF holding in the NSE-listed universe


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

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


Source: AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding. * Data is as of June 30th, 2024.

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

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


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

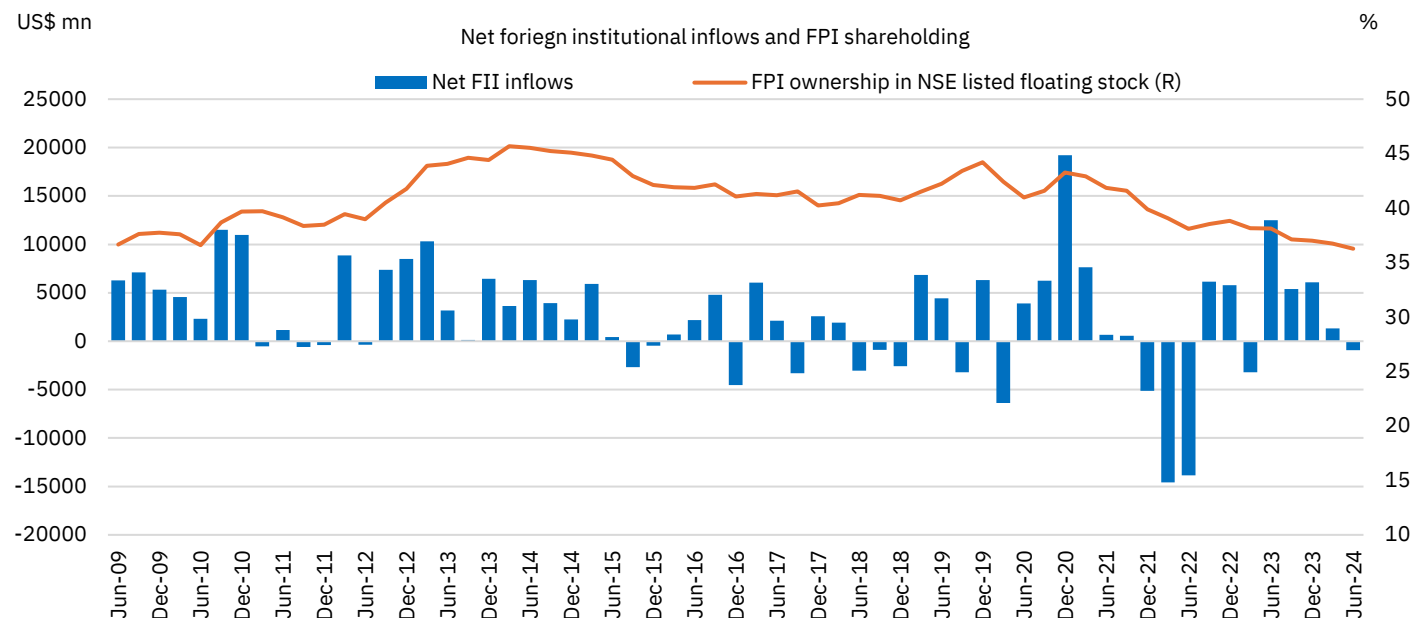
Table 5: Shareholding of DMFs across active and passive funds in the NSE listed companies

%	Investment (Rs lakh crore)			Ownership in NSE total market cap (%)			Ownership in NSE floating stock (%)		
	Active	Passive	Total	Active	Passive	Total	Active	Passive	Total
FY15	3.9	0.1	4.0	3.9	0.1	3.9	7.9	0.2	8.1
FY16	4.0	0.2	4.1	4.2	0.2	4.4	8.4	0.4	8.8
FY17	5.5	0.5	6.0	4.6	0.4	4.9	9.2	0.8	9.9
FY18	7.9	0.7	8.6	5.5	0.5	6.1	11.2	1.1	12.2
FY19	9.4	1.4	10.7	6.3	0.9	7.2	12.4	1.8	14.2
FY20	7.5	1.4	8.8	6.7	1.2	7.9	13.6	2.5	16.1
FY21	12.2	2.5	14.7	6.0	1.2	7.2	12.0	2.5	14.5
FY22	16.4	3.8	20.1	6.3	1.4	7.7	12.7	2.9	15.7
FY23	17.8	4.4	22.2	7.0	1.7	8.7	14.0	3.5	17.4
FY24	27.7	6.5	34.2	7.2	1.7	8.9	14.9	3.5	18.4
Jun-24	32.3	7.5	39.8	7.5	1.7	9.2	15.4	3.6	19.0

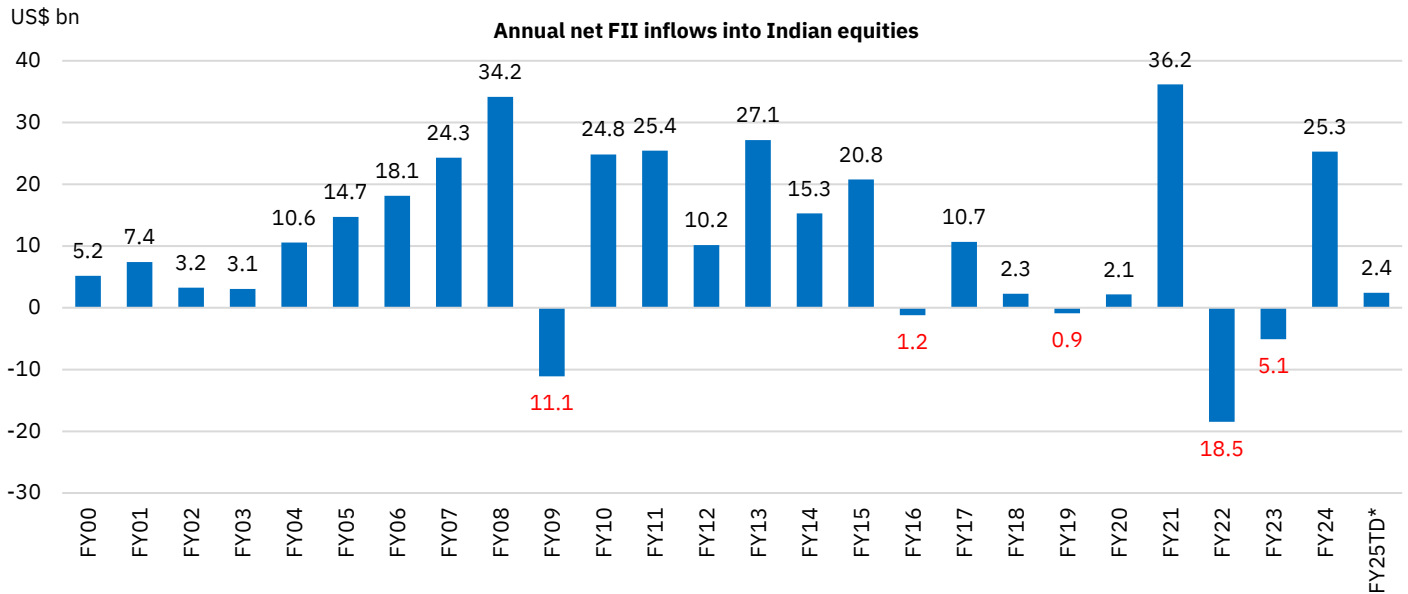
Source: CMIE Prowess, AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived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

FPIs turned sellers in the June quarter: After remaining net buyers in the previous four quarters, FPIs turned net sellers of Indian equities in the June quarter, with selling concentrated in the month of May. The first two months of the June quarter witnessed net FPI outflows to the tune of US\$4.1bn, followed by robust net inflows of US\$3.2bn in the month of June. Notwithstanding resumed buying by FPIs towards the later part of the quarter, FPI ownership in the NSE listed universe fell further, even as it rose by 11.4% in value terms.

FPIs turned net sellers of Indian equities in the June quarter after being net buyers in the previous four quarters.

Figure 23: Net foreign institutional inflows and FPI shareholding in the NSE-listed floating stock


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

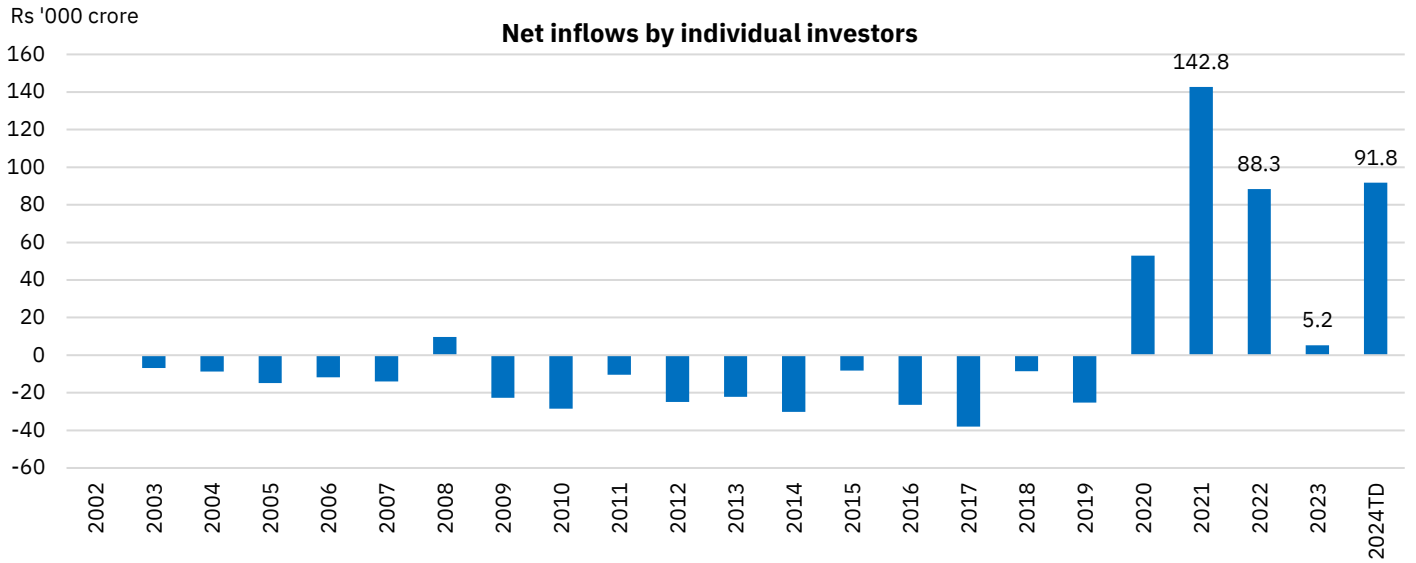
Figure 24: Annual net FII inflows trend


Source: Refinitiv Datastream, NSE EPR. * As of July 31st, 2024.

Direct participation by individual investors remained strong in the June quarter:

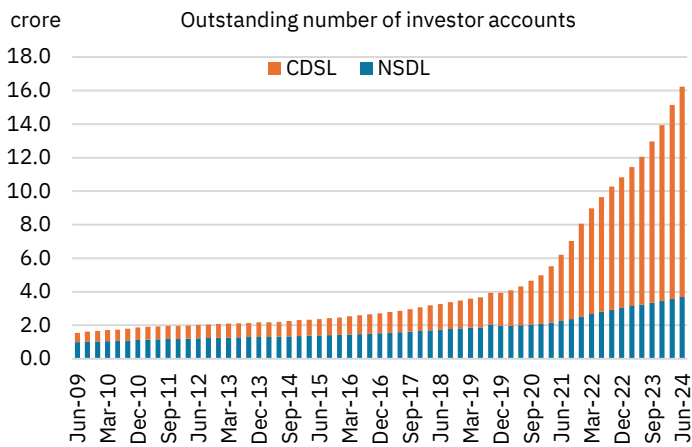
Individual investors' participation in Indian equities picked up meaningfully during 2020 and 2021. A sharp market crash in March 2020 after the onset of COVID-19 pandemic lured individual investors into trading in equity markets, with a strong market rebound thereafter further strengthening their sentiments. Individual investors turned net buyers of Indian equities in 2020 after a 11-year long hiatus between 2009-19, further strengthening their participation in the subsequent two-and-a-half years. Between Jan 2020 and December 2022, they invested a total of Rs 2.8 lakh crore in NSE's capital market segment (secondary market only). The year 2023 saw some moderation in direct participation by individual investors in terms of net investments, even as the activity in terms of new investor registrations with the depositories and the exchange remained strong. The depositories have seen a surge in demat account additions over the last few years, with 10.7 crore additions since April 2021, accounting for 66% of outstanding accounts as of June 30th, 2024. Further, the registered investor base at NSE has nearly tripled in the last four years, and currently stands at 9.7 crore as of June 30th.

Direct individual participation in the Indian listed universe had been fluctuating throughout 2023, with individuals alternating between being net buyers and net sellers ever quarter. The March 2024 quarter saw a rebound in individuals' interest in the market, with Rs 52,568 net inflows (nine-month high), followed by Rs 39,278 crore net inflows in the June quarter. This has translated into a modest increase in individual's shareholding the quarter gone by.

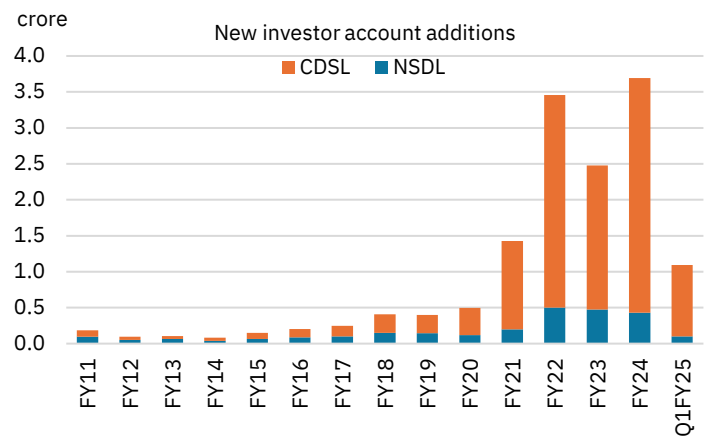
Figure 25: Net inflows by individual investors in the NSE's CM segment (2002-2024TD)


Source: NSE EPR.

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

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


Source: SEBI Bulletin, NSE EPR.

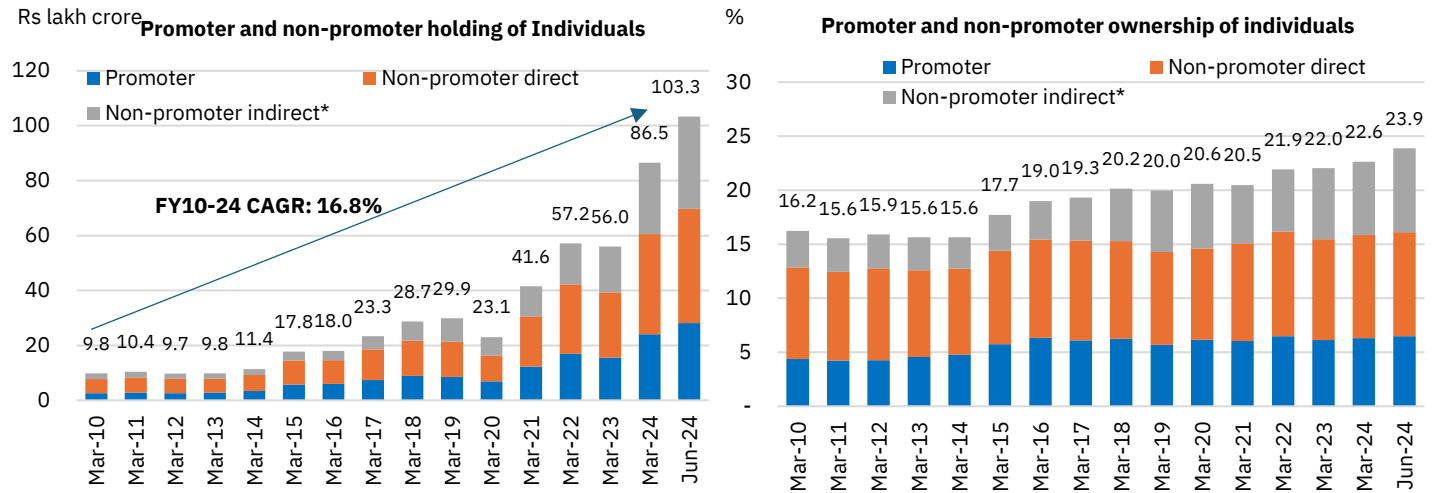
Figure 27: Annual trend of new investor account additions with depositories


Individuals own nearly a quarter of India's market cap as promoters and non-promoters:

As of June 30th, 2024, Individuals as promoters held 6.5% of India's market capitalisation, or Rs 28 lakh crore in value terms, up 16.6% on a QoQ basis. This was nearly 4.7% in March 2019, registering a CAGR of 17.1% between March 2010 and March 2024. This was higher than an annualised increase of 14.1% in total market capitalisation of NSE listed companies during this period. As non-promoters, Individuals either are direct owners or indirect owners via mutual funds of the Indian equity markets. Both direct and indirect ownership of individual investors has seen a significant growth over the last several years. Directly, individuals owned 9.6% of the total market capitalisation, or Rs 41.6 lakh crore as of June 30th, 2024, up 14.3% QoQ and registering a CAGR of 15.1% between March 2010 and March 2024. As indirect participants, about 84.3% of the total equity AUM of mutual funds is by individuals, up from 76% in the previous quarter, taking the indirect non-promoter ownership of the market to 7.8%, or Rs 33.5 lakh crore in the June quarter, up from 2.9% about a decade ago (March 2014).

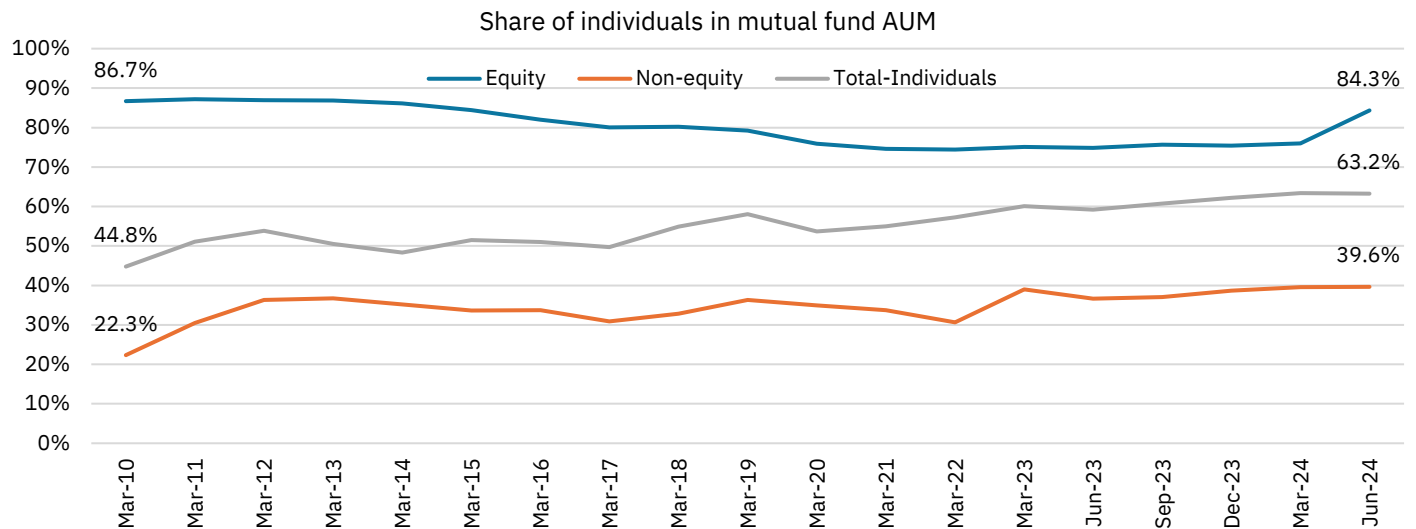
Adding direct ownership as promoters and non-promoters and indirect ownership via mutual funds, individuals now own about 24% or Rs 103 lakh crore of India's market capitalization as of June 2024, up from about 20% in March 2019, and 15.6% over a decade ago (March 2014). Net-net, the equity wealth of individuals has seen an annualised growth of about 17% between March 2010 and March 2024. While a part of this is attributed to an influx of new investors in the market, this also reflects the sustained performance generated by Indian equity markets during this period.

Figure 28: Promoter and non-promoter holding of individuals in equity markets in value terms **Figure 29: Promoter and non-promoter ownership of individuals in equity markets**



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

Figure 30: Share of individuals in mutual fund AUM



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

Sector-wise ownership of the NSE-listed universe (June 2024): The sector-wise ownership pattern of the NSE-listed universe across key stakeholders in the quarter gone (Apr-Jun'24) shows that the Real Estate sector continues to lead in terms of promoter ownership at 64.1% (-107bps QoQ), followed by Utilities at 58.5% (+46bps QoQ), Materials at 57.0% (+49bps QoQ), Industrials at 56.4% (+196bps QoQ), Information Technology at 53.9% (-46bps QoQ) and Energy at 52.4% (-3bps QoQ). Among the remaining sectors, the largest increase in promoter ownership was recorded in Consumer Staples (+82bps to a six-quarter high of 51.8%) on the back of increased private Indian

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

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

promoter share, while that in Communication Services fell by a steep 1.8pp to a 25-quarter low of 52.1%.

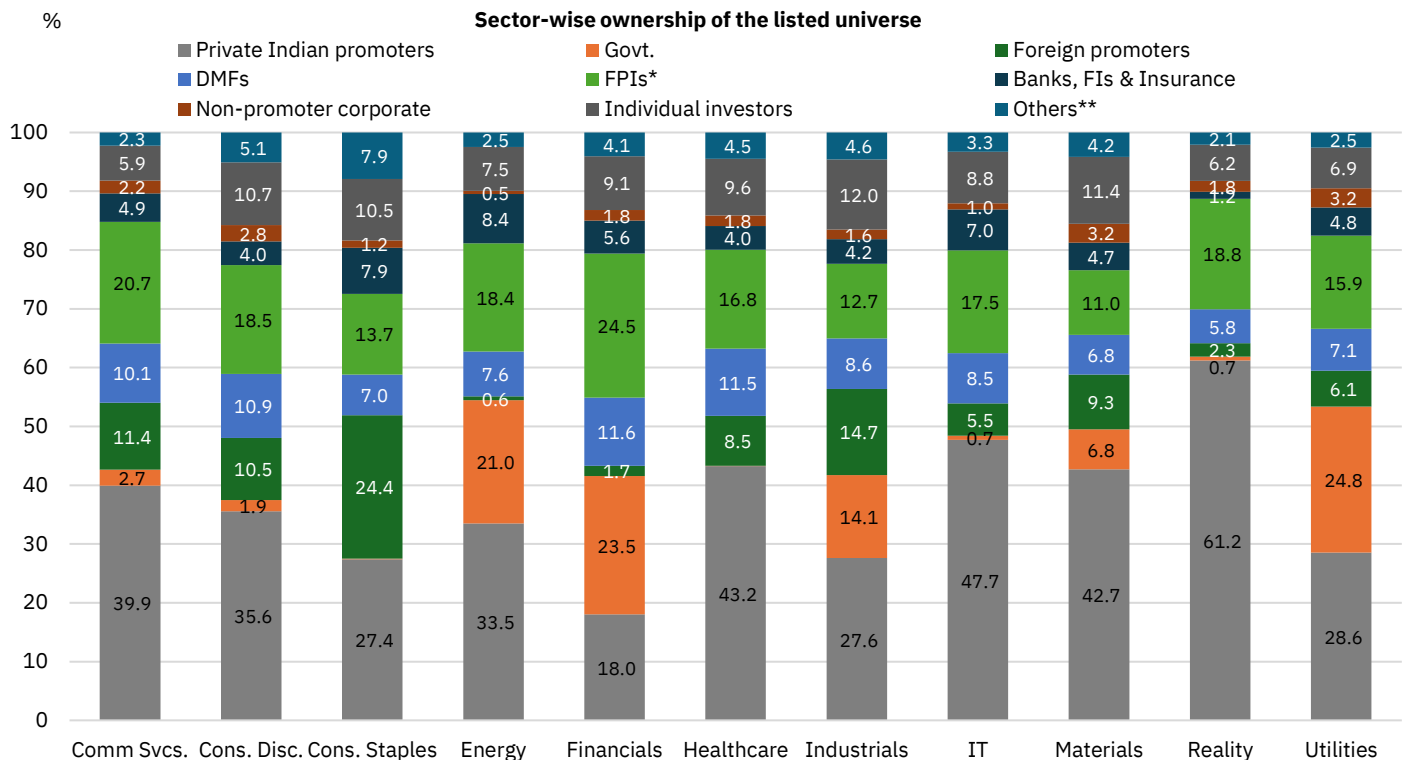
Utilities remained the sector with the highest Government ownership for the sixth quarter in a row with a 36bps QoQ increase to 24.8%. This was followed by Financials, where Government share fell by 29bps QoQ (+6.7pp in the previous three quarters) to 23.5%. Likewise, the Energy sector also saw a dip in Government by 51bps to 21% from an 18-quarter high of 21.5% in the previous quarter. Among other sectors, Industrials saw a steep 2.5pp QoQ increase in Government ownership to over 11-year high of 14.1%.

The distribution of DMFs' shares remained relatively uniform across sectors. Financials overtook Healthcare to regain the top spot in terms of DMFs' share in the June quarter, thanks to higher allocation to the sector (+51bps QoQ to 11.6%—the highest since the beginning of the analysis (2001)), while Healthcare saw the share of DMFs rising by a lower 28bps QoQ to fresh all-time high of 11.5%. In fact, all sectors barring Industrials and Materials saw an increase in DMFs' share in the quarter gone by, led by Information Technology (+64bps QoQ to all-time high of 8.5%). Notably, six out of 11 GICS sectors within the NSE listed universe witnessed DMFs' share rising to record high level in the June quarter.

After seeing a significant drop in the March quarter, Financials recorded a modest 14bps increase in FPI share to 24.5% in the June quarter, which also remained the sector with the highest FPI ownership. Other sectors that saw an increase in FPI share in the June quarter included Real Estate (+88bps QoQ to a 13-quarter high of 18.8%), Communication Services (+48bps QoQ to a 11-quarter high of 20.7%) and Consumer Discretionary (+18bps QoQ to 18.5%). Sectors that witnessed the highest QoQ drop in FPI share in the June quarter included Information Technology (-68bps QoQ to a two-year low of 17.5%) and Industrials (-67bps QoQ to 12.7%).

Sector-wise, FPI share is the highest in Financials at 24.5%, followed by Communication Services at 20.7%.

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



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

Sector allocation in the NSE-listed universe for key stakeholders (June 2024): The table below shows sector allocation for key shareholder categories in all NSE-listed companies as of June 2024. Government ownership remained concentrated in Financials, Energy, Utilities, and Industrials, with these sectors accounting for ~90% of the Government holding in the NSE listed space. Consumer sector—Discretionary and Staples—accounted for 36.0% of the exposure of foreign promoters to the NSE listed space, even if the exposure has fallen for the fifth quarter in a row (-3.2pp QoQ and -8.6pp in the last five quarters) and is currently hovering at over 12-year low levels. This is followed by Industrials at 24.8% (+3.1pp QoQ) and Materials at 12.7% (+1.2pp QoQ). In fact, Industrials overtook Consumer Discretionary to become the sector with the highest allocation of value held by foreign promoters in the NSE listed companies for the first time in 13 years.

Except for an outsized exposure to Financials, DMF portfolio continued to remain more diversified as compared to FPIs. In fact, both DMFs and FPIs saw their allocation to Financials dropping for the fourth quarter in a row. Among other sectors, Industrials saw the allocation of both FPIs and DMFs rising in the June quarter, while the Energy sector saw a drop.

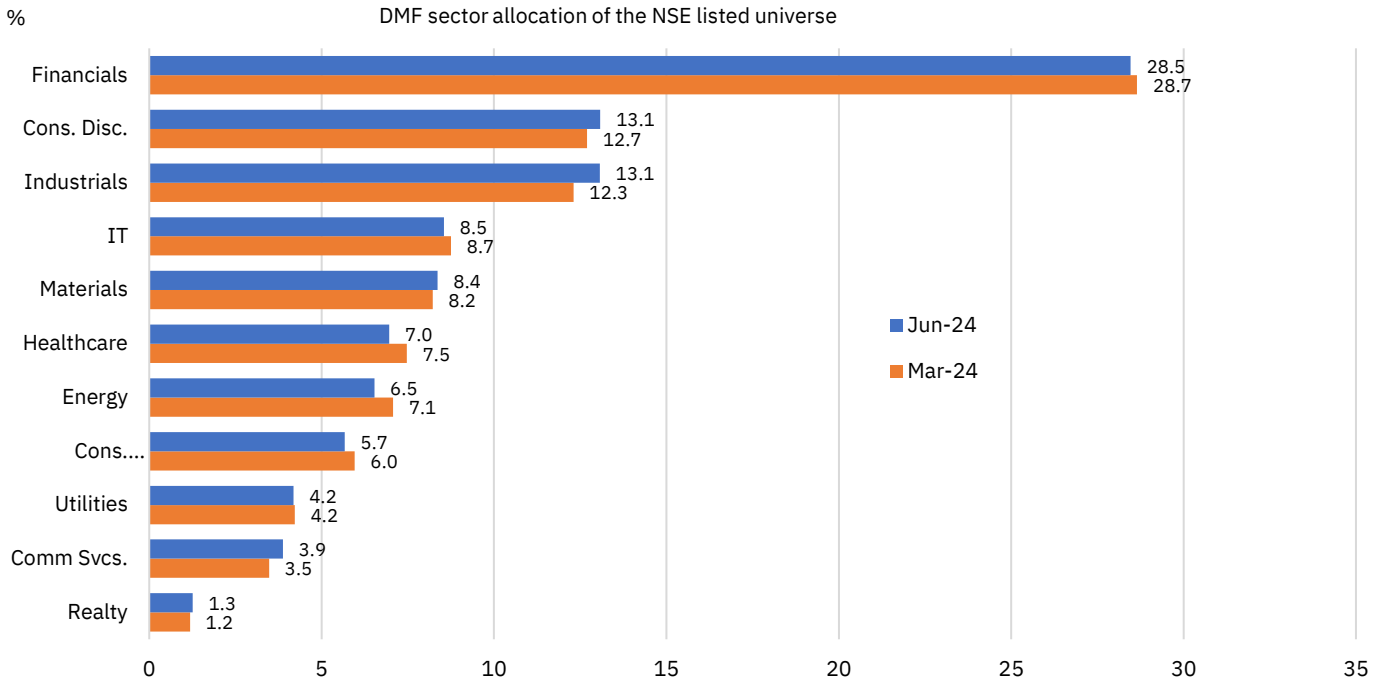
Both DMFs and FPIs saw their portfolio allocation to Financials decreasing yet again in Q1FY25.

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

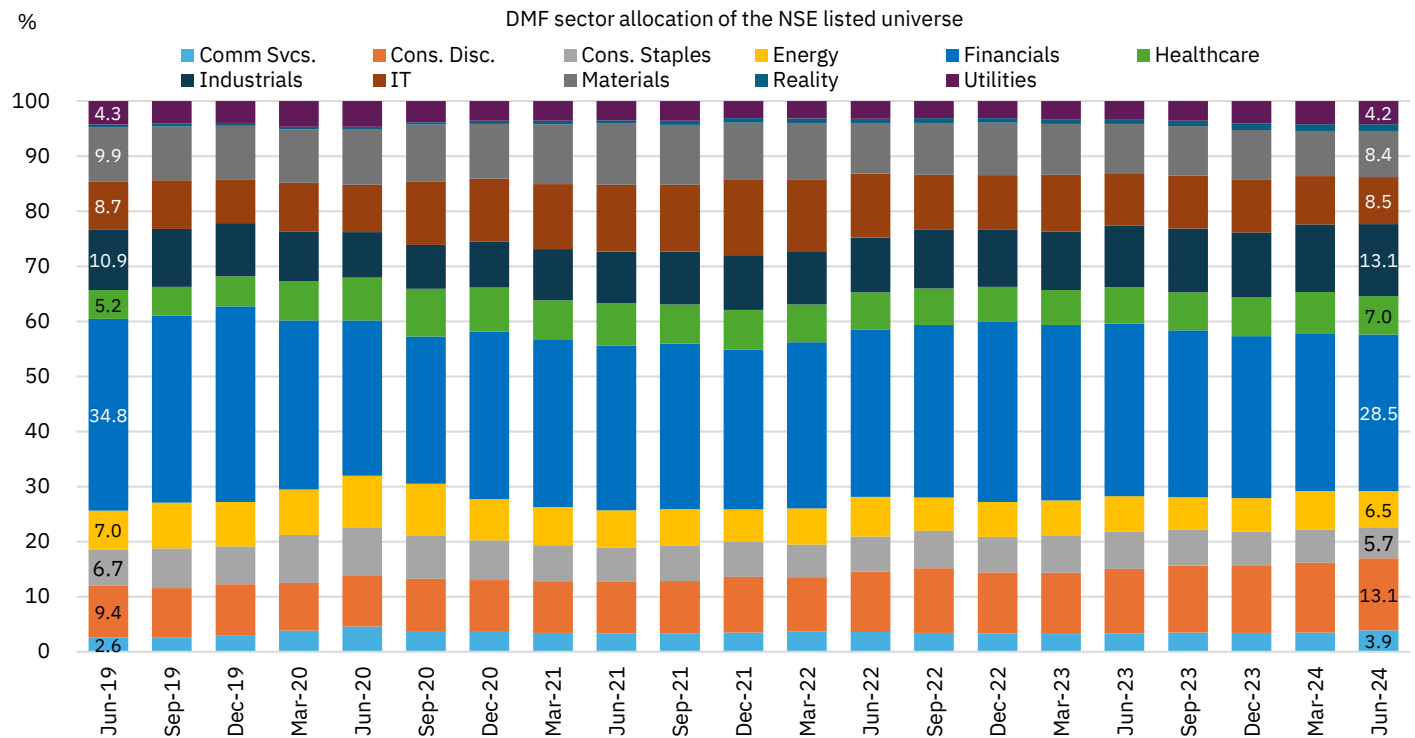
%	Pvt. Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs, Insurance	Non-promoter corporate	Individuals
Communication Services	4.3	0.8	4.8	3.9	4.1	3.2	4.0	2.2
Consumer Discretionary	12.1	1.9	14.0	13.1	11.6	8.2	15.9	12.2
Consumer Staples	6.4	0.1	22.1	5.7	5.8	10.9	4.7	8.2
Energy	8.1	14.4	0.6	6.5	8.2	12.2	2.2	6.1
Financials	12.6	46.4	4.7	28.5	31.5	23.5	21.3	21.4
Health Care	7.5	0.0	5.7	7.0	5.3	4.2	5.3	5.6
Industrials	11.9	17.2	24.8	13.1	10.1	10.8	11.8	17.4
Information Technology	13.5	0.6	6.1	8.5	9.1	11.9	4.9	8.4
Materials	15.0	6.7	12.7	8.4	7.1	9.9	18.9	13.4
Real Estate	3.8	0.1	0.6	1.3	2.1	0.5	1.9	1.3
Utilities	4.8	11.7	4.0	4.2	4.9	4.8	9.1	3.9
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

DMFs increased their allocation to Industrials and Consumer Discretionary at the expense of Energy and Healthcare: DMFs' exposure to Financials dipped for the sixth quarter in a row by 19bps QoQ to a 15-quarter low of 28.5%, translating into a total decline of 2.9pp in the last one year. Among other sectors, DMFs increased their allocation to Industrials for the sixth consecutive quarter by 77bps QoQ to a 25-quarter high of 13.1%, followed by 40bps increase in allocation to Communication Services to a four-year high of 3.9% and 38bps QoQ increase in Consumer Discretionary to fresh all-time high of 13.1%. This came at the expense of reduced exposure to Energy (-54bps QoQ to 6.5%), Healthcare (-51bps QoQ to 7%) and Consumer Staples (-29bps QoQ to a 30-quarter low of 5.7%). DMFs' exposure to Materials, Real Estate, and Utilities remained broadly unchanged.

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


Source: CMIE Prowess, NSE EPR.

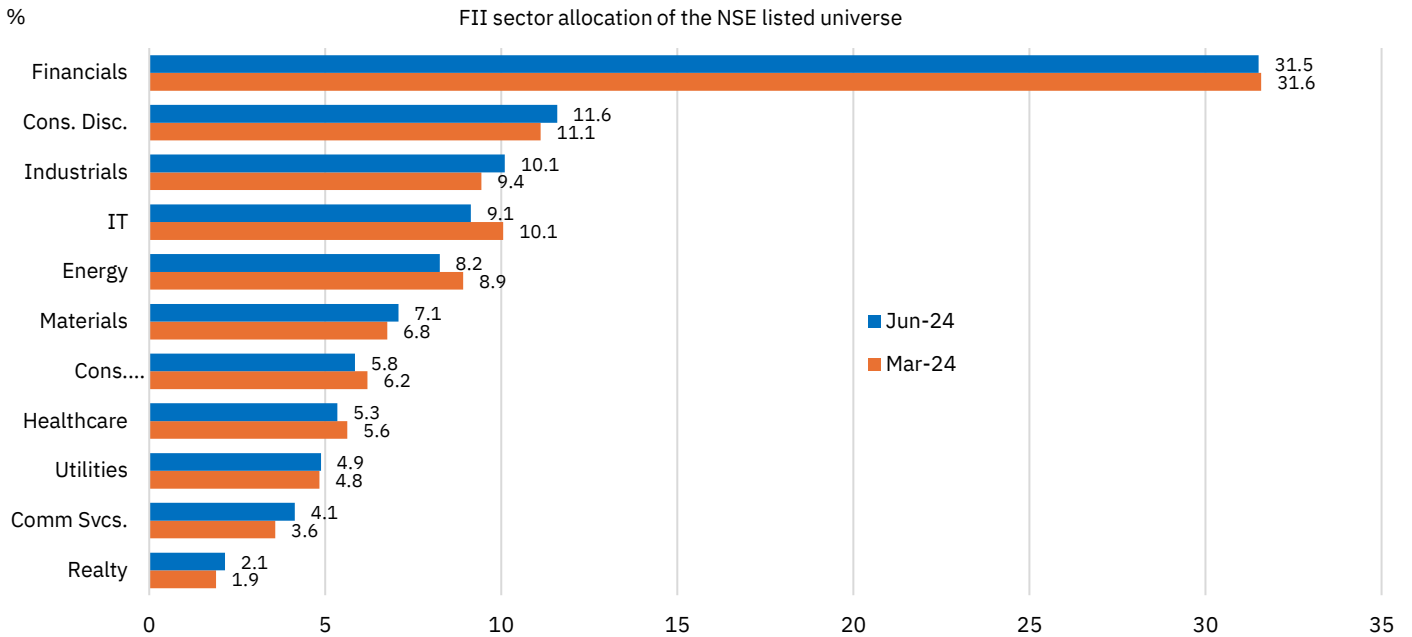
Figure 33: DMF sector allocation of the NSE-listed universe over last five years


Source: CMIE Prowess, NSE EPR.

FPIs also increased their allocation to Industrials and Consumer Discretionary: In line with DMFs, FPIs also experienced a marginal drop in the allocation to Financials to a near decadal-low of 31.5%, albeit much lower than the 55bps QoQ drop in the sector's share in the total market capitalisation of NSE listed companies. This marked the fourth consecutive quarter of a decline in FPI allocation to the sector, translating into a total drop in allocation of 4.9pp during this period. Among other sectors, FPIs also increased their

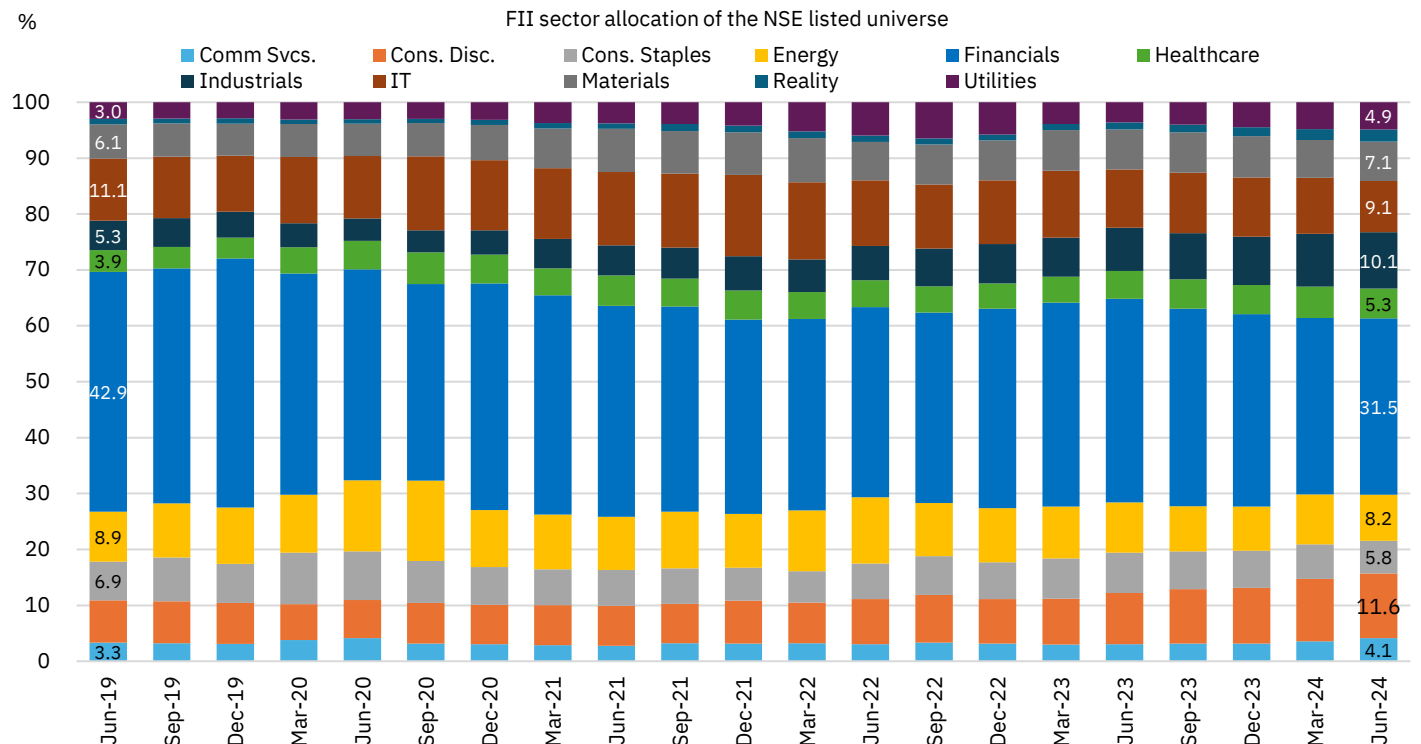
portfolio allocation to Industrials to a 14-year high of 10.1%, and 55bps and 47bps QoQ in Communication Services and Consumer Discretionary to 26-quarter high of 4.1% and 11.6% respectively. Materials and Real Estate also saw their share in FPIs' aggregate portfolio rising marginally on a sequential basis, partly attributed to increase in their respective share in total market cap of NSE listed companies. This increase came at the expense of reduced allocation to Information Technology (-92bps QoQ to a 26-quarter low of 9.1%), Energy (-67bps QoQ to 8.2%) and Consumer Staples (-36bps QoQ to 5.8%).

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



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

Figure 35: FPI sector allocation of the NSE-listed universe over last five years



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

Nifty 50 ownership trends

Ownership pattern of the Nifty 50 universe (June 2024)

Promoter stake in the Nifty 50 universe decreased after four quarters: Unlike the broader listed universe, promoter stake in the Nifty 50 companies fell by 54bps QoQ to 42.3% in the June quarter, marking the first drop in six quarters. This was primarily driven by a fall in the private promoter ownership by a similar quantum, declining to a 17-quarter low of 29.3%. The foreign promoter ownership dropped for the fourth consecutive quarter by 13bps QoQ to a nine-quarter low of 6.2%, defying the trend seen in the overall listed universe, primarily led by a drop in Consumer Discretionary. The government promoter ownership, on the other hand, rose by a modest 12bps QoQ to an 18-quarter high of 7.1% in the June quarter, aided by continued outperformance of the PSU stocks compared to the broader index.

Institutional ownership rose sharply in the June quarter: After dropping over the previous quarters, institutional share in the Nifty 50 universe rose by 78bps QoQ to 46.3% in the quarter ending June 2024, almost entirely reversing the drop seen in the previous quarter. This was on account of a significant increase in DMF ownership by 57bps QoQ—the highest sequential increase in the last 22 quarters—to fresh all-time high of 11.1%. This corroborates with strong net investments by DMFs into Indian equities, amounting to Rs 1.3 lakh crore in the last quarter, supported by robust SIP inflows. Unlike the broader listed universe, FPI holding in the Nifty50 companies inched up by a modest 15bps QoQ to 24.5%, even as it remained ~4% pp lower than the levels witnessed in the pre-covid period in December 2019. In value terms, amount held by FPIs in Nifty50 companies rose by 7.5% QoQ to Rs 46.8 lakh crore, similar to the rise seen in the aggregate market capitalisation of this universe. Banks, Financial Institutions and Insurance share remained broadly steady at 8.1% and has been hovering around these levels for over two years now.

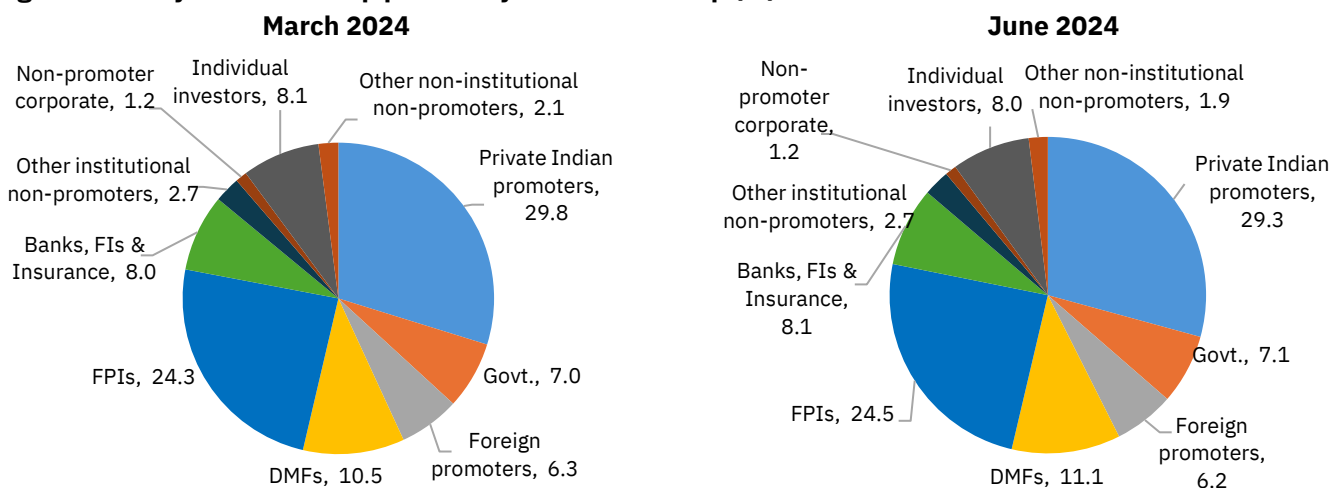
Individual investors' ownership fell to a 14-quarter low in Nifty 50 companies: Unlike the broader listed universe, ownership of individual investors fell for the third quarter in a row by 8bps QoQ to a 14-quarter low of 8%. That said, individuals' non-promoter direct ownership in Nifty50 companies has remained in the 8-8.5% range for over four years now. In value terms, individuals' holding rose by 5.7% QoQ to Rs 15.3 lakh crore, echoing the renewed net investments into equities in the quarter gone by.

Promoters' share in the Nifty 50 fell by 54bps QoQ to 42.3% in the June quarter, due to dip in private promoter stake.

DMF ownership levels rose by 57bps QoQ to fresh all-time high of 11.1% in the June quarter, benefiting from steady SIP inflows.

FPIs also saw the ownership levels rise by 15bps QoQ to 24.5% in the Nifty 50 companies.

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



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

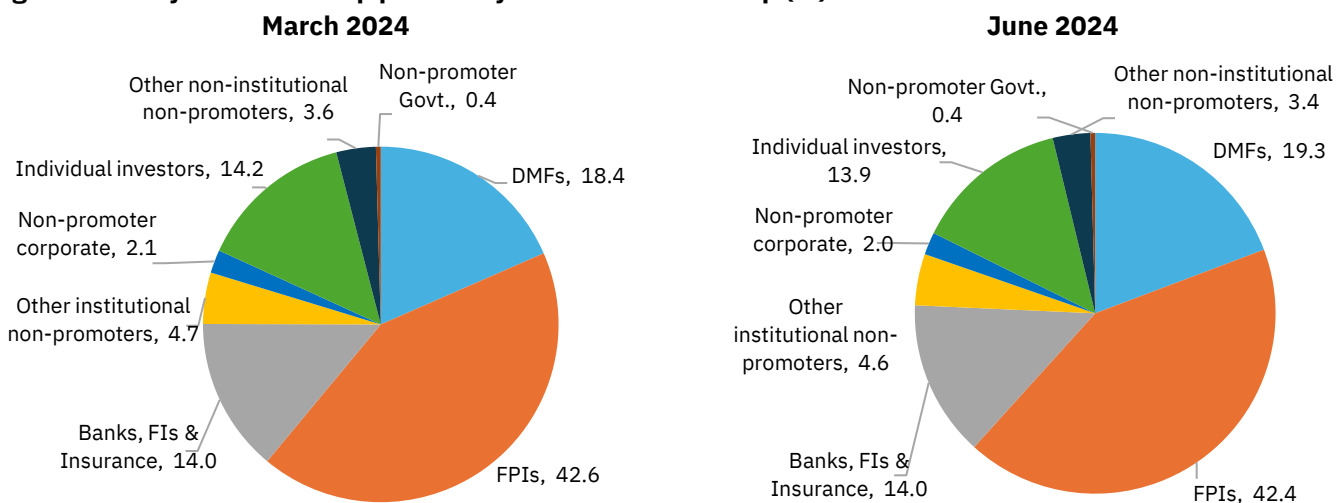
Table 7: Nifty 50: Ownership trend across key stakeholders by total market cap over the last three years

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual investors	Others*
Sep-21	32.2	5.2	6.4	8.1	5.9	26.5	2.6	8.1	5.0
Dec-21	32.4	5.1	6.1	8.5	5.9	25.9	2.6	8.3	5.2
Mar-22	32.5	5.1	5.7	8.9	6.1	25.4	2.6	8.5	5.2
Jun-22	31.3	5.3	6.5	9.4	6.5	24.8	2.7	8.6	4.9
Sep-22	31.2	5.3	6.8	9.3	8.0	25.2	1.7	8.3	4.2
Dec-22	30.9	5.5	6.4	9.5	8.0	25.7	1.2	8.1	4.6
Mar-23	29.8	5.6	6.6	9.9	8.2	25.6	1.2	8.3	4.8
Jun-23	29.9	5.5	6.6	9.7	8.1	25.7	1.3	8.2	5.0
Sep-23	29.4	6.0	6.5	10.1	8.1	25.2	1.3	8.3	5.0
Dec-23	29.4	6.3	6.5	10.2	8.0	25.1	1.3	8.2	5.0
Mar-24	29.8	7.0	6.3	10.5	8.0	24.3	1.2	8.1	4.7
Jun-24	29.3	7.1	6.2	11.1	8.1	24.5	1.2	8.0	4.6
QoQ change	-54bps	12bps	-13bps	57bps	7bps	15bps	-4bps	-8bps	-12bps

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

DMFs share in the Nifty50 floating stock rose at the expense of all other non-promoter investor categories:

In terms of the floating stock, DMF ownership in Nifty 50 companies rose sharply by 81bps to a fresh all-time high of 19.3% in the June quarter, up 5.3pp from the post-pandemic low of 13.8% in March 2021. This came at the expense of reduced ownership of FPIs, individuals and other non-institutional non-promoter shareholders during the quarter. FPI ownership in the Nifty50 floating stock fell for the second quarter in a row by 14bps QoQ to a near 13-year low of 42.4%. The share of Banks, Financial Institutions, and Insurance companies remained fairly steady at 14% in the June quarter, hovering in a tight range of 14+/- 10 bps over the last eight quarters. Overall institutional ownership also reached an all-time high of 80.3% in the floating stock, rising by 60 bps in the last quarter. Individual investors' share also fell by 22bps QoQ to an 18-quarter low of 13.9% in the last quarter, down 1.2pp from the post pandemic high of 15% in Jun-22.

Figure 37: Nifty 50: Ownership pattern by free float market cap (%)


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

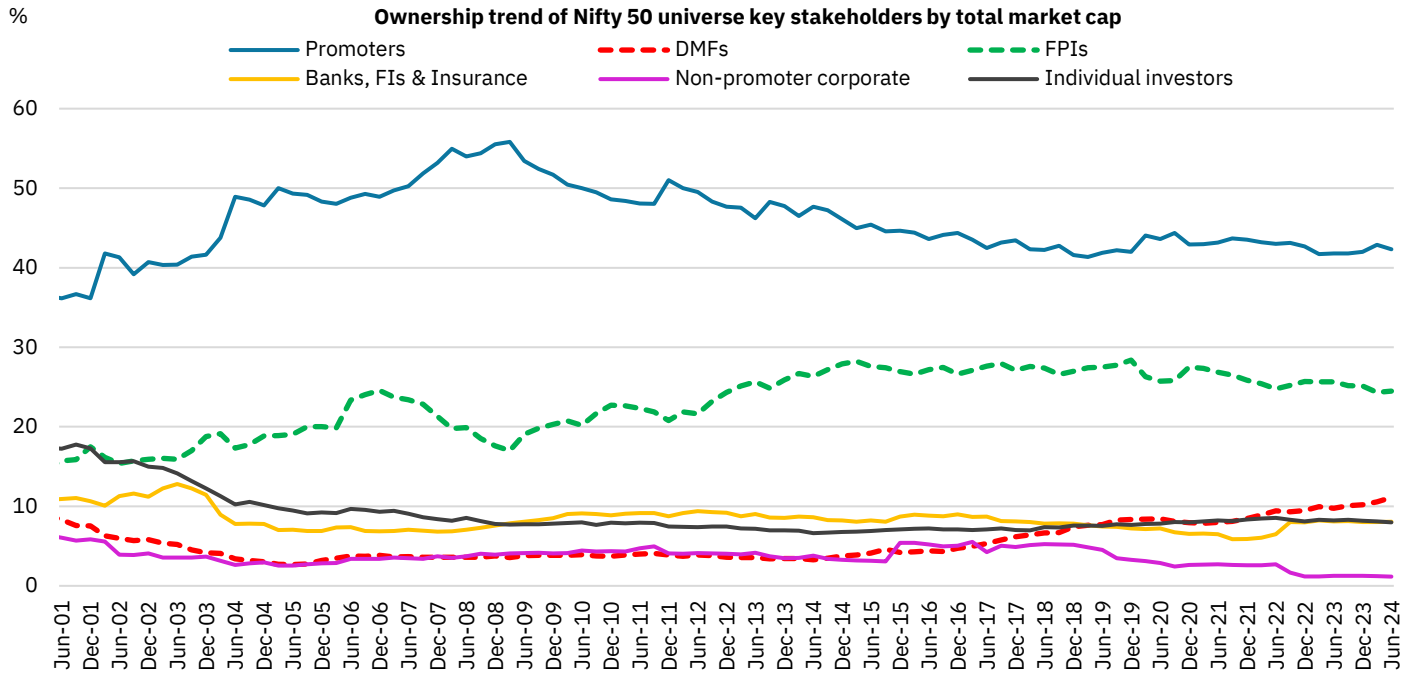
Table 8: Nifty 50: Ownership trend across key stakeholders by free float market cap over last the three years

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investors	Others**
Sep-21	14.4	10.4	47.0	4.6	14.4	9.1
Dec-21	15.0	10.4	45.8	4.6	14.8	9.4
Mar-22	15.7	10.7	44.8	4.6	14.9	9.3
Jun-22	16.5	11.4	43.5	4.8	15.0	8.8
Sep-22	16.4	14.1	44.3	3.0	14.6	7.7
Dec-22	16.5	13.9	44.8	2.1	14.2	8.4
Mar-23	17.1	14.1	44.0	2.0	14.3	8.5
Jun-23	16.7	13.9	44.1	2.2	14.2	8.9
Sep-23	17.3	14.0	43.2	2.2	14.3	9.0
Dec-23	17.6	13.8	43.3	2.2	14.1	8.9
Mar-24	18.4	14.0	42.6	2.1	14.2	8.7
Jun-24	19.3	14.0	42.4	2.0	13.9	8.4
<i>QoQ change</i>	<i>81bps</i>	<i>-1bps</i>	<i>-14bps</i>	<i>-9bps</i>	<i>-28bps</i>	<i>-30bps</i>

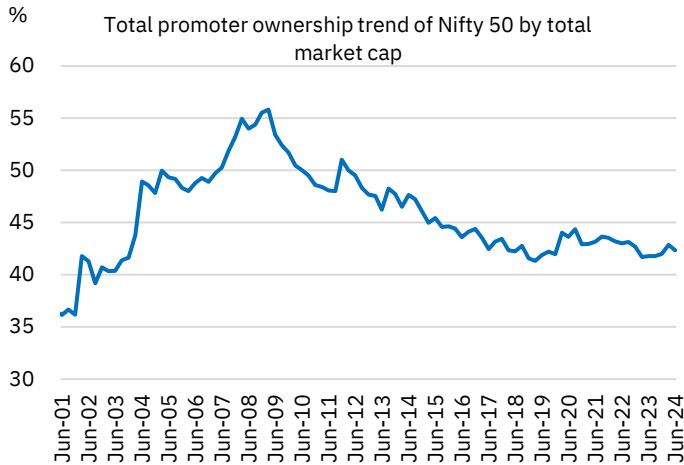
Source: CMIE Prowess, NSE EPR. Note: Ownership across key non-promoter stakeholders is based on free float market cap and add up to 100. *FPI ownership includes ownership through depository receipts held by custodians. ** Others include other institutional non-promoters, other non-institutional non-promoters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

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

The DMF ownership has seen a sharp increase since 2014 barring the drop in 2020 and is currently hovering at the highest level in the last 23+ years. FPI ownership saw a steady increase since the Global Financial crisis until early 2015, reaching the highest level of 28.3% in Mar-15 only to hover around similar levels until Dec-19. Since the onset of the pandemic, FPI share has been gradually falling barring a significant increase in the fourth quarter of 2020. Contrary to the overall NSE-listed universe, individual investors' ownership in the Nifty 50 Index has been steadily rising over the last eight years, barring a modest drop over the last few quarters.

Figure 38: Nifty 50: Long-term ownership trend across key stakeholders by total market cap


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

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


Source: CMIE Prowess, NSE EPR.

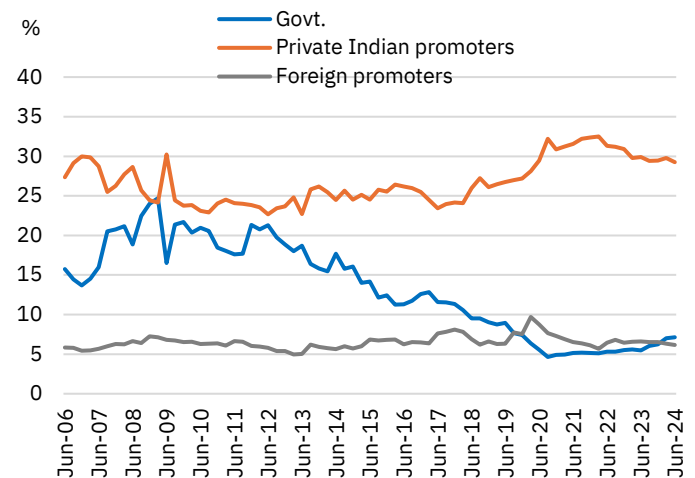
Figure 40: Indian and foreign promoter ownership trend of the Nifty 50 universe by total market cap


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

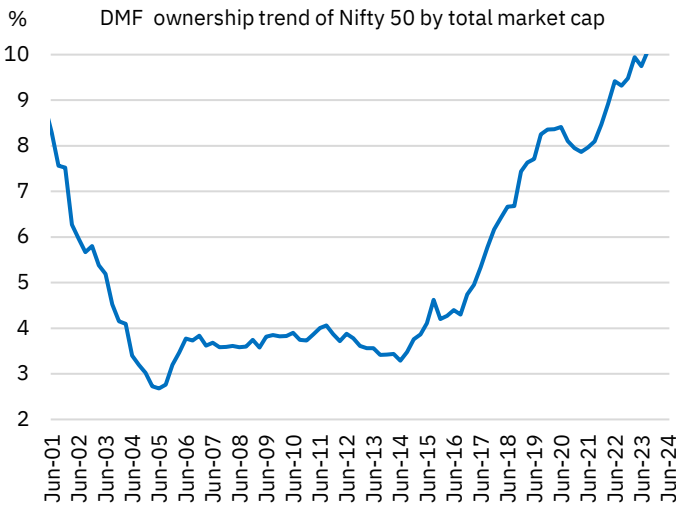
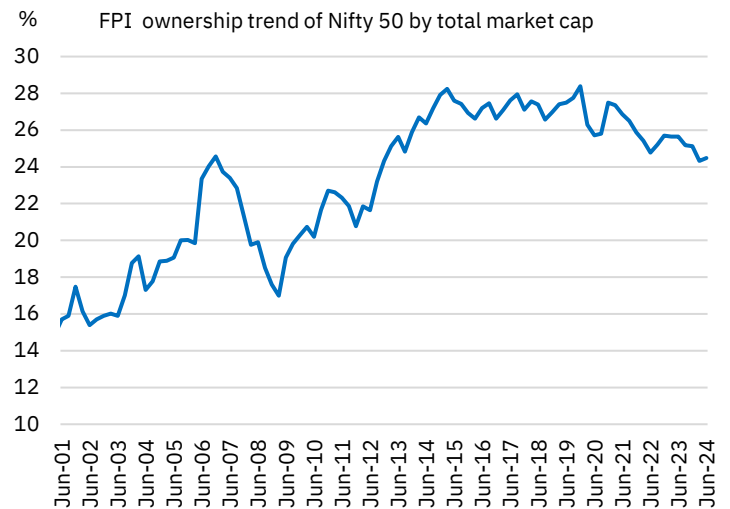


Figure 42: FPI ownership trend of Nifty 50 universe by total market cap



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

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

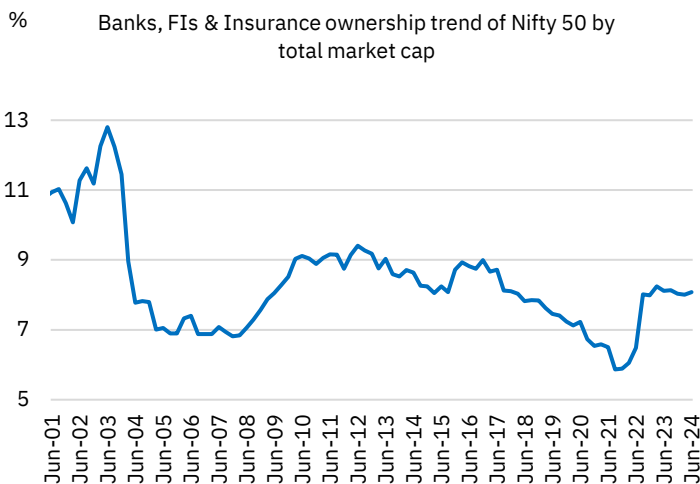
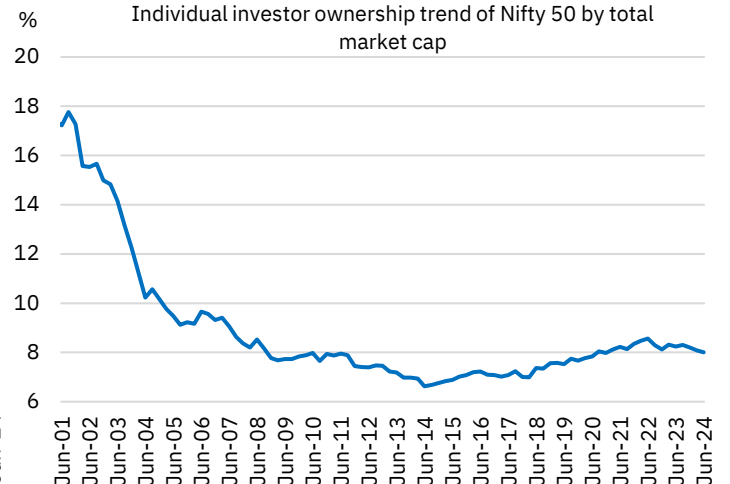
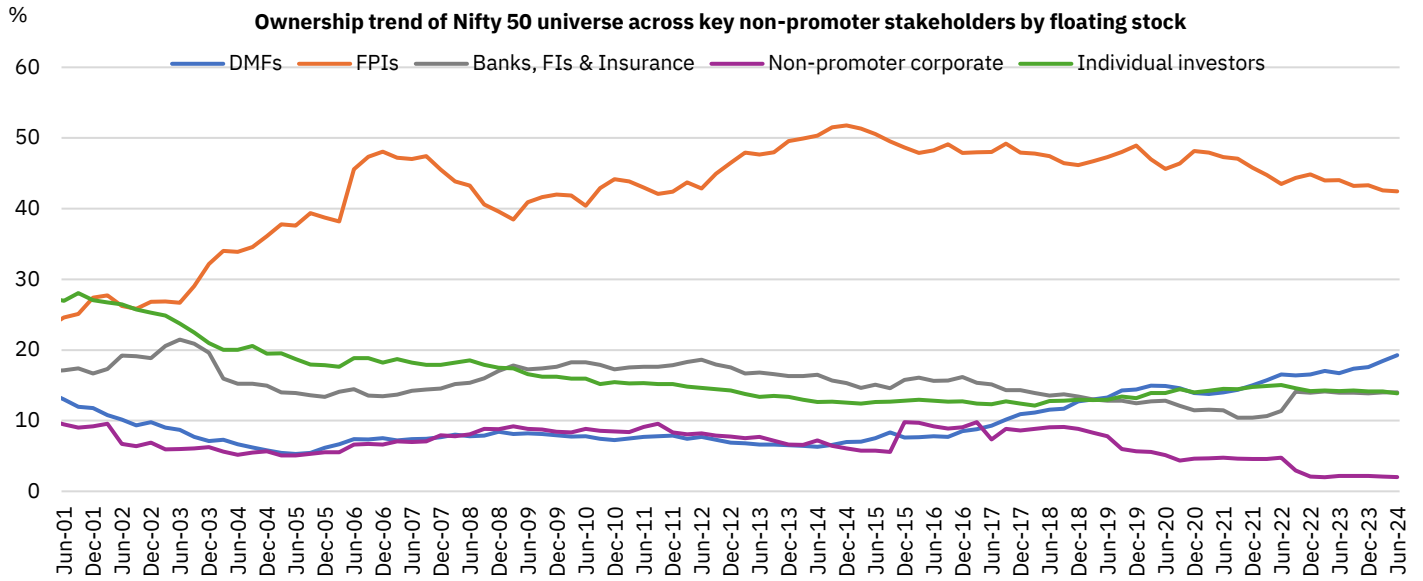


Figure 44: Retail ownership trend of Nifty 50 universe by total market cap

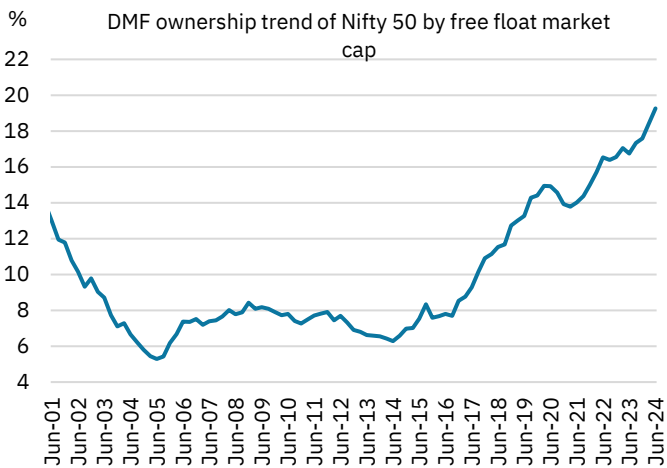
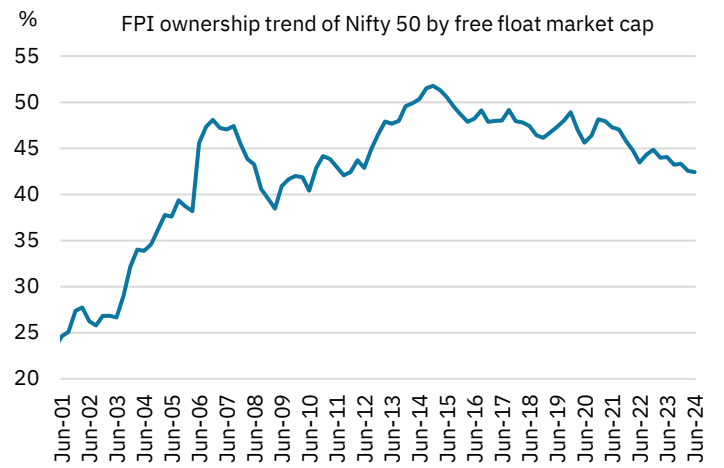


Source: CMIE Prowess, NSE EPR.

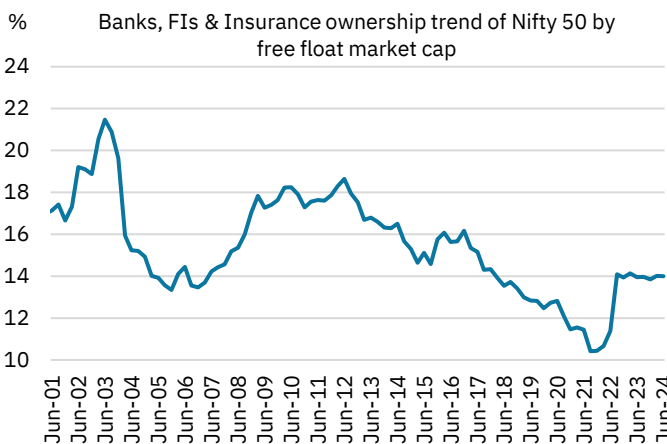
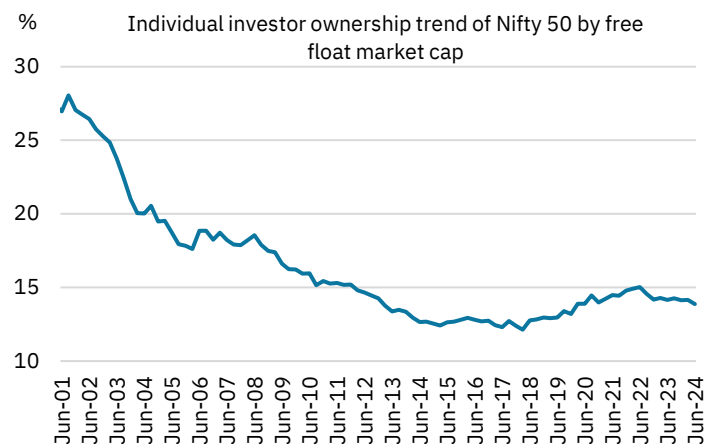
Our long-term ownership analysis on the free float market cap of the Nifty 50 Index also shows that while DMF ownership is currently at the highest ever level of 19.3%, while FPI ownership is nearly 9.4 pp lower than the peak of 51.8% seen in December 2014.

Figure 45: Nifty 50: Long-term ownership trend across key stakeholders by free float market cap


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

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

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


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

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

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


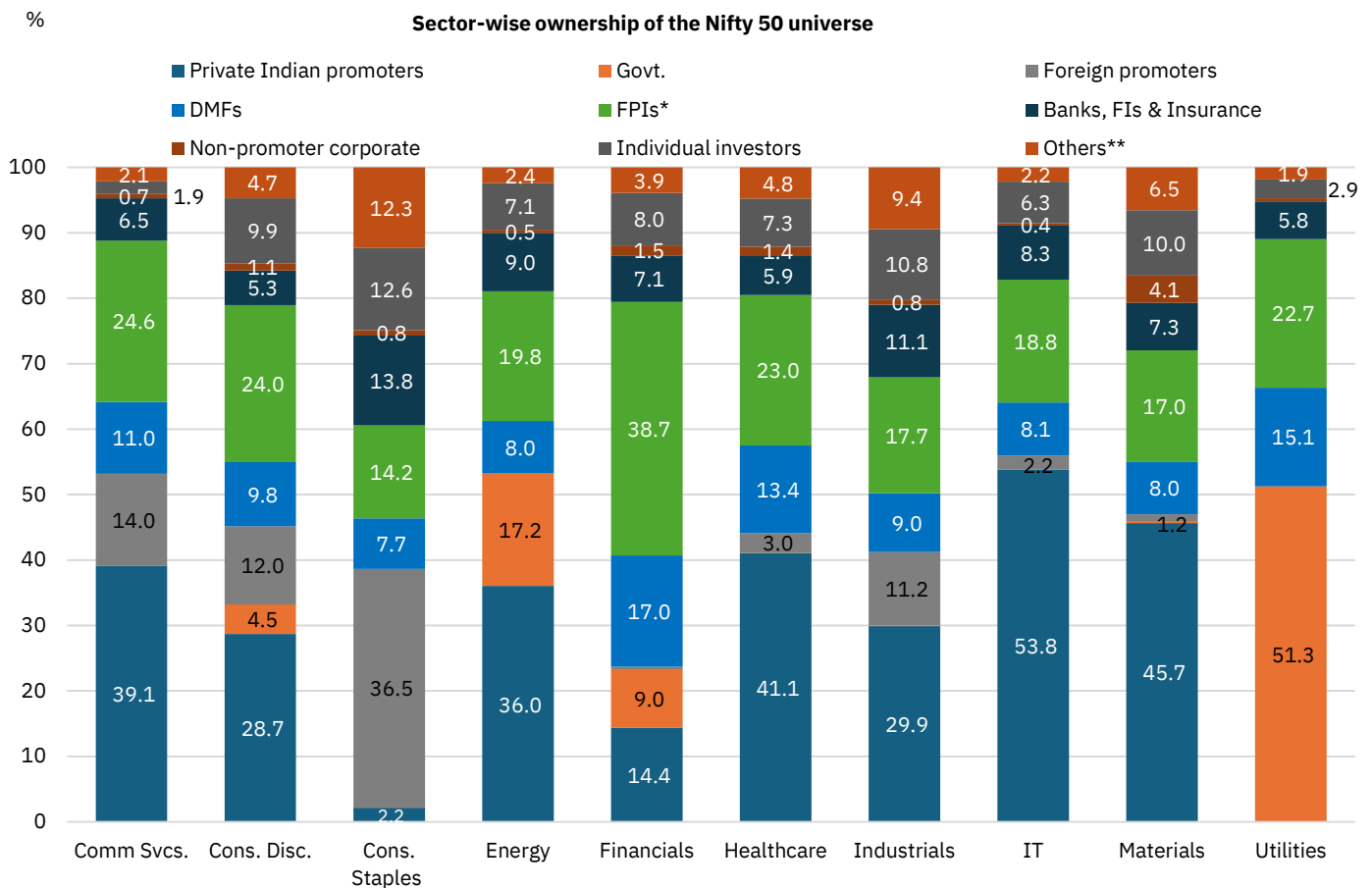
Source: CMIE Prowess, NSE EPR.

Sector-wise ownership of the Nifty 50 universe (June 2024): In the quarter ending June 2024, Information Technology within the Nifty 50 universe had the highest promoter ownership of 56.3%, down 30bps QoQ. This is followed by Communication Services at 53.2% (-30bps QoQ), Energy at 51.9% and Utilities at 51.2%. Utilities remained the top sector in terms of Government share within the Nifty 50 Index at 51.3%, followed by Energy at 17.2% (+10bps QoQ) and Financials at seven-year high of 9% (+12bps QoQ).

Financials cemented its top position in terms of DMF ownership after a 93bps QoQ increase to an all-time high of 17% in the June quarter. Utilities stood second at 15% (+21bps QoQ), followed by Healthcare at 13.4% (+56bps QoQ), Communication Services at 11% (-4bps QoQ) and Consumer Discretionary at 9.8% (+55bps QoQ).

After witnessing a fall in the previous quarter, the share of FPIs in aggregate market cap of Financials within the Nifty 50 universe rose by 69bps QoQ to 38.7% in the June quarter, remaining the sector with the highest FPI share across all sectors. Communication Services took the second position at 24.6% (+27bps QoQ), taking the FPI share to the highest level since Mar'20. Besides Financials and Communication Services, other sector that saw a significant increase in FPI ownership included Consumer Discretionary (+101bps QoQ to 24%). This came at the expense of Industrials (-165bps QoQ to 17.7%), Consumer Staples (-67bps QoQ to 14.2%) and Information Technology (-64bps QoQ to 18.8%).

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



Source: CMIE Prowess, NSE EPR.

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

Sector allocation of the Nifty 50 universe for key shareholders (June 2024): The table below shows the sector allocation for key stakeholders in Nifty 50 companies as of June 2024. The concentration of Government ownership in Financials, Energy and Utilities sector rose by 1.4pp QoQ to 93.5% in the Nifty 50 universe. For foreign promoters, Consumer sector—Staples and Discretionary, and industrials accounted for 79.2% of the exposure, down 30bps QoQ. Information Technology accounted for the highest 20.9% share in the overall promoter holding in Nifty 50 companies despite an 81bps QoQ drop, followed by Energy at 18.5%, Financials at 14.1% and Consumer Discretionary at 10.4%.

In the case of institutional investors, DMFs had 38.6% of their investments in the Nifty 50 companies towards Financials in the June quarter, rising by 170bps QoQ, higher than DMFs' 28.5% exposure to the sector at the market level (NSE listed companies). FPIs' portfolio allocation to Financials within the Nifty 50 universe also witnessed a sharp increase of 2.1 pp QoQ to 39.9% cementing its top position, while second position was taken up by Energy (+47 bps) followed by Information technology which saw their allocation increase by 1.1pp. Individual investors' portfolio remained relatively more diversified with similar allocation towards Energy, Consumer Discretionary, Consumer Staples and Information technology.

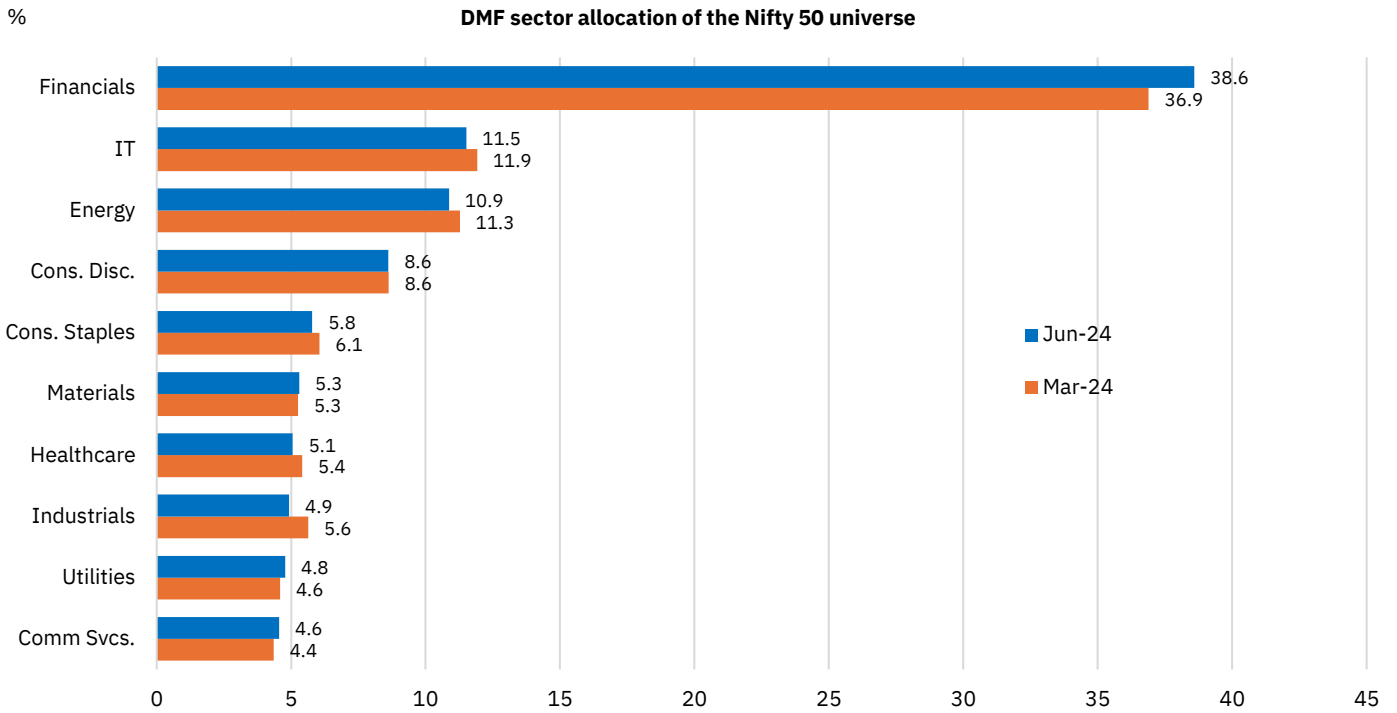
Table 9: Sector allocation of the Nifty 50 universe for key stakeholders (June 2024)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	6.1	0.0	10.4	4.6	4.6	3.7	2.7	1.1
Consumer Discretionary	9.6	6.2	18.9	8.6	9.6	6.4	9.4	12.1
Consumer Staples	0.6	0.0	49.1	5.8	4.8	14.2	5.9	13.1
Energy	18.6	36.4	0.0	10.9	12.2	16.8	6.1	13.4
Financials	12.4	31.7	1.5	38.6	39.9	22.2	33.5	25.3
Health Care	5.9	0.0	2.0	5.1	3.9	3.1	5.2	3.8
Industrials	6.3	0.1	11.1	4.9	4.4	8.4	4.3	8.2
Information Technology	29.1	0.0	5.5	11.5	12.1	16.2	5.5	12.5
Materials	11.4	0.2	1.4	5.3	5.1	6.6	26.1	9.1
Utilities	0.0	25.3	0.0	4.8	3.3	2.5	1.3	1.3
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

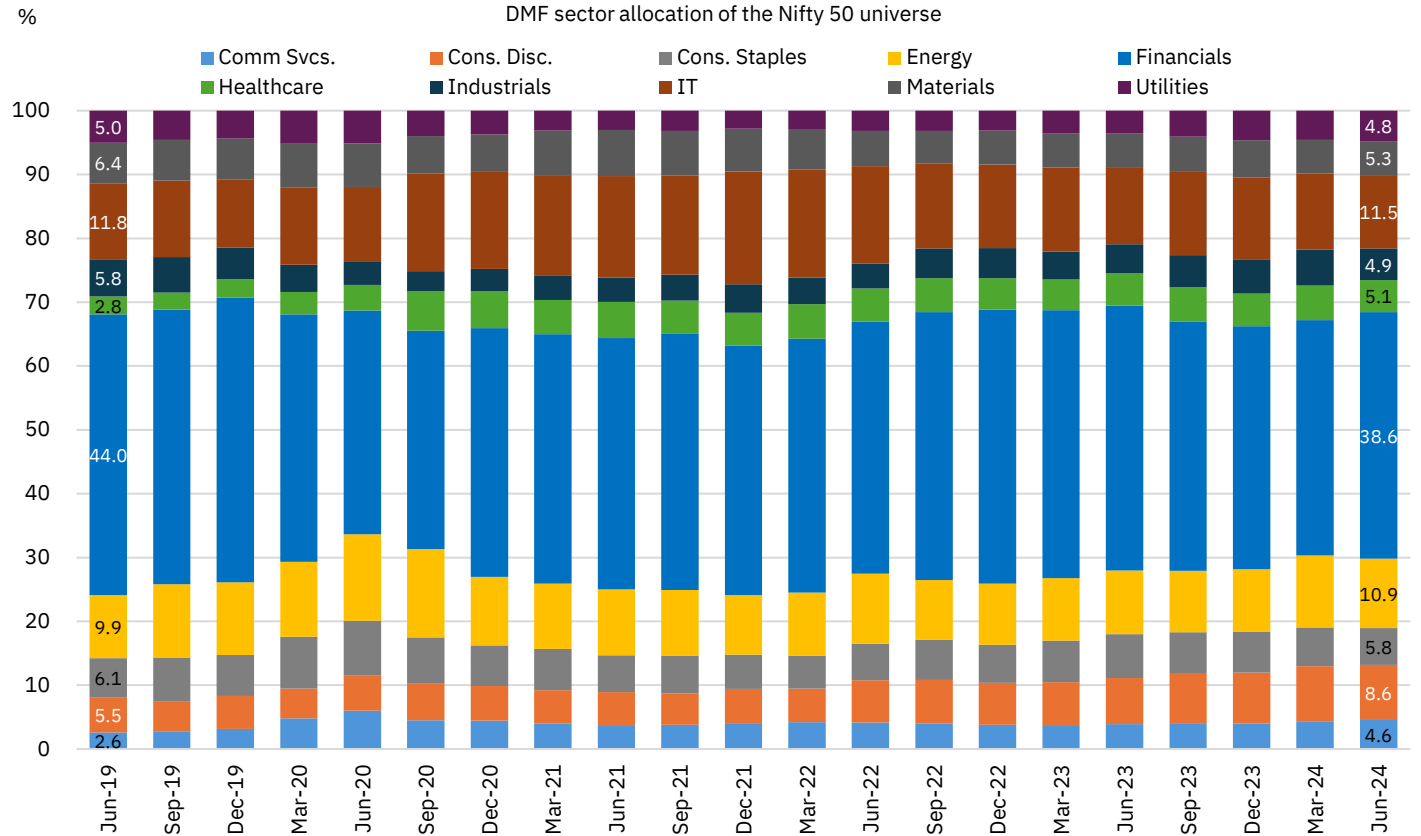
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

DMFs strengthened their outsized bet on Financials: DMFs further increased their exposure to Financials within the Nifty 50 companies in the June quarter. Besides Financials, Utilities is the only sector where DMFs retained an OW position, while turning neutral on Health Care and Communication services sector. In fact, DMFs have consistently maintained their OW stance on Utilities for over seven years now. DMFs' perennial negative view on India's consumption outlook is reflected in their underweight position on Consumer Staples for more than eight years now, and an incrementally cautious stance on Consumer Discretionary amid stretched valuations. Among other sectors, DMFs turned incrementally more bearish on Energy, Materials and Industrials, while retaining a negative view on Information Technology.

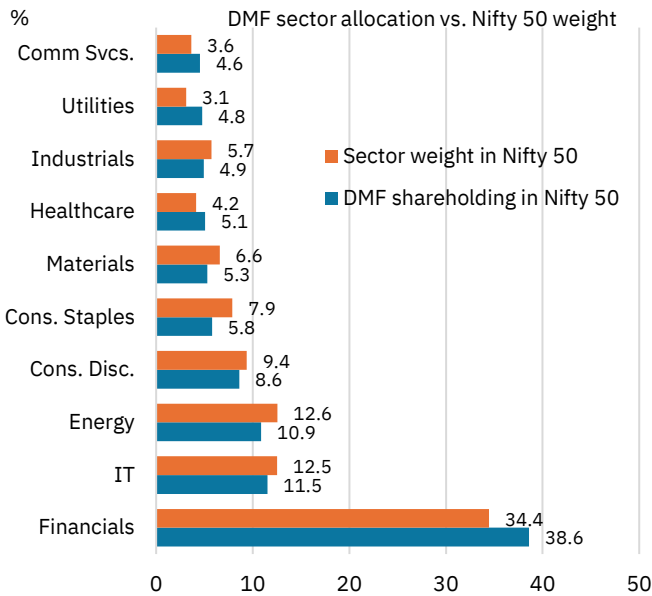
DMFs strengthened their OW stance on Financials, while remaining negative on India's consumption theme, and commodities.

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


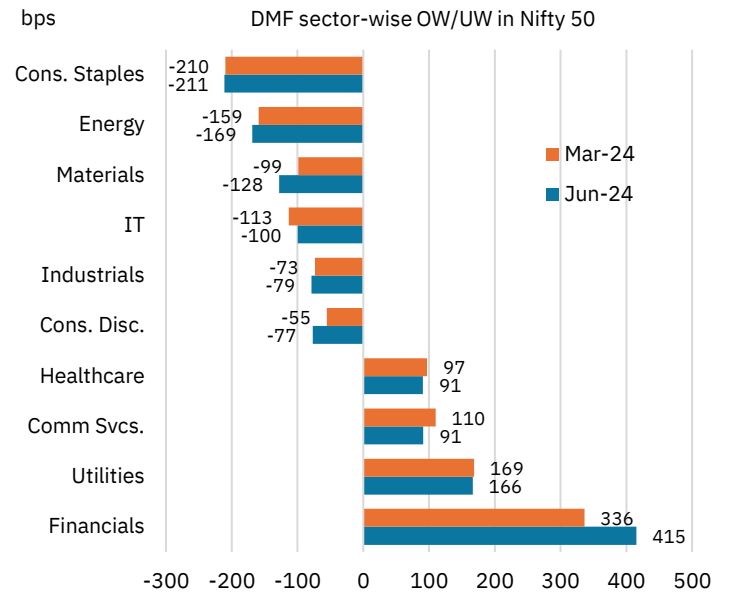
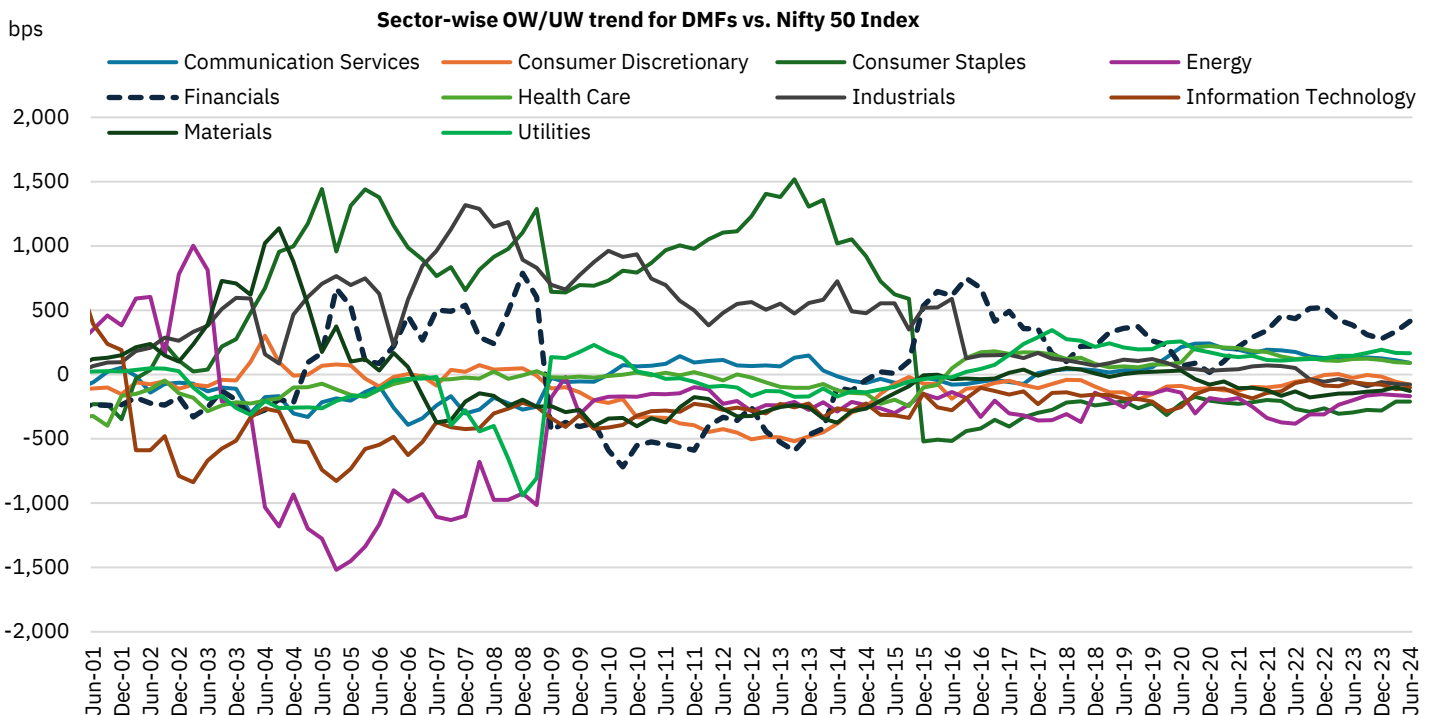
Source: CMIE Prowess, NSE EPR.

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


Source: CMIE Prowess, NSE EPR.

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


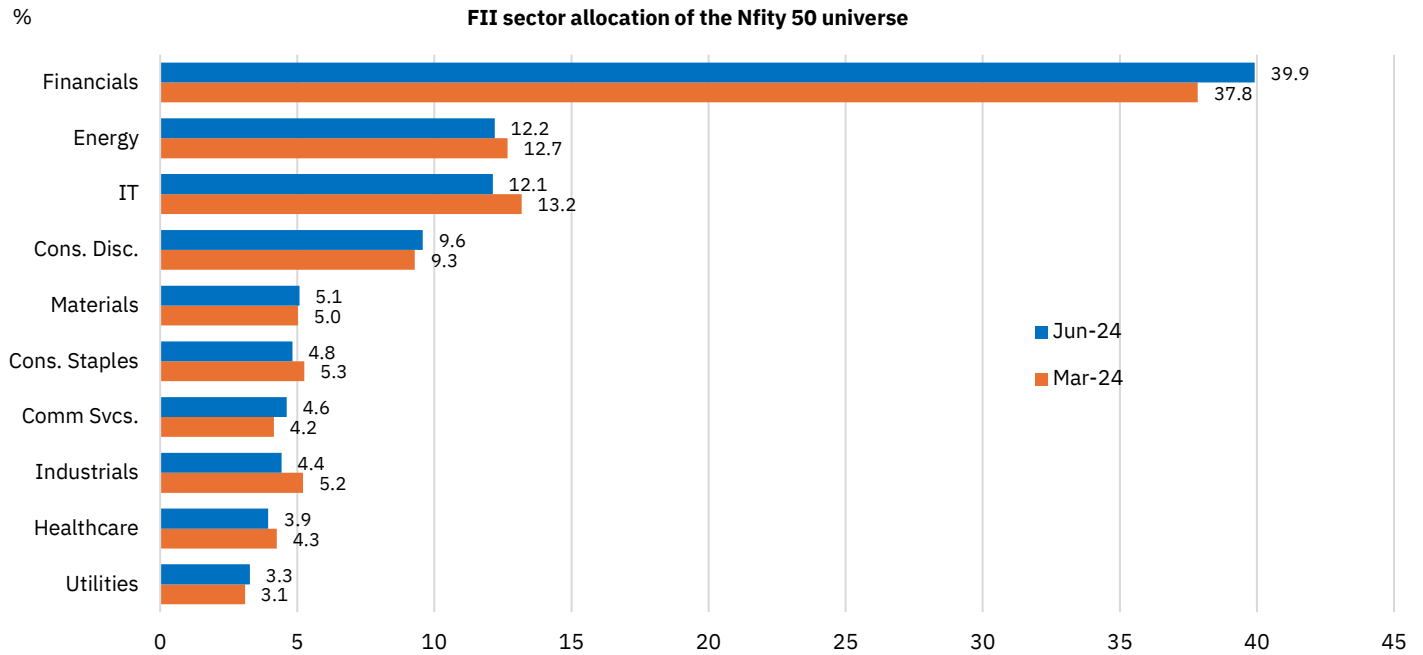
Source: CMIE Prowess, NSE EPR.

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

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


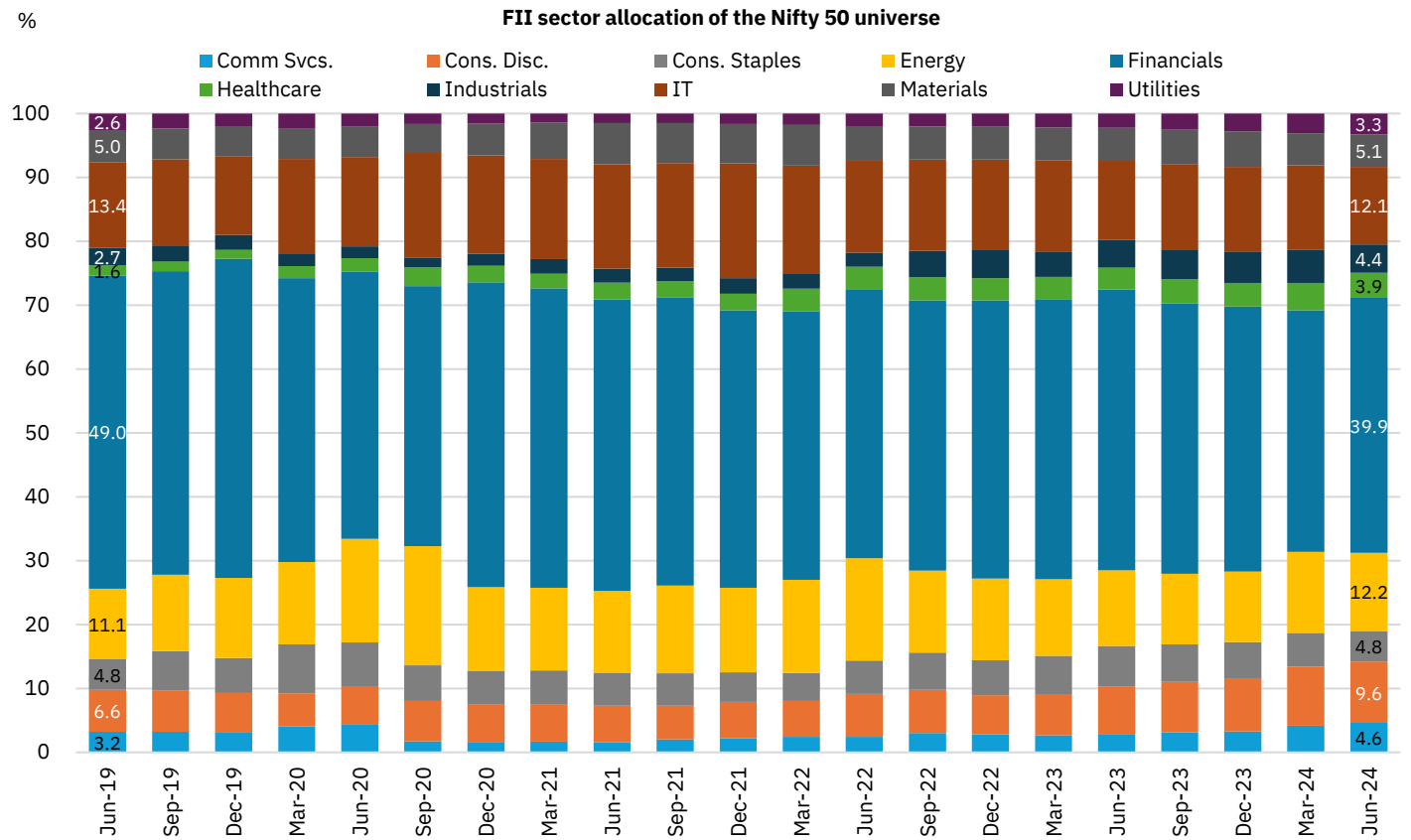
Source: CMIE Prowess, NSE EPR.

FPIs increased their OW position in Financials and strengthened their negative view on Consumer Staples: After a sharp dip in their OW positions in the previous quarter, FPIs significantly strengthened their OW position on Financials in the June quarter. They further increased their negative view on Consumer Staples, Materials, and Industrials. Among other sectors, FPIs retained their neutral position in Consumer Discretionary and Communication Services but with a positive bias while remained negative on Energy, Health Care, and Information Technology.

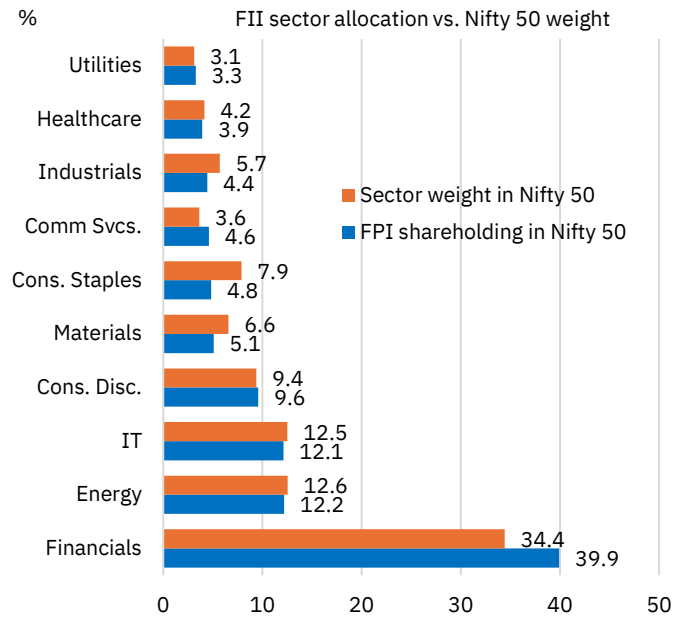
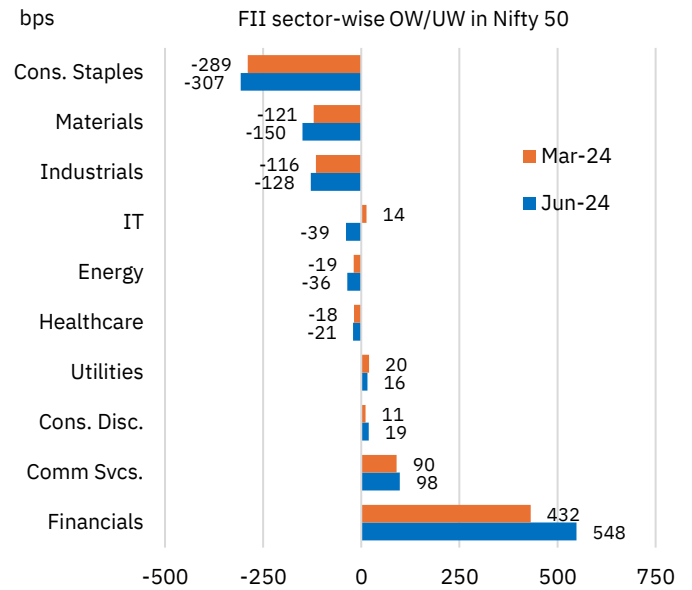
FPIs strengthened their OW position in Financials, remained UW on Consumer Staples, Materials and Industrials, and neutral on others.

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


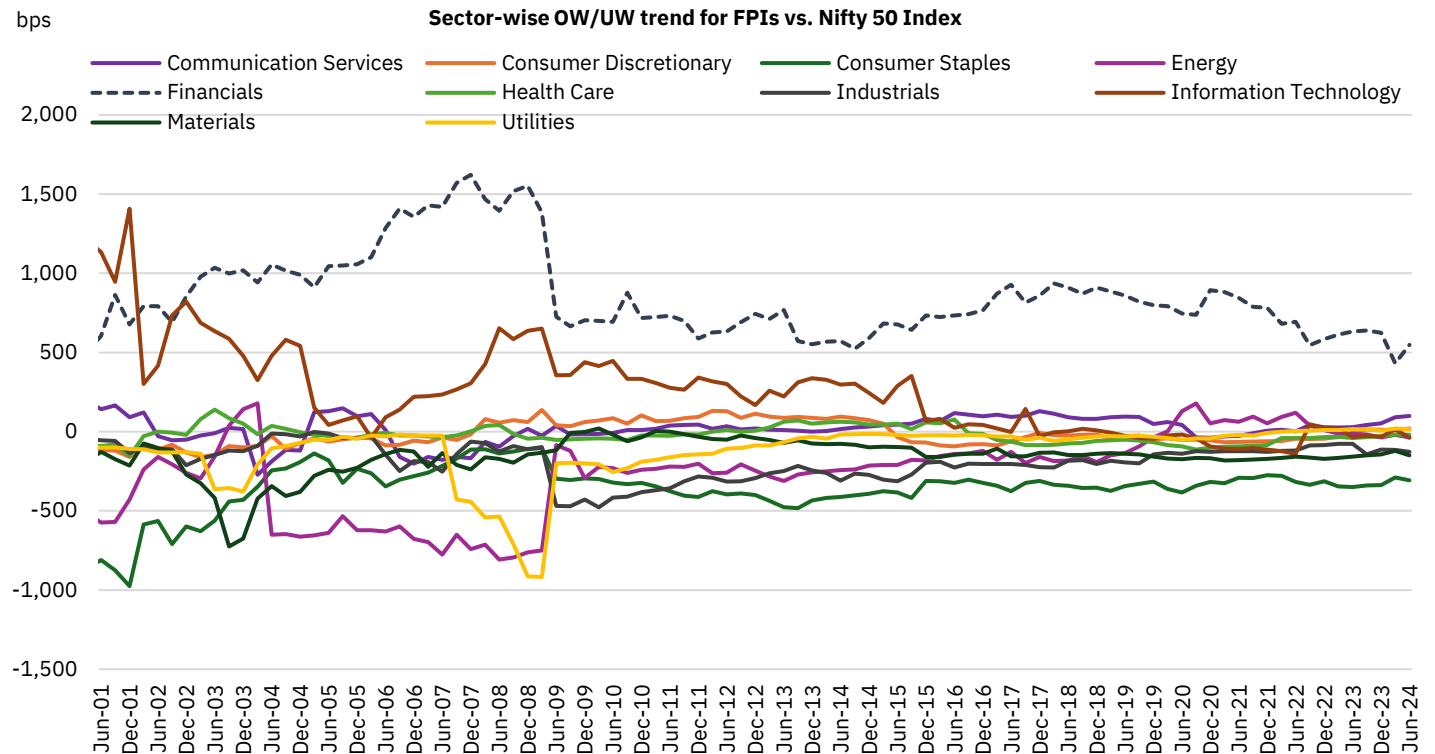
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians

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


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

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

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


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

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


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

Nifty 500 ownership trends

Ownership pattern of the Nifty 500 universe (June 2024)

Promoter shareholding inched up to a seven-quarter high: In line with the broader listed universe, total promoter ownership in the NSE 500 universe rose for the fifth consecutive quarter by 14bps QoQ to a seven-quarter high of 50.9% in the June quarter. The cumulative increase in promoter ownership during the previous five quarters has been around 1.6pp. This has been on account of increase in Government (+27bps QoQ) and foreign promoter (+19bps QoQ) share which is partly offset by a decline in private Indian promoter ownership (-32bps QoQ). While Government promoter share has been increasing for five consecutive quarters, the private Indian promoter ownership has been declining for four quarters in a row. Notably, the share of private Indian promoter has declined to a 20-quarter low of 31% in Jun'24 with the dilution ascribed to encashing part of their wealth with markets scaling record highs. At the same time, foreign promoter ownership rose by 19 bps QoQ to a three-quarter high of 8.4%.

Within private Indian promoters, share of individual promoters in the Nifty 500 companies, however, inched up by a modest 8bps to 5.1% in the June quarter. Individuals' share in total holdings of private Indian promoters increased by 44bps QoQ to 16.5%, albeit lower than 20.1% in the overall listed universe but much higher than 7.5% in the Nifty50 universe. Excluding Nifty 500 companies, the NSE listed universe had about 45% of the private Indian promoter holdings held by individuals.

Government shareholding at a 30-quarter high: Government ownership (promoter and non-promoter) in the Nifty 500 companies rose further to a 30-quarter high of 12.1% (+36 bps QoQ), translating into a 3.5pp increase in the last five quarters. In the last two years (Jun'22 – Jun'24), the share of Government ownership has doubled because of public issue of LIC in FY23 and relative outperformance of PSUs in the recent quarters.

FPI ownership dropped to a 12-year low...: FPI shareholding declined for the fourth consecutive quarter by 24bps QoQ to a 12-year low of 18.7% as of end-Jun'24, totaling to a 1.3pp drop in the last one year. That said, the FPI holding in Nifty 500 companies in absolute terms has been fairly strong of about 11.8% QoQ, marking the fifth quarter in a row to see a sequential increase in the absolute value. This fall in the FPI ownership can be partly ascribed to significant foreign capital outflows in the first two months of the quarter as well as higher investments by DMFs and individual investors.

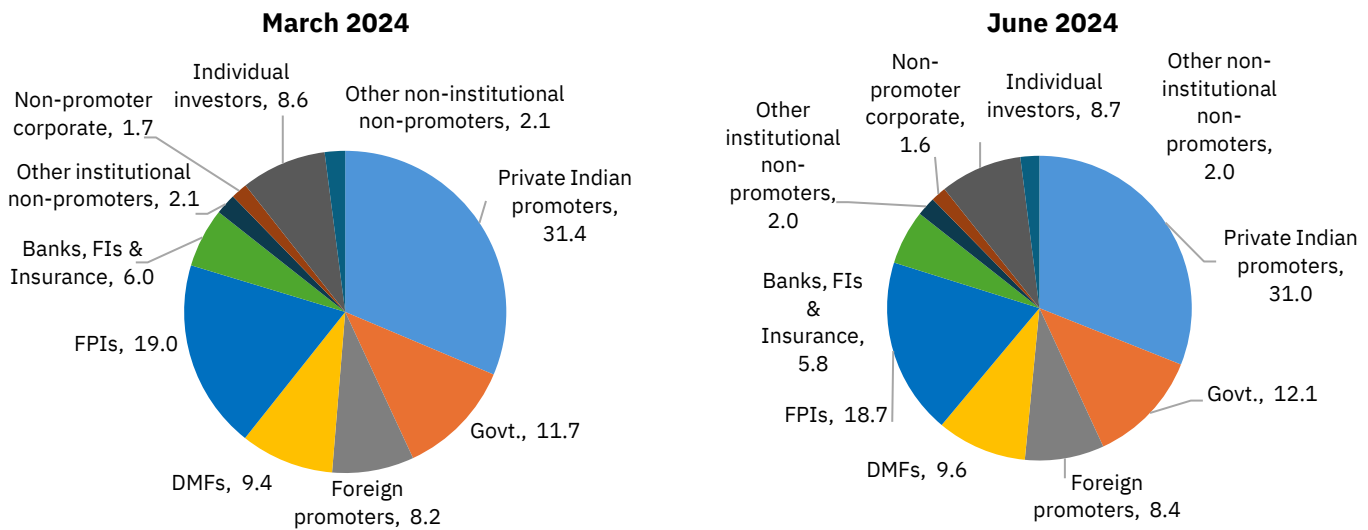
...While DMFs ownership touched fresh record highs: In continuation with the upward trend seen over the previous three quarters, the DMF share in the NSE 500 universe rose by 18bps QoQ to an all-time high of 9.6% in the Jun'24 quarter. Sustained buying by DMFs in the light of continued indirect participation by individuals via the SIP route has helped DMFs gain market share over the last many quarters.

Individual investors' ownership in the Nifty 500 universe inched up marginally: The direct holdings of individual investors as non-promoters in the Nifty 500 universe rose by 14bps QoQ to 8.7%, reflecting steady increase in direct participation by individual investors amidst the recent equity market rally. In value terms, individuals' non-promoter holding rose by 15.2% QoQ, marginally higher than 13.4% growth in the market capitalisation of Nifty5 00 companies. Adding direct holding as promoters, individuals owned about 13.8% directly in Nifty500 companies, rising by 23bps QoQ, lower than 16.1% (+29bps QoQ) in the overall listed universe, but higher than sequentially unchanged 10.2% in the Nifty50 universe.

Total promoter stake in the Nifty500 universe inched up to a seven-quarter high of 50.9%, with an increase in Govt. share and foreign promoters offset by a drop in private Indian promoter share.

DMF ownership in the Nifty 500 universe reached fresh all-time high of 19.6% in the June quarter.

Individual investors' direct ownership as non-promoters inched up by 14bps QoQ to 8.7%.

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


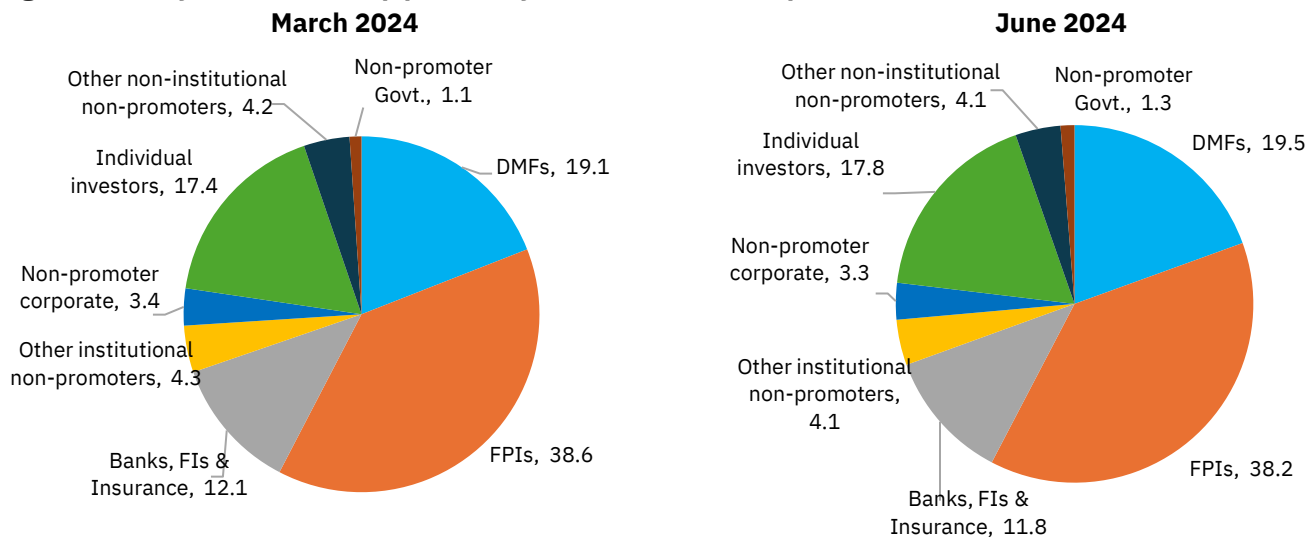
Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.

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

%	Private Indian promoters	Govt.	Foreign promoters	Domestic MFs	Banks, FIs & Insurance	FPIs *	Non-promoter corporate	Individual Investor	Others**
Sep-21	35.3	6.2	8.9	7.5	4.6	21.5	2.9	8.8	4.2
Dec-21	35.8	6.0	8.8	7.8	4.6	20.9	2.8	9.0	4.3
Mar-22	35.5	6.2	8.6	8.0	4.7	20.2	3.4	9.1	4.4
Jun-22	35.0	6.2	9.1	8.3	5.0	19.8	3.4	9.0	4.1
Sep-22	34.4	7.6	9.5	8.2	6.0	19.5	2.6	8.5	3.7
Dec-22	33.5	8.8	9.0	8.4	6.1	19.8	1.6	8.5	4.3
Mar-23	32.4	8.6	8.9	9.0	6.3	20.0	1.6	8.7	4.6
Jun-23	32.4	8.7	8.7	8.9	6.2	20.0	1.7	8.7	4.6
Sep-23	32.0	9.8	8.5	9.1	6.1	19.5	1.7	8.8	4.5
Dec-23	31.8	10.7	8.1	9.3	6.0	19.4	1.7	8.7	4.4
Mar-24	31.4	11.7	8.2	9.4	6.0	19.0	1.7	8.6	4.1
Jun-24	31.0	12.1	8.4	9.6	5.8	18.7	1.6	8.7	4.0
QoQ change	-32bps	36bps	19bps	18bps	-16bps	-24bps	-3bps	14bps	-11bps

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

In terms of floating stock, FPI share in the Nifty 500 Index declined by 38bps to a 14-year low of 38.2% as of end-Jun'24. After remaining broadly steady in the quarter ended Dec'24, the FPI share has fallen for two consecutive quarters with a cumulative decline of 70bps. Conversely, the share of DMFs has increased by 41bps QoQ to a record high of 19.5%. After declining for two consecutive quarters, the share of individuals as direct non-promoter investors inched up by 34bps QoQ to 17.8%. While the share of banks and financial institutions has declined by 29bps to a two-year low of 11.8%, the share of non-promoter government holding rose to its highest level of 1.3% (+18 bps QoQ) in the quarter ended Jun'24.

Figure 62: Nifty 500: Ownership pattern by free float market cap (%)


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

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

%	Domestic MFs	Banks, FIs & Insurance	FPIs*	Non-promoter corporate	Individual Investor	Others**
Sep-21	15.1	9.3	43.2	5.8	17.6	8.9
Dec-21	15.6	9.4	42.0	5.6	18.2	9.2
Mar-22	16.0	9.4	40.4	6.8	18.2	9.3
Jun-22	16.7	10.0	39.6	6.9	18.1	8.7
Sep-22	16.9	12.3	39.8	5.2	17.5	8.3
Dec-22	17.1	12.5	40.3	3.3	17.2	9.7
Mar-23	17.8	12.5	39.4	3.1	17.2	10.0
Jun-23	17.6	12.2	39.6	3.3	17.1	10.1
Sep-23	18.2	12.1	38.9	3.4	17.5	10.0
Dec-23	18.5	11.9	38.9	3.4	17.4	9.8
Mar-24	19.1	12.1	38.6	3.4	17.4	9.5
Jun-24	19.5	11.8	38.2	3.3	17.8	9.5
QoQ change	41bps	-29bps	-38bps	5bps	34bps	-3bps

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

Long-term ownership trend of the Nifty 500 universe: Overall promoter ownership in Nifty 500 has also seen a steady decline since 2009 until March 2019, albeit at a slower pace than the Nifty 50 Index, entirely led by a sharp dip in Government ownership, while the share of private Indian promoters has significantly increased during this period. Promoter share, however, has been inching up since 2019, barring a dip in FY23, aided by higher Indian promoter share—with public share rising after the LIC listing and private share falling since 2021 onwards, while foreign share has remained steady. Indian promoter holding has seen a sustained decline in the recent four quarters till Jun'24, falling to a 20-quarter low.

DMF ownership in Nifty 500 saw a gradual increase beginning 2014 to reach the highest level in the last two decades by December 2019. The fiscal year FY21, however, saw some dip in DMF share, partly reflecting moderation in SIP inflows post the COVID-19 pandemic as well as high redemption pressures. This, however, was more than reversed in the subsequent years, thanks to a surge in retail inflows via the SIP route. FPI

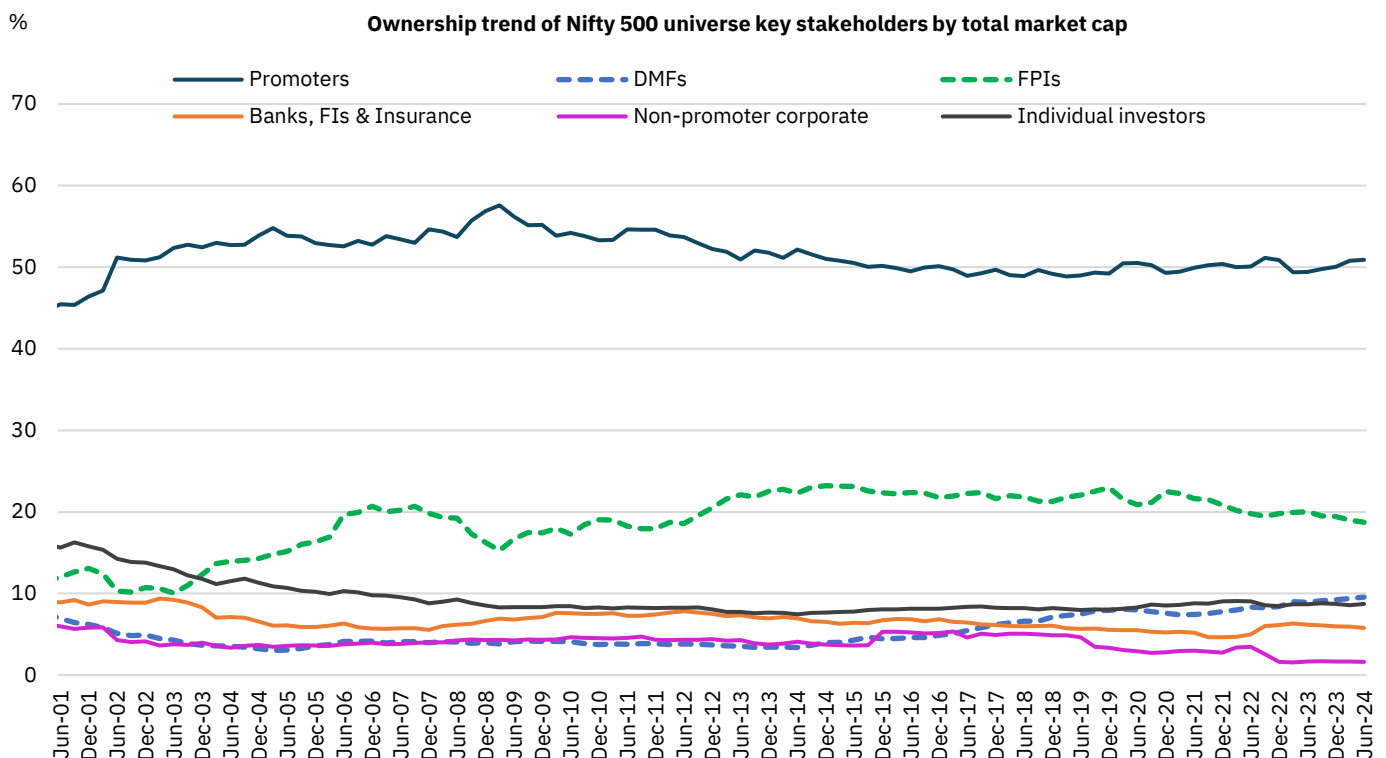
FPI ownership in Nifty 500 saw a steady rise post the GFC until 2015, hovered in the 21-23% range until 2021 only to drop marginally after that.

DMF share in Nifty 500 has scaled its peak of 9.6% in June-24.

ownership in the Nifty 500 universe improved meaningfully post the GFC until 2015 but has since hovered between 21-23% until 2021. FPI share saw a steady decline over the subsequent few quarters only to rise modestly from the end of 2022, weighed by dampened sentiments owing to recurring COVID variants, followed by the Russia-Ukraine war, sky-rocketing inflation, steep rate hikes by global central banks and China slowdown. This led to flight of capital away from riskier asset classes including Indian equities during this period, even as the second half of 2022 onwards saw FPIs coming back until mid-2023. In the last four quarters (Sep'23-Jun'24), FPIs have pulled back with the share dropping to its lowest level of ~19% since Sep'2012. As of Jun'24, DMF ownership is at a record high while FPI ownership is at a 12-year low. Banks, financial institutions, and insurance have been steadily reducing their exposure to Indian equities over the last decade until 2021 only to see a meaningful spike in 2022. That said, there has been a sustained decline in this share during the previous five quarters.

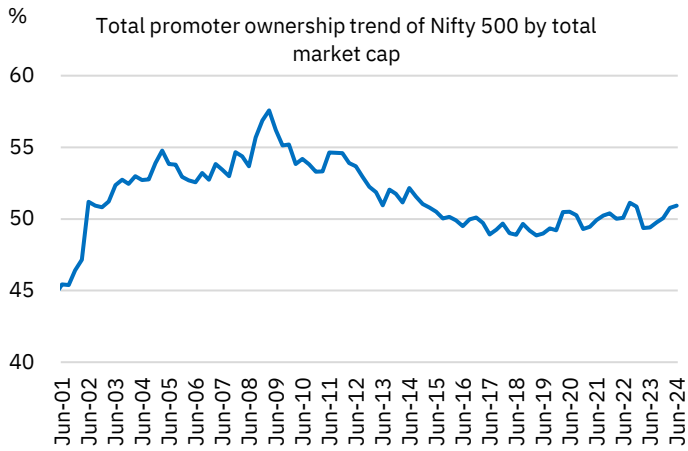
Individual investor ownership in the Nifty 500 Index fell sharply from the north of 16% in 2001 to sub-8% in 2013, hovered around these levels until December 2019 only to rise steadily until FY22. The share of individual investors has fluctuated in a narrow range of 8.5%-9% in the last two years. Individual investor ownership (including promoter individuals) has declined from 14.5% in Jun'06 to a low of 11.5% in Jun'13, following which the share peaked at 15% in Dec'21. Since then, ownership has tapered off partially to 13.8% in Jun'24 led by a decline across both promoters and non-promoters.

Figure 63: Nifty 500: Long-term ownership trend across key stakeholders by total market cap



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

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



Source: CMIE Prowess, NSE EPR.

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

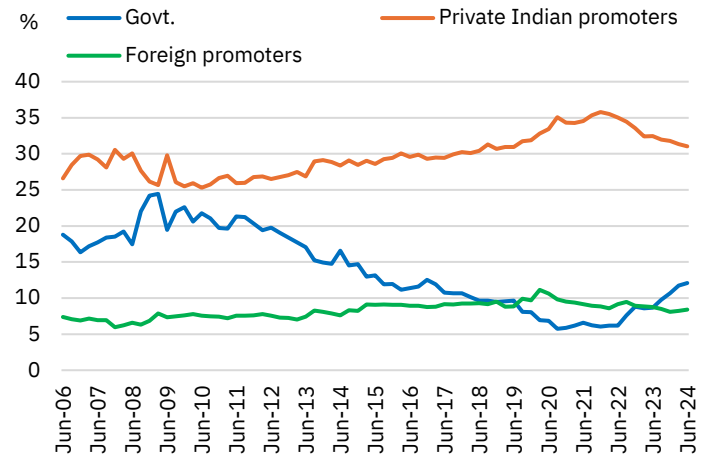
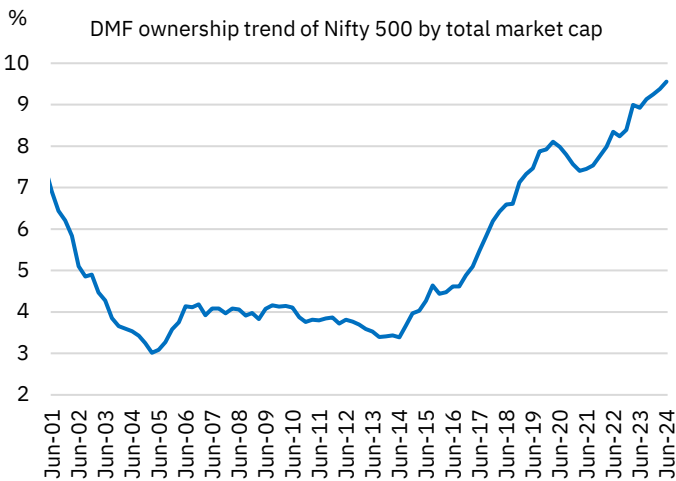


Figure 66: DMF ownership trend of the Nifty 500 universe by total market cap



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

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

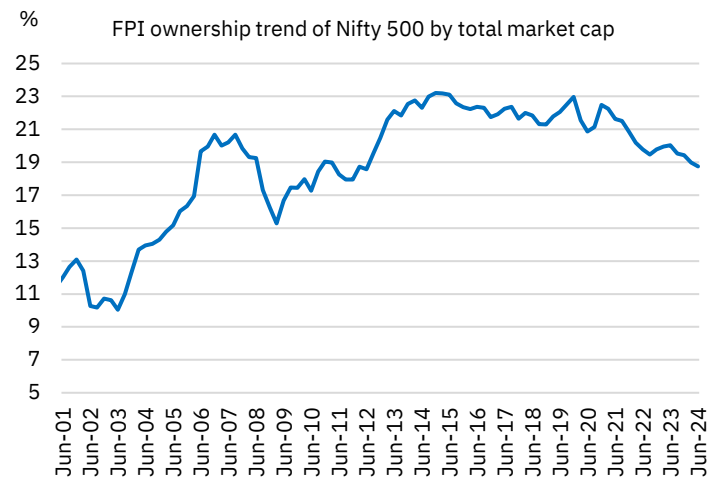
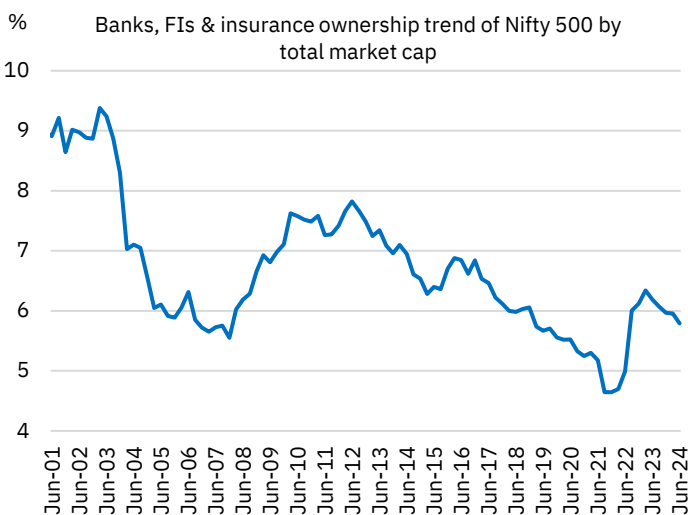


Figure 68: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by total market cap



Source: CMIE Prowess, NSE EPR.

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

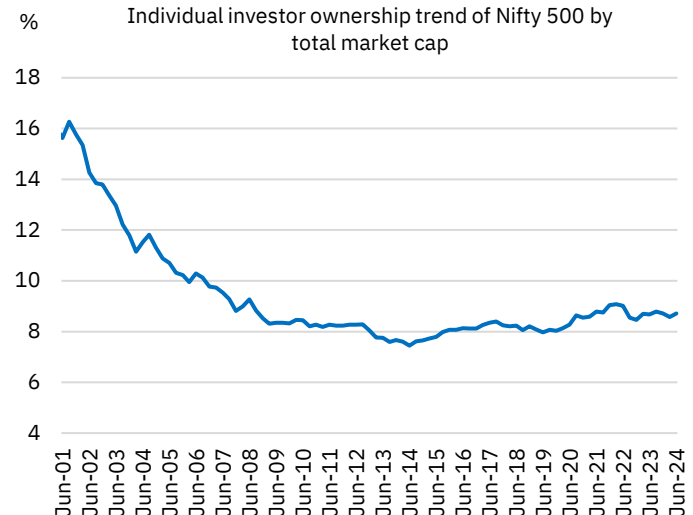
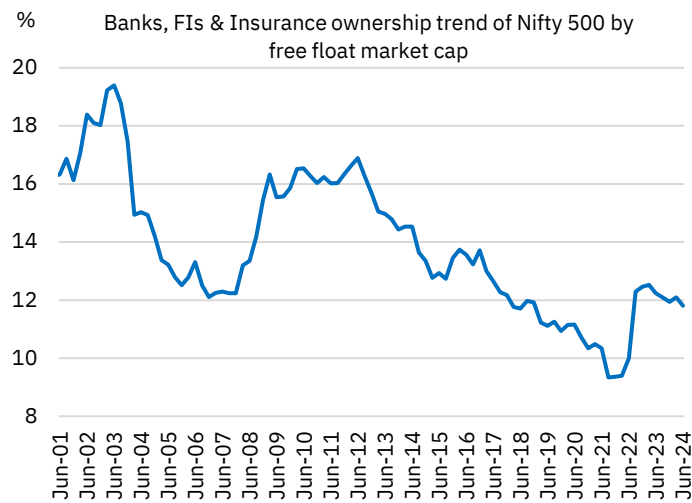
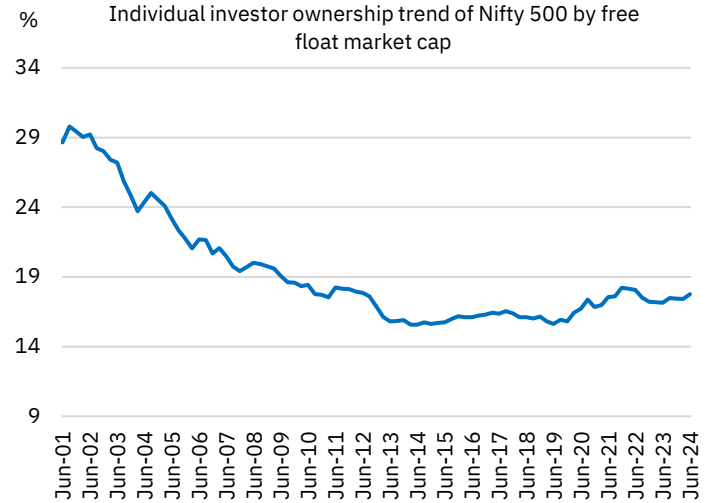


Figure 73: Banks, FIs & Insurance ownership trend of the Nifty 500 universe by free float market cap


Source: CMIE Prowess, NSE EPR.

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


Sector-wise ownership of the Nifty 500 universe (June 2024): The sector-wise ownership pattern of the NSE-500 universe across key stakeholders in the quarter gone (Apr-Jun'24) shows that the Real Estate sector continues to lead in terms of promoter ownership at 65.6% (-92bps QoQ), followed by Utilities at 59.4% (+45bps QoQ), Materials and Industrials at 56.1% (+45bps QoQ and +2.9pp QoQ respectively), Information Technology at 53.9% (-48 bps QoQ) and Energy at 52.4% (+9bps QoQ). A notable decline of 2.1pp in promoter share has been observed in Communication Services, translating into a share of 51.3%—the lowest in the last 18 years, followed by a percentage point drop in promoter share in Consumer Discretionary to a 13.5-year low of 46.3%. This was taken up by increased share of promoters in Industrials by 2.9pp to a two-year high of 56.1%, primarily driven by rise in Government ownership (+2.8pp).

Utilities continued to remain the top sector in terms of Government ownership (promoter and non-promoter) at 25.6% (+36bps QoQ) followed by Financials at 23.6% (-88bps QoQ) and Energy at 21.1% (-19bps) as of Jun'24. After exhibiting a notable spike in the March quarter, the Government share in Financials declined by 88bps QoQ to 23.6%. The Government share in Materials picked up to over five-year high of 6.8% (+1.2pp QoQ) in June'24, followed by a 97bps QoQ increase in Communication Services to over 15-year high of 2.8%.

Healthcare overtook Financials to become the sector with the highest DMF share in the Dec'23 quarter and extended the lead over the subsequent two quarters with a share of 12.2% in Jun'24. The largest increase in the DMF share in the June quarter was observed in Information Technology (+60bps QoQ) while the highest decline was in Industrials (-47bps QoQ). The other two sectors in which the DMFs have a relatively higher share are Consumer Discretionary (11.5%; +45bps QoQ) and Communication Services (10.5%; 30bps QoQ). In each of these five sectors—Communication Service, Consumer Discretionary, Financials, Healthcare and Information Technology — the share of DMFs in their respective aggregate market capitalisation is the highest since Mar'01.

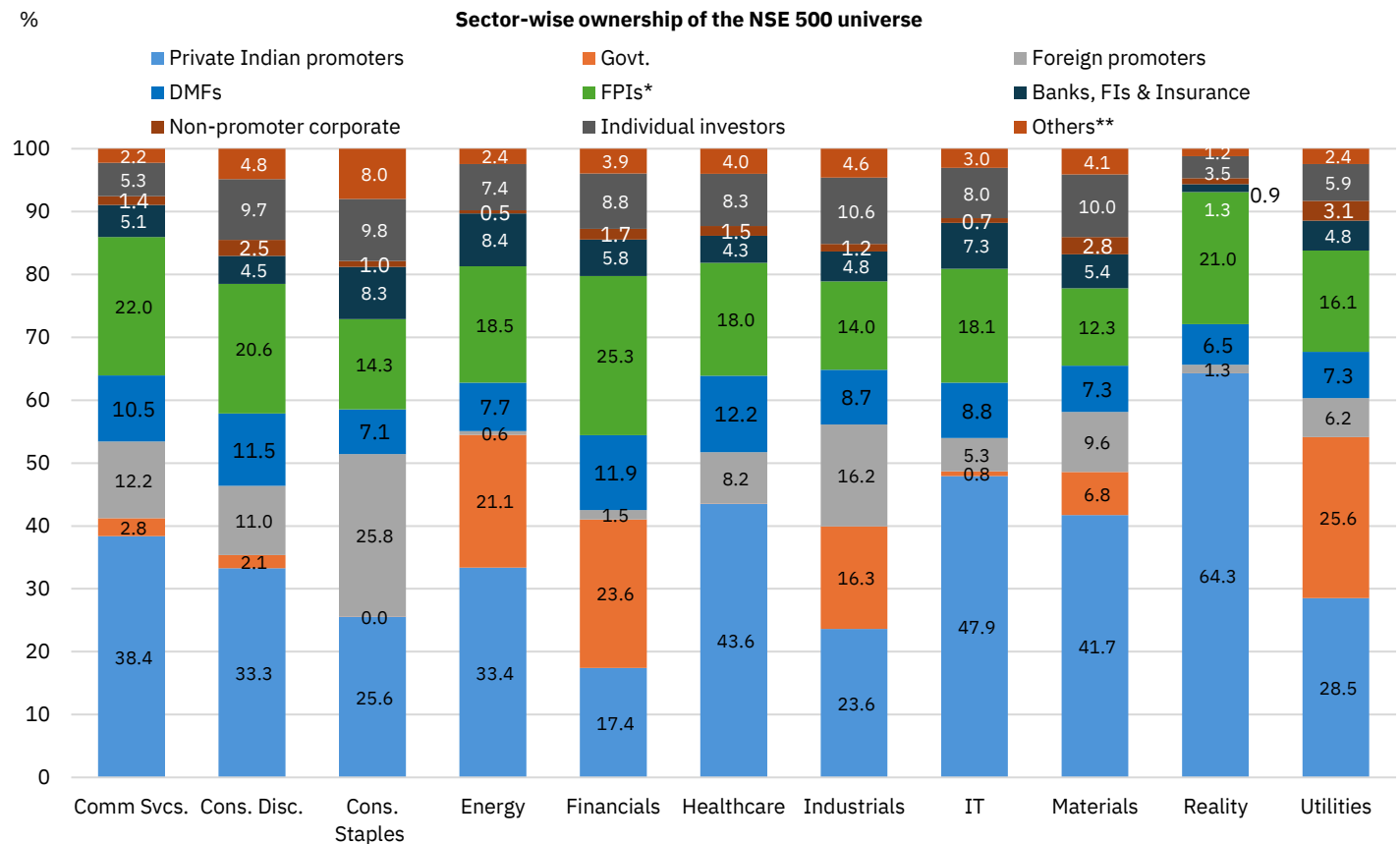
Despite a steep fall in the share of FPIs in Financials over the last few quarters, the sector continues to have the highest share of FPI share of 25.3% (+6bps QoQ) as of end-Jun'24. This is followed by Communication Services, with a share of 22% (+98bps QoQ), the highest in the last 11 quarters. Two sectors, namely Industrials and Information

DMF share within the Nifty 500 universe witnessed mixed movements with highest pickup in Healthcare and Consumer Discretionary with a notable decline in Industrials.

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

Technology, registered a noticeable fall in FPI share of ~1.1pp and 85bps respectively during the quarter ended Jun'24. On the other hand, the share of FPIs in total market capitalisation of Real Estate companies within the Nifty 500 universe rose for the fifth quarter in row by 61bps QoQ to a three-year high of 21%.

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



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

Sector allocation of the Nifty 500 universe for key stakeholders (June 2024): The table below shows the sector allocation for key stakeholders in Nifty 500 companies as of Jun'24. Little more than 90% of the Government ownership in the Nifty 500 companies remained concentrated in Financials, Energy, Industrials and Utilities sectors, even as it declined by 97bps QoQ). This was slightly higher than the Government exposure to these four sectors in the overall listed universe (89.8%), but marginally lower than 93.5% in the Nifty 50 Index. Foreign promoter's allocation within the Nifty 500 companies is concentrated in Consumer Discretionary (13.6%), Consumer Staples (23.6%), Industrials (25%) and Materials (12.1%). In the case of institutional investors, DMFs have a lower allocation to Financials at 29.6% compared to FPIs at 32%; this gap having widened marginally to 2.4pp in Jun'24 but is notably lower than the gap of 4.6pp seen a year ago.

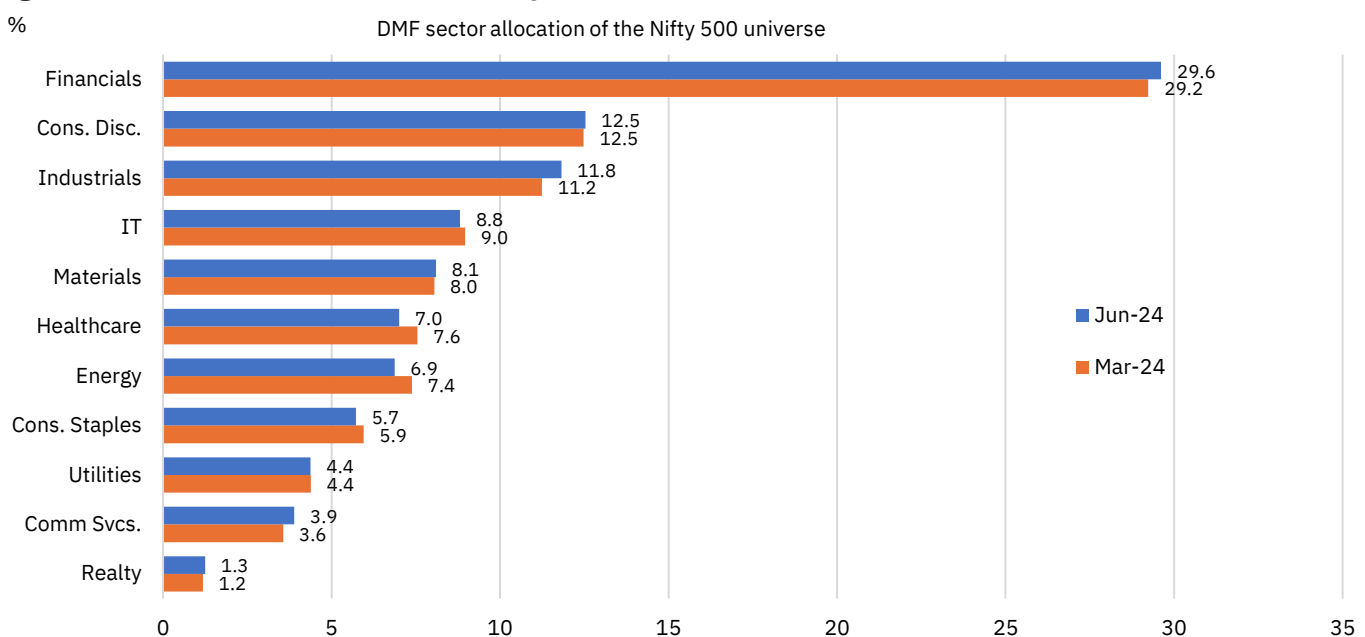
Table 12: Sector allocation of the Nifty 500 universe for key stakeholders (June 2024)

%	Private Indian promoters	Govt	Foreign promoters	Domestic MFs	FPIs*	Banks, FIs & Insurance	Non-promoter corporate	Individual Investors
Communication Services	4.4	0.8	5.1	3.9	4.2	3.1	3.1	2.2
Consumer Discretionary	11.1	1.8	13.6	12.5	11.4	8.0	16.1	11.5
Consumer Staples	6.3	0.0	23.6	5.7	5.9	11.0	4.5	8.7
Energy	9.2	14.9	0.6	6.9	8.5	12.4	2.6	7.2
Financials	13.3	46.3	4.1	29.6	32.0	23.7	24.5	24.0
Health Care	7.7	0.0	5.4	7.0	5.3	4.1	5.2	5.3
Industrials	9.8	17.4	24.9	11.8	9.7	10.6	9.5	15.7
Information Technology	14.8	0.6	6.0	8.8	9.2	12.0	4.4	8.8
Materials	14.2	6.0	12.1	8.1	6.9	9.8	18.0	12.1
Real Estate	3.8	0.0	0.3	1.3	2.1	0.4	1.1	0.8
Utilities	5.3	12.1	4.2	4.4	4.9	4.7	11.0	3.9
Grand Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

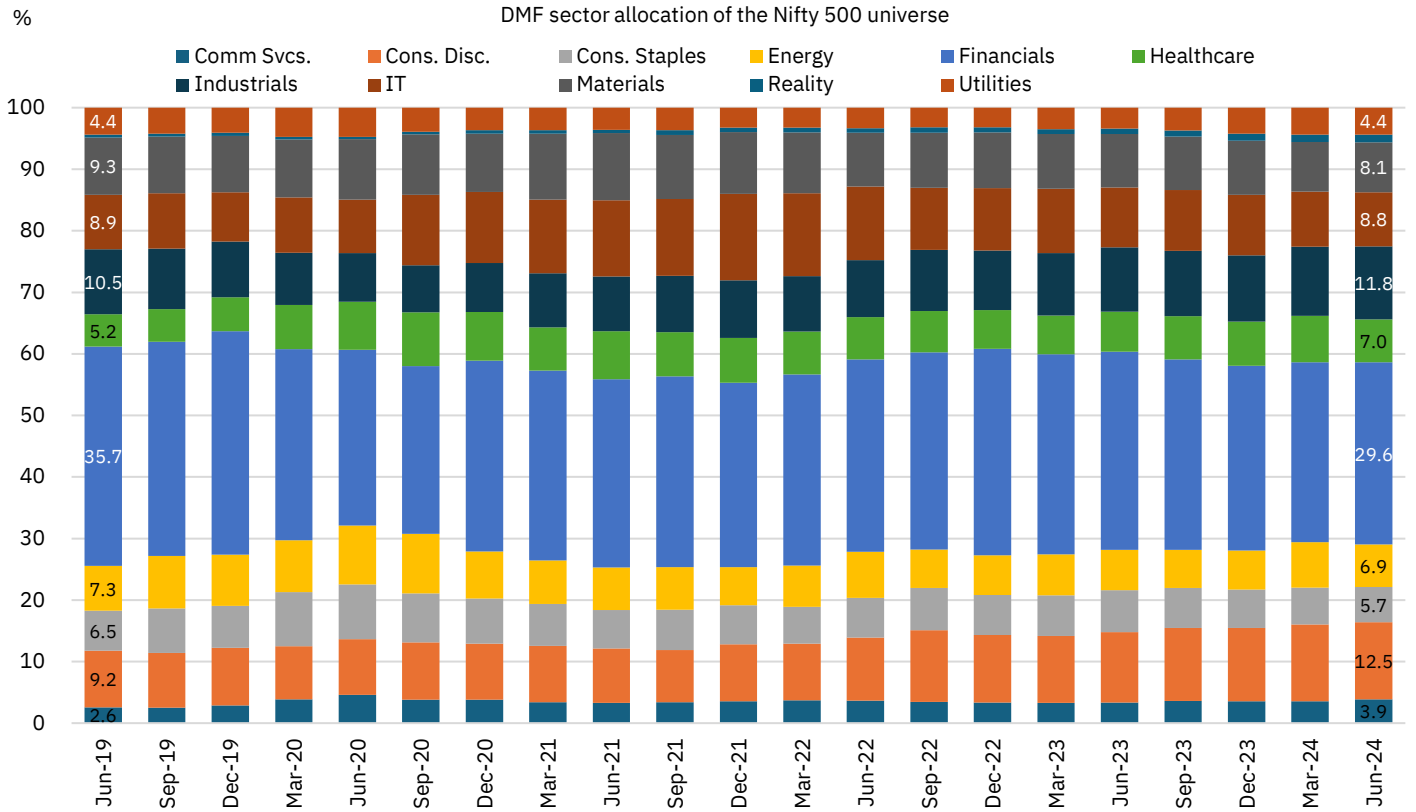
DMFs maintained an OW position on Financials and Consumer Discretionary: For the quarter ending June 2024, DMF's position on the Financials sector within the NSE 500 was upgraded to Overweight, attributed to strong earnings from banking institutions. The Consumer Discretionary sector was maintained at Overweight, albeit with a reduced allocation reflecting the impact of stretched valuations in the sector. A negative stance on Energy was maintained for more than a decade, while they reduced the UW stance on Consumer Staples, partly attributed to an expected recovery in rural demand amid normal monsoons. They have turned UW on Materials for the first time since Dec'14. DMFs continued to remain neutral with a negative view in the case of Information Technology, albeit trimming their negative view, reflecting uncertainty around global growth slowdown and its impact on software exports. Additionally, Communication Services, Industrials, Real Estate and Utilities are the sectors in which the DMFs are neutral.

DMFs turned from neutral in Mar'24 to OW in Jun'24 on Financials; bolstered by strong credit offtake, strong capital buffers and improved asset quality.

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


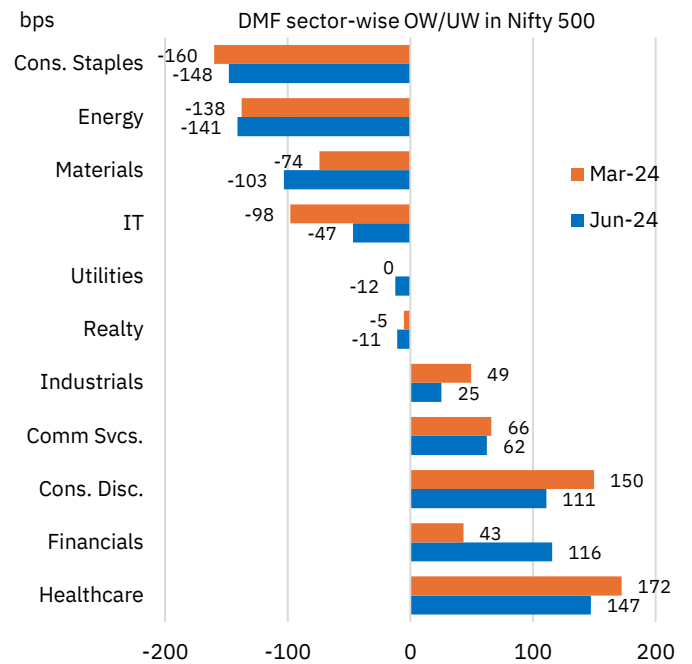
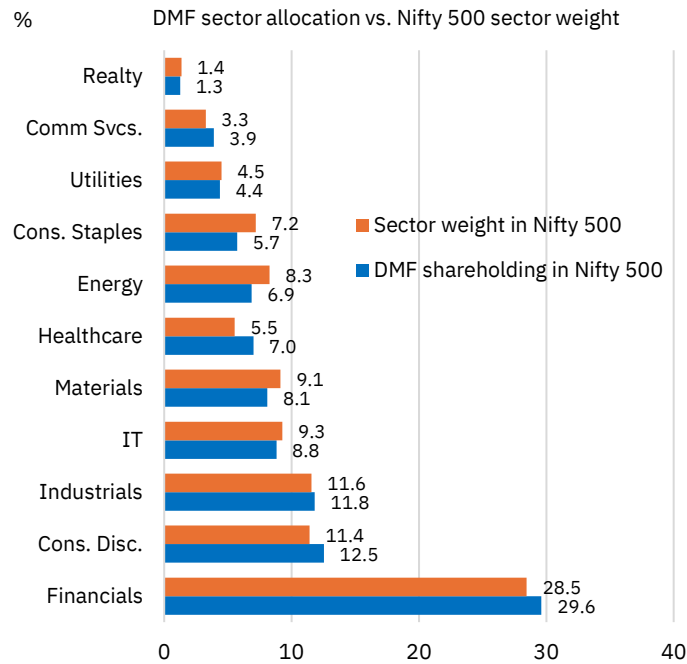
Source: CMIE Prowess, NSE EPR.

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



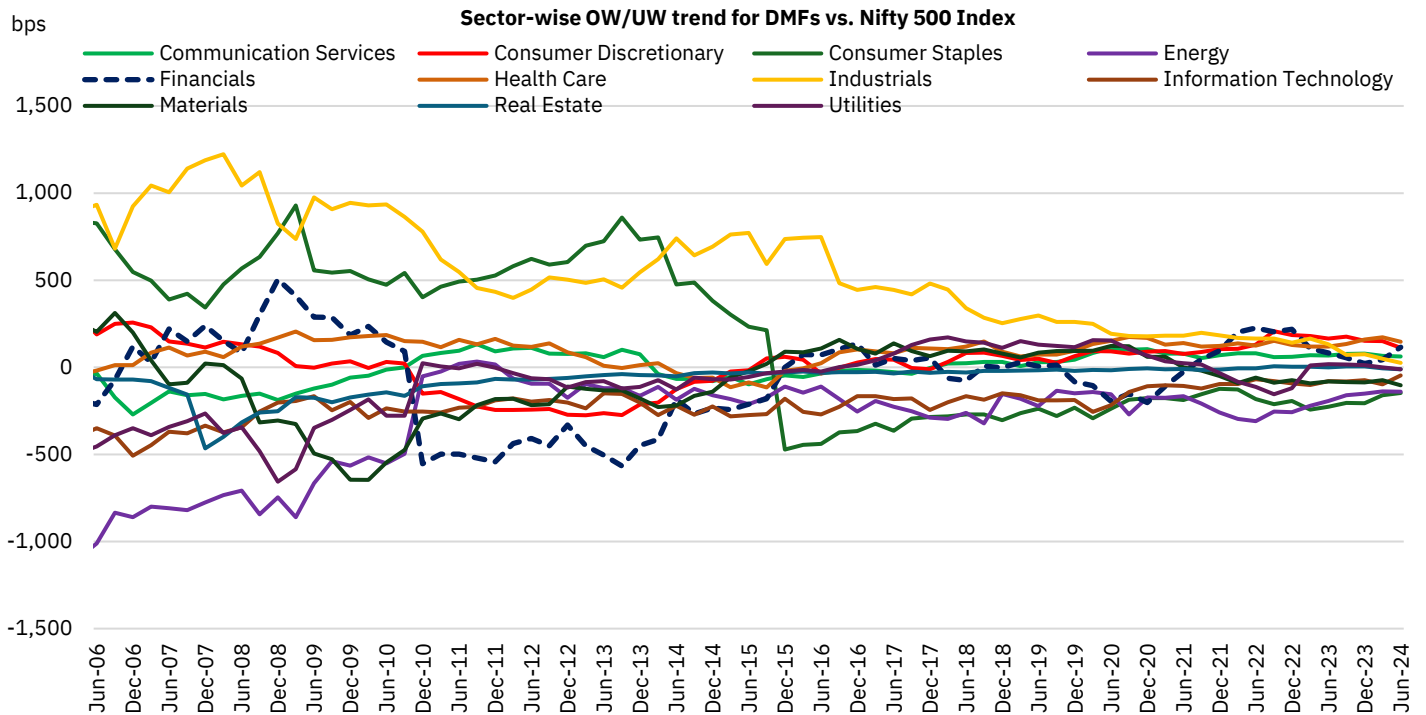
Source: CMIE Prowess, NSE EPR.

Figure 78: DMF sector allocation vs sector weight in Nifty 500 (June 2024) **Figure 79: DMF sector-wise OW/UW in Nifty 500 relative to sector weight in the index (June 2024)**



Source: CMIE Prowess, NSE EPR.

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

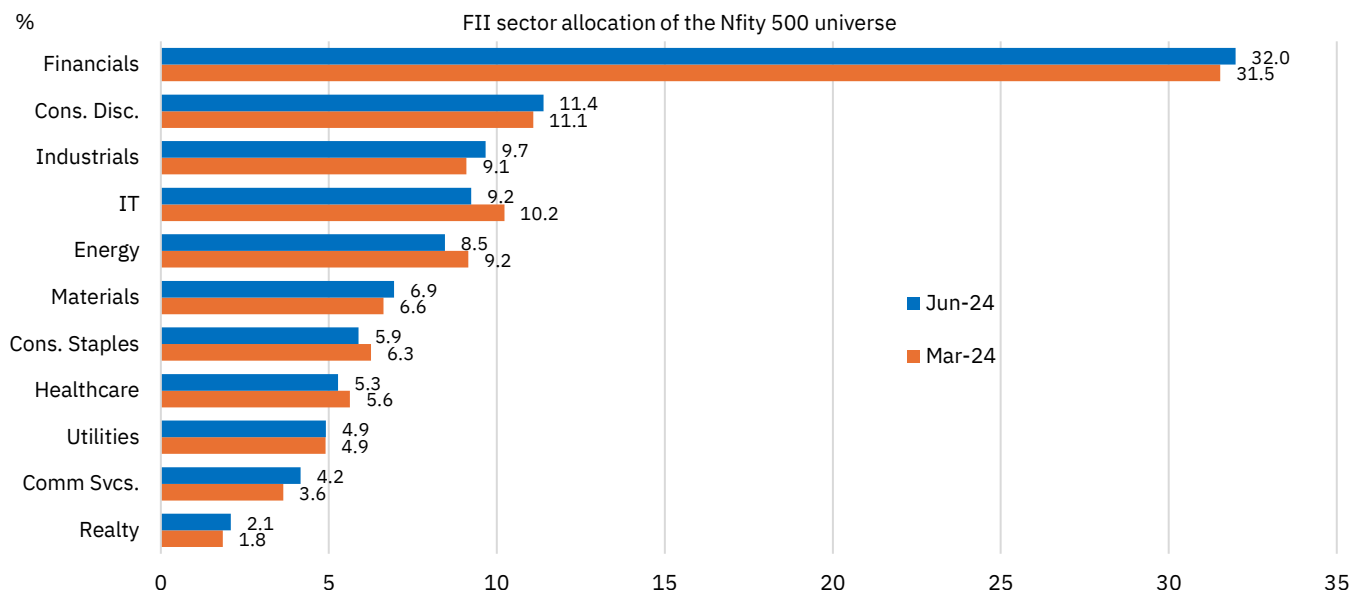


Source: CMIE Prowess, NSE EPR

FPIs’ increased their bets on Financials: After trimming their bets on Financials during the quarter ended Mar’24, FPIs made outsized bets on the Financials during the quarter ended Jun’24, making it the only sector with an OW. This can be ascribed to better-than-expected financial performance of private and public banks. Consumer Staples and Materials are the only two sectors in which both the DMFs and FPIs are UW in Jun’24. FPIs have turned incrementally negative on the Information Technology sector, on account of lingering concerns around global growth slowdown. FPIs are also UW on Materials and Industrials while all others like Communication Services, Consumer Discretionary, Energy, Healthcare, Real Estate and Utilities have a neutral weight.

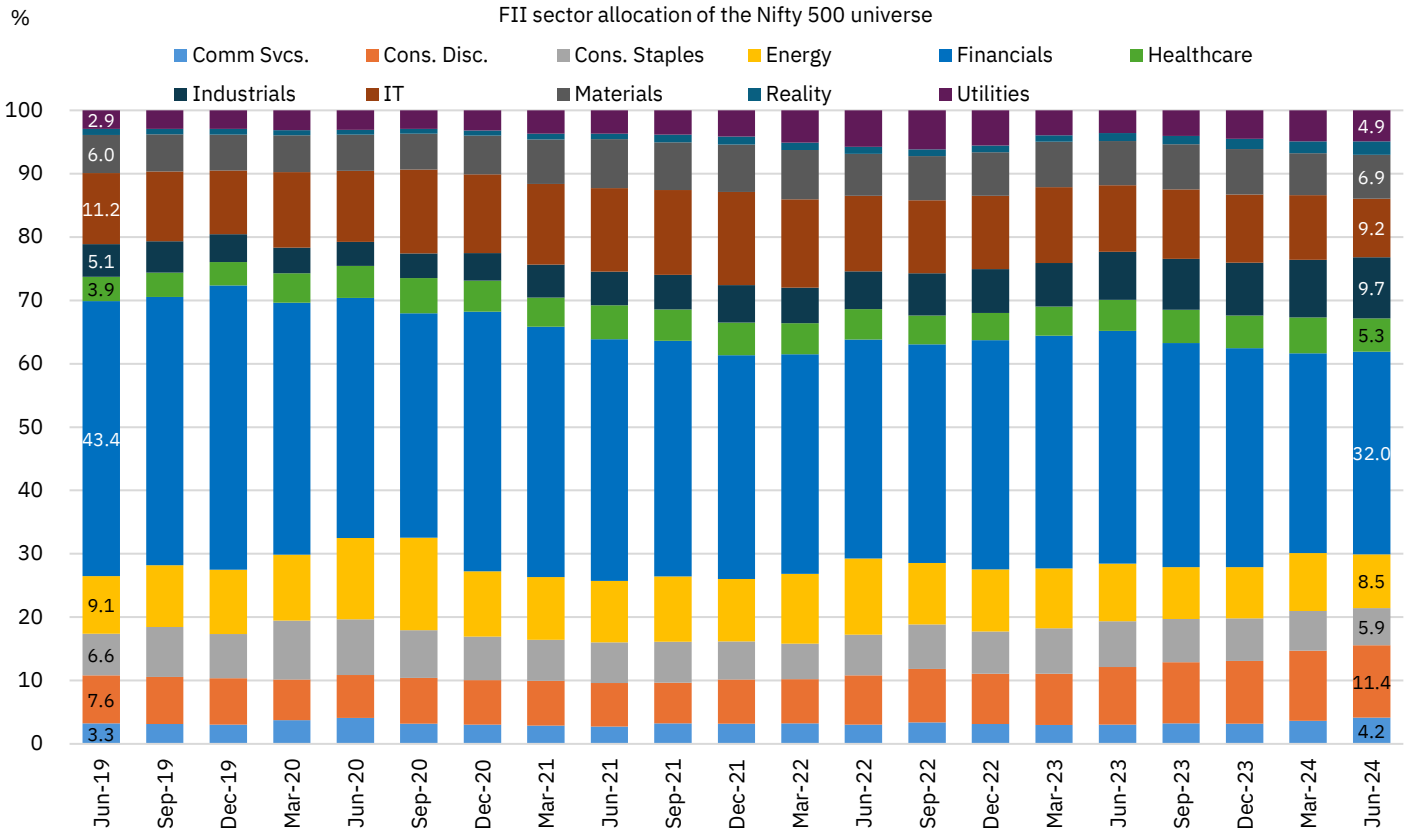
FPIs have increased their bet on Financials and have turned incrementally negative on the IT sector.

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



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

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



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

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

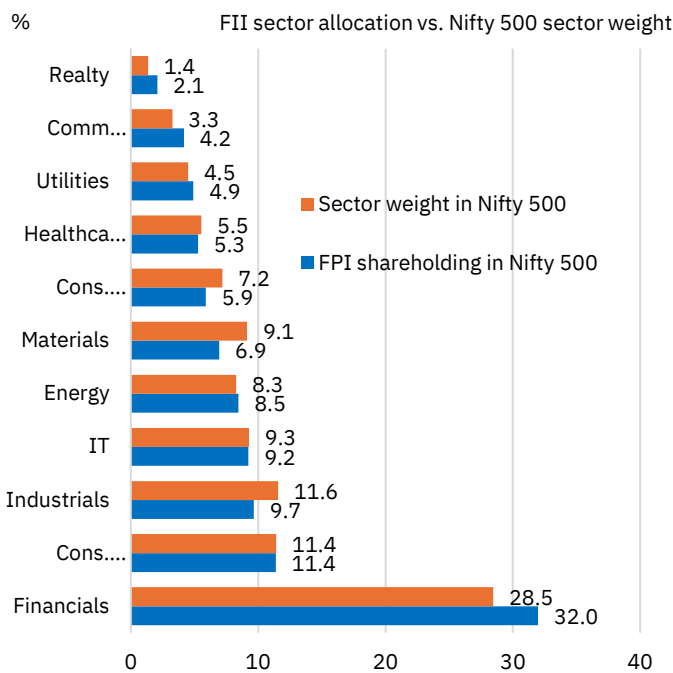
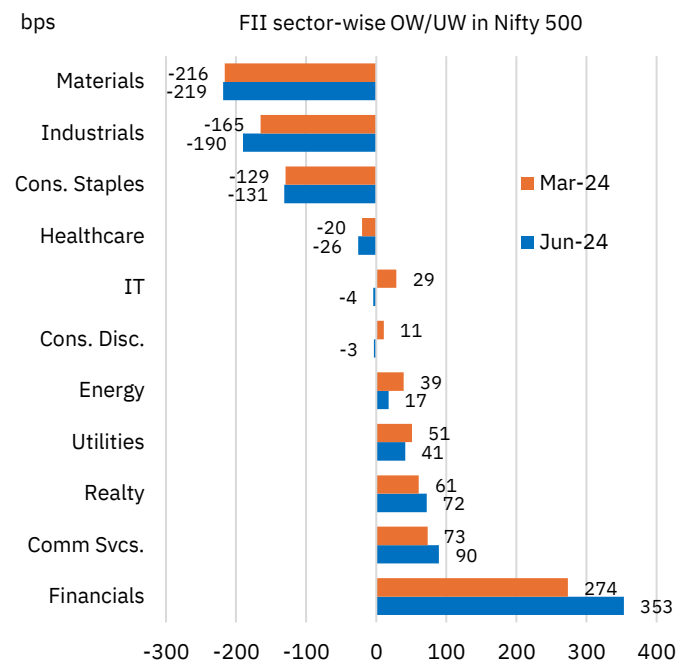
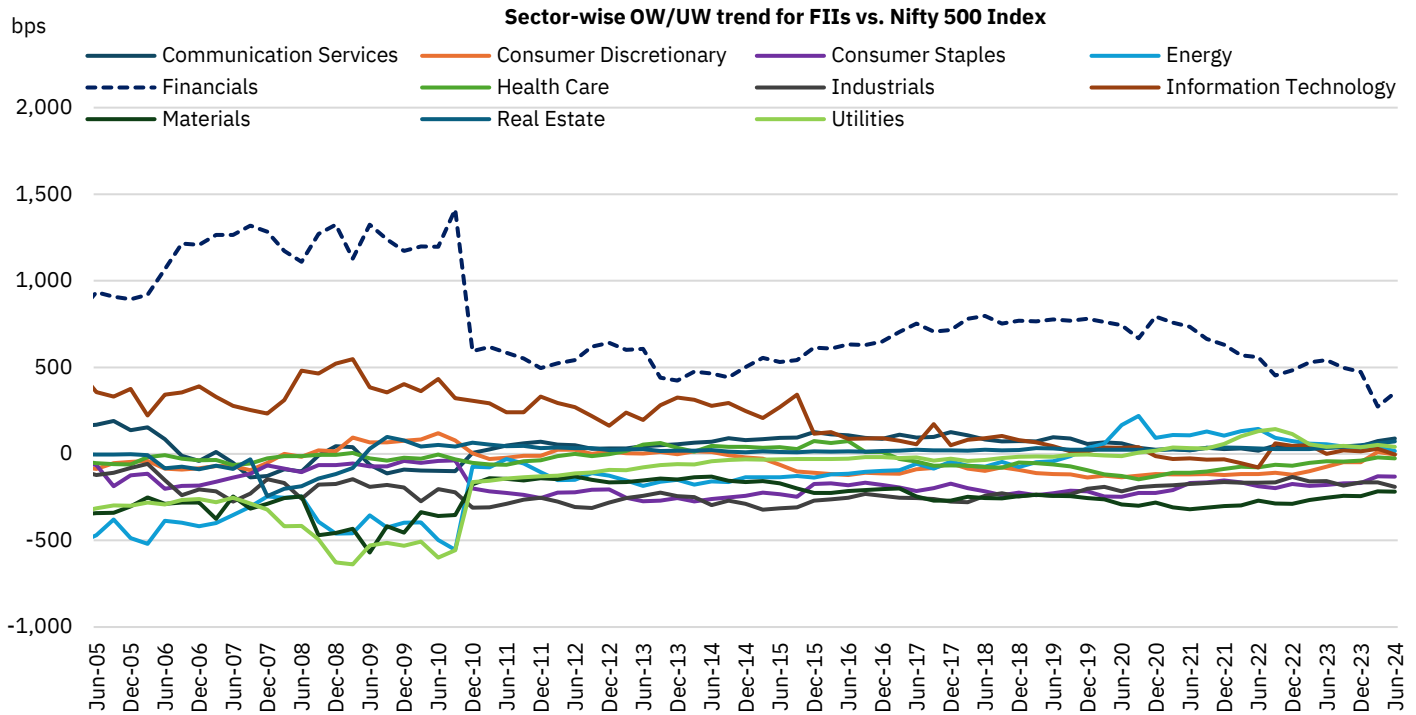


Figure 84: FPI sector-wise OW/UW in Nifty 500 relative to sector weight in the index (June 2024)



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

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


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

Ownership concentration analysis

Institutional investor allocation to Nifty50 moderated for the fifth quarter in a row....:

The charts below depict how ownership for all institutional investor categories in the total market cap has changed in the June quarter vis-à-vis the previous quarter.

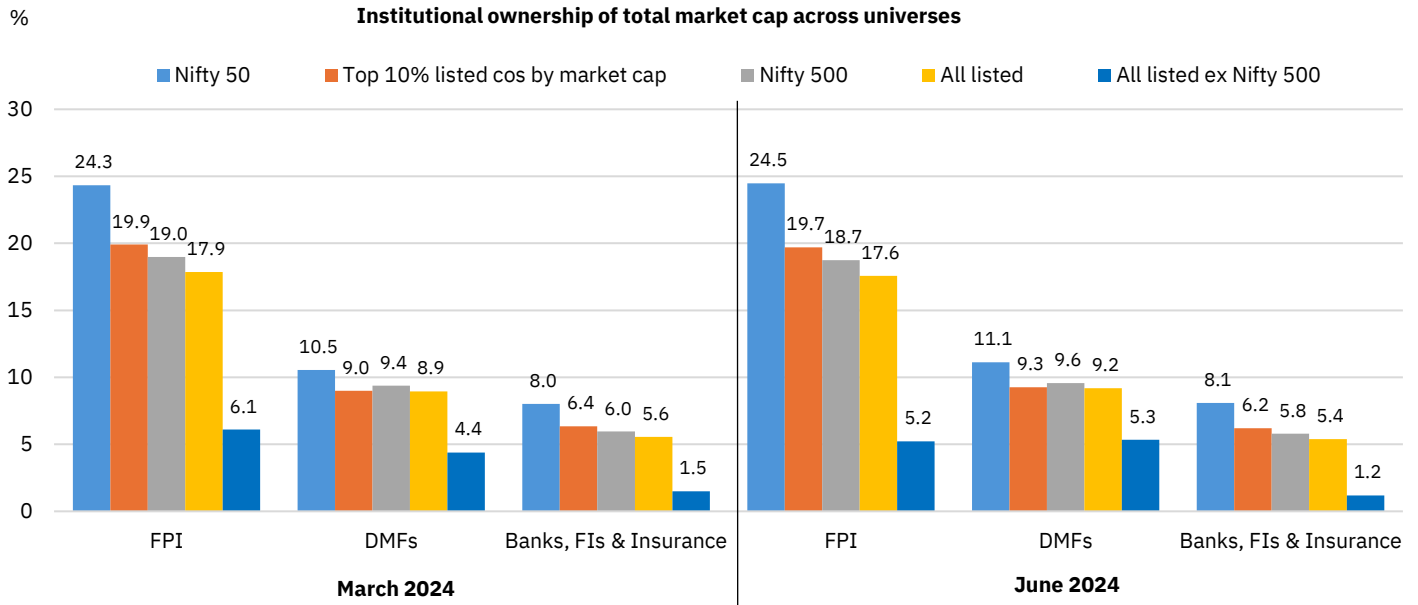
Institutional investments historically have remained concentrated to Nifty50 companies. This trend, however, seem to be reversing since the last few quarters as institutions chase for alpha. The share of Nifty 50 companies in overall institutional investments fell for the fifth quarter in a row to fresh lows of 60% in the June quarter, translating into a total decline of 7.6pp in the last one year and nearly 12pp from the post-pandemic peak share of 72% in the quarter ending September 2020. This is a result of the combination of sustained inflows in such funds, leading to higher allocation, and relative outperformance of such companies vis-à-vis the large cap universe. For instance, while the Nifty 50 Index generated a return of 7.5%/25.1%/15.29% CAGR in the last quarter/year/five-year periods (As of June 30th, 2024), Nifty Mid-cap 50 and Nifty Small-cap 50 Indices have gained 16.2%/55.1%/28.1% CAGR and 22%/75%/23.4% CAGR respectively. This is also evident in a steep 2.6pp QoQ drop in the share of Nifty 50 companies in the total market cap of NSE listed companies in the June quarter, translating into a total decline of 9.9pp in the last five quarters to over 22-year low of 44.2%.

Among institutional investors, Banks, Financial Institutions and Insurance companies had the highest concentration to Nifty 50 companies, even as the share of these companies in the aggregate portfolio of this investor category dropped by 1.2pp in the June quarter to 5.7pp to the lowest level since the beginning of the analysis to 66.2%. FPIs saw the share of Nifty 50 companies in their overall investments falling by an even higher magnitude of 2.3pp in the quarter gone by to the lowest level of 61.6% (-4pp in H1 2024). DMFs, after marginally increasing their exposure to Nifty50 companies in the previous

The share of Nifty50 companies in overall institutional investments fell for the fifth quarter in a row to fresh lows of 60%.

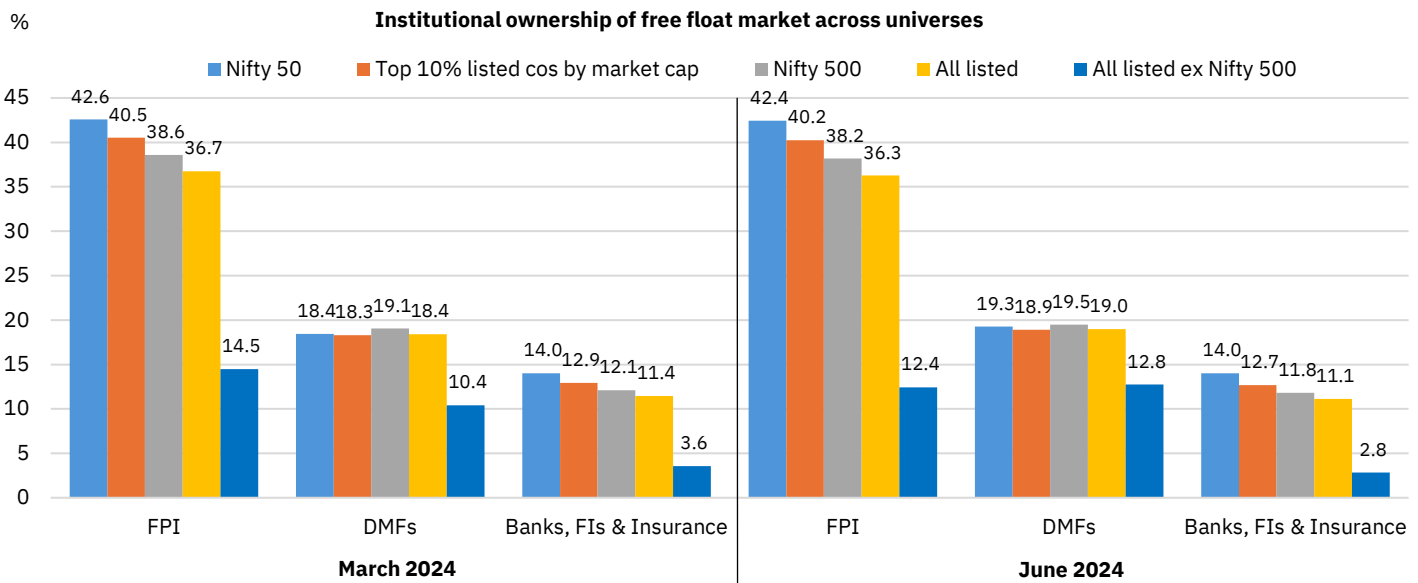
quarter, reduced it by 1.8pp QoQ to a 26-quarter low of 53.4%. This is nearly 9.7pp lower than the post-pandemic high share of 63.1% in September 2020.

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



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

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



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

...And so is for individual investors...: The drop in the share of Nifty 50 companies in the overall direct investments of individuals as non-promoters fell by an even higher quantum in the June quarter as compared to other domestic investor categories. Nifty50 companies now have a share of 36.8% in the individuals' non-promoter direct holding, much, much lower than 44.2% share of such companies in the overall market capitalisation. This has translated into a total of 11pp decline in the share of such companies in individuals' portfolio in the last five quarters. This indicates incrementally higher allocation to mid and smaller companies during the last few quarters. Individuals

owned 19.3% of the total market cap of listed companies excluding the Nifty 500 universe as of June end and 46.0% in the floating stock of these companies.

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

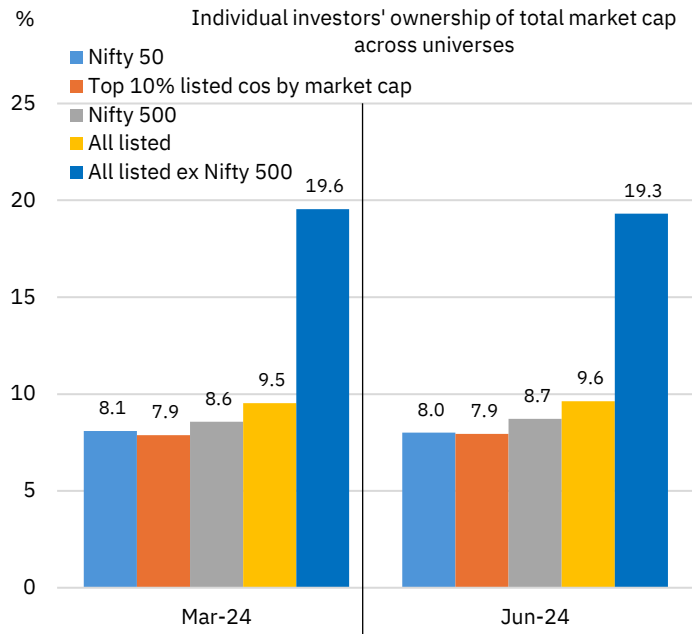
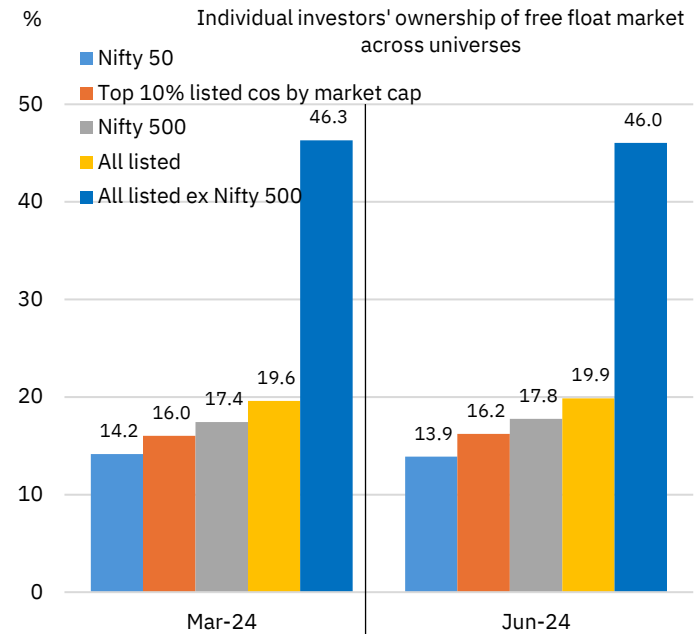


Figure 89: Individual ownership of floating stock (June 2024 vs March 2024)



Source: CMIE Prowess, NSE EPR.

Decile-wise analysis shows a drop in the share of large-cap companies in portfolios across investor categories:

The tables below summarise the distribution of individuals', DMFs' and FPIs' portfolio across different market capitalisation deciles within the NSE listed universe. After having seen an increase in the previous quarter, the quarter ending June 2024 saw the share of large-cap companies in the portfolios across investor categories drop. Individual investors now have 65.2% of their portfolio invested in the top decile companies by market capitalisation (about 200), with the next decile contributing 14.2%. Notably, the bottom 50% of the NSE listed companies by market capitalisation account for a mere 4.1% of the individuals' total holding, even as the share has expanded by 2.8x since the pandemic. While a large part of this is attributed to a significant rally seen in mid- and small-cap companies during the last few years, it is also due to incrementally higher allocation to such companies. This is reflected in the widening gap between the share of the top decline companies in the overall market capitalisation and the share of individual investments in such companies.

While FPIs have 88.4% of their investments made in the top 200 companies by market capitalisation (top decile), DMFs have a nearly 9pp lower share of such companies in their investment portfolio. That said, the share of such companies in both FPIs' and DMFs' portfolios have fallen to a 55 and 25-quarter low levels respectively. Nevertheless, the allocation of the top decile companies for both DMFs and FPIs is higher than the share of such companies in the overall market capitalisation. Banks, Financial Institutions and Insurance companies have an even higher allocation to larger companies, with 99% of their investments held in the top three deciles.

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

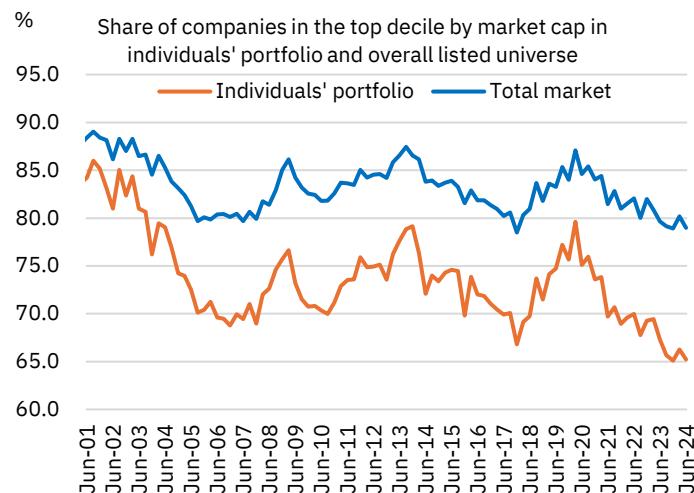
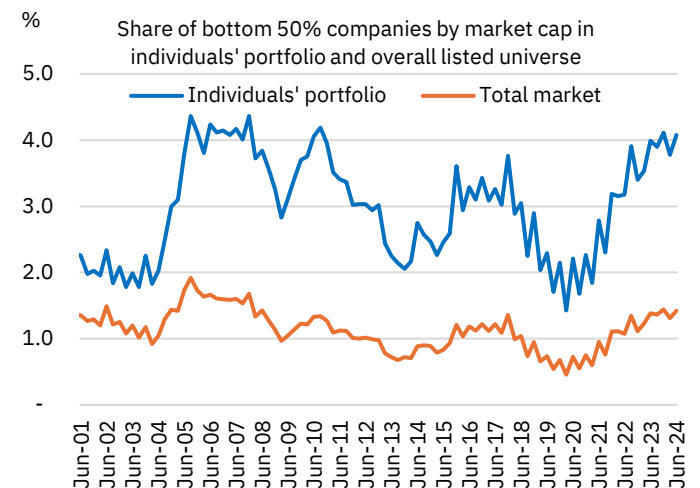
	FY21				FY22				FY23				FY24				FY25
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	75.1	76.0	73.6	73.8	69.7	70.7	69.0	69.6	70.0	67.8	69.3	69.4	67.3	65.7	65.1	66.3	65.2
2	12.5	11.9	12.4	12.7	13.1	13.3	14.1	13.5	13.3	13.3	13.0	12.5	13.1	14.0	14.1	14.2	14.2
3	5.2	5.7	6.3	6.3	7.6	7.3	6.9	7.0	6.9	7.4	7.3	7.5	7.8	8.6	8.6	8.3	8.8
4	3.1	3.0	3.4	3.4	4.3	4.3	4.1	4.1	4.1	4.5	4.3	4.3	4.7	4.8	4.9	4.6	4.7
5	1.9	1.7	2.1	1.8	2.5	2.2	2.7	2.7	2.6	3.2	2.7	2.8	3.1	3.1	3.1	2.8	3.0
6	1.0	0.8	1.1	1.0	1.4	1.2	1.6	1.5	1.5	1.8	1.6	1.7	1.9	2.0	2.0	1.9	2.0
7	0.6	0.5	0.6	0.5	0.8	0.6	0.8	0.9	0.9	1.1	0.9	1.0	1.1	1.0	1.1	1.0	1.1
8	0.3	0.2	0.3	0.2	0.4	0.3	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.5	0.6	0.5	0.6
9	0.2	0.1	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
10	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Source: CMIE Prowess, NSE EPR.

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

Rs lakh crore	FY21				FY22				FY23				FY24				FY25
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	9.0	10.5	12.3	13.5	14.9	17.0	17.5	17.6	16.1	16.7	17.7	16.5	18.4	20.1	22.6	24.1	27.2
2	1.5	1.6	2.1	2.3	2.8	3.2	3.6	3.4	3.0	3.3	3.3	3.0	3.6	4.3	4.9	5.2	5.9
3	0.6	0.8	1.0	1.2	1.6	1.8	1.8	1.8	1.6	1.8	1.9	1.8	2.1	2.6	3.0	3.0	3.7
4	0.4	0.4	0.6	0.6	0.9	1.0	1.1	1.0	0.9	1.1	1.1	1.0	1.3	1.5	1.7	1.7	2.0
5	0.2	0.2	0.3	0.3	0.5	0.5	0.7	0.7	0.6	0.8	0.7	0.7	0.8	0.9	1.1	1.0	1.2
6	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.6	0.7	0.7	0.8
7	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.3	0.3	0.4	0.4	0.5
8	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2
9	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	12.0	13.8	16.8	18.3	21.4	24.0	25.4	25.3	22.9	24.7	25.6	23.8	27.4	30.5	34.7	36.4	41.6

Source: CMIE Prowess, NSE EPR.

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

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


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

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

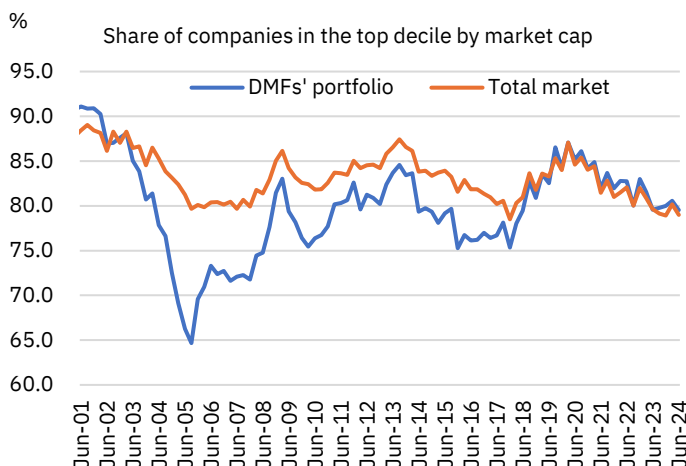
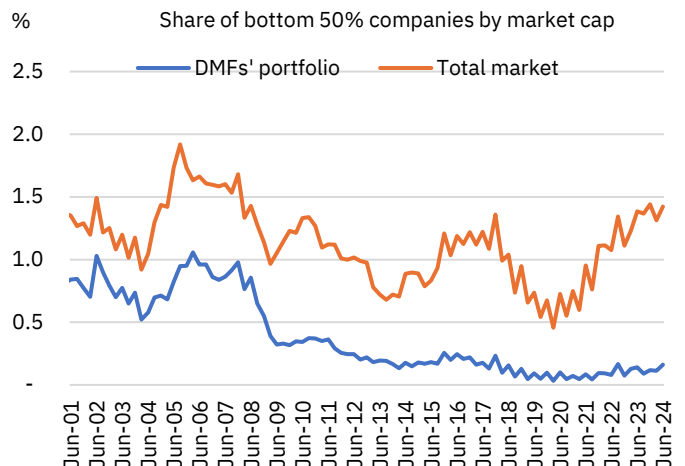
	FY21				FY22				FY23				FY24				FY25
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	85.2	86.1	84.2	84.9	82.0	83.7	82.0	82.8	82.7	80.0	83.0	81.5	79.6	79.8	80.0	80.6	79.5
2	10.4	10.2	11.0	10.8	12.0	11.7	12.4	11.8	12.0	13.4	11.6	12.7	13.8	13.6	13.3	13.2	13.8
3	3.0	2.7	3.3	3.1	3.9	3.2	3.7	3.5	3.6	4.2	3.7	3.9	4.4	4.3	4.3	4.0	4.2
4	1.0	0.8	1.1	1.0	1.6	1.1	1.4	1.4	1.1	1.6	1.2	1.4	1.7	1.8	1.8	1.7	1.9
5	0.3	0.2	0.3	0.2	0.4	0.3	0.4	0.4	0.4	0.6	0.4	0.4	0.5	0.4	0.5	0.4	0.4
6	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

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

Rs lakh crore	FY21				FY22				FY23				FY24				FY25
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	9.2	10.1	11.6	12.5	13.5	15.8	16.0	16.7	15.8	17.0	18.7	18.1	20.0	22.0	25.4	27.5	31.6
2	1.1	1.2	1.5	1.6	2.0	2.2	2.4	2.4	2.3	2.9	2.6	2.8	3.5	3.7	4.2	4.5	5.5
3	0.3	0.3	0.5	0.4	0.6	0.6	0.7	0.7	0.7	0.9	0.8	0.9	1.1	1.2	1.4	1.4	1.7
4	0.1	0.1	0.1	0.2	0.3	0.2	0.3	0.3	0.2	0.3	0.3	0.3	0.4	0.5	0.6	0.6	0.7
5	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	10.8	11.7	13.8	14.7	16.5	18.9	19.6	20.1	19.1	21.3	22.6	22.2	25.1	27.5	31.7	34.2	39.8

Source: CMIE Prowess, NSE EPR.

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

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


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

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

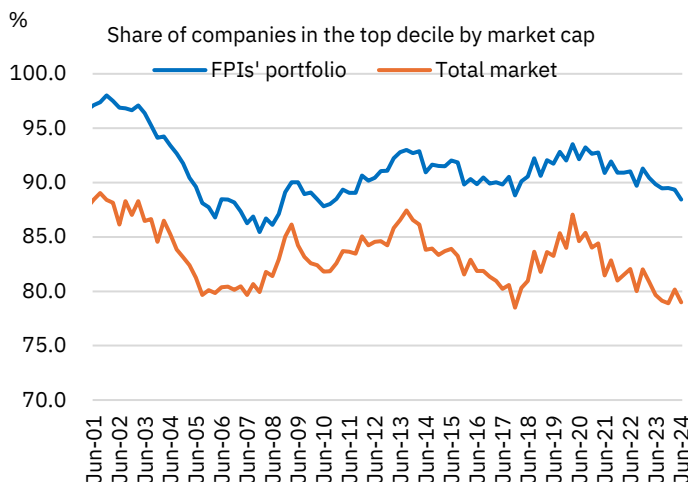
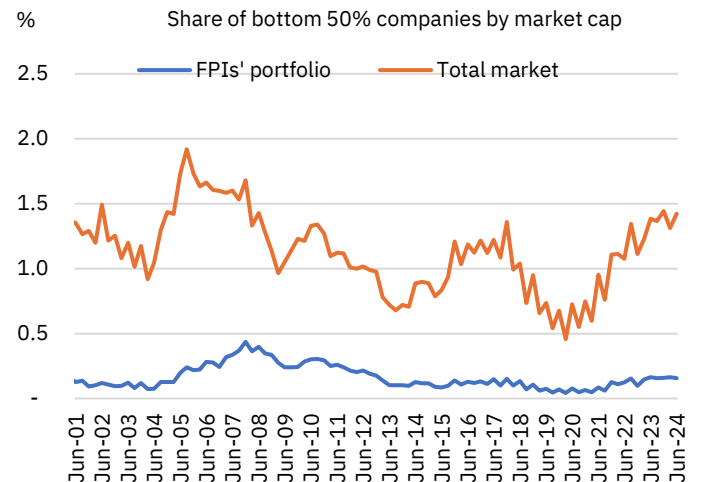
	FY21				FY22				FY23				FY24				FY25
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	92.2	93.2	92.6	92.8	90.9	91.9	90.9	90.9	91.0	89.7	91.3	90.4	89.8	89.5	89.5	89.3	88.4
2	5.7	5.1	5.4	5.4	6.6	5.9	6.4	6.3	6.3	6.8	6.0	6.5	6.9	7.0	6.9	7.2	7.7
3	1.5	1.2	1.4	1.4	1.7	1.6	1.9	1.8	1.8	2.3	1.8	2.0	2.0	2.4	2.3	2.3	2.5
4	0.4	0.3	0.4	0.3	0.5	0.4	0.5	0.6	0.5	0.7	0.6	0.7	0.8	0.8	0.9	0.8	0.9
5	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.2	0.2
6	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

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

Rs lakh crore	FY21				FY22				FY23				FY24				FY25
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	25.7	29.3	37.6	40.5	42.9	48.7	47.1	45.6	40.3	44.7	48.1	43.9	49.8	51.9	58.6	61.0	67.3
2	1.6	1.6	2.2	2.4	3.1	3.1	3.3	3.2	2.8	3.4	3.2	3.1	3.8	4.0	4.5	4.9	5.9
3	0.4	0.4	0.6	0.6	0.8	0.8	1.0	0.9	0.8	1.1	0.9	1.0	1.1	1.4	1.5	1.5	1.9
4	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.2	0.4	0.3	0.3	0.4	0.4	0.6	0.6	0.7
5	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.1	0.2
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	27.9	31.5	40.6	43.6	47.2	53.0	51.9	50.2	44.3	49.8	52.6	48.6	55.4	58.0	65.5	68.3	76.0

Source: CMIE Prowess, NSE EPR.

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

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


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

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

	FY21				FY22				FY23				FY24				FY25
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	84.6	85.4	84.0	84.4	81.5	82.8	81.0	81.5	82.1	80.0	82.0	80.9	79.6	79.1	78.9	80.2	79.0
2	9.5	9.2	9.5	9.6	10.6	10.0	10.9	10.5	10.2	11.0	10.1	10.6	11.1	11.1	11.2	10.6	11.2
3	3.1	3.0	3.5	3.3	4.1	3.8	4.1	4.0	3.8	4.3	3.9	4.2	4.4	4.7	4.8	4.5	4.7
4	1.3	1.2	1.5	1.4	1.9	1.7	1.9	1.9	1.8	2.2	1.9	2.0	2.3	2.3	2.4	2.2	2.4
5	0.7	0.6	0.8	0.7	1.0	0.9	1.0	1.0	1.0	1.2	1.1	1.1	1.3	1.3	1.3	1.2	1.2
6	0.4	0.3	0.4	0.3	0.5	0.4	0.6	0.6	0.6	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7
7	0.2	0.1	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.4
8	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
9	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CMIE Prowess, NSE EPR.

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

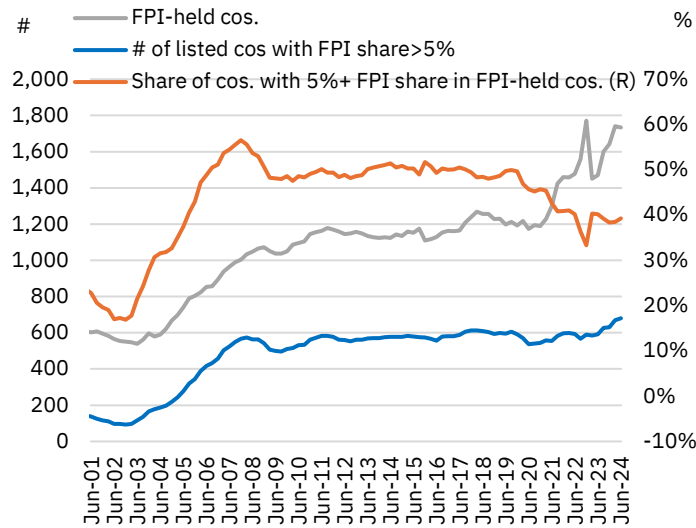
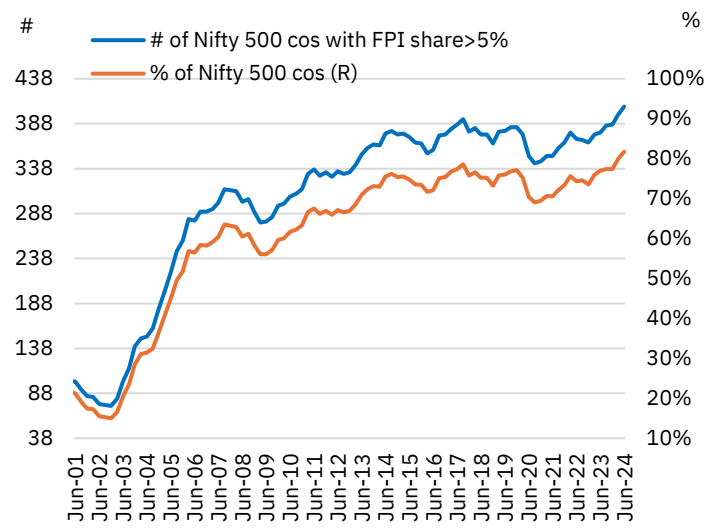
Rs lakh crore	FY21				FY22				FY23				FY24				FY25
	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun
1	117.1	130.8	156.9	171.4	185.9	213.7	213.0	212.7	197.3	214.0	228.7	205.5	232.0	249.1	283.7	306.4	341.6
2	13.1	14.0	17.7	19.4	24.3	25.8	28.6	27.3	24.5	29.3	28.0	26.9	32.3	35.0	40.3	40.7	48.6
3	4.4	4.6	6.5	6.7	9.3	9.7	10.7	10.4	9.3	11.4	10.8	10.6	12.7	14.8	17.1	17.2	20.5
4	1.9	1.9	2.8	2.9	4.3	4.5	5.1	4.9	4.4	5.8	5.3	5.2	6.6	7.4	8.6	8.3	10.3
5	1.0	1.0	1.5	1.4	2.2	2.3	2.7	2.6	2.5	3.2	2.9	2.8	3.7	4.1	4.7	4.5	5.4
6	0.5	0.5	0.7	0.7	1.1	1.1	1.5	1.5	1.3	1.9	1.6	1.6	2.1	2.3	2.7	2.6	3.2
7	0.3	0.2	0.4	0.3	0.6	0.5	0.8	0.8	0.7	1.0	0.8	0.8	1.1	1.2	1.4	1.4	1.7
8	0.1	0.1	0.2	0.2	0.3	0.2	0.4	0.4	0.4	0.5	0.4	0.4	0.5	0.6	0.7	0.7	0.8
9	0.1	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1
Total	138.4	153.1	186.7	203.1	228.2	258.0	263.0	261.0	240.5	267.4	278.9	254.2	291.2	314.8	359.5	382.1	432.5

Source: CMIE Prowess, NSE EPR.

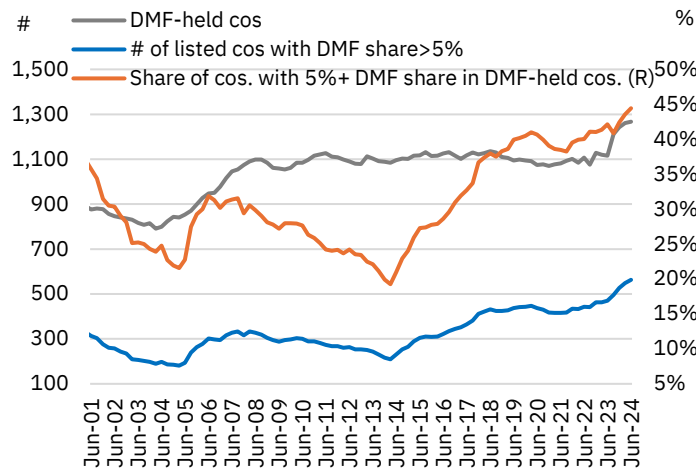
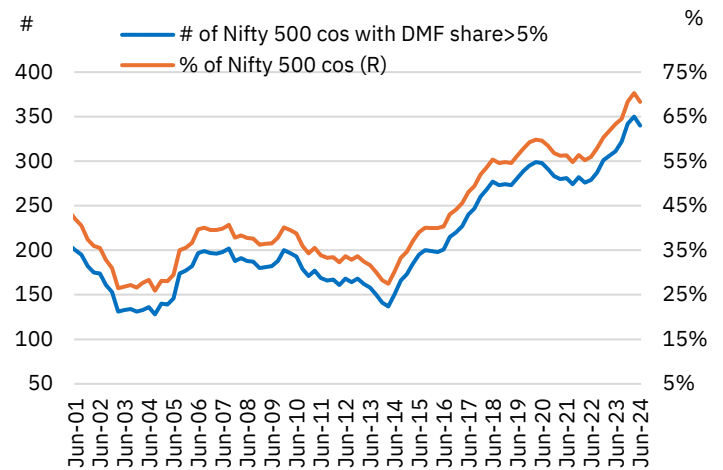
Ownership concentration in terms of no. of companies with holding greater than 5%:

We now compare the depth of institutional ownership with its width in the market. We consider the FPI portfolio in India since 2001, not in terms of its value, but in terms of the number of stocks. FPIs meaningfully expanded their invested pool of companies between 2020 and 2022, from near-1200 odd companies in December 2020 to 1450+ by December 2021 and 1770+ by December 2022. This number fell significantly in the last quarter of FY23 to about 1450, after which there has been a steady rise in the number of companies held by FPIs to 1733 by June-end. At the same time, the number of companies where FPIs have more than 5% stake stands at 680, up from 670 in the previous quarter. As a percentage of total number of companies held by FPIs, this comes to about 39.2%, slightly higher than 38.5% in the previous quarter.

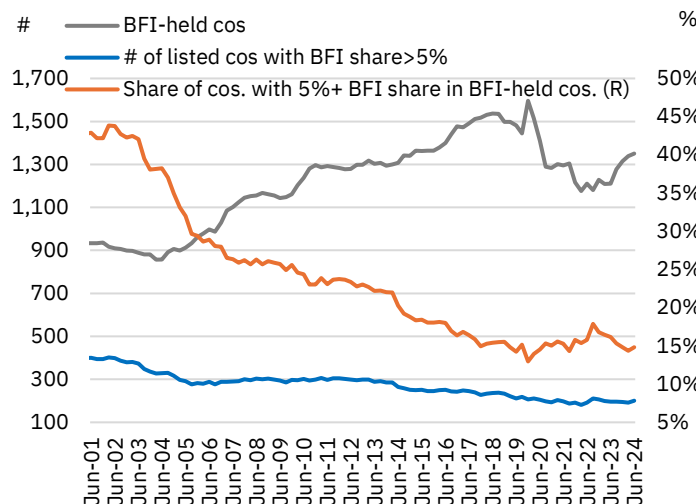
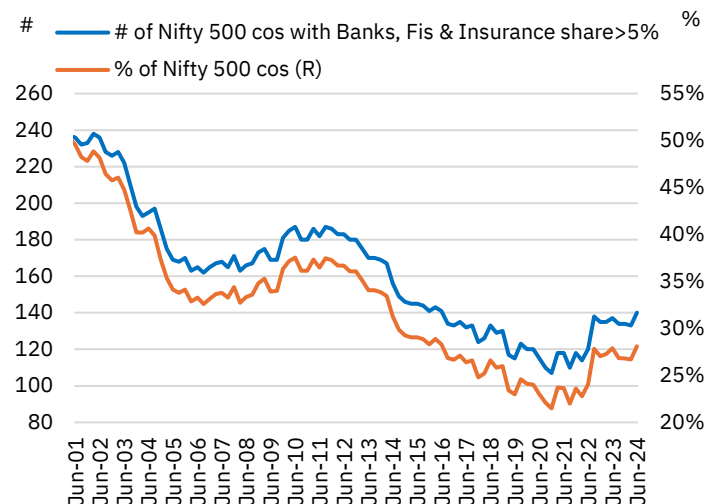
The quarter gone by saw DMFs holding a stake in 1267 companies—the highest ever. Out of these, DMFs own more than 5% share in 563, which brings the ratio of count of such companies to the total number of DMF-owned companies in the NSE listed universe to a fresh all-time high of 44.4%.

Figure 96: Number of listed cos with FPI holding >5%

Figure 97: Number of Nifty500 cos with FPI holding >5%


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

Figure 98: Number of listed cos with DMF holding >5%

Figure 99: Number of Nifty500 cos with DMF share >5%


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

Figure 100: Number of listed companies with Banks, FIs & Insurance holding >5%

Figure 101: Number of Nifty500 companies with Banks, FIs & Insurance holding >5%


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

Macroeconomy

Macro round-up

Inflation risks taper post status quo MPC policy

The Indian economy sustained a strong growth momentum as evinced by buoyancy in GST collections, record high level of E-way bills, surge in automobile sales and sustained expansion in PMI manufacturing and services. However, the pace of growth has moderated, particularly in the industrial activity and bank credit offtake, signalling emerging challenges. In its latest meeting, RBI's Monetary Policy Committee (MPC) maintained the status quo for the ninth consecutive time with a 4-2 majority, positioning a hawkish tone with a vigilance on food inflation risks. Elevated food inflation and its persistence continue to pose significant challenges to disinflation efforts. In line with the RBI's forecast of softening inflation in Q2FY25, the retail headline inflation number in July decelerated to 3.5% YoY, marking its lowest level in near five years and dipping below the median inflation target of 4% for the first time since Sept'19. This moderation was primarily due to a favourable base effect while price momentum observed in the food sub-components (especially vegetables), and recently announced telecom rate hikes capped the fall in the headline number. The progress of monsoon has been steady and widespread, facilitating improvements in interstate distribution. Reservoir levels have shown a noticeable improvement, and overall sowing activity remains healthy, which is expected to further aid the path of disinflation and bode well for agriculture production and rural consumption.

On the fiscal front, India's position remains stable, with the fiscal deficit at 8.4% of FY25BE, driven by strong tax collections and muted capital expenditure. Notwithstanding the widening YoY gap between bank deposit and credit growth and its concomitant implications for banking system liquidity, the deposit growth so far in FY25 (Apr-Jun'24) at 4% has surpassed credit growth at 2.7%, reflecting banks' focus on deposit mobilisation. Globally, policy divergence among advanced economies has continued, with central banks adopting varying stances ranging from hawkish to dovish while some maintaining status quo. This policy desynchronization could have significant implications for the overall economy through the financial market and exchange rate channels triggered by interest rate differentials. The recent softness in the U.S. labour market and recessionary fears triggered by the Sahm's rule⁵ have increased the probability of a U.S Fed rate cut, which could have implications for the global financial system.

- **Industrial activity decelerates:** Industrial activity moderated significantly in June, with the IIP growth slowing to a five-month low of 4.2% YoY in June, almost 2pp lower than the previous month. A pronounced slowdown in manufacturing and electricity sectors has outweighed the expansion in mining. The growth momentum has particularly slowed down in consumer durables, non-durables and construction sector. This deceleration was also reflected in the core-sector growth (4% YoY in June vs. 6.4% YoY in May) while both manufacturing and services PMI at 58.1 and 60.3 respectively demonstrate healthy expansion.
- **Retail inflation surprises on the downside:** Headline retail inflation fell sharply to a 59-month low of 3.5% YoY in July, below the median 4% inflation target for the first time since Sept'19. A favorable base effect, fall in food inflation to a 13-month low and sustained deflation in the fuel component aided the deceleration in the headline number. Core inflation, which had eased to a record low in recent months, reversed the trend by inching higher to 3.4% YoY, led by the recent telecom hikes and gains in prices of gold and silver. Notwithstanding the fall in inflation, the sequential price momentum in food prices, especially vegetables, needs to be closely monitored.

⁵ The Sahm Rule identifies signals related to the start of a recession when the three-month average of the unemployment rate exceeds the lowest unemployment rate in the last 12 months by 0.5 percentage points.

- **MPC's status quo served with a hawkish tone:** The RBI's MPC, with a 4:2 majority, decided to keep the policy repo rate unchanged at 6.5% for the ninth consecutive time, while retaining the stance of "withdrawal of accommodation". The economic growth and inflation projections at 7.2% and 4.5% respectively for FY25 have been unchanged, albeit with minor changes across quarterly forecasts. A data-dependent approach with a focus on navigating a plethora of domestic and external risks and its concomitant impact on headline inflation is likely to continue, preserving the gains made so far in monetary policy credibility.
- **Fiscal deficit at 8.4% of budget estimates during Q1FY25:** The fiscal deficit for the first quarter of FY25 eased to 8.4% of the FY25BE, supported by strong gains in tax and non-tax collections while capital expenditure contracted during the same period. Direct (~21%) and indirect (~23%) tax collections have exceeded one-fifth of the FY25BE number while the spending on capital expenditure has been relatively lower, accounting for mere 16% of the budget estimate during the first quarter. Total expenditure stood at Rs 9.7 lakh crore in Q1FY25, 7.7% lower than the corresponding period last year.
- **Credit offtake decelerates while banks focus on deposit mobilisation:** Bank credit offtake moderated to 17.4% YoY in June, 2.4pp lower than in May, led by a broad-based deceleration across key categories, with services witnessing the highest fall (-5.8pp), followed by agriculture (-4.2pp) and personal loans (-3.1pp). The growth in total deposits moderated to 11.1% YoY in June (vs. 14% YoY in May), led by tepid growth in demand deposits. Till Q1FY25, deposit growth at 4% has surpassed credit growth at 2.7%, reflecting banks' focus on deposit mobilization.
- **Rainfall surplus grows while regional disparities narrow:** As of August 9th, 2024, the country recorded an overall surplus rainfall of 7% vis-à-vis the long-period average, marking a notable improvement from the 1.8% surplus reported at the end of July. The regional variations in rainfall distribution, while still present, have shown signs of narrowing compared to the previous month. The overall sowing activity for the kharif season has been relatively slow but marginally higher by 1.4% than last year (till August 9th). Similarly, the reservoir levels have been 5.2% higher than last year, auguring well for the overall agriculture production.
- **A mix of hawks, doves and status quo in monetary policy:** Recent monetary policy meetings across advanced economies exhibited a significant divergence as central banks navigated through distinct economic conditions and inflationary pressures, presenting a mix of accommodation, policy continuation and hawkish policy actions across central banks. While the US Fed continued with a status quo, the Bank of England commenced the accommodative policy action by cutting rates for the first time in the last four years. Similarly, the Bank of Canada cut policy rates in its second consecutive meeting, underscored by weakness in the labour market and easing inflationary concerns. Bank of Japan, however, remained an outlier, by hiking rates for the second time in 2024 and reducing the quantum of bond purchase.

IIP growth moderate to a five-month low in June amid broad-based deceleration

Industrial activity moderated significantly in June, with the IIP growth slowing to a five-month low of 4.2% YoY (vs. 6.2% in May'24). The deceleration was driven primarily by a pronounced slowdown in the manufacturing and electricity sectors, which outweighed the robust growth in mining, which rose to an eight-month high. In the manufacturing sector, 17 out of 23 industries, accounting for a ~55% weight in the IIP, registered lower YoY growth compared to the previous month, underscoring a broad-based nature of industrial slowdown. All use-based categories also experienced a deceleration in Jun'24 relative to the previous month, with consumer goods (both durables and non-durables), posting the steepest decline. This sharp downturn in consumer goods reflects a weakening demand environment across both rural and urban areas. Notwithstanding the recent moderation in industrial activity in June, overall industrial production in the first quarter has expanded at a faster pace than the corresponding period last year.

The eight core sectors, which are crucial indicators of industrial activity, also saw substantial deceleration, with growth slowing to 4% YoY in June, down from 6.4% YoY in May. A sizeable expansion in coal production has been outweighed by tepid growth in cement and steel production coupled with contraction in crude oil and refinery production. The PMI for both manufacturing and services decelerated marginally but continue to remain in the expansionary zone. The manufacturing PMI dipped slightly to 58.1 in Jul'24, down from 58.3 in Jun'24, while the services PMI eased to 60.3 from 60.5 during the same period.

- **IIP growth decelerates to five-month low:** In Jun'24, IIP growth decelerated to a five-month low of 4.2% YoY, down from 6.2% YoY in May'24. This two-percentage-point decline in growth was primarily driven by a significant slowdown in the manufacturing sector to a seven-month low of 2.6% YoY (vs. 5% YoY in May). The electricity sector also contributed to the slowdown, with growth falling to 8.6% YoY from 13.7% YoY in May'24. Conversely, the mining industry demonstrated resilience, achieving a robust growth rate of 10.3% YoY, an eight-month high, likely fuelled by increased coal demand. Sequentially too, the IIP index and all three sectors' indices contracted, reflecting a general slowdown in industrial activity. Despite the observed deceleration in Jun'24, the broader industrial performance for the Q1FY25 outpaced that of the same period in FY24. Within the manufacturing sector, 17 out of 23 industries, which collectively hold a ~55% weight in the IIP, experienced slower growth in June compared to the previous month. Of these, nine industries, with a combined weight of -25%, reported negative YoY growth, limiting the growth in overall manufacturing output. Only three industries—electronic and optical equipment (10.7% YoY), electrical equipment (28.4% YoY), and furniture (16% YoY)—achieved double-digit growth, highlighting pockets of strength amidst the broader manufacturing slowdown.
- **Deceleration across use-based categories:** In Jun'24, all use-based components, barring consumer non-durables, expanded, albeit at a slower pace than the previous month. The most pronounced deceleration in growth was observed in consumer goods, which saw a significant drop of 3.9pp to 2.6% YoY, driven by both durables (six-month low) and non-durables, reflecting a softness in both urban and rural demand. That said, consumer durable production widened by 8.6% YoY while in contrast consumer non-durables production has contracted by 1.4% YoY. The construction goods sector followed with a 1.9pp decline, while primary goods, intermediate goods, and capital goods experienced more moderate moderation of 1.0pp, 0.8pp, and 0.5pp, respectively. On a sequential basis, all components except capital goods witnessed a decline,

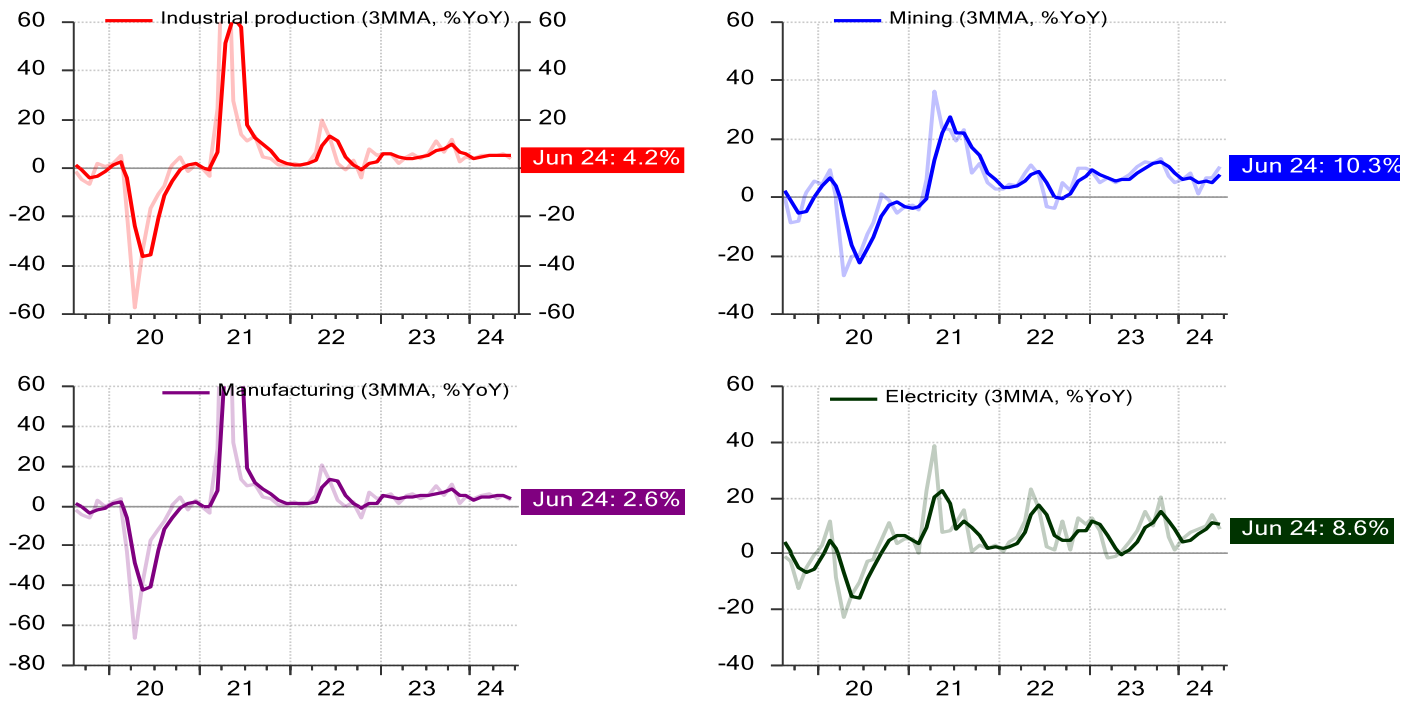
further underscoring the broad-based deceleration across the industrial spectrum. This suggests that while the overall industrial activity remains in an expansionary phase, the growth momentum has notably weakened, particularly in sectors tied to consumer and construction demand.

- Core sector growth decelerated:** The eight core sector growth decelerated substantially to 4% YoY in Jun'24 (vs. 6.4% YoY in May'24) as expansion in coal production was outweighed by lower production of crude oil and refinery products coupled with noticeable deceleration in growth of steel, cement and natural gas. Steel production growth moderated to a 26-month low of 2.7% YoY in Jun'24, possibly due to moderation in demand from the construction and auto sectors. Natural gas production expanded at its slowest pace in the last 13 months by 3.3% YoY in June (vs. 7.5% YoY in May). After four consecutive months of YoY decline in growth, fertilizer production expanded to a six-month high of 2.4% YoY, reflecting higher production ahead of the kharif sowing season. The coal sector achieved the highest growth of 14.8% YoY among the core eight sectors, marking the fastest pace during the last eight months. This remarkable growth can be attributed to higher power demand, thanks to excessive heatwave like conditions. Barring coal and cement, all the sub-segments of the core sector witnessed a MoM contraction in Jun'24.
- Manufacturing and services PMI decelerated marginally; remains robust:** India's Composite PMI declined marginally to 60.7 in Jul'24 (vs. 60.9 in Jun'24), remaining well within the expansion zone for the 36th consecutive month. India's Manufacturing PMI declined marginally to 58.1 in Jul'24, reflecting acceleration in input cost which reached one of the fastest rates in nearly two years. Service PMI also declined to 60.3 in July (vs. 60.5 in June), bolstered by a further rise in new orders, while marking the seventh consecutive month of 60+ reading. Importantly, India's Manufacturing PMI continued to outshine its global counterparts (US: 49.6, UK: 52.1, China: 49.8, Eurozone: 45.8, Japan: 49.1, Indonesia: 49.3).

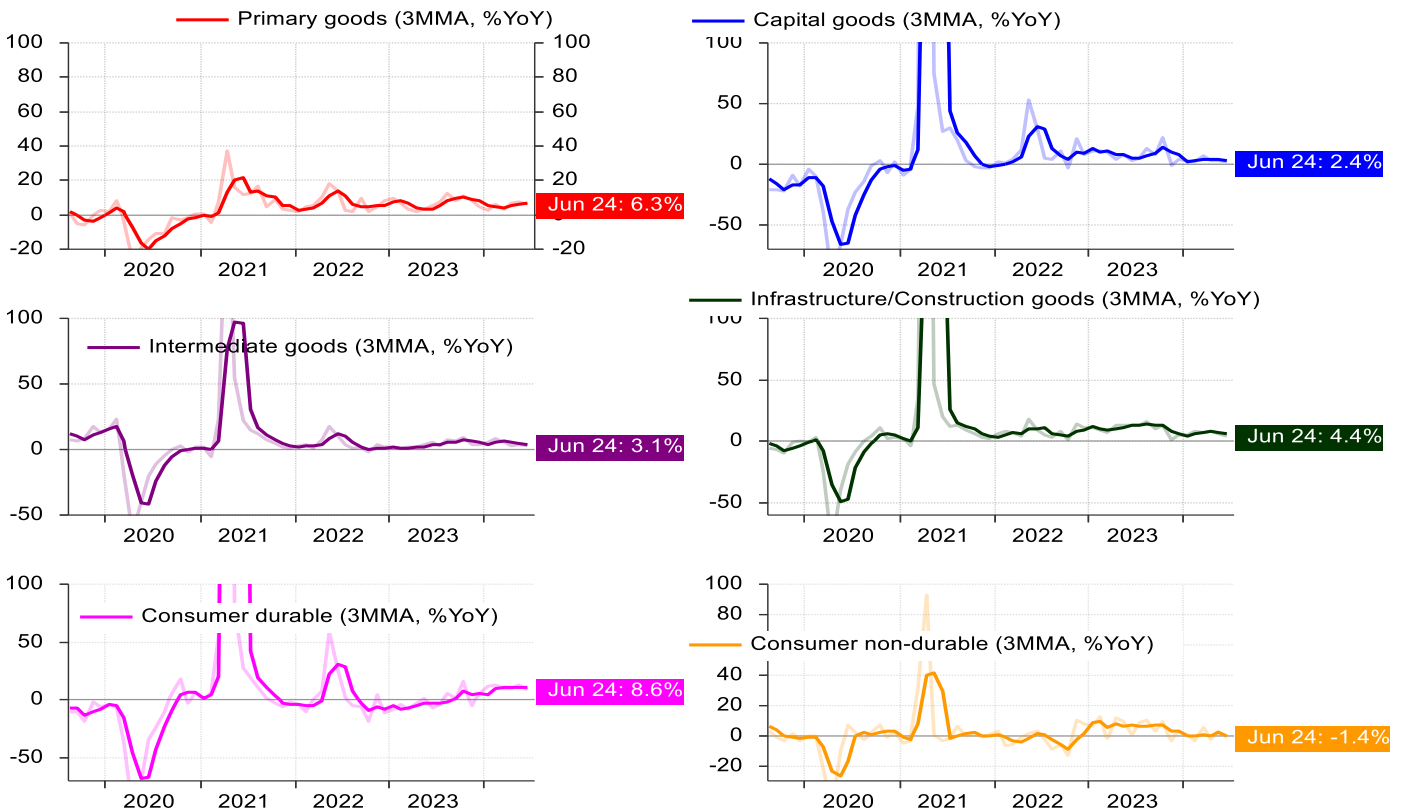
Table 21: India industrial production for June 2024 (%YoY)

	%YoY	Weight (%)	Jun-24	May-24	Jun-23	FY25	FY24
	IIP		4.2	6.2	4.0	5.3	5.1
Sector-based indices	Mining	14.4	10.3	6.6	7.6	7.0	5.8
	Manufacturing	77.6	2.6	5.0	3.5	4.0	5.9
	Electricity	8.0	8.6	13.7	4.2	12.4	-0.1
Use-based Goods	Primary Goods	34	6.3	7.3	5.3	7.1	2.8
	Capital Goods	8.2	2.4	2.9	2.9	6.2	6.3
	Intermediate Goods	17.2	3.1	3.9	5.2	3.4	2.6
	Infra/Construction Goods	12.3	4.4	6.3	13.3	6.1	13.2
	Consumer Goods	28.2	2.6	6.5	(2.5)	3.5	5.9
	Consumer Durables	12.8	8.6	12.6	(6.8)	12.1	-0.4
	Consumer non-durables	15.3	(1.4)	2.5	0.5	(1.7)	10.2

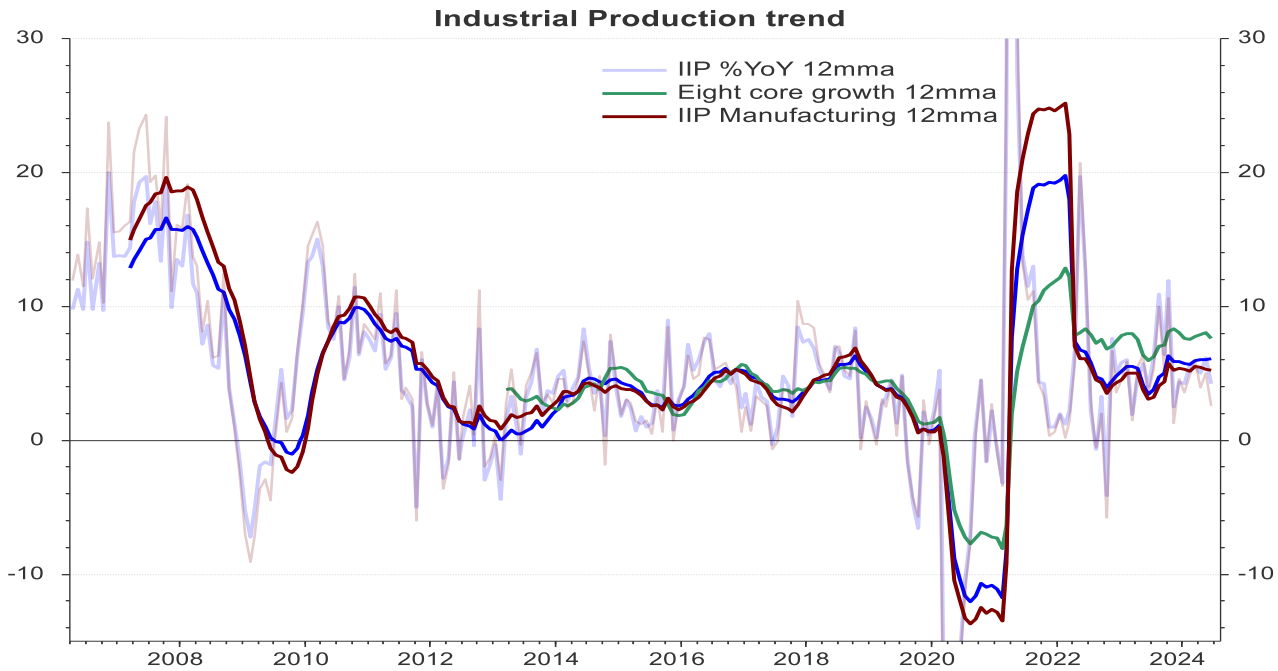
Source: CSO, NSE EPR.

Figure 102: India industrial production (3MMA)


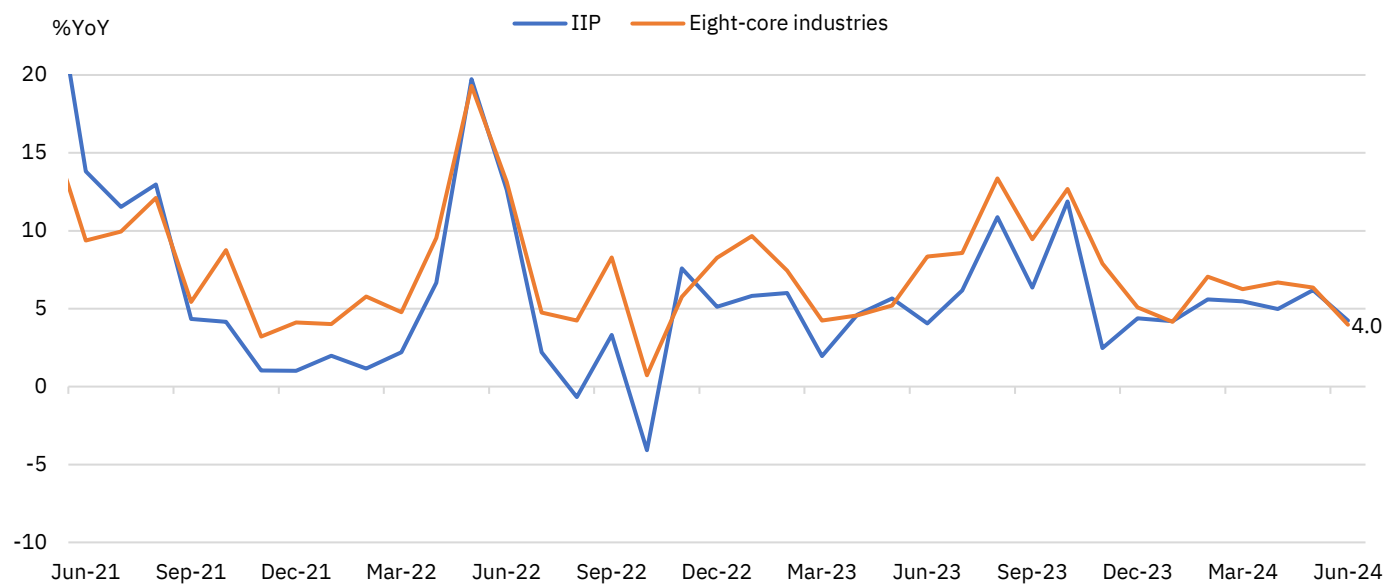
Source: LSEG Datastream, NSE EPR.

Figure 103: India industrial production use-based goods (3MMA)


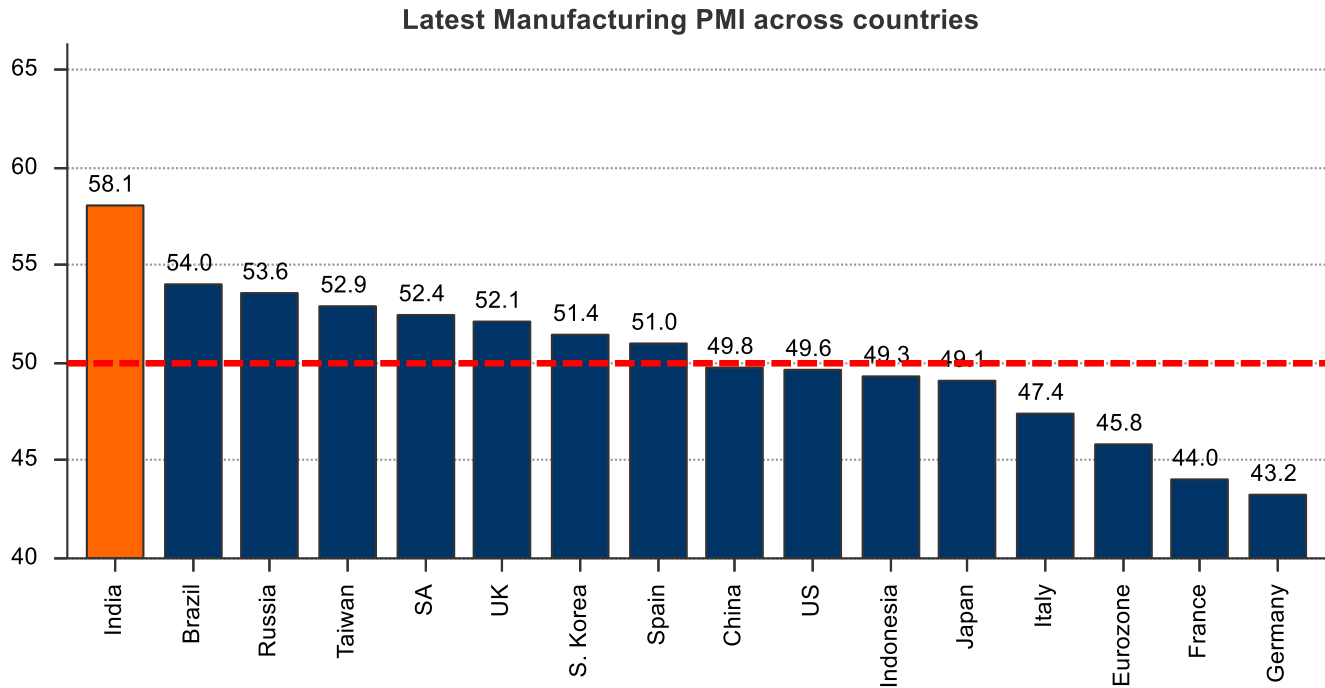
Source: LSEG Datastream, NSE EPR.

Figure 104: Long-term industrial production trend (12MMA)


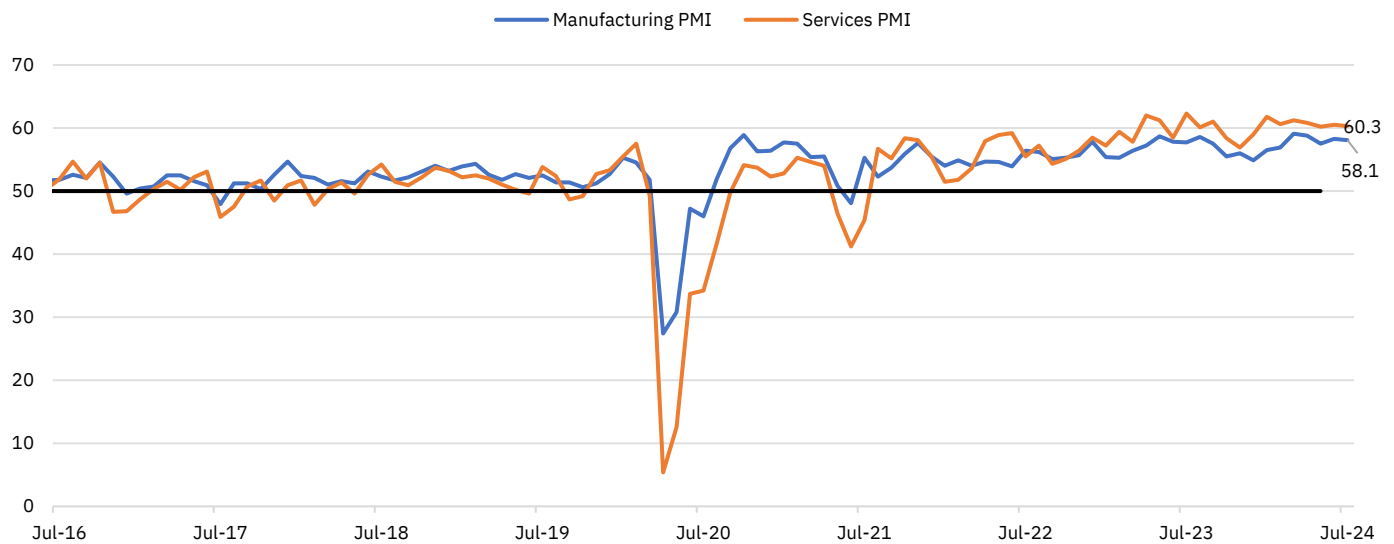
Source: LSEG Datastream, NSE EPR.

Figure 105: Eight core industries growth trend (% YoY)


Source: LSEG Datastream, NSE EPR.

Figure 106: Manufacturing PMI across countries


Source: LSEG Datastream, NSE EPR.

Figure 107: India's Manufacturing and Services PMI trend


Source: CMIE Economic Outlook, NSE EPR.

Retail inflation falls to a near five years low on a favorable base

Headline retail inflation fell sharply to a 59-month low of 3.5% YoY in July, below the median 4% inflation target for the first time since Sept'19. This decline is primarily attributed to a favorable base coupled with notable decline in food inflation to a 13-month low of 5.1% YoY and sustained deflation in the fuel & light component. That said, sequential increase in sub-components of the food basket: vegetables (14.1% MoM), eggs (2.1% MoM), pulses (1.3% MoM) and fruits (1.2% MoM) has been noticeable. Core inflation inched up marginally to 3.4% led by an upward revision in tariff rates by major telecom companies and gains in the prices of gold and silver. Inflation in most of the sub-components under the miscellaneous category continued to remain at multi-year lows. Both urban and rural inflation declined to a 66 and 33 month low respectively with the gap between the two moderating further to some extent. Conversely, wholesale inflation decelerated to a three-month low of 2% YoY primarily led by a notable fall in wholesale food inflation to a nine-month low of 3.5% YoY and muted inflation in the manufacturing segment.

Retail inflation is likely to remain benign and within RBI's flexible inflation target in Q2FY25, thanks to a favorable base effect. However, the reversal of the favorable base in Q3FY25, firming up of commodity prices and frequent occurrence of adverse climate events & its impact on food price pressures could cumulatively translate into shallower softening of headline inflation. That said, a steady progress in monsoon, pick-up in kharif sowing, adequate reservoir levels and buffer foodgrain stocks is likely to drive food inflation lower.

- **Retail inflation decelerates to a near five-year low:** Retail inflation fell to a 59-month low of 3.5% YoY in July (vs. 5.1% YoY in June) after remaining sticky at ~5% during the previous six months. This is the first time since Sep'19 that the headline inflation has fallen below RBI's median inflation target of 4%. This meaningful fall in the headline number can be ascribed to a favorable base-effect (7.4% YoY in Jul'23), sizeable fall in YoY food inflation to a 13-month low (-3.3pp) and sustained deflation in the fuel & light component; marking an all-time low. The uptick in core inflation to a six-month high of 3.4% reflects the fact that it has bottomed out. Both urban (~3% YoY) and rural inflation (4.1% YoY) declined to a 66 and 33 month low respectively with the gap between the two moderating further to some extent. In contrast to the trend exhibited in the previous two months, rural food inflation (5.5% YoY) has significantly outpaced urban food inflation (4.5% YoY).
- **Food inflation almost half than a year ago levels:** Food inflation eased to a 13-month low of 5.1% YoY (vs. 10.6% YoY in Jul'23), thanks to a high base effect. Inflation in cereals (8.1% YoY; five-month low), vegetables (6.8% YoY; nine-month low), milk (3% YoY) and spices (-1.4% YoY; 76-month low) have eased considerably from a year ago owing to a high base effect. The deflation in oils & fats has sustained for 18 consecutive months albeit at a slower pace in recent months. That said, food inflation sequentially increased by 2.5% MoM largely driven by increase in prices of tomato (41.8% MoM), potato (16.6% MoM) and onion (20.5% MoM). The surge in vegetable prices can be ascribed to supply concerns emerging from excessive rainfall damaging perishable crops. Notwithstanding the high base (13.3% YoY) in pulses, inflation continues to remain elevated at 14.8% YoY (vs. 13.3% in Jul'23) owing to lower production.
- **Core inflation inches up marginally after remaining at record low levels:** Core inflation stood at 3.4% YoY in July, 24bps higher than the previous month but lower than 5% YoY in the corresponding period last year. The sequential increase in core inflation can be primarily attributed to hike in telecom tariff rates and sustained inflation in personal care products to a 10-month high, driven by gains in gold (30 bps MoM) and silver prices (1.5pp MoM). Inflation in housing remained sticky at

~2.7% YoY, unchanged from the previous month. Inflation in most of the sub-components under the miscellaneous category continued to remain at multi-year lows while the inflation in footwear decelerated to a 52-month low of 2% YoY.

- WPI inflation decelerates to a three-month low:** Wholesale inflation eased to a three-month low of 2% YoY in Jul'24 (vs. 3.4% YoY in June) despite an unfavorable base (-1.2% YoY in Jul'23), largely ascribed to fall in food inflation and softness in inflation of the manufacturing basket (1.6% YoY). Food inflation has declined sharply to a nine-month low of 3.5% YoY, thanks to a high base of 15.1% YoY in the corresponding month last year. That said, the price momentum in food articles is high with a sequential increase of 3.9% MoM. Within the food basket, sub-components like cereals (9% YoY), pulses (20.3% YoY) and fruits (15.6% YoY) remained elevated while vegetables exhibited a sharp contraction of 8.9% YoY. While several vegetables registered negative growth, inflation in onions (89% YoY) and potato (76% YoY; 44-month high) remains in double-digit on account of climate vagaries. Although tomato prices have sequentially increased by 60% MoM, the negative growth of ~40% YoY since last year has been due to a high base. Fuel inflation rose to a 16-month high of 1.7% YoY primarily due to a low base (-12.7% YoY in Jul'23). Within manufacturing, inflation in the other manufacturing segment rose to a 44-month high of 18.2% YoY. Conversely, five sub-components within manufacturing recorded negative growth while items with sizeable weightage like food products (3.8% YoY), chemicals (0.2% YoY), basic metals (0.9% YoY) and motor vehicles (0.9% YoY) recorded tepid growth.
- Headline inflation to remain benign with favorable base reversal in Q3:** Retail inflation is likely to remain benign and within RBI's flexible inflation target in Q2FY25, thanks to a favorable base effect. However, the reversal of the favorable base in Q3FY25, firming up of commodity prices and frequent occurrence of adverse climate events & its impact on food price pressures could cumulatively translate into shallower softening of headline inflation. That said, a steady progress in monsoon, pick-up in kharif sowing, adequate reservoir levels and buffer foodgrain stocks is likely to drag food inflation lower.

Table 22: Consumer price inflation in July 2024 (%YoY)

%YoY	Weight (%)	Jul-24	Jun-24	Jul-23	FY25TD	FY24TD
CPI		3.5	5.1	7.4	4.6	5.3
Food & Beverages	45.9	5.1	8.4	10.6	7.3	5.7
Pan, Tobacco & Intoxicants	2.4	3.0	3.1	3.9	3.0	3.6
Clothing & Footwear	6.5	2.7	2.7	5.6	2.7	6.5
Housing	10.1	2.7	2.7	4.5	2.7	4.7
Fuel & Light	6.8	-5.5	-3.6	3.7	-4.2	4.4
Miscellaneous	28.3	3.8	3.4	5.1	3.5	5.0
Core CPI inflation¹	44.9	3.4	3.1	5.0	3.2	5.2

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

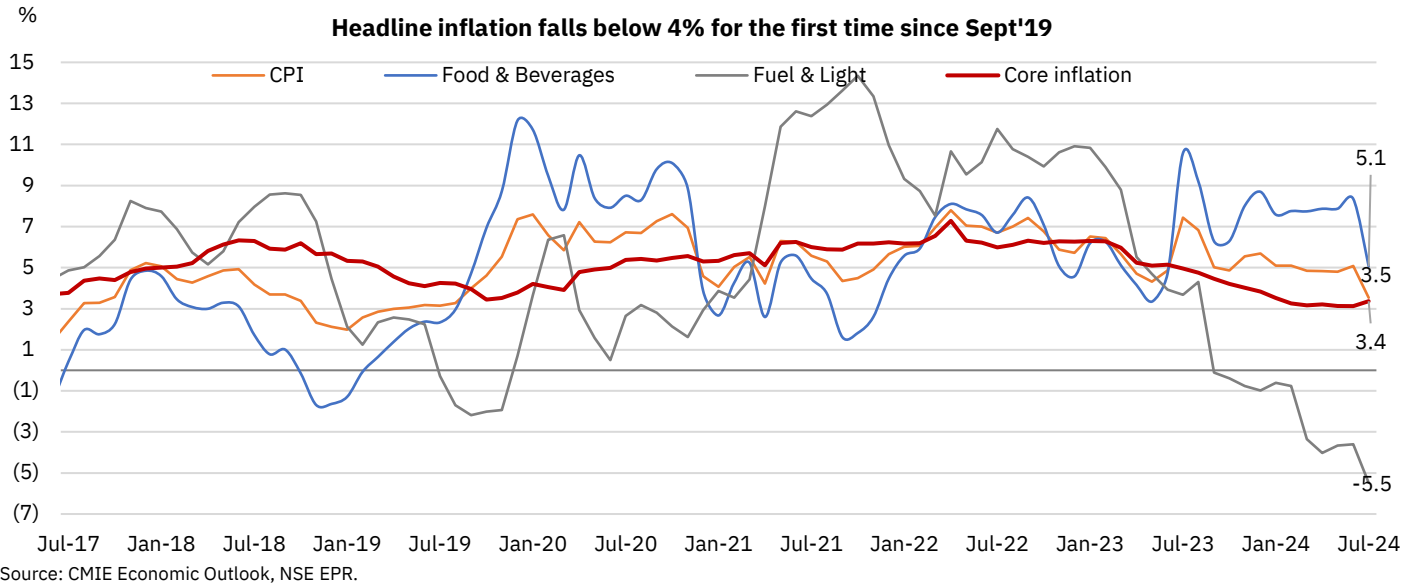
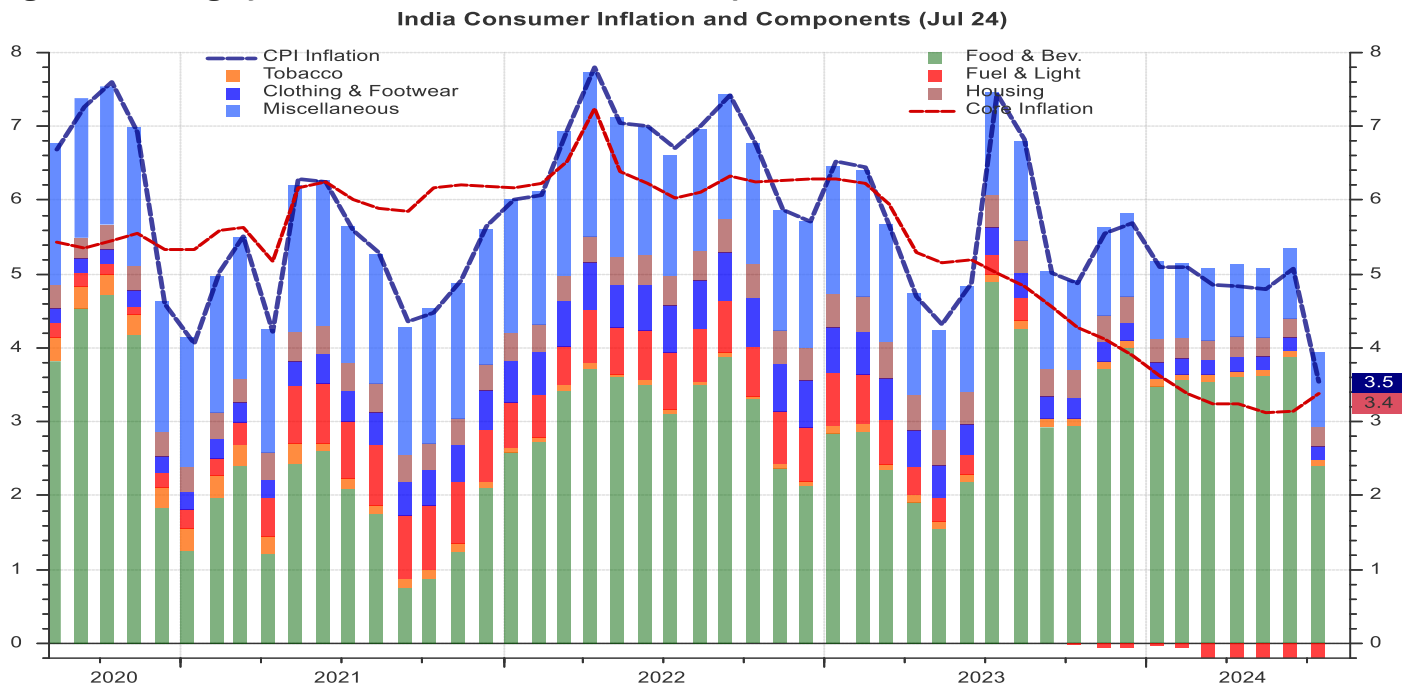
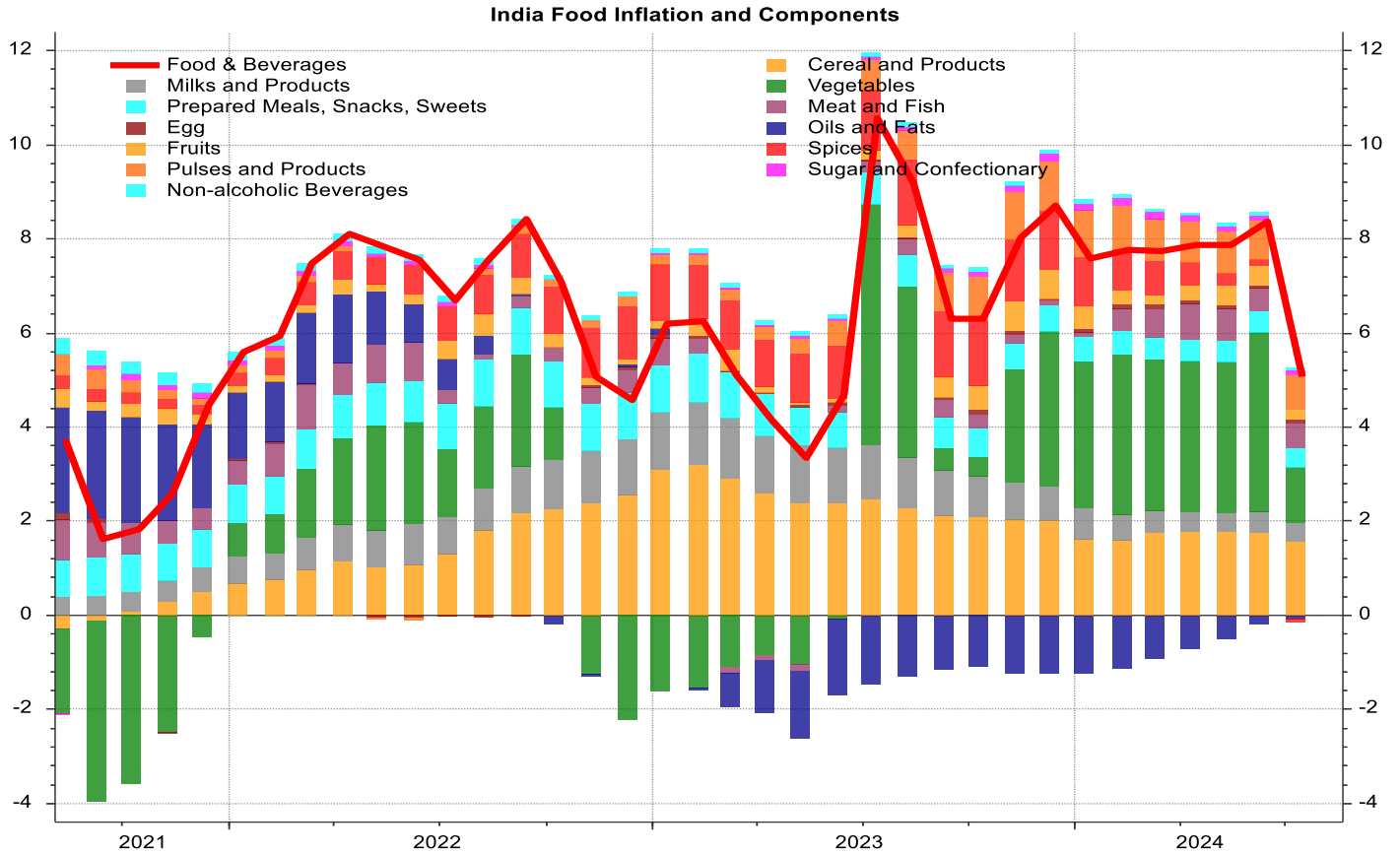
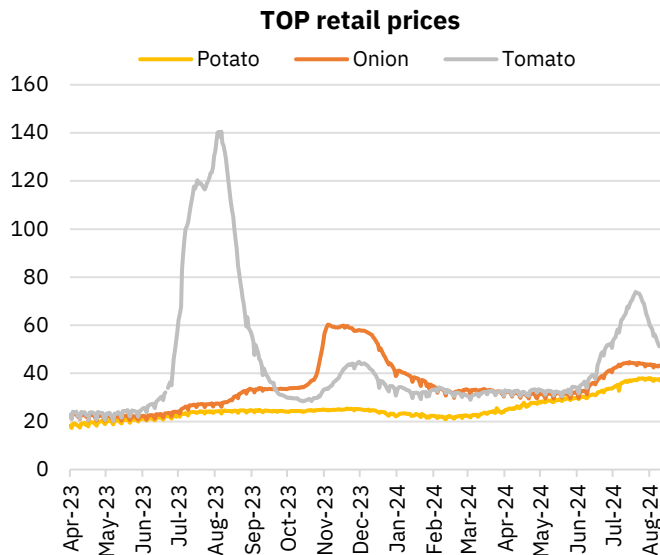
Figure 108: Headline CPI inflation trend

Figure 109: Category-wise contribution to India consumer price inflation (CPI)


Figure 110: Category-wise contribution to India Food and Beverages inflation (CPI)


Source: LSEG Datastream, NSE EPR.

Figure 111: Trend in retail prices of TOP (Rs/kg)


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

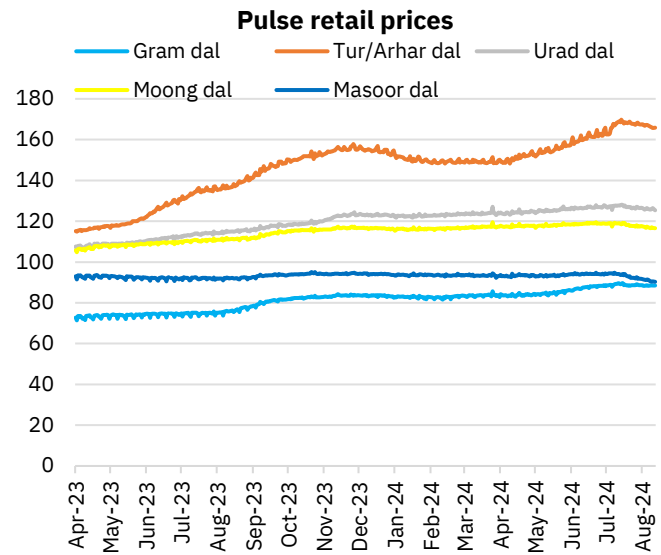
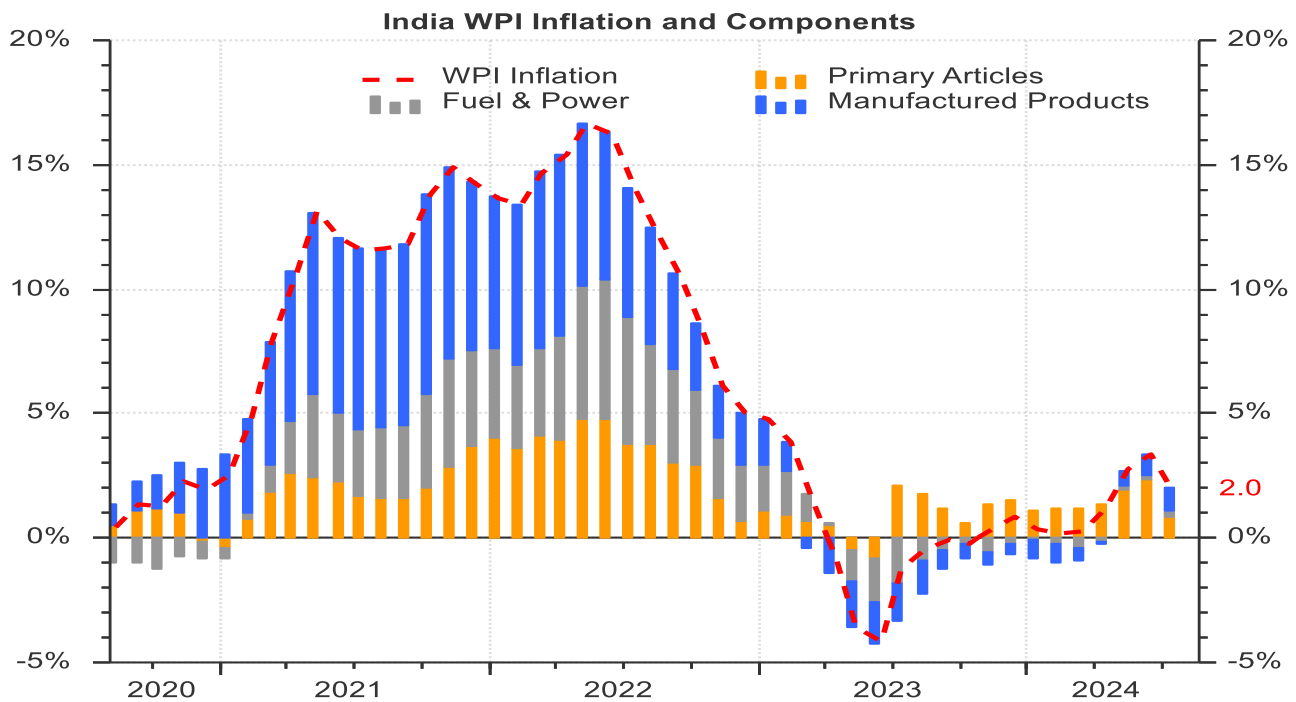
Figure 112: Trend in retail prices of pulses (Rs/kg)


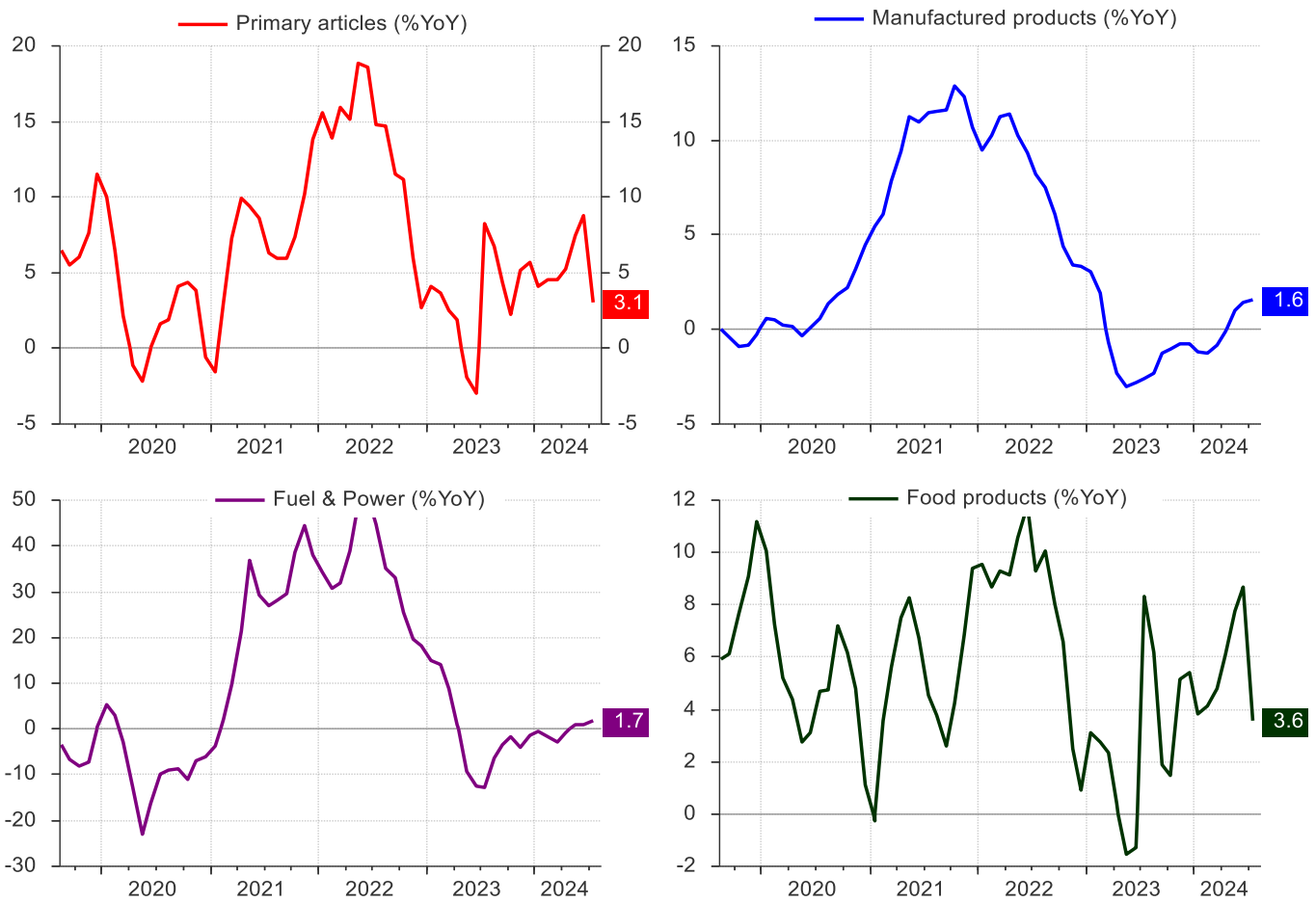
Table 23: Wholesale price inflation for July 2024 (%YoY)

	Weight (%)	Jul-24	Jun-24	Jul-24	FY25TD	FY24TD
WPI		2.0	3.4	-1.2	2.3	-2.5
Primary articles	22.6	3.1	8.8	8.2	6.0	1.3
Food articles	15.3	3.5	10.9	15.1	7.9	5.5
Non-food articles	4.1	-2.9	-2.0	-5.8	-3.4	-7.9
Minerals	0.8	6.6	9.6	9.0	5.0	4.8
Crude petroleum & natural gas	2.4	9.1	12.6	-13.7	9.0	-12.2
Fuel & power	13.2	1.7	1.0	-12.7	0.8	-8.6
Coal	2.1	-1.5	-1.3	5.1	-0.3	4.1
Mineral oils	8.0	3.7	1.9	-19.6	1.9	-15.4
Electricity	3.1	-1.7	0.2	0.3	-1.5	7.5
Manufactured products	64.2	1.6	1.4	-2.6	0.9	-2.7
Food group	24.4	3.6	8.7	8.3	6.4	1.5

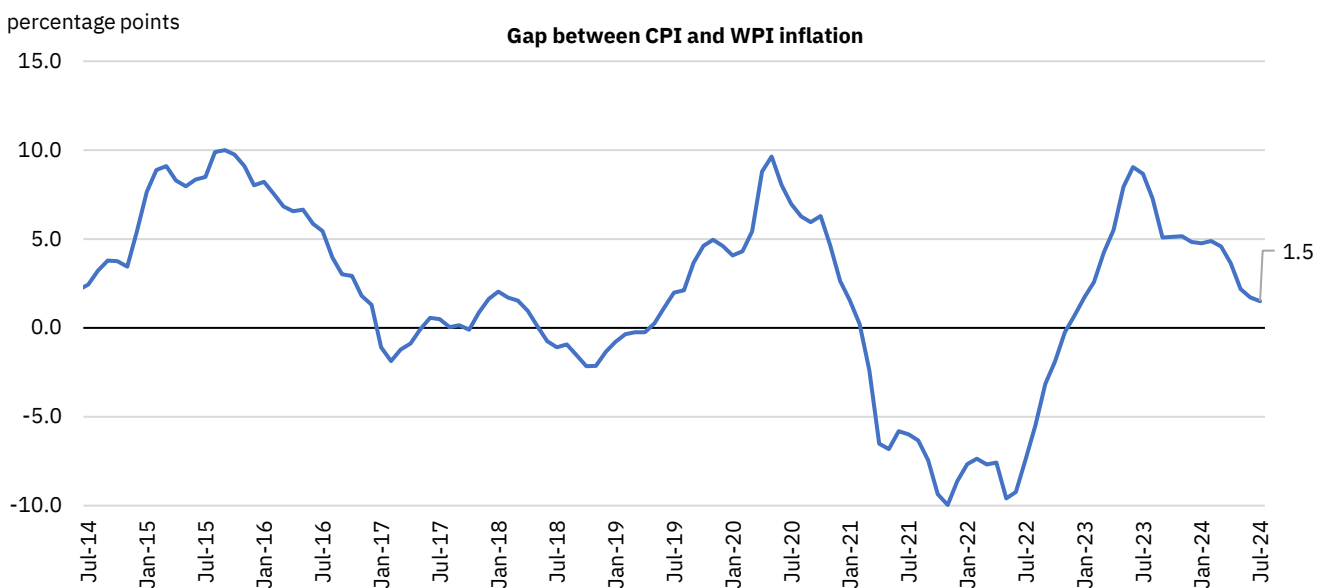
Source: CSO, CMIE Economic Outlook, NSE EPR.

Figure 113: Category-wise contribution to India wholesale price index (WPI)


Source: LSEG Datastream, NSE EPR.

Figure 114: India wholesale price inflation (WPI)


Source: LSEG Datastream, NSE EPR.

Figure 115: Gap between retail and wholesale inflation


Source: CMIE Economic Outlook. NSE EPR.

RBI Monetary Policy: A hawkish tone with vigilance on food inflation risks

The RBI's Monetary Policy Committee (MPC), with a 4:2 majority, decided to keep the policy repo rate unchanged at 6.5% for the ninth consecutive time. The 'withdrawal of accommodation' stance was also retained, citing the need to remain vigilant on inflation amid a strong growth landscape. For the second consecutive meeting, two external members (Prof. J. R. Varma and Dr Ashima Goyal) have dissented by voting for a 25bps rate cut and a change in the stance to 'neutral'. The GDP growth forecast for FY25 has been retained at 7.2%, reflective of sustained growth momentum, underpinned by a revival in rural demand amid an expected normal monsoon, buoyancy in services reflecting steady urban demand, healthy corporate balance sheets, sustained thrust on government capex and signs of pick-up in private investment activity. Similarly, the inflation forecast for FY25 was kept unchanged at 4.5%, with near-term risks emanating from base-effect tapering off, hike in telecom tariff rates and adverse climate conditions. The Governor has specifically emphasized the importance of remaining vigilant to elevated food inflation, its persistence and the second-round effects on core inflation. The RBI's nimble and flexible approach towards liquidity management via variable rate repo (VRR) and reverse repo (VRRR) operations has ensured liquidity conditions remain aligned with the monetary policy stance.

A data-dependent approach with a focus on navigating a plethora of domestic and external risks and its concomitant impact on headline inflation is likely to continue, preserving the gains made so far in monetary policy credibility. As India's growth is resilient, monetary policy has greater elbow room to pursue the goal of inflation targeting and align it with the 4% target. Given the explicit emphasis on domestic risks factors to inflation, a status quo on policy rate is likely to continue for now. Going forward, it is important to note that this is the last MPC meeting of the current members with a rejig of the external members.

- **MPC chooses status quo for the ninth consecutive time:** The RBI's MPC expectedly decided to retain the policy repo rate at 6.5% and the 'withdrawal of accommodation' stance with a 4:2 majority, holding the rates steady for the ninth consecutive time. Two external members (Prof. J R Varma and Dr Ashima Goyal) have dissented for the second consecutive time from the Committee's view, voting instead for a 25-bps rate cut and a change in stance to 'neutral'. The MPC reiterated its commitment to ensuring 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.
- **Inflation forecast retained at 4.5% for FY25:** After registering a steady decline during Dec'23-May'24, headline inflation picked up in June, primarily driven by a sharp acceleration in vegetable prices. Food inflation has remained north of 7% over the last eight months and has been a key factor derailing the path of disinflation. The MPC has retained the headline inflation target at 4.5% for FY25, albeit with an upward revision of 60 bps in Q2FY25 (to 4.4%) and 10 bps in Q3FY25 (to 4.7%). That said, there has been a downward revision of 20 bps in Q4FY25 inflation forecast to 4.3%, with Q1FY26 forecast pegged at 4%. Food price pressures could be contained, supported by a steady progress in monsoon (cumulative rainfall at 107% of LPA), healthy progress in sowing (+2.9% YoY), sizeable foodgrains buffer stocks and easing of global food prices. Conversely, near term risks to inflation outlook emerge from telecom tariff hikes, revision in milk prices, tapering off base-effect and adverse climate events. The inflation projection for FY26 is pegged at 4.1% as per the April's Monetary Policy Report.
- **GDP growth forecast kept unchanged at 7.2% for FY25:** RBI retained the GDP growth forecast at 7.2% for FY25, notwithstanding a 20bps downward revision in

The RBI expectedly kept the policy repo rate unchanged at 6.5%, retaining the "withdrawal of accommodation" stance with a 4:2 majority.

Inflation projected at 4.5%/4.1% in FY25/26, whereas GDP growth forecast for FY25 has been retained at 7.2%

the growth forecast for Q1FY25 to 7.1%. Growth forecasts for Q2, Q3 and Q4 were kept unchanged at 7.2%, 7.3% and 7.2% respectively, with forecast for Q1FY26 pegged at 7.2%. Key drivers to India's growth trajectory include a) healthy balance sheets of banks and corporates, b) continued thrust on government capex, c) visible signs of private investment pick-up, d) revival in rural demand, e) improving prospects of global trade, and f) buoyancy in services to support urban consumption. Key downside risks include headwinds from geopolitical tensions, volatility in the international commodity prices and geoeconomic fragmentation.

- **Food inflation to be the focus amidst headline-core divergence:** The RBI governor has elucidated reasons on the importance given by the MPC to food inflation amidst the prevailing divergence between elevated food and record-low core inflation. With food taking up a lion share of 46% in the CPI basket, food inflation pressures cannot be ignored. For instance, food inflation contributed to 75% of the headline inflation in June and July. Further, high food inflation has adverse implications on household inflation expectations, which if persists at elevated levels could lead to second-order effects on core inflation and behavioural changes, thereby resulting in stickiness in overall inflation trajectory.
- **Banking liquidity moves from deficit to surplus:** Since the previous MPC in June, the banking system liquidity has moved from deficit of Rs 0.45 lakh crore in June to a surplus of Rs 1.1 lakh crore in July and further to Rs 2.7 lakh crore till August 6th. This transition can be largely attributed to higher government spending. The RBI conducted VRR operations of Rs 3.5 lakh crore during June 10-28 while liquidity absorption of Rs 7.1 lakh crore was managed via VRRR operations during July-August (till August 6th). RBI's nimble liquidity management operations has effectively translated to anchor the weighted average call rate within the LAF corridor. The WACR averaged 6.54% during June-August (up to August 6th, 2024) period, slightly below the 6.58% seen in April-May period.
- **Regulatory measures:** The RBI announced a slew of measures aimed at easing the digital lending and payment landscape in India. These include: a) a public repository of digital lending apps (DLAs), b) reduction in the reporting frequency of credit information to Credit Information Companies (CISs) from monthly to fortnightly, thereby providing faster updates to borrowers of their credit information and assisting lenders in making better risk assessments, c) Increase in the transaction limit for tax payments through UPI from Rs 1 lakh to Rs 5 lakh, d) introduction of a facility of "Delegated Payments" in UPI, and e) reduction in the clearing cycle and faster cheque payments process by introducing continuous clearing with 'on-realisation-settlement' in the Cheque Truncation System (CTS).
- **Status quo for now:** A data-dependent approach with a focus on navigating a plethora of domestic and external risks and its concomitant impact on headline inflation is likely to continue, preserving the gains made so far in monetary policy credibility. As India's growth is resilient, monetary policy has greater elbow room to pursue the goal of aligning inflation with the 4% target. The global pivot to an accommodative policy, with rising rate cut probability in the forthcoming US FOMC meeting, could have some implications to the response function of the RBI. However, given the MPC's explicit emphasis on domestic risks to inflation, rate cut likelihood looks remote in the current fiscal year. During this period, the RBI is likely to continue to resort to nimble and flexible liquidity management to ensure orderly movement in money market rates and consequently financial stability.

Table 24: Current policy rates

The policy repo rate was retained at 6.5% in the August policy, accompanied by continuation of “withdrawal of accommodation” stance, with a 4:2 majority.

Key rates	Feb 2024	Apr 2024	June 2024	August 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 116: 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 6.54% during June – August (up to 6th) from 6.58% during April-May.

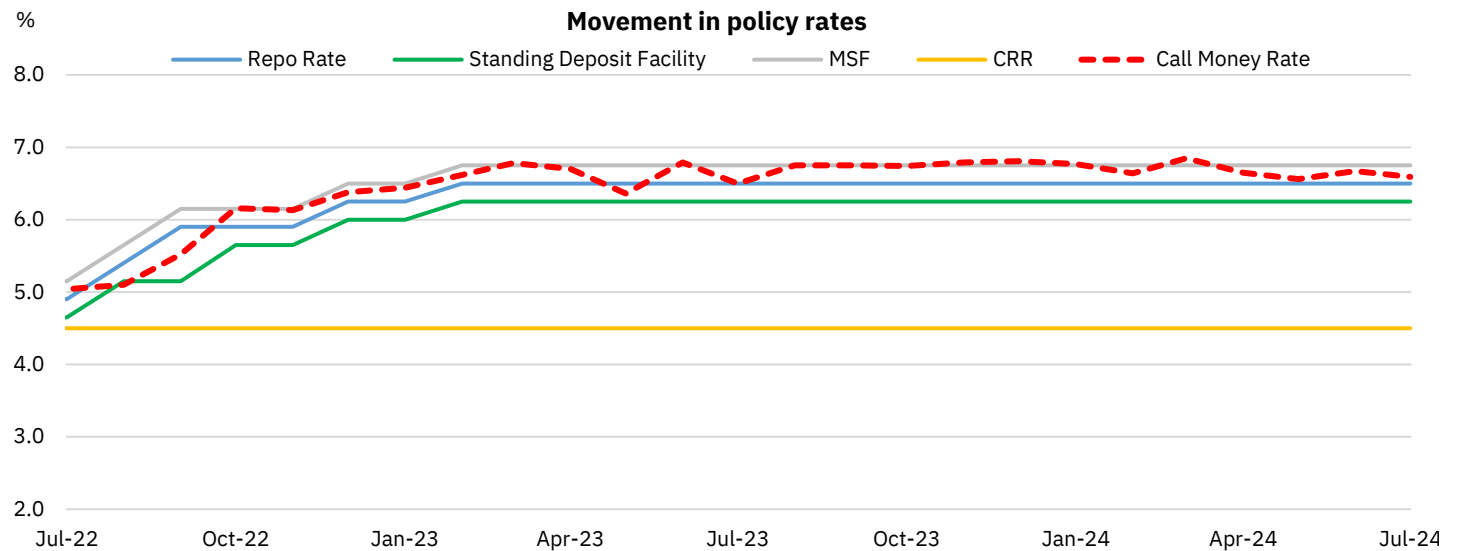
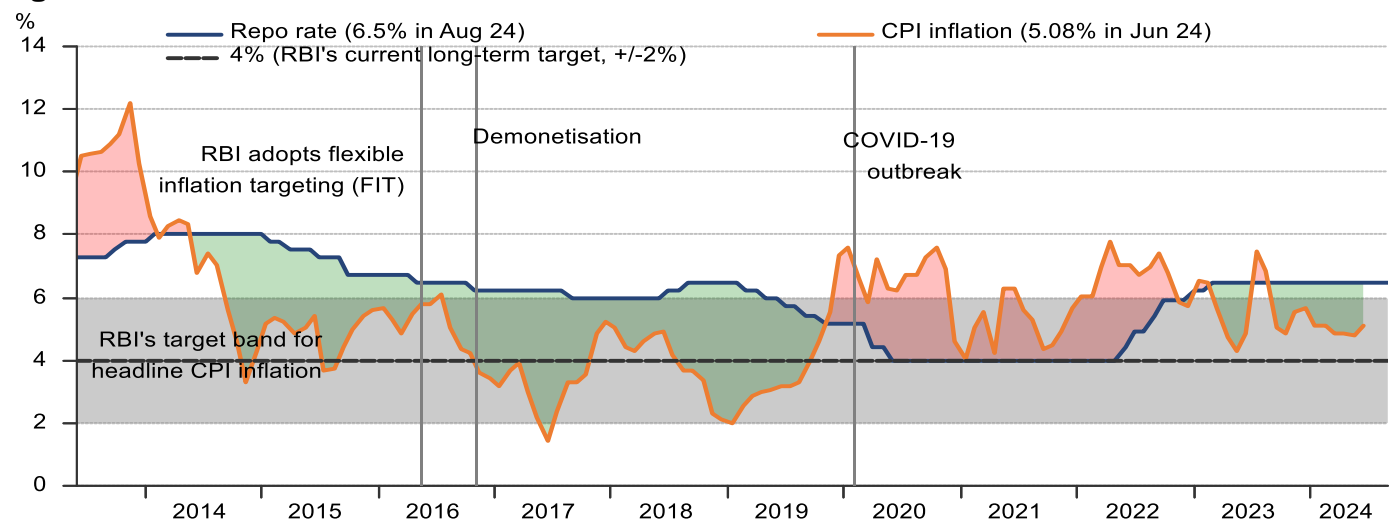
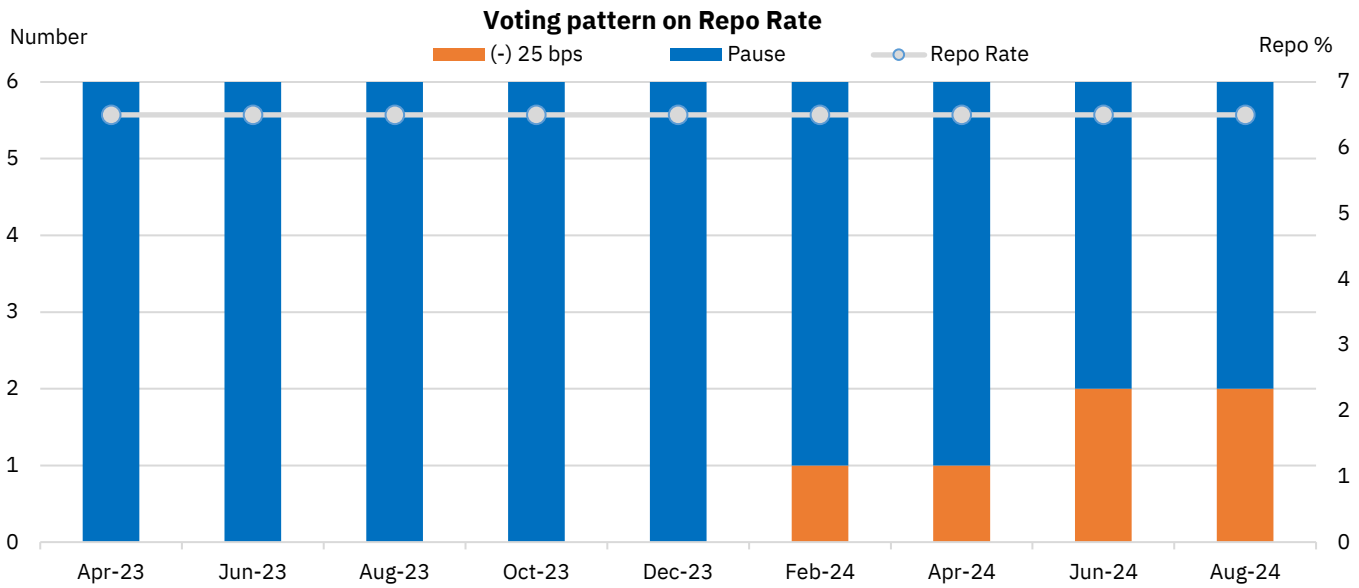

Figure 117: Real interest rates


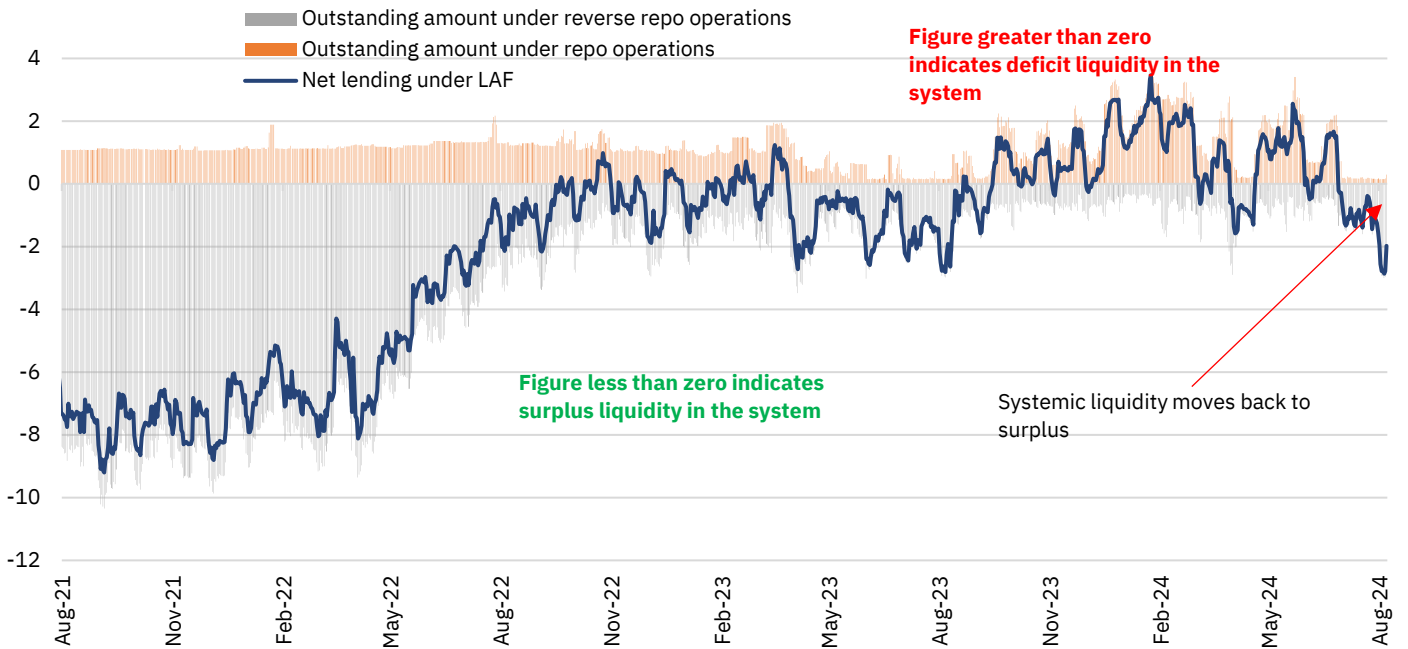
Figure 118: MPC members' voting pattern


Source: RBI, NSE EPR.

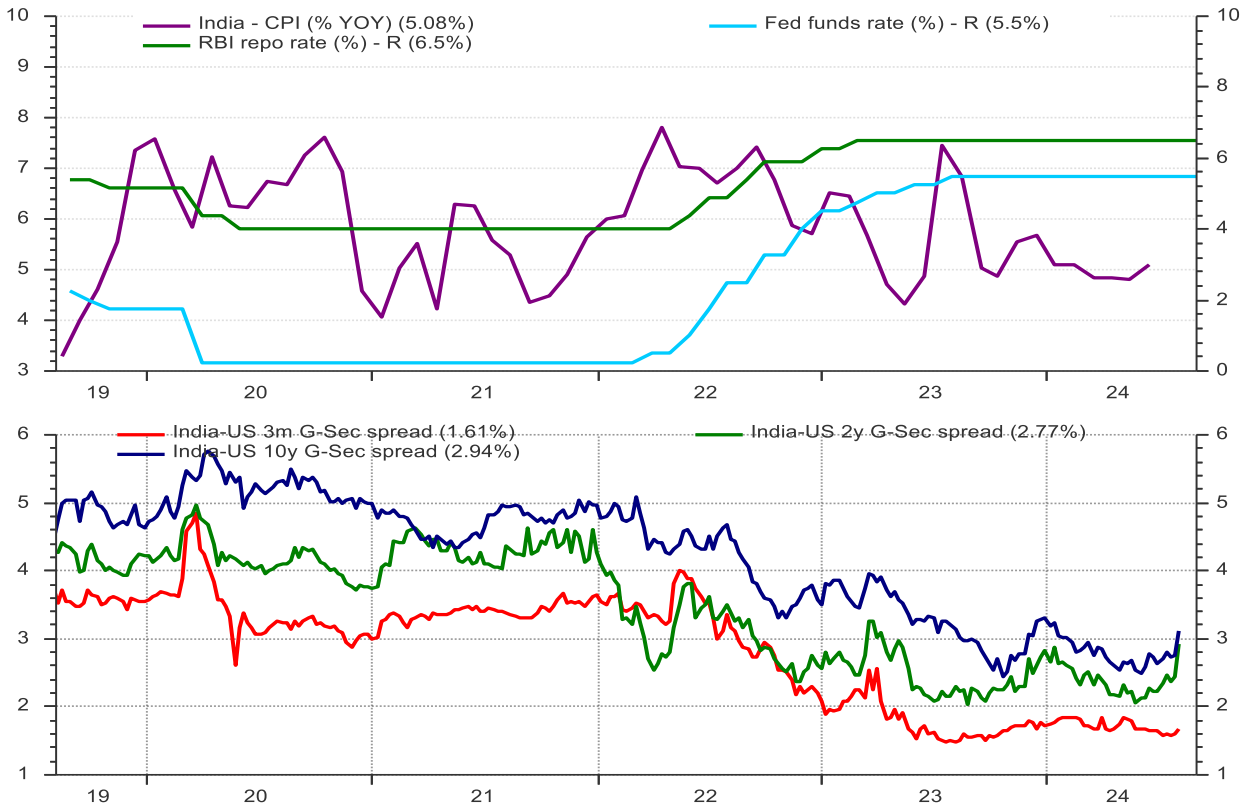
Figure 119: Net lending under RBI's Liquidity Adjustment Facility

System liquidity has changed from an average deficit of Rs 0.45 lakh crore during June to a surplus of Rs 1.1 lakh crore in July. Thereafter, the surplus widened further to Rs 2.7 lakh crore up to August 6th. The transition into surplus beginning June 28th can be ascribed to increase in government spending.

Rs lakh cr

Net lending under RBI's Liquidity adjustment facility


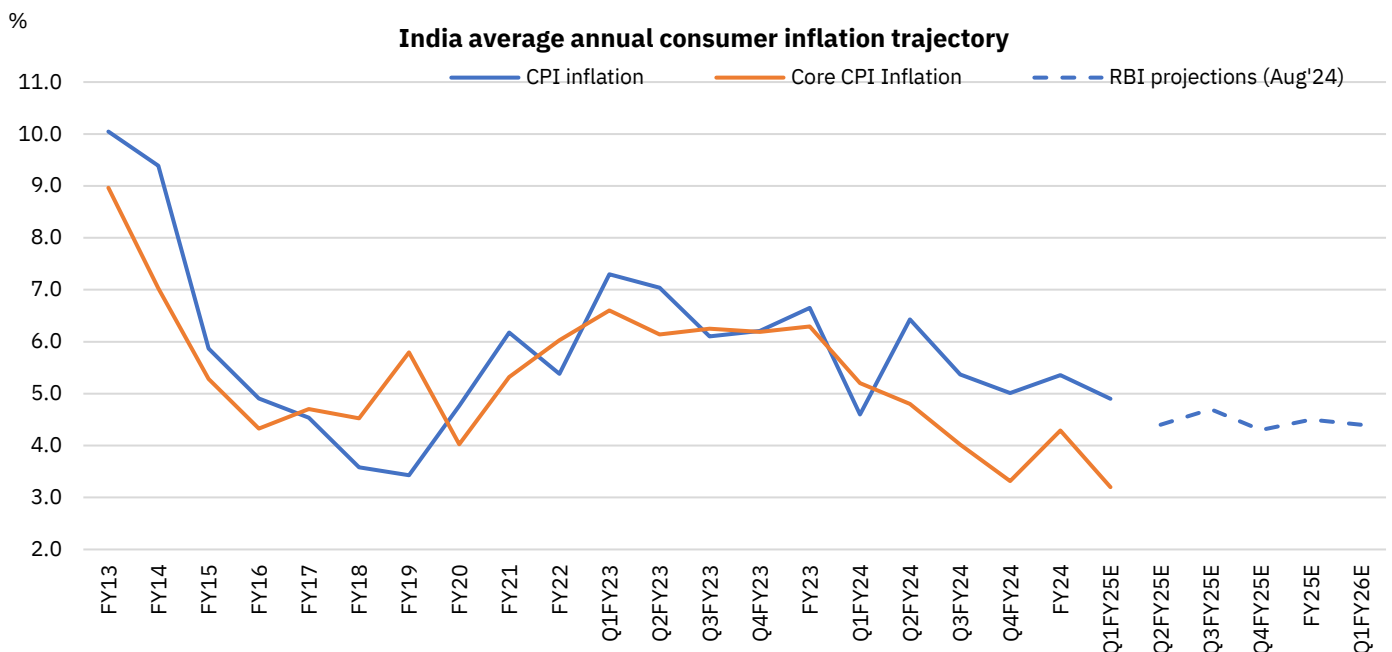
Source: CMIE Economic Outlook, NSE EPR.

Figure 120: India vs. US policy rates and yield differential


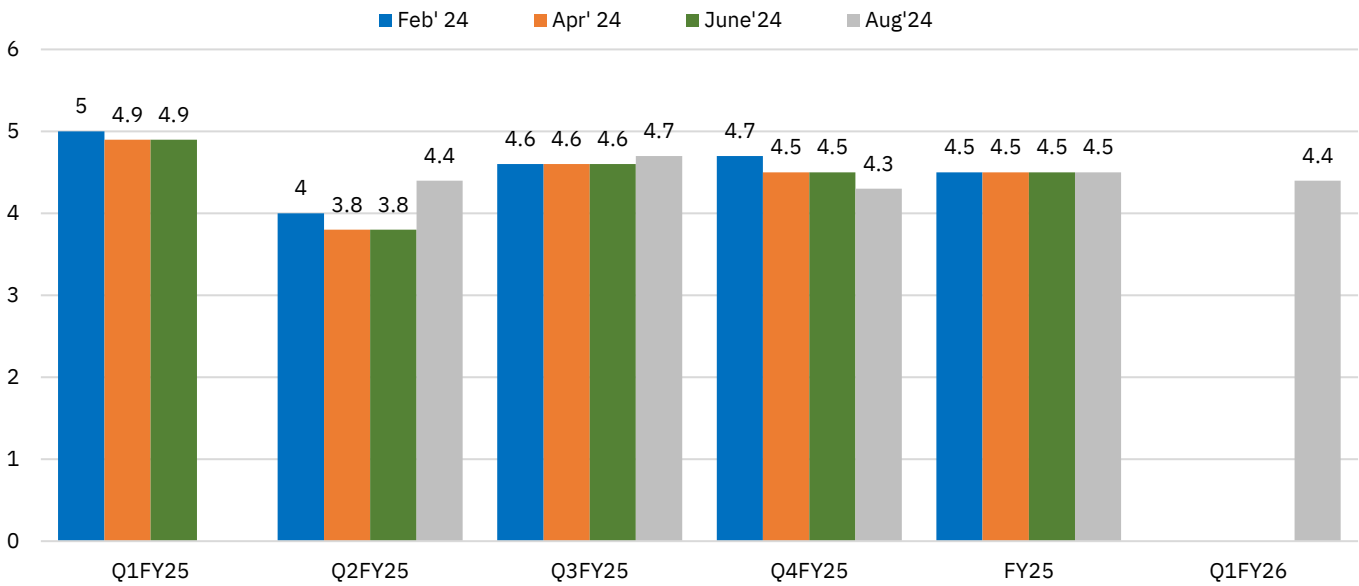
Source: LSEG Datastream, NSE EPR.

Figure 121: India's consumer inflation trajectory and RBI's forecasts

The headline inflation for FY25 is projected at 4.5%, with upward revisions in Q2 and Q3 by 60bps and 10bps respectively while downward revision of 20 bps projected in the last quarter of FY25. For Q1FY26, the MPC has provided a new projection of 4.4%. For FY26, assuming a normal monsoon and no external shocks, CPI inflation is expected to average 4.1%, as per the Monetary Policy Report published in April 2024.



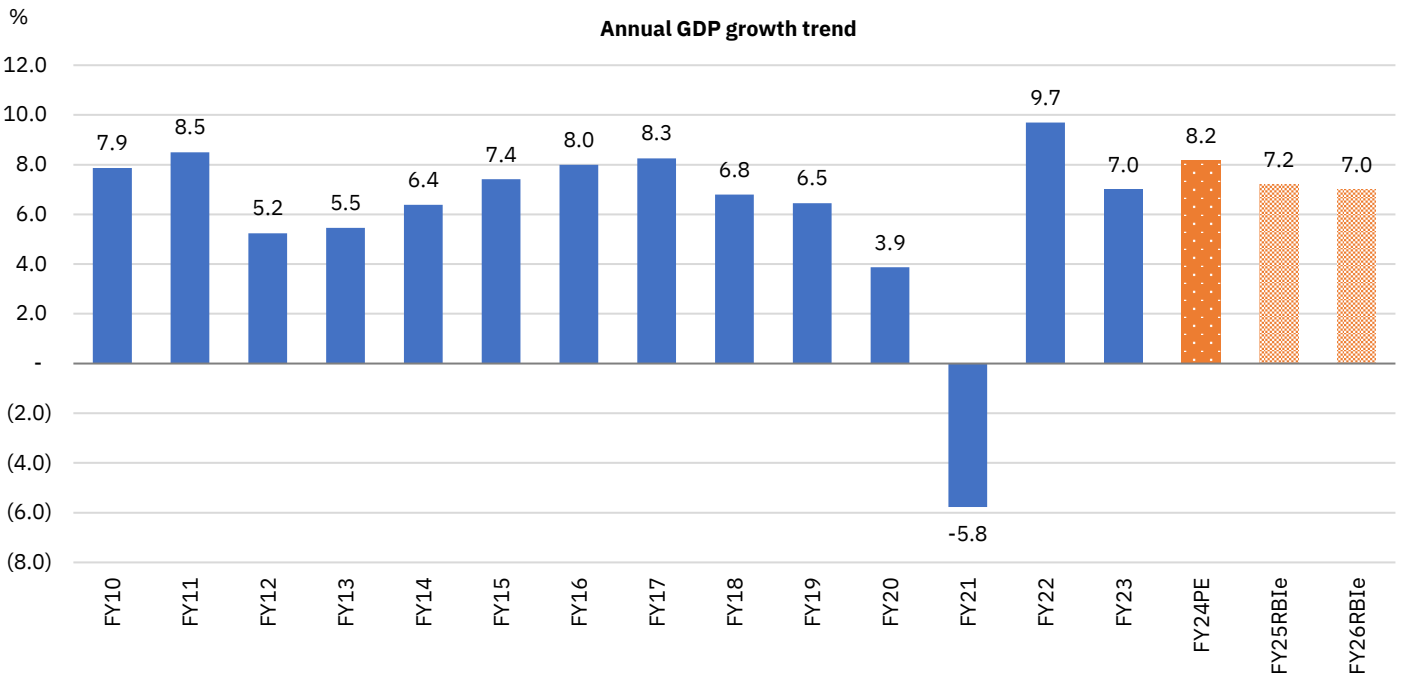
Source: CMIE Economic Outlook, RBI EPR. Core inflation is calculated as CPI inflation excluding food, pan, tobacco & intoxicants and fuel & light.

Figure 122: Quarterly inflation forecasts by RBI for FY25
RBI's Inflation projections during the last four MPC meetings


Source: RBI, NSE EPR.

Figure 123: GDP growth trend and RBI's estimates

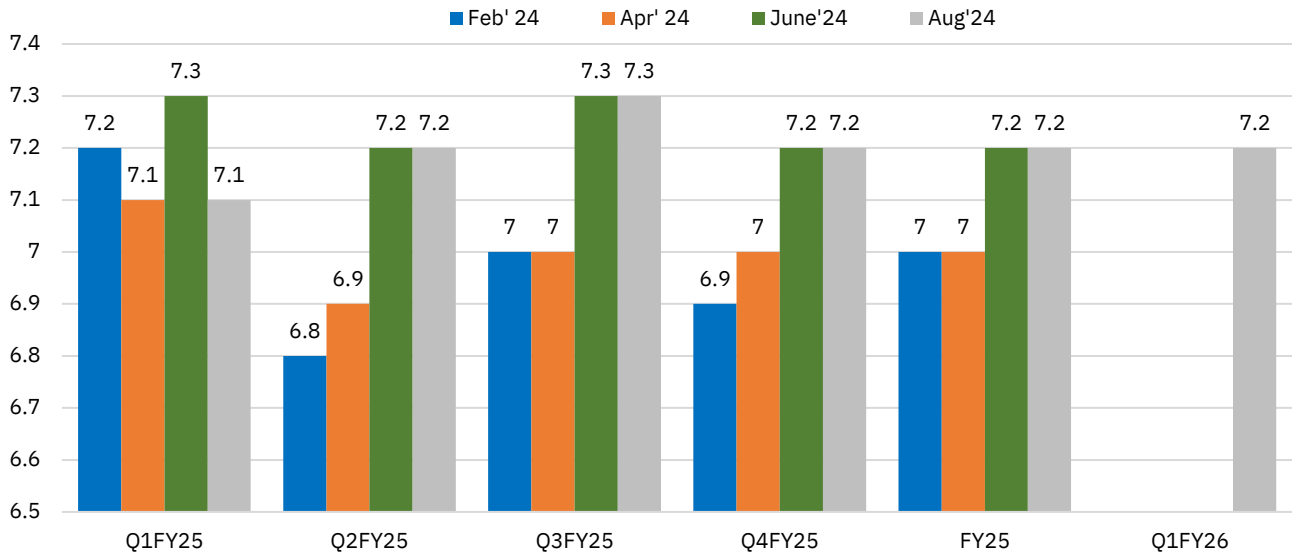
The GDP growth projection for FY25 has been retained at 7.2%.



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

Figure 124: RBI's quarterly GDP growth forecasts for FY25

RBI's GDP growth projections



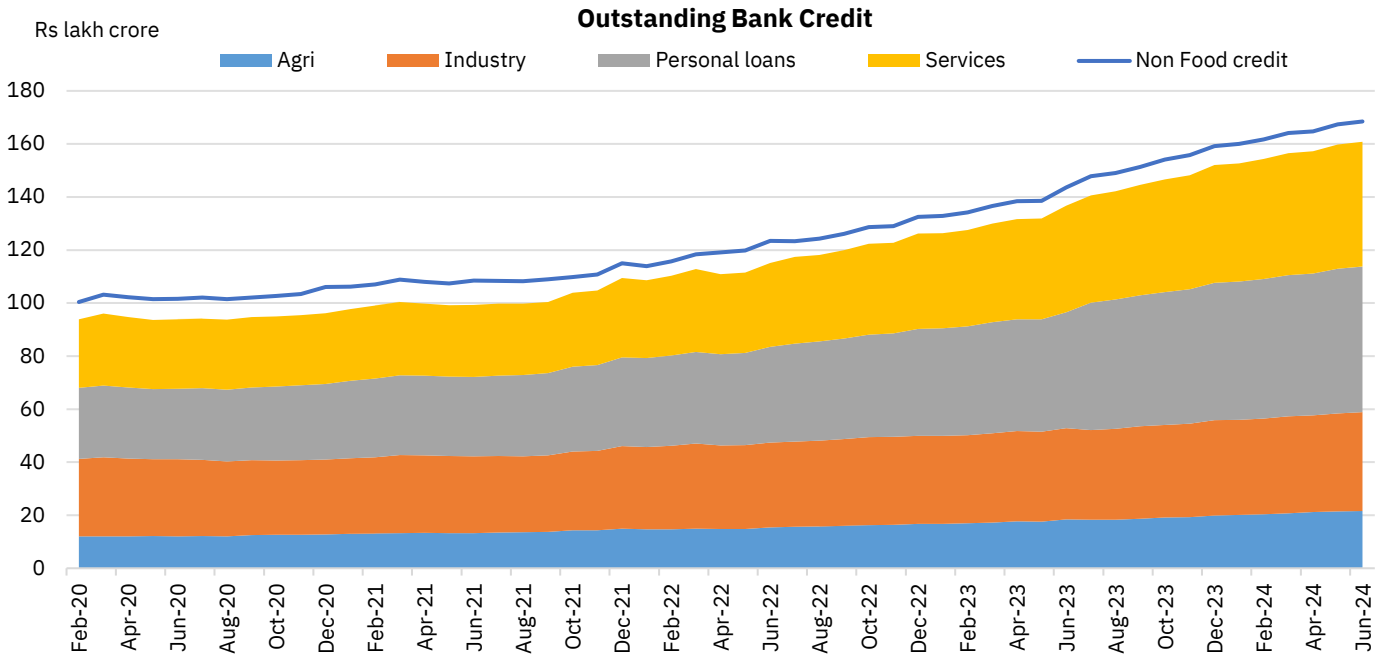
Source: RBI, NSE EPR.

Credit offtake decelerates with banks focusing on deposit mobilization

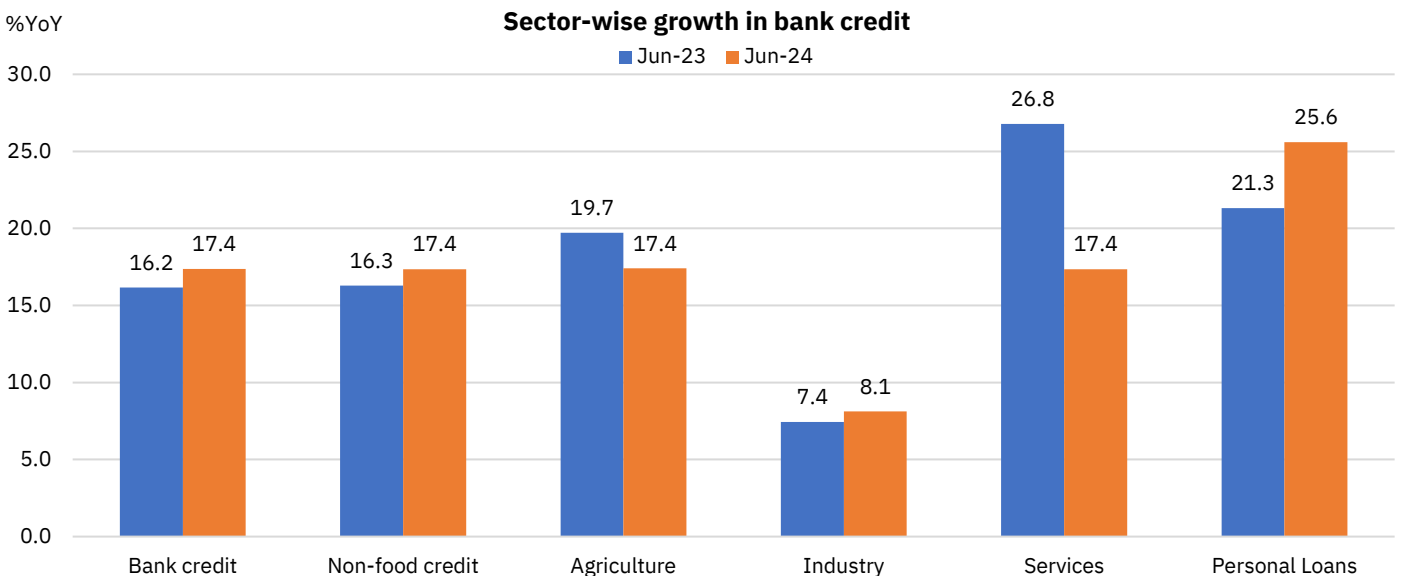
Bank credit offtake moderated to 17.4% YoY in June, 2.4pp lower than in May, led by a broad-based deceleration across key categories, with services witnessing the highest fall (-5.8pp), followed by agriculture (-4.2pp) and personal loans (-3.1pp). That said, the bank credit offtake continues to be in double-digits across these categories with single-digit growth registered in industry. Although the slowdown in credit offtake to services has been broad-based, a noticeable deceleration is seen in NBFCs, the lowest since Dec'21, reflecting the impact of increase in risk weights by the RBI last year. Credit growth in the personal loan category also decelerated to a one-year low of 25.6% YoY, primarily led by slower growth in housing, vehicle loans and credit card. The growth in total deposits moderated to 11.1% YoY (vs. 14% YoY in May 2024), led by tepid growth in demand deposits. Notwithstanding the YoY gap between deposit and credit growth and its concomitant implications for banking system liquidity, deposit growth so far in FY25 (Apr-Jun'24) at 4% has surpassed credit growth at 2.7%, reflecting banks' focus on deposit mobilisation.

- Sharp moderation in bank credit:** Growth in bank credit declined in all key categories in Jun'24 vis-à-vis May'24, with services witnessing the highest fall (-5.8pp), followed by agriculture (-4.2pp) and personal loans (-3.1pp). Notwithstanding the deceleration, the bank credit offtake continues to be in double-digits across these categories with single-digit growth registered in industry. Non-food bank credit growth has meaningfully eased to 17.4% YoY in June'24 after recording a near 20% growth during each of the eight-month period between Jul'23-Feb'24.
- Slowdown across all segments of industry:** Credit growth to industry declined to 8.1% YoY (vs. 9.4% YoY in May'24), led by a noticeable deceleration in growth in two sub-categories – Micro & Small (-4.6pp) and Medium (-2.9pp). Credit growth in micro & small enterprises declined to 11% YoY (vs. 15.5% YoY in May'24) marking a nine-month low while offtake to medium enterprises moderated to 12.6% YoY (vs. 15.5% YoY in May'24), reaching a five-month low. The credit to large industries has registered a tepid growth in single digits of 6.9% YoY in Jun'24, marginally lower than the previous month.
- Sizeable dip in credit growth to services:** Credit growth in services sector declined to 17.4% YoY in June 2024 (vs. 23.2% YoY in May'24 and 26.8% YoY in Jun'23), lowest YoY growth since Aug'22. This deceleration was primarily driven by a noticeable easing in credit offtake to NBFCs (share in total credit: 9.2%) at 8.4% YoY, (vs. 16% YoY in May'24 and 34.7% YoY in Jun'23) which is the lowest since Dec'21. Credit offtake to trade, transport operators and commercial real estate slowed down to 14.8% YoY (vs 17.7% YoY in May'24), 18.7% YoY (vs. 23.7% YoY in May'24) and 40.7% YoY (vs. 45.3% YoY in May'24) respectively. In the past one year, all the major sub-categories of services have seen a decline in credit growth except for commercial real estate, which saw a tremendous increase after the merger of a leading HFC with a bank.
- Growth in personal loans at a one-year low:** Growth in credit offtake towards personal loans decelerating to 25.6% YoY in June, down 3.1pp from May'24. This was primarily led by a broad-based moderation, with a meaningful decline in YoY growth observed in consumer durables (-7.3pp), other personal loans (-4.1pp), vehicles (-3pp) and housing loans (-2.3pp), which cumulatively account for ~90% of the credit to this category. In comparison to Jun'23, YoY credit growth has moderated considerably in credit cards (-14.2pp), other personal loans (-13.2pp), consumer durables (-9 pp) and vehicle loans (-8.1pp).

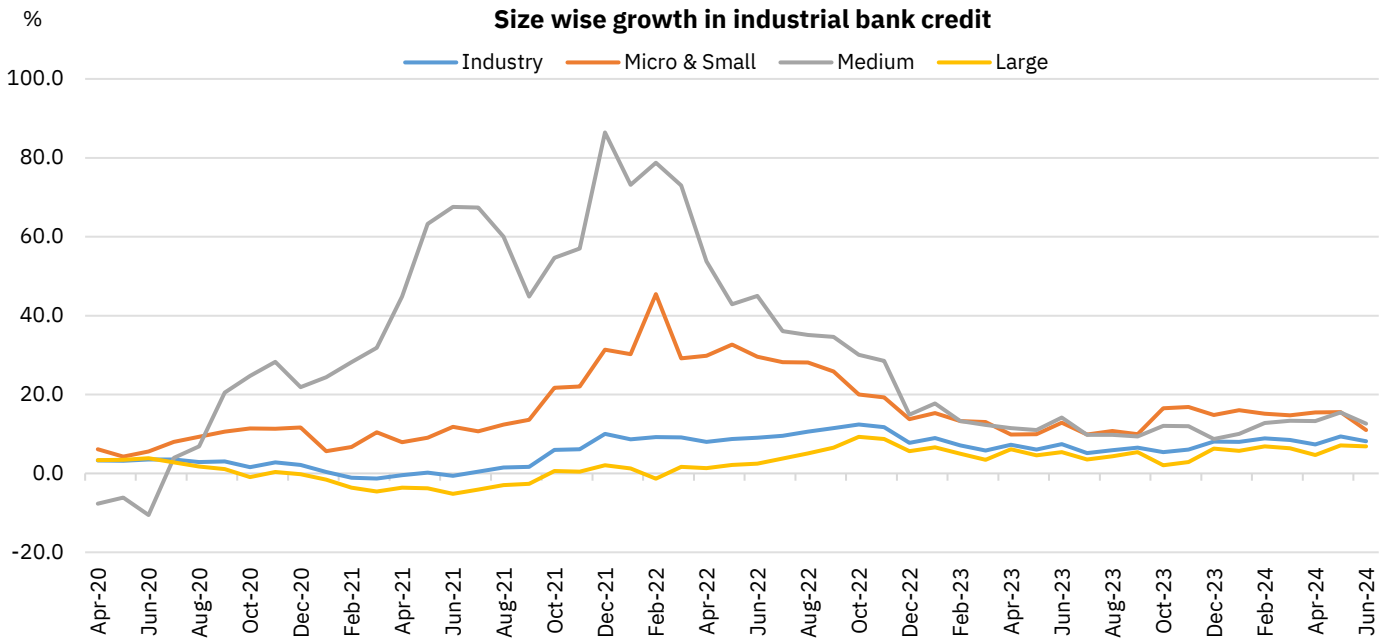
- Deposit mobilization remains the focus for banks:** Notwithstanding the YoY gap between deposit (11.1% YoY) and credit growth (17.4% YoY) and its concomitant implications for banking system liquidity, deposit growth so far in FY25 (Apr-Jun'24) at 4% has surpassed credit growth at 2.7%, as banks have taken additional measures towards mobilizing deposits to maintain a healthy growth in credit. The Financial Stability Report, June 2024 has underscored an important observation of deposit growth succeeding credit growth.

Figure 125: Outstanding bank credit


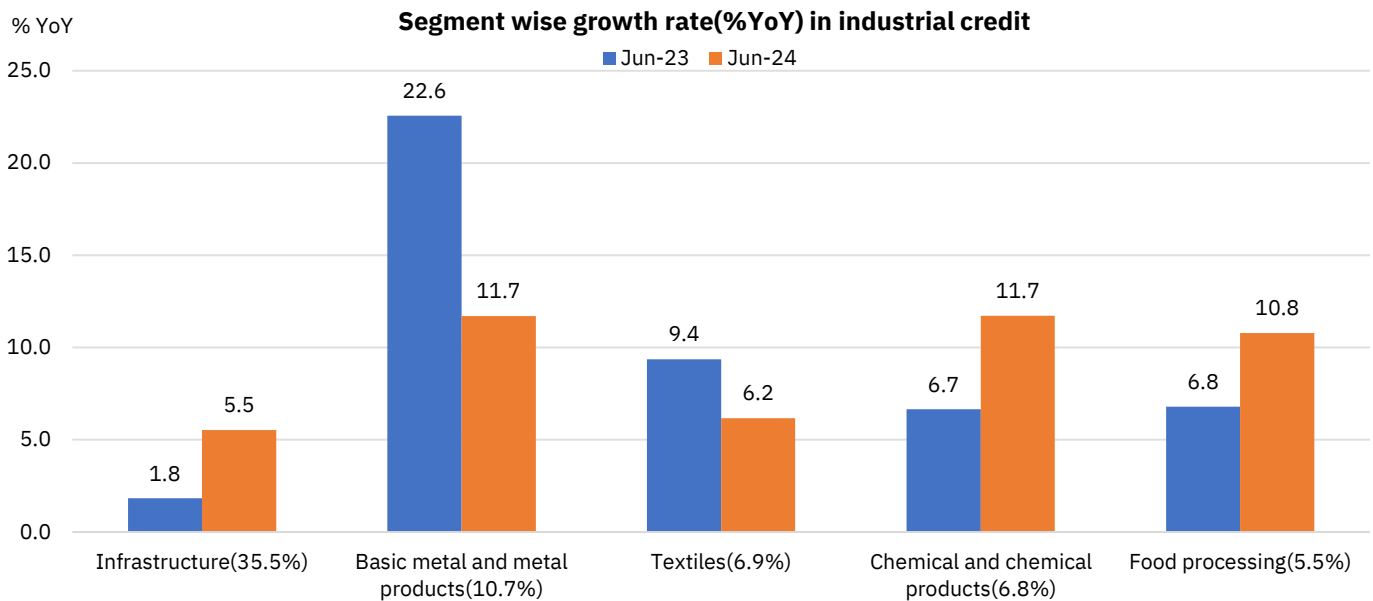
Source: CMIE Economic Outlook, NSE EPR.

Figure 126: Growth in bank credit across key heads


Source: CMIE Economic Outlook, NSE EPR.

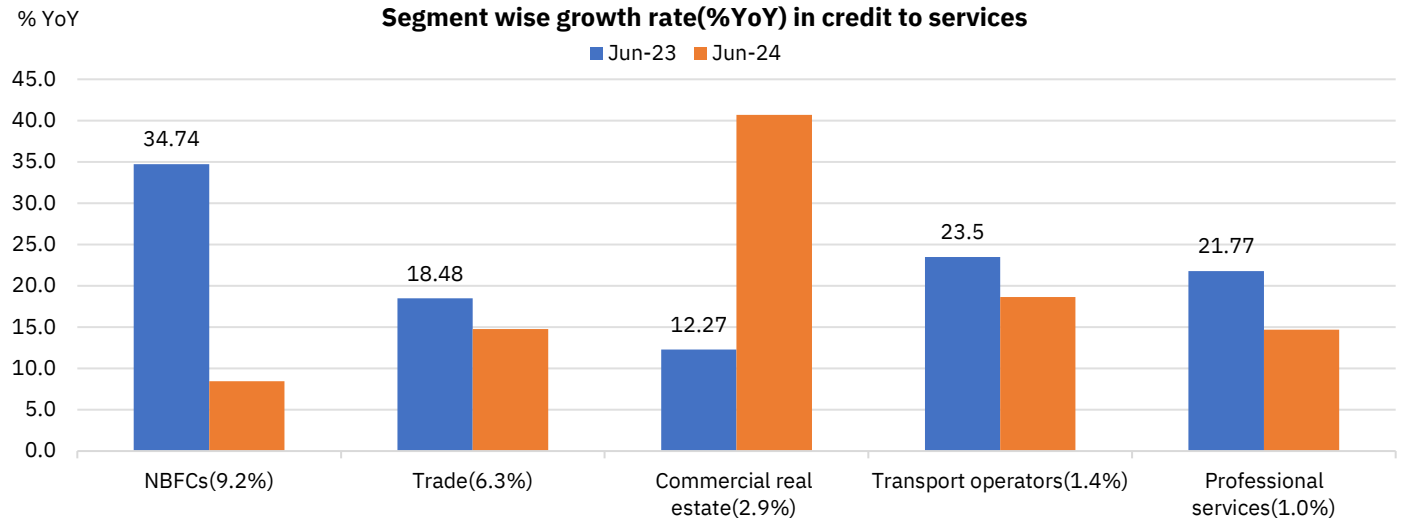
Figure 127: Growth in bank credit across size


Source: CMIE Economic Outlook, NSE EPR.

Figure 128: Growth in bank credit across segments of industry


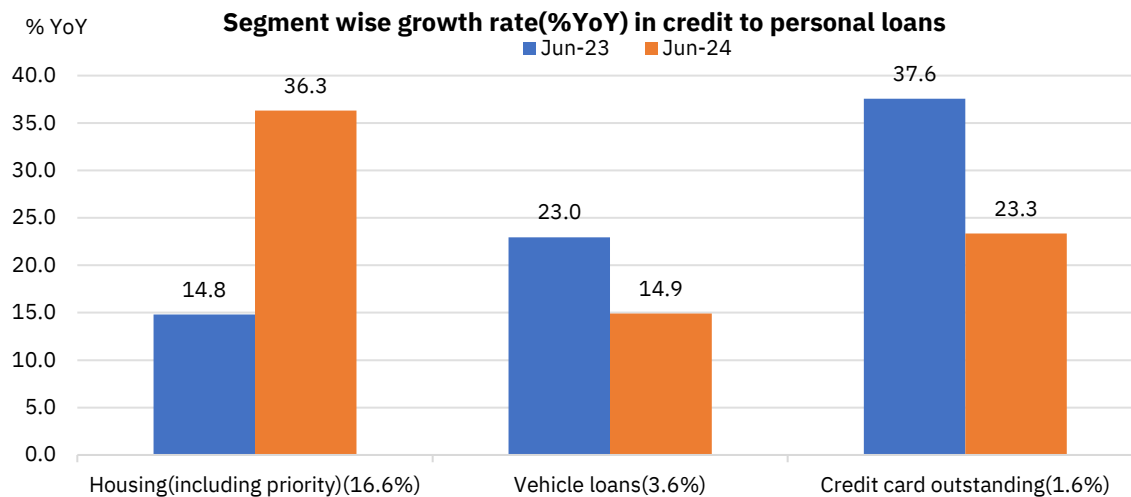
Source: CMIE Economic Outlook, NSE EPR.

Note: Number in parenthesis are share in total credit to the industry category, as of June 2024

Figure 129: Growth in bank credit across segments of services


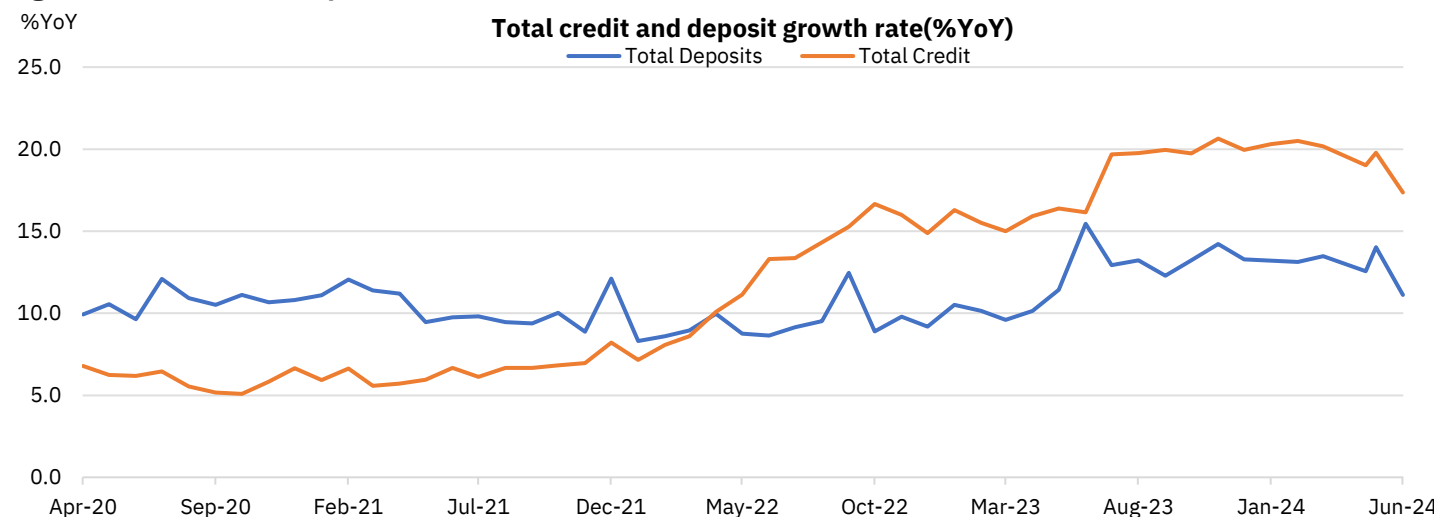
Source: CMIE Economic Outlook, NSE EPR.

Note: Number in parenthesis are shares in total bank credit, as of June 2024.

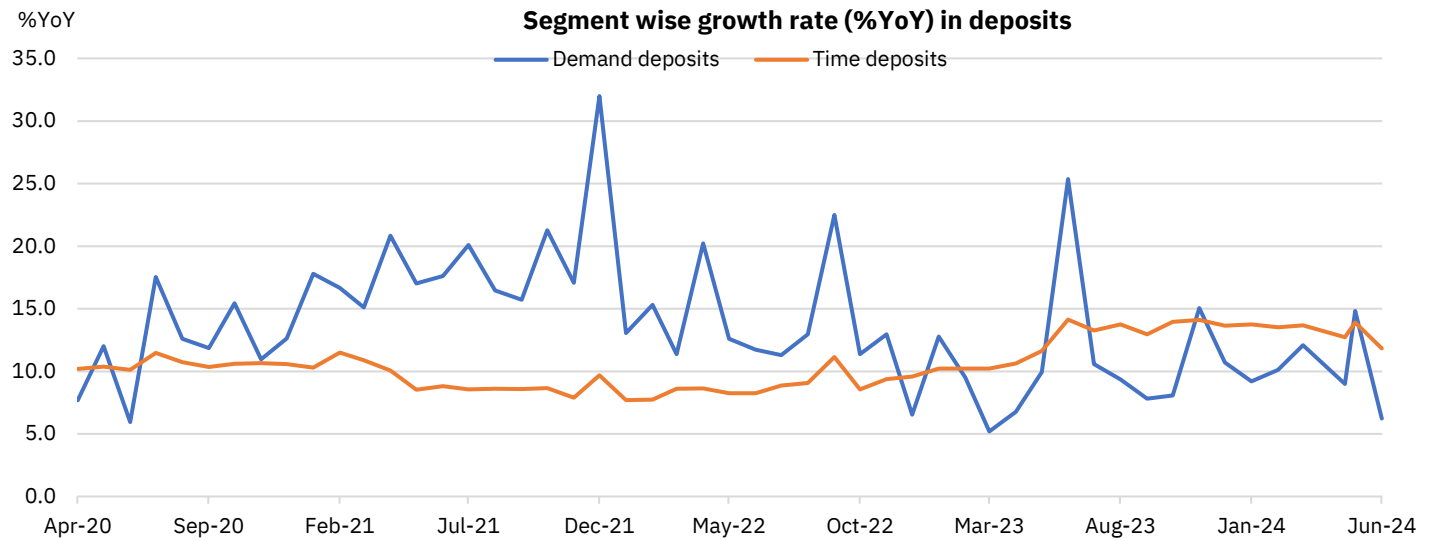
Figure 130: Growth in bank credit across segments of personal loans


Source: CMIE Economic Outlook, NSE EPR.

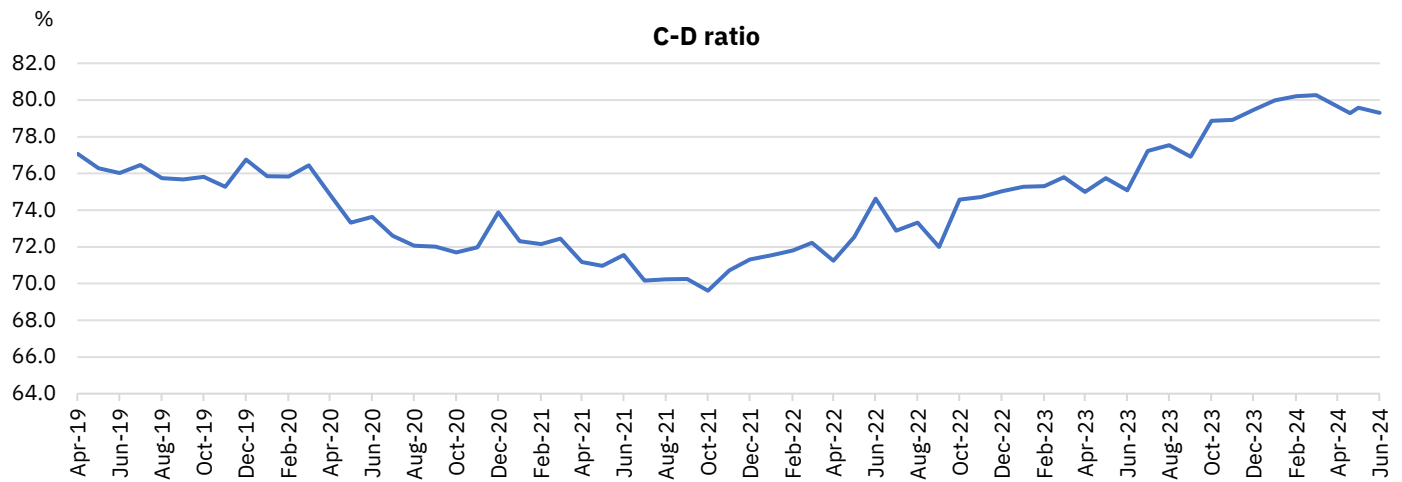
Note: Number in parenthesis are shares in total bank credit, as of June 2024.

Figure 131: Credit and Deposit Growth


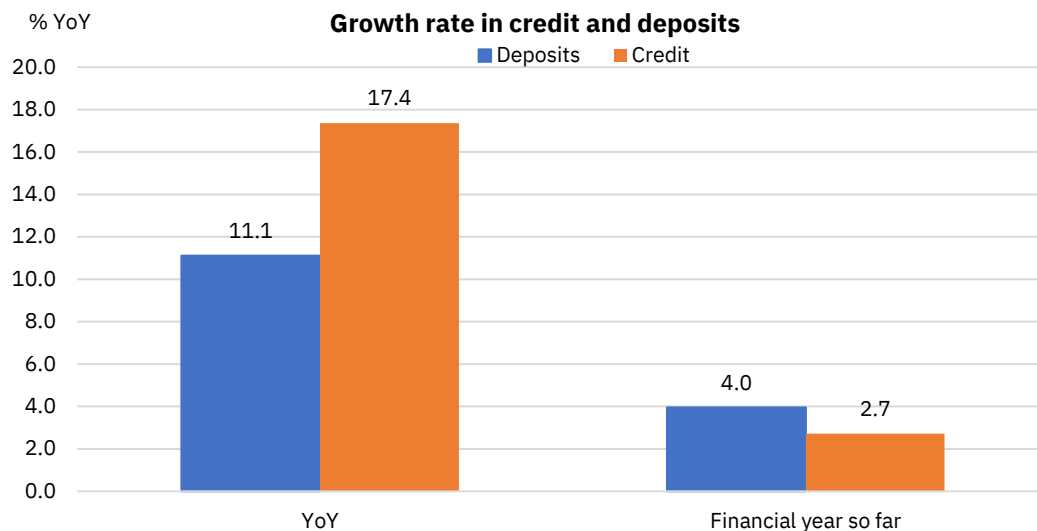
Source: CMIE Economic Outlook, NSE EPR.

Figure 132: Growth in demand and time deposits


Source: CMIE Economic Outlook, NSE EPR.

Figure 133: Credit to Deposit ratio


Source: CMIE Economic Outlook, NSE EPR

Figure 134: Growth rate in credit and deposits (YoY in Jun'24 and FY25 so far)


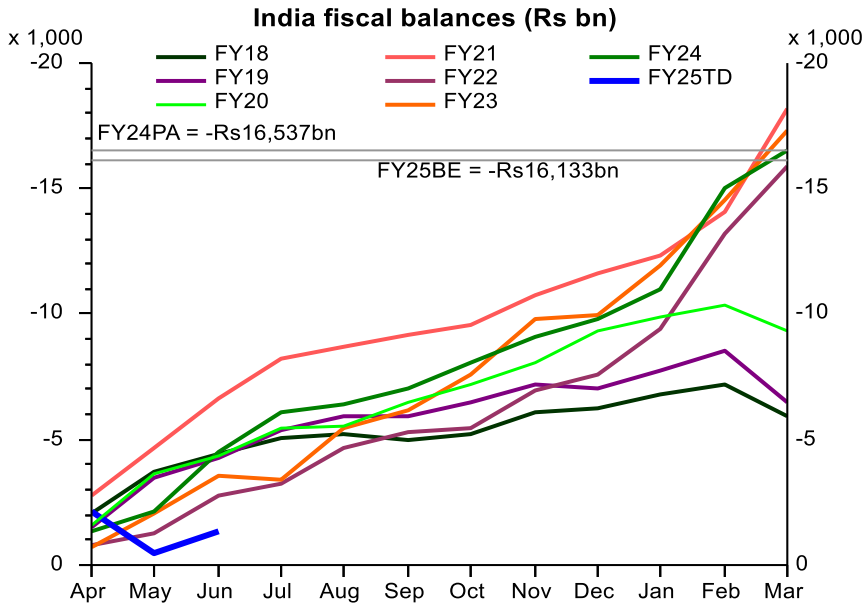
Source: CMIE Economic Outlook, NSE EPR

Union finances: Fiscal deficit remains in check on robust receipts and muted capex

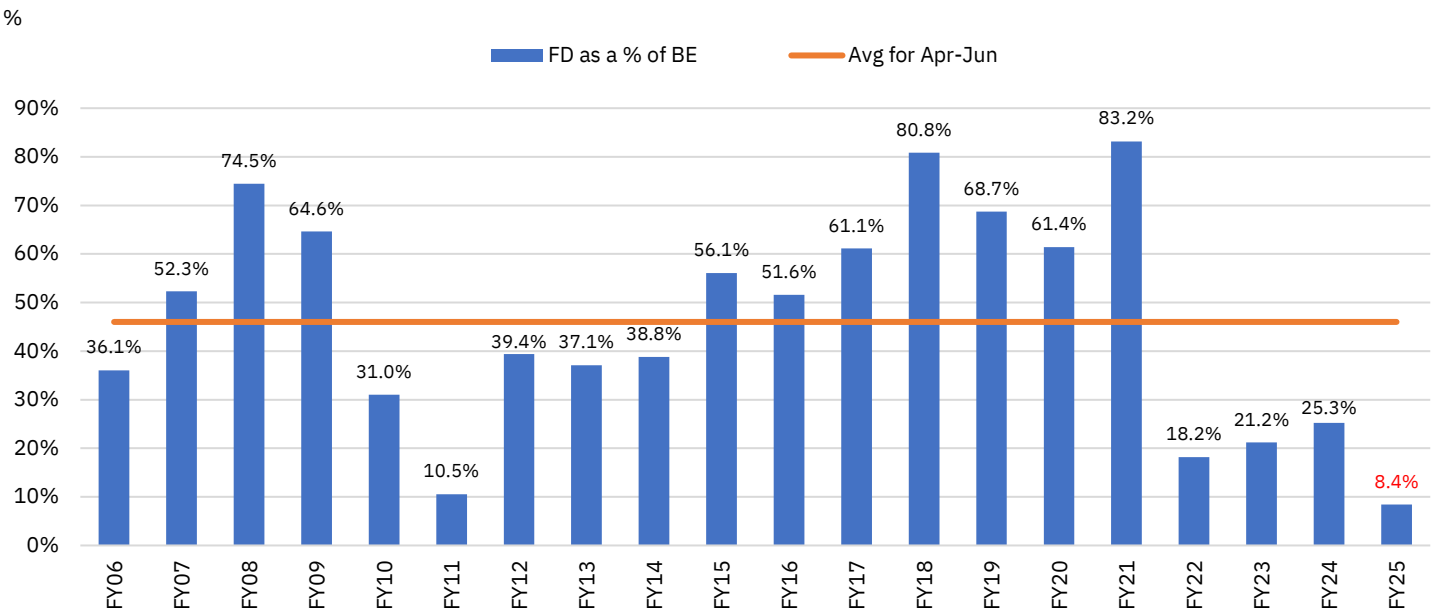
The total receipts of the Union Government continued to surge, registering a significant increase of 39.2% YoY in Q1FY25, propelled by sustained strong performance in personal income tax, GST and non-tax revenues (RBI's surplus transfer). In contrast, total expenditure at Rs 9.7 lakh crore witnessed a decline of 7.7% YoY, where a pronounced drop in capital expenditure (-35% YoY) was offset by a moderate growth in revenue expenditure (+2.2% YoY). The gross fiscal deficit of the Union Government markedly fell to Rs 1.4 lakh crore (-69.9% YoY), recording a share of 8.4%⁶ of the FY25BE, its lowest in the last three decades. At the same time, the finances continue to reflect a revenue surplus of Rs 0.4 lakh crore in Q1FY25 vs. a revenue deficit of Rs 1.8 lakh crore during the corresponding period last year. Higher-than-expected tax receipts thus far, coupled with a possible shortfall in capex spending this year, may lead to the Centre outdoing its fiscal deficit target of 4.9% for FY25.

- **Tax and non-tax revenue surge in Q1FY25:** In the first quarter of the fiscal, the total receipts stood at Rs 8.3 lakh crore (+39.2% YoY), accounting for around 26% of the budget estimates (vs. 22.2% during the corresponding period last year). The rise in total receipts was primarily fueled by a surge in net tax collections (+26.8% YoY) and buoyant growth in non-tax revenues (80.7%) during the same period. Direct taxes, which make up more than half of the gross tax revenues, grew by 39.9% YoY, primarily led by personal income tax collections (+49.9% YoY) and corporate tax collections (+26.2% YoY). Notwithstanding the fall in customs, excise and service tax collections in Q1FY25, receipts from indirect taxes exhibited a growth of 7.9% YoY, largely driven by robust GST collections (+9.1% YoY), which accounts for ~65% of the FY25BE indirect tax collections. On the non-tax revenue front, despite a decline in other-non-tax revenues (-5.7% YoY), dividends and profit proceeds continued to register remarkable growth (+134% YoY) to Rs 2.2 lakh crore boosted by better-than expected dividend proceeds of RBI and other public sector undertakings.
- **Capital spending remains muted amid general elections:** In Q1FY25, amidst general elections, capital spending was notably restrained with the Centre's total expenditures decreasing by 7.7% YoY to Rs 9.7 lakh crore. Revenue expenditure, comprising nearly three-fourths of total spending, showed a moderate increase of 2.2% YoY to Rs 7.9 lakh crore, primarily driven by a sustained rise in interest payments (+8.3% YoY). The subsidy outlay also exhibited a modest increase (+3.6% YoY) as a significant rise in food subsidies was offset by a sizeable decline in fertilizer subsidies (-38.3% YoY), driven by moderate global input prices and an expanded use of nano urea. Meanwhile, capital expenditure fell by a strong 35% YoY to Rs 1.8 lakh crore in the first quarter, due to financial constraints imposed by the Model Code of Conduct during the election period.
- **Fiscal deficit in check at 8.4% of FY25BE:** Fiscal discipline remains intact, with the cumulative fiscal deficit of the Union showing a substantial decrease (-69.9% YoY) to Rs 1.4 lakh crore (8.4% of FY25BE vs 27.3% of FY24PA) in Q1FY25. The reduction in the fiscal deficit has been supported by buoyant tax revenues and a notable dividend transfer from the RBI coupled with subdued capital expenditure during the same period. In contrast to Q1FY24, the cumulative gross fiscal deficit narrowed by Rs 3.2 lakh crore. The fiscal deficit for the current year is budgeted at 4.9% of GDP, with the Centre committing to reduce it further to below 4.5% by FY26.

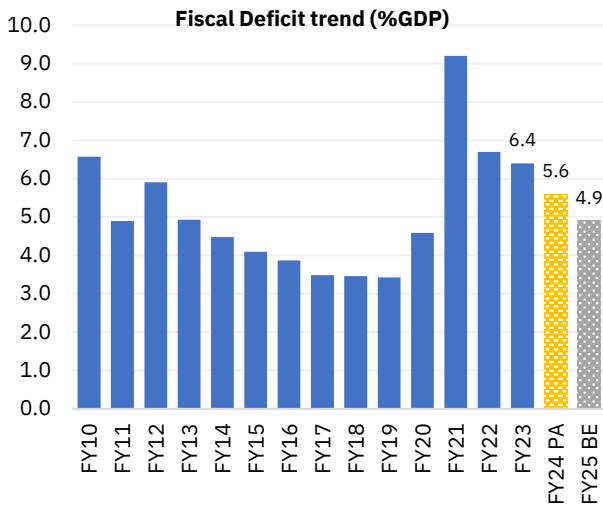
⁶ The ratio of actuals to budget estimates (%) has been calculated as per FY25BE in the July'23 Budget. The Government source does not capture the new Budget estimates in its calculation.

Figure 135: Yearly trend of India's fiscal balances


Source: LSEG Datastream, NSE EPR

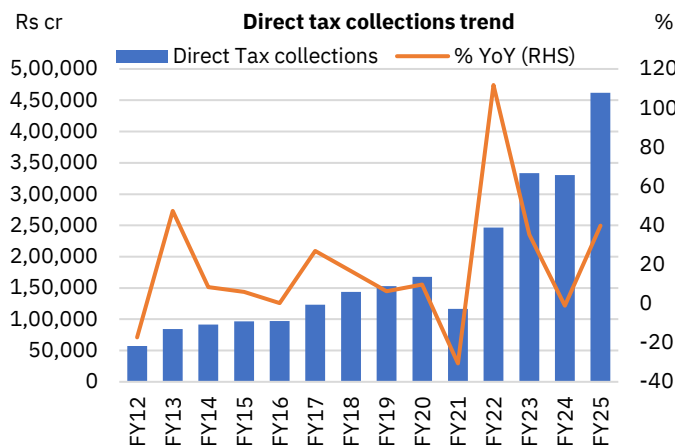
Figure 136: Gross fiscal deficit as % of budget targets during April-Jun


Source: CMIE Economic Outlook, CGA, NSE EPR.

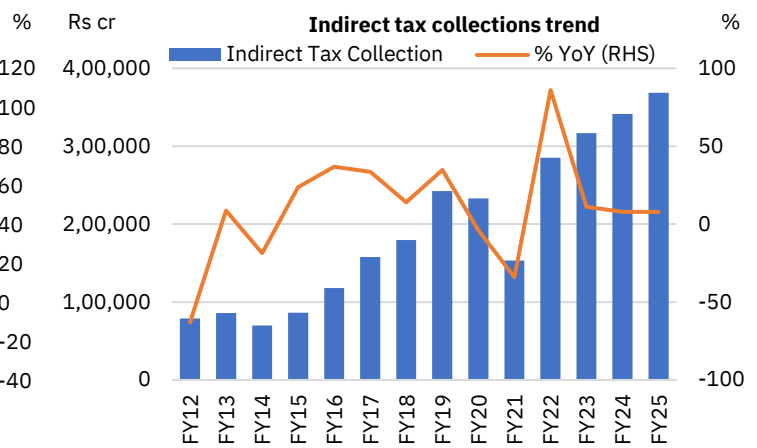
Figure 137: Centre's gross fiscal trend (% GDP)

Figure 138: Fiscal Balance Snapshot

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

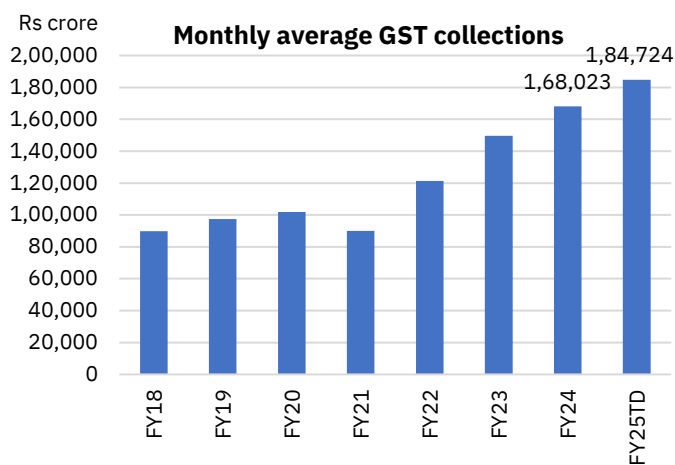
Source: CMIE Economic Outlook, CGA, NSE. BE = Budget Estimates, PA = Provisional Actuals; * FY23 actual figures are provisional numbers released by CGA.

Figure 139: Direct tax collections during Apr-Jun


Source: LSEG Datastream, CGA, NSE EPR.

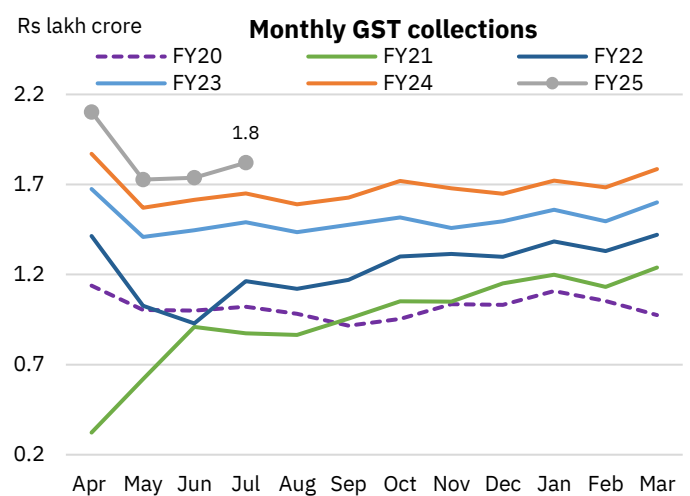
Figure 140: Indirect tax collections during Apr-Jun


Source: LSEG Datastream, CGA, NSE EPR.

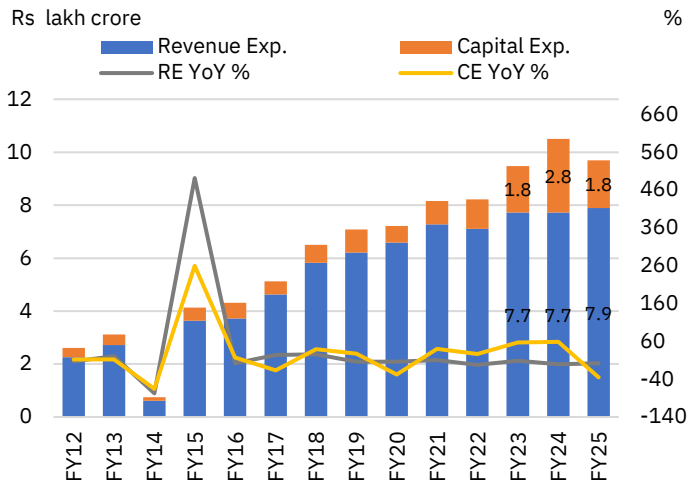
Figure 141: Year average of monthly collections*


*FY25TD – FY25 Till Date (Apr-Jul)

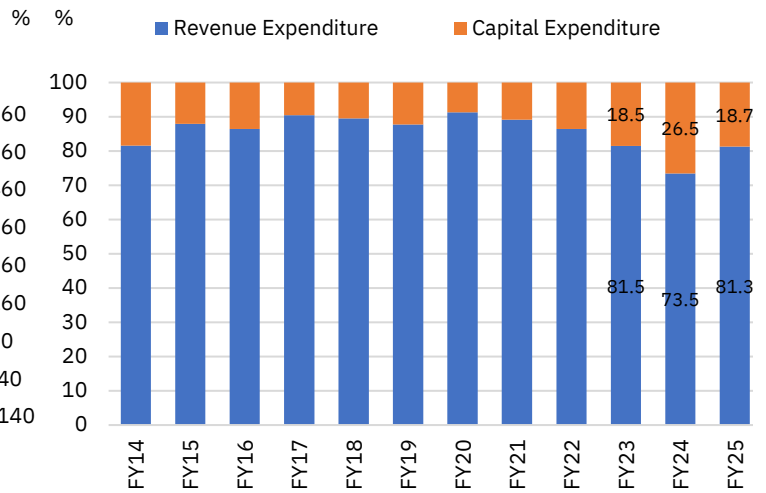
Source: CMIE Economic Outlook, CGA, PIB, NSE EPR.

Figure 142: GST collections trend


Source: CMIE Economic Outlook, NSE EPR.

Figure 143: Revenue and capital exp during Apr-Jun


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

Figure 144: Expenditure mix during Apr-Jun


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

Table 25: A snapshot of government finances (Apr-Jun 2024)

Items	Q1FY24	Q1FY25		Implied Figure (9MFY25)
	Rs crore	Rs crore	% YoY	Rs crore
Net tax revenues	4,33,620	5,49,633	26.8%	20,33,866
Gross tax revenues	6,71,883	8,30,797	23.7%	30,09,373
Of which:				
Direct Tax	3,30,238	4,62,110	39.9%	17,49,890
Corporation tax	1,38,503	1,74,774	26.2%	8,45,226
Income tax	1,91,735	2,87,336	49.9%	8,99,664
Indirect Tax	3,41,645	3,68,687	7.9%	12,59,483
Goods and service tax	2,35,469	2,56,797	9.1%	8,05,102
Custom Duties	49,201	47,065	-4.3%	1,90,680
Excise Duties	51,813	51,357	-0.9%	2,67,643
States Share	-2,36,560	-2,79,502	18.2%	-9,67,709
Transferred to NCCD	-1,703	-1,662	-2.4%	-7,798
Non-Tax Revenue	1,54,968	2,80,044	80.7%	2,65,657
Dividends and profits	95,870	2,24,325	134.0%	64,809
Other non-tax revenues	59,098	55,719	-5.7%	2,00,848
Central govt. revenue receipts	5,88,588	8,29,677	41.0%	22,99,523
Non-Debt Capital Receipts	10,703	4,520	-57.8%	73,480
Recovery of Loans	7,126	4,516	-36.6%	23,484
Misc. receipts (inc. divestment)	3,577	4	-99.9%	49,996
Total Receipts	5,99,291	8,34,197	39.2%	23,73,003
Revenue Expenditure	7,72,181	7,88,858	2.2%	29,20,543
Interest Payments	2,43,705	2,64,052	8.3%	8,98,888
Major subsidies	87,035	90,174	3.6%	3,38,249
Food	41,534	61,969	49.2%	1,43,281
Fertilizer	45,113	27,825	-38.3%	1,36,175
Petroleum	389	380		11,545
Other revenue expenditure	4,41,441	4,34,632	-1.5%	16,83,406
Capital Expenditure	2,78,480	1,81,051	-35.0%	9,30,060
Total Expenditure	10,50,661	9,69,909	-7.7%	38,50,603
Fiscal Deficit	4,51,370	1,35,712	-69.9%	14,77,600

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

Table 26: A snapshot of Government finances in 2024-25

Items	FY23A		FY24				FY25	
	Rs lakh crore	% YoY	BE (Rs lakh crore)	PA (Rs lakh crore)	% YoY	% chg. from BE	BE (Rs lakh crore)	% YoY over FY24PA
Central govt. net tax revenue	20.9	16.0	23.3	23.3	11.1	-0.2	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 FY24BE and FY24PA figures are on FY23 actual figures.

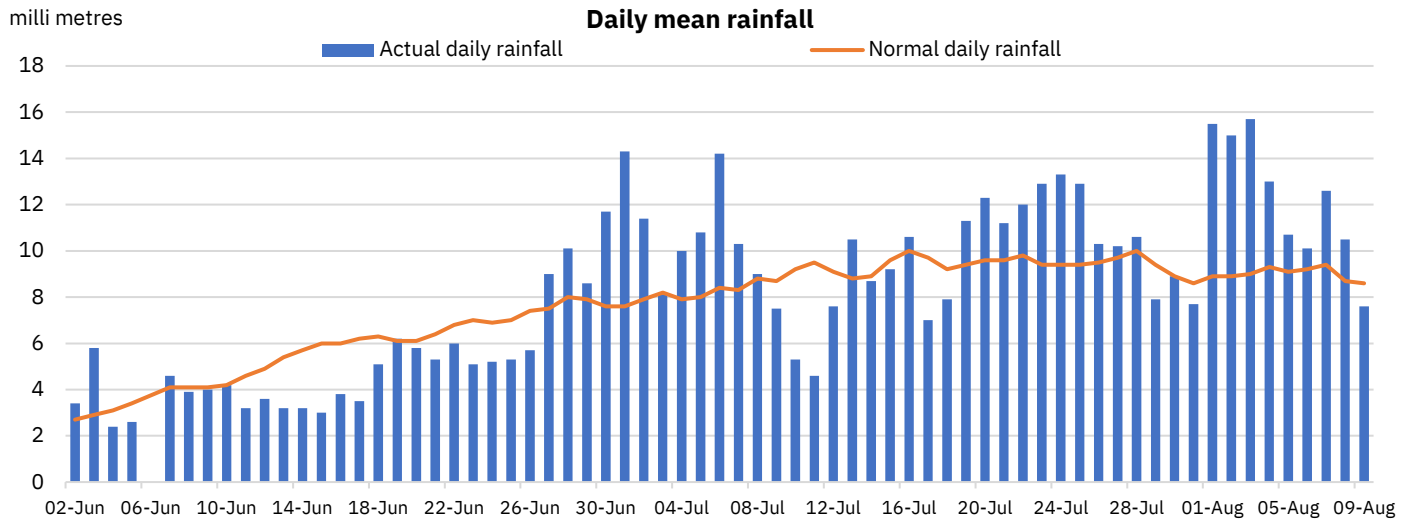
Southwest Monsoon Update: Rainfall surplus grows, regional disparities narrow

The 2024 southwest monsoon has continued its recovery trend through August, building on the momentum gained in July. As of August 9th, 2024, the country has recorded an overall surplus rainfall of 7% vis-à-vis the long-period average (LPA), marking a notable improvement from the 1.8% surplus reported at the end of July. The regional variations in rainfall distribution, while still present, have shown signs of narrowing compared to the previous month. The southern peninsula and central India continue to lead in rainfall surplus, receiving 24% and 18% above normal rainfall respectively while the deficit in the northwestern and northeastern regions has reduced from over 15% at the end of July to 5% and 11% respectively, as of August 9th. At the state level, Punjab and Manipur continue to face dry conditions, reporting significant deficits of 43% and 37% respectively. In contrast, southern states maintain their trend of excess rainfall, with Tamil Nadu, Andhra Pradesh and Maharashtra recording surpluses of 71%, 40% and 32% respectively. Notably, Rajasthan has experienced an unexpected excess rainfall of 38%, as of August 9th (vs. -1.8% at July-end). Other central Indian states like Madhya Pradesh and Chhattisgarh have also received above-normal rainfall, exceeding 15% of their LPA. In terms of area coverage, 44% of the country has received normal rainfall, while 38% has experienced above-normal rainfall. The remaining 18% of the country has witnessed deficient rainfall conditions.

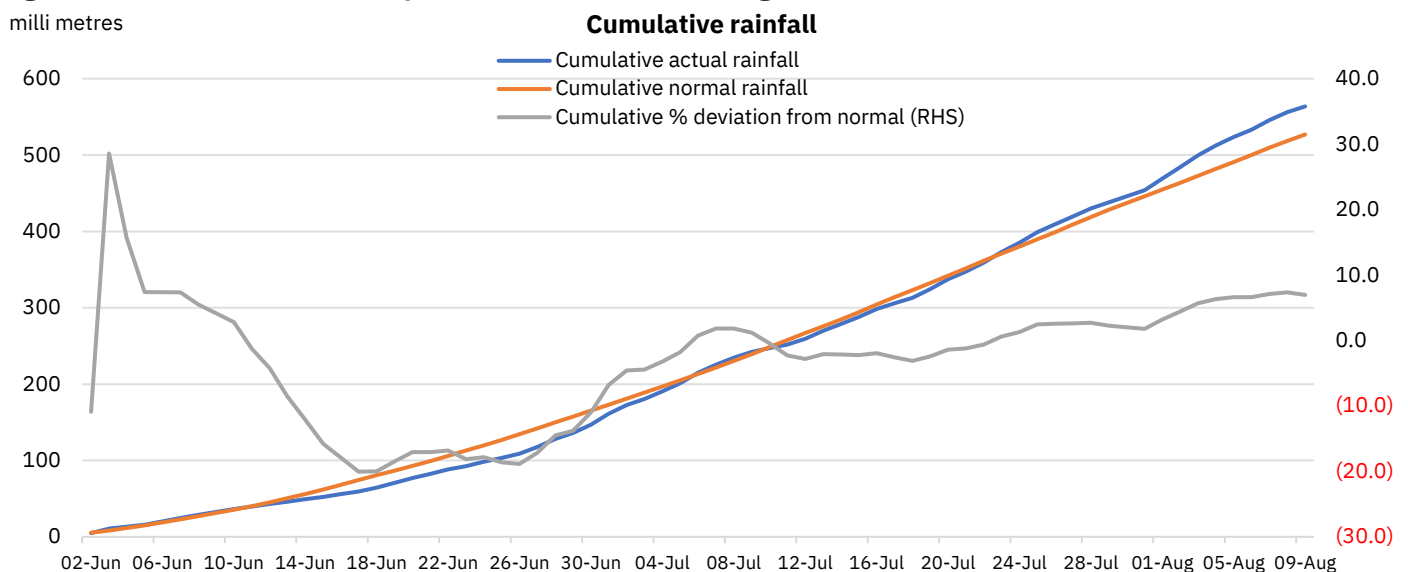
The overall sowing activity for the Kharif season has been relatively slow but remained above par compared with last year as on August 9th with a 1.4% YoY growth in the area sown for all agricultural products. Fibers (-8.9%) witnessed a dip in the area under cultivation on a YoY basis, while coarse cereals, sugarcane, and oilseeds witnessed modest growth of around 1%. In contrast, paddy and pulses demonstrated significant improvements in sowing activities. Reservoir levels at 115.7 billion cubic meters (+5.2% YoY) as of August 8th, 2024, have also shown a significant improvement. This marks a notable turnaround from YoY degrowth reported in July, reflecting the increased and more widespread rainfall in August. The gradual formation of La Nina conditions has likely contributed to the improved monsoon performance in August. Conditions may improve further in the latter half of August and September and could have positive implications for crop yields and overall agricultural output across the country.

- **Cumulative rainfall activity improves further:** The overall monsoon performance has shown significant improvement in August, with many regions experiencing increased rainfall. As of August 9th, the cumulative rainfall stands at 7% above the long period average (LPA). Eight out of the Nine days in August so far have received above normal rainfall. Southern India continues to receive the highest surplus with an excess rainfall of 24%, while central India has also maintained above-normal levels at 18%. The Northwest and East & Northeast regions have seen notable improvements, with their deficits narrowing to 5% and 11% respectively. At a subdivisional level, 13 subdivisions, accounting for 38% of India's area, recorded above normal rainfall (excess and large excess), and 7 subdivisions (18% area) received deficient rains. 16 subdivisions (44% area) received normal rainfall in the period June 1st to August 9th, 2024. The narrowing of regional disparities can be attributed to the gradual formation of La Nina conditions and a more widespread distribution of monsoon rains. With La Nina expected to strengthen in the coming weeks, the monsoon performance is likely to remain robust for the remainder of the season, potentially benefiting agriculture production across the country.
- **Healthy kharif sowing continued:** The Kharif sowing season has continued to display resilience in August. As of August 9th, overall sowing activity has surpassed last year's levels, recording a 1.4% YoY growth. While sowing activity in fibers has contracted by 8.9% YoY along with tepid growth in coarse cereals (1%), sugarcane (1%) and oilseeds (0.8%), there has been a noticeable improvement in sowing activities of paddy (4.3%) and pulses (6.7%). With above normal monsoon, overall kharif production is expected to remain buoyant in the coming months.

- Reservoir levels are improving:** Current storage as on August 8th, 2024, was 115.4% bn cubic meters, 5.2% YoY higher than the same time last year. This comprises 64.7% of the storage capacity at full reservoir level and is higher than the last 10-year average storage of around 53.7%. The improvement is particularly notable from Maharashtra, which constitutes 29% of India's reservoir capacity and has registered a +10% YoY change in current live storage (moving from -10% YoY change reported at the end of July). However, some states like Gujarat and Madhya Pradesh still report negative YoY change in current live storage.
- Monsoon dynamics shift as season progresses:** The northern and eastern India are still experiencing relatively dry conditions; however, substantial improvement have been witnessed so far. This shift is likely attributed to evolving atmospheric conditions, including the nascent La Nina pattern. The agriculture sector stands to benefit from this relatively balanced rainfall distribution, potentially supporting better crop yields across the country.

Figure 145: Daily mean rainfall


Source: CMIE Economic Outlook, IMD, NSE EPR.

Figure 146: Cumulative rainfall (period: June 1st, 2024, to August 9th, 2024)


Source: CMIE Economic Outlook, IMD, NSE EPR.

Table 27: Subdivision-wise distribution of cumulative rainfall

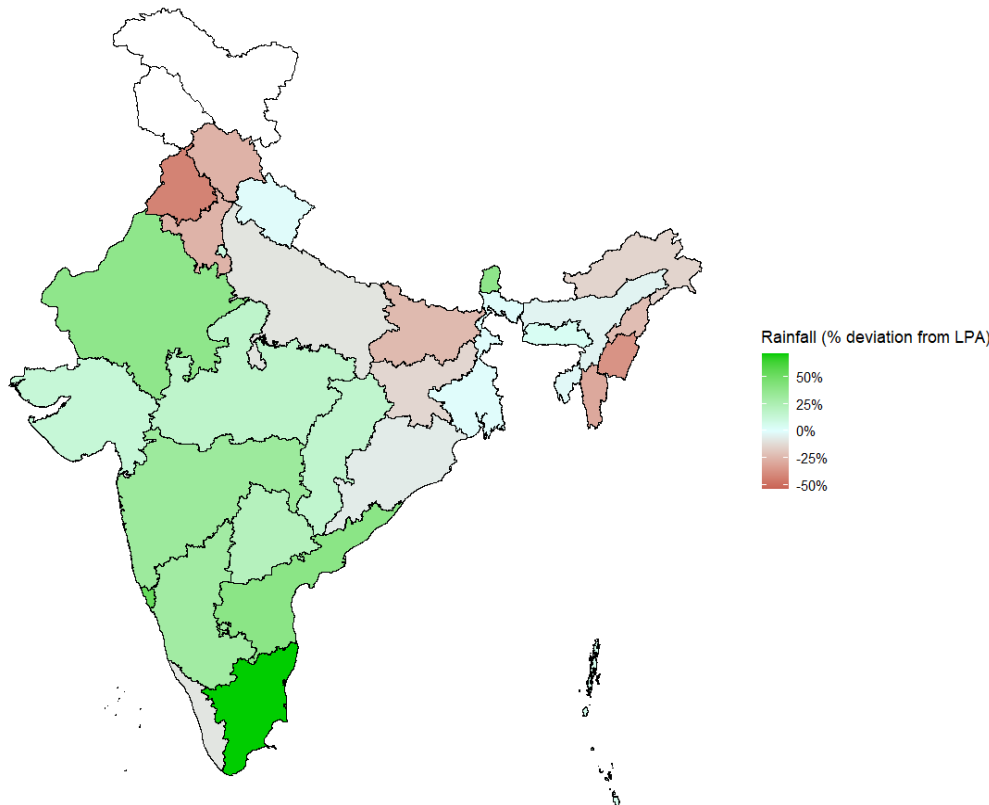
Divisions	Cumulative rainfall (Period: June 1st to Aug 9 th)		
	Actual (mm)	Normal (mm)	% Deviation
East and Northeast India	753	843.8	-11%
Northwest India	335.9	351.8	-5%
Central India	702.3	596.2	18%
South Peninsula	529.1	425.1	24%
Total	563.7	526.9	7%

Source: CMIE Economic Outlook, IMD, NSE EPR

Table 28: Category-wise number of subdivisions and % area (sub-divisional) of the country

Category	Period: June 1st to Aug 9 th	
	No. of subdivisions	% area of the country
Large excess	1	4%
Excess	12	34%
Normal	16	44%
Deficient	7	18%
Large Deficient	0	0%
No rain	0	0%

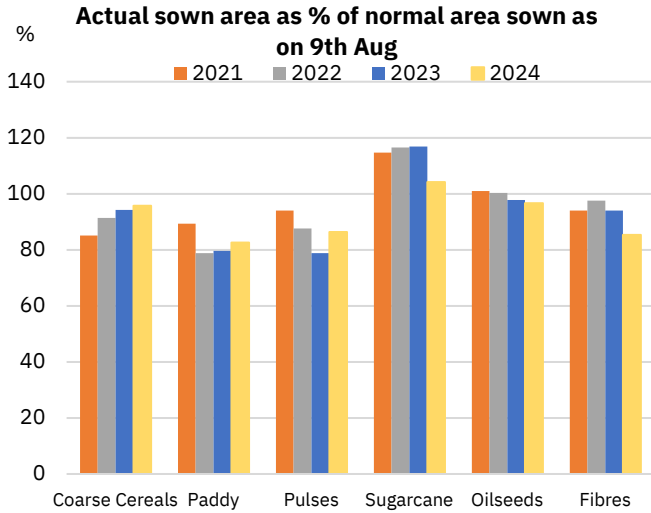
Source: IMD, NSE EPR

Figure 147: Deviation of rainfall activity from long period average as on Aug 9th (in %)


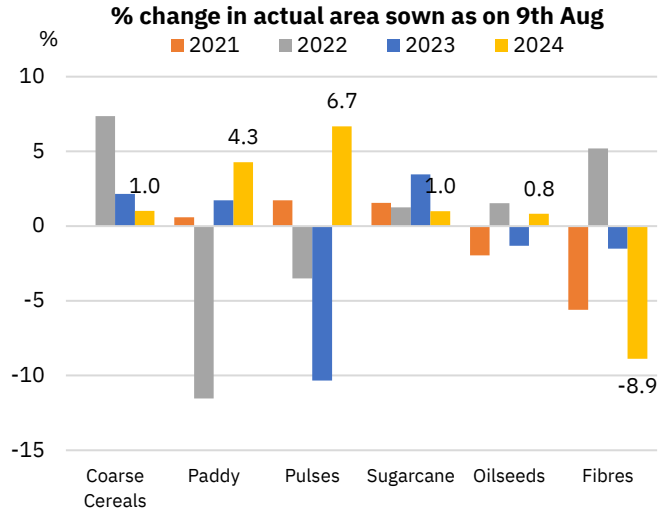
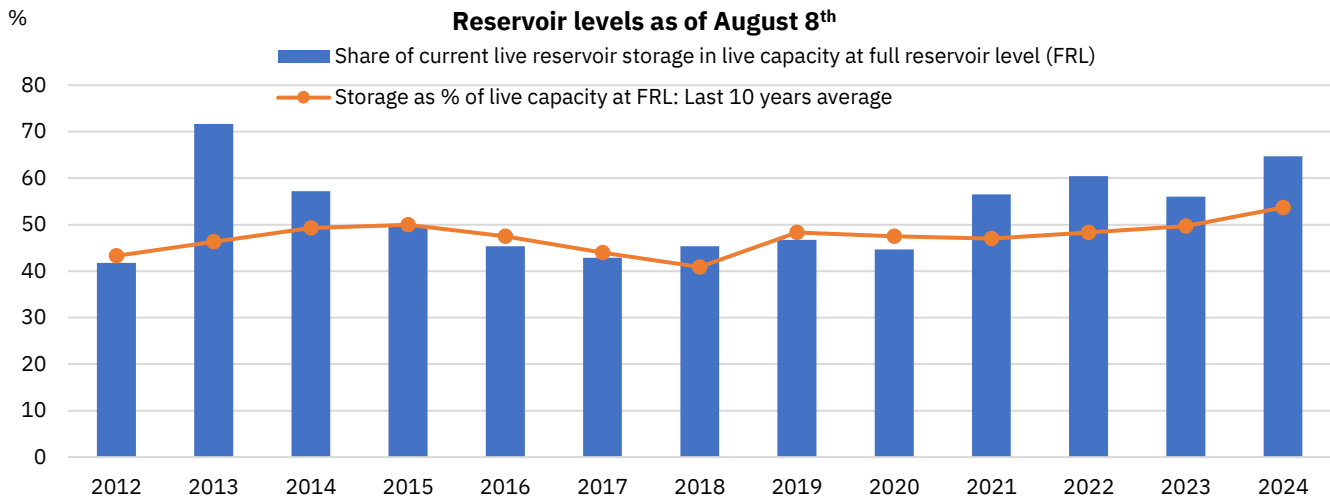
Interstate deviation of rainfall from the LPA has reduced as compared to the deviation noticed at the end of July. However, northern states of Punjab, Haryana and Himachal Pradesh still face relatively dry conditions as compared the southern states of India.

Wide variations are noticed in North-east India as well with Eastern-most states receiving significantly lesser rainfall.

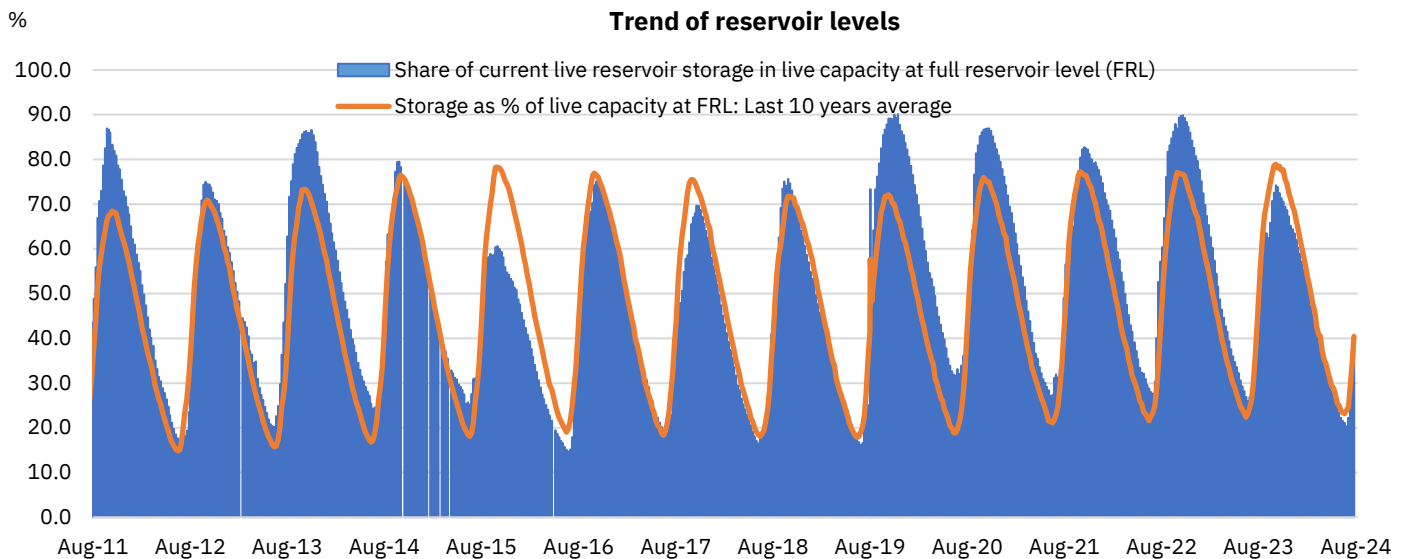
Source: CMIE SoI, NSE EPR.

Figure 148: Actual sown area as % of normal area sown


Source: CMIE Economic Outlook, NSE EPR.

Figure 149: YoY change in actual sown area

Figure 150: Live reservoir storage levels


Source: CMIE Economic Outlook, NSE EPR.

Figure 151: Trend of reservoir storage levels (as of August 8th, 2024)


Source: CMIE Economic Outlook, NSE EPR.

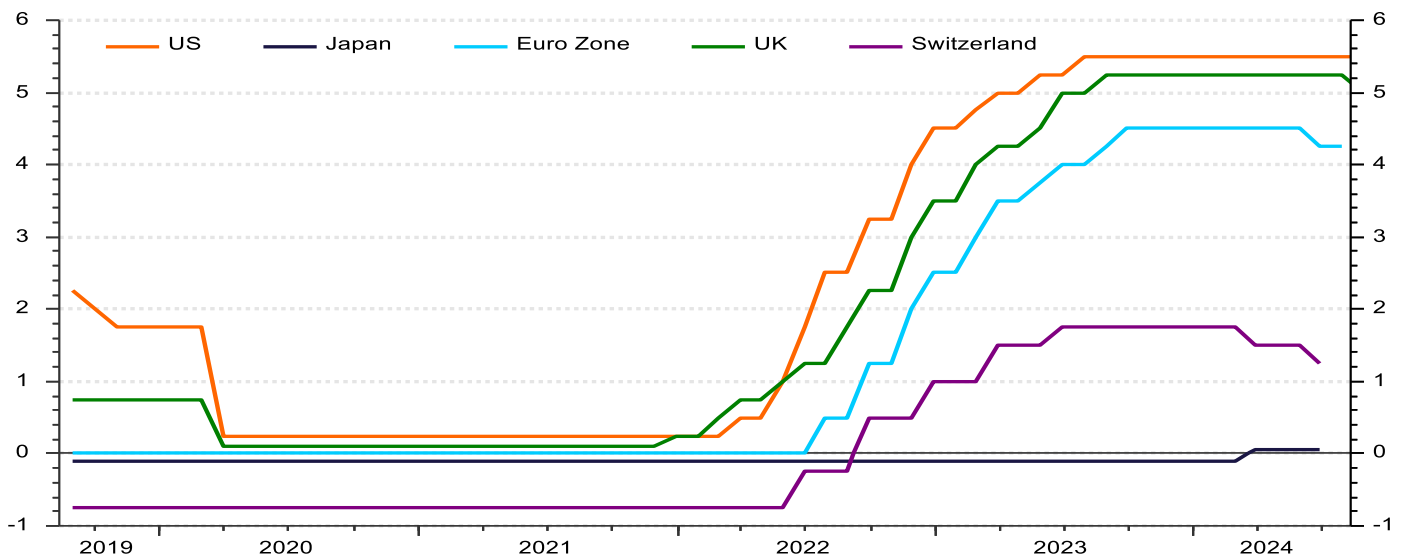
Global macro snippets: Diverging monetary policies in advanced economies

Recent monetary policy meetings across advanced economies exhibited a significant divergence as central banks navigated through distinct economic conditions and inflationary pressures, presenting a mix of accommodation, policy continuation and hawkish policy actions across central banks. While the US Federal Reserve has maintained its policy rate at 5.25 - 5.50% for the eighth consecutive meeting in Jul'24, the probability of a September rate cut has inched up post the FOMC meeting, triggered by lower-than-expected US jobs data. In contrast, the Bank of Canada and the Bank of England have both begun easing their monetary policies. Bank of Canada cut its key interest rate by 25 bps in July extending the June rate cut, underscoring the softness in the job market and easing inflationary pressures. Mirroring similar economic conditions in the United Kingdom, the Bank of England decided to cut rates for the first time in the last four years, with the future course of rate cuts remaining data dependent. Meanwhile, standing as an outlier the Bank of Japan raised its interest rate for the second time in 2024, breaking away from its traditionally ultra-loose monetary policy. This shift was driven by rising inflationary pressures from increased energy costs and a weaker yen, prompting the BOJ to tighten its policy stance and reduce its monthly bond purchases. Alternatively, the Reserve Bank of Australia also maintained status quo with its cash rate at 4.35% in Aug'24, as inflation continued to remain above the target. The RBA's decision underscores a more patient approach, prioritizing the long-term return to target inflation over immediate policy adjustments. These varied approaches highlight the differing economic landscapes and inflationary challenges faced by advanced economies, leading to a spectrum of monetary policy actions from tightening, easing, and maintaining status quo, that could have significant implications for global financial markets.

- **US Fed maintains status quo; higher rate cut probability in Sept'24...:** The Federal Reserve maintained the policy rate range steady between 5.25 - 5.50% for the eighth consecutive meeting held in Jul'24. Even though inflation has eased considerably over the past year, the committee anticipates that a rate cut is not appropriate, given the stickiness in headline inflation and the need for further deceleration in inflation sustainably towards 2%. Relative tightness in the labor market and solid gains in economic activity have been impediments to a pivot in the policy action. That said, the recent softness in the US jobs data, coupled with recessionary fears, triggered by the Sahm's rule elevating above its threshold level, post the FOMC meeting, has significantly raised the probability of a rate cut in Sept'24.
- **... while the Bank of Canada and Bank of England cut rates:** The Bank of Canada, continuing with its easing cycle, reduced its key interest rate by 25bps on July 24th, 2024, in line with easing inflation in the economy. The governor hinted at further rate cuts if inflation eases in line with their forecasts. On the other hand, after a 16-year high bank rate, BoE with a 5-4 majority, reduced the rate by 25bps to 5% in Jul'24 meeting. The first rate cut in more than four years was on account of moderation in CPI inflation, aligned to the 2% target in both May and June.
- **Bank of Japan raised its interest rate for the second time in 2024...:** With the majority of 7-2, Bank of Japan (BoJ) raised its interest rate to 25bps from 0-0.1% in Jul'24 – highest since Oct'08 and the second-rate hike in 2024, continuing its departure from an ultra-loose monetary stance. This decision reflects mounting concerns over rising inflationary pressures, driven by increased energy costs and the yen's depreciation. The central bank also decided to reduce its monthly purchase of Japanese Government Bond (JGB) to about 3 trillion yen. BOJ's revised outlook suggests a cautious tightening of monetary policy, signaling fewer rate cuts in the near future.

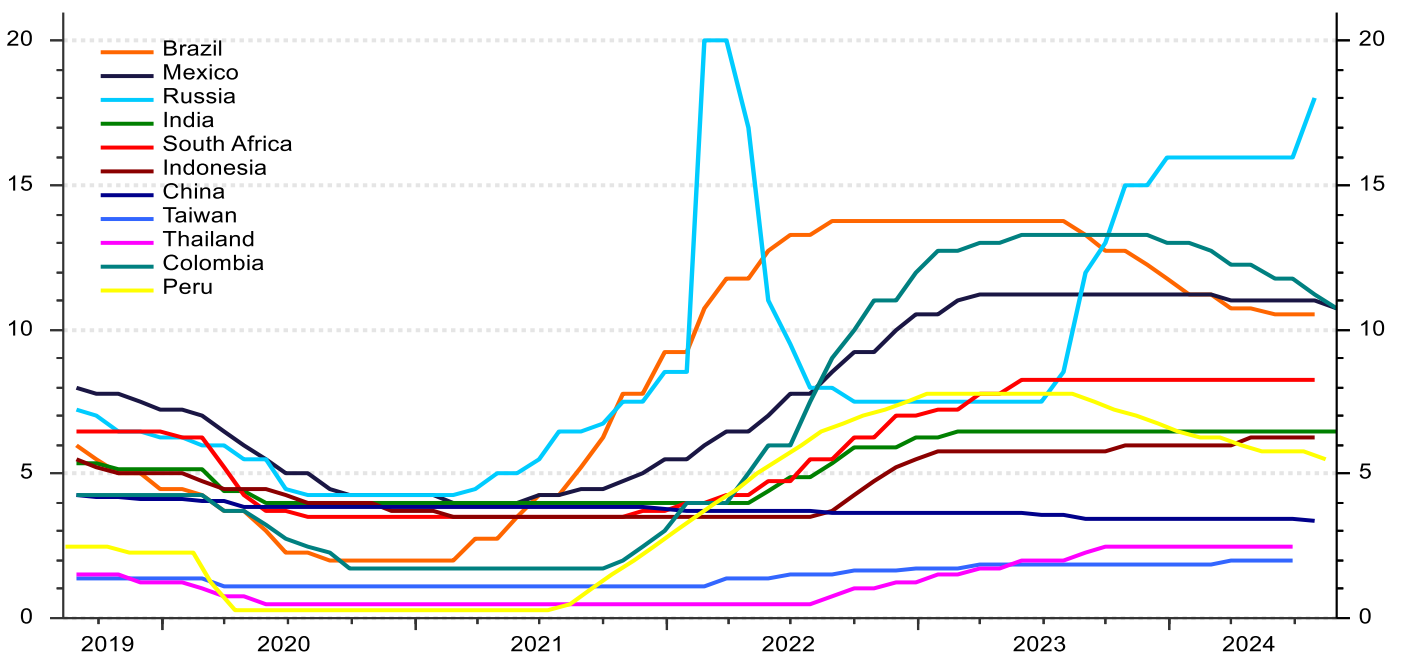
- ... Reserve Bank of Australia keeps the interest rate unchanged:** The Reserve Bank of Australia (RBA) in its meeting on August 6th, 2024, decided to keep its main interest rate (i.e., cash rate) unchanged at 4.35% in the backdrop of persistent and above-target inflation in the economy. Underlying inflation has been above the midpoint of the target for 11 sequential quarters, with a little drop in the CPI inflation over the past year. Weakened economic activity momentum coupled with lack of sustainable decline in headline inflation, are the key drivers behind the RBA's decision to keep the cash rate unchanged.

Figure 152: Policy rates across AE central banks

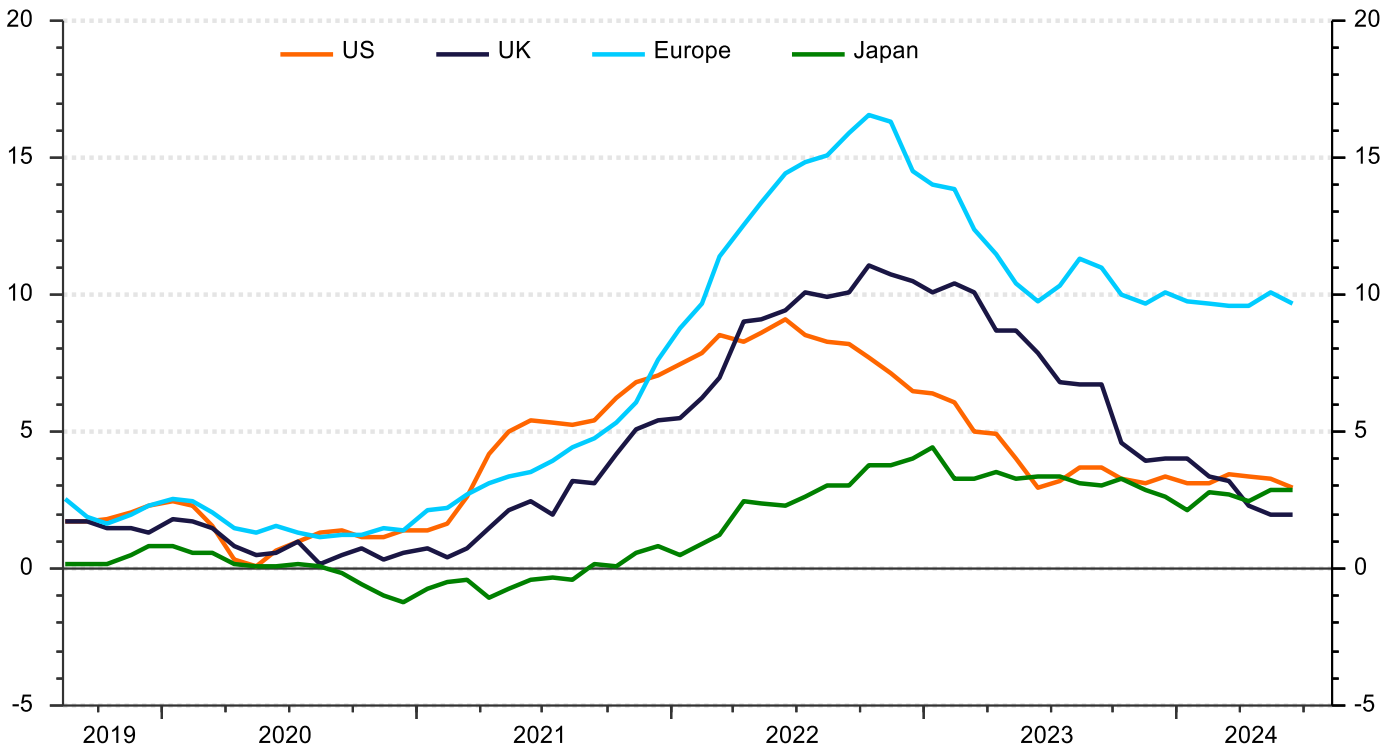


Source: LSEG Datastream, NSE EPR.

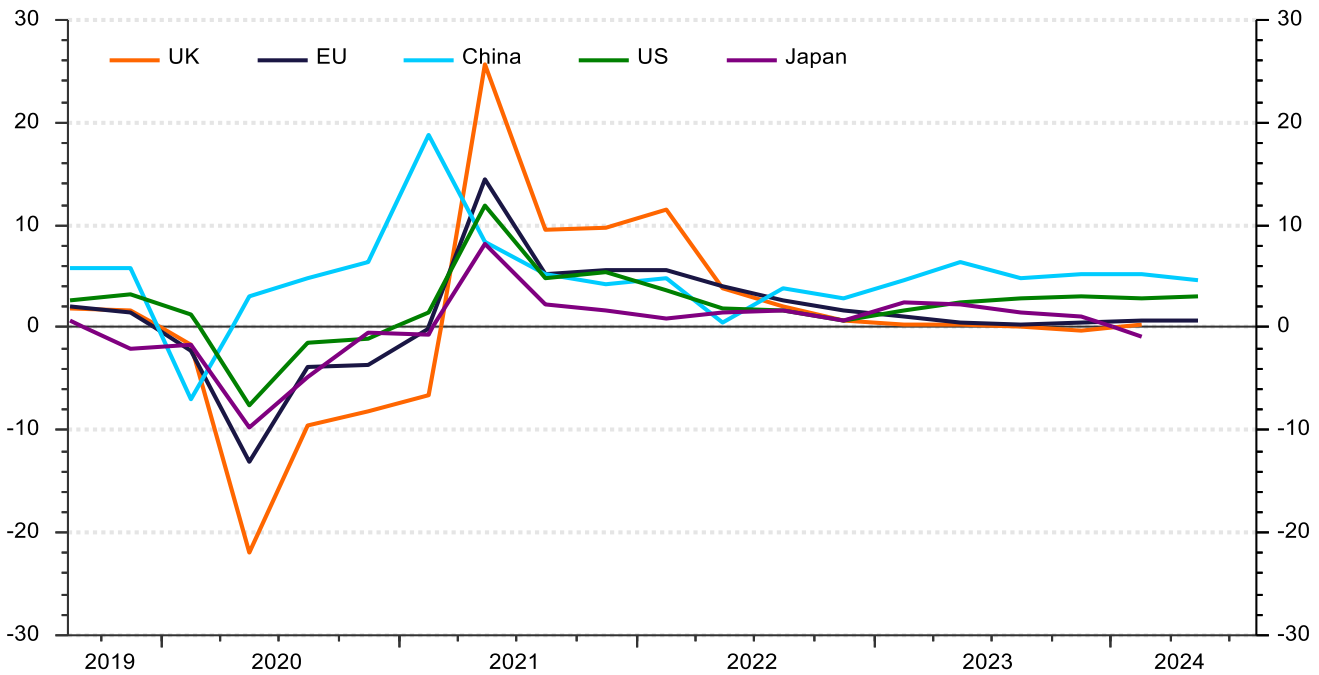
Figure 153: Policy rates across emerging markets central banks



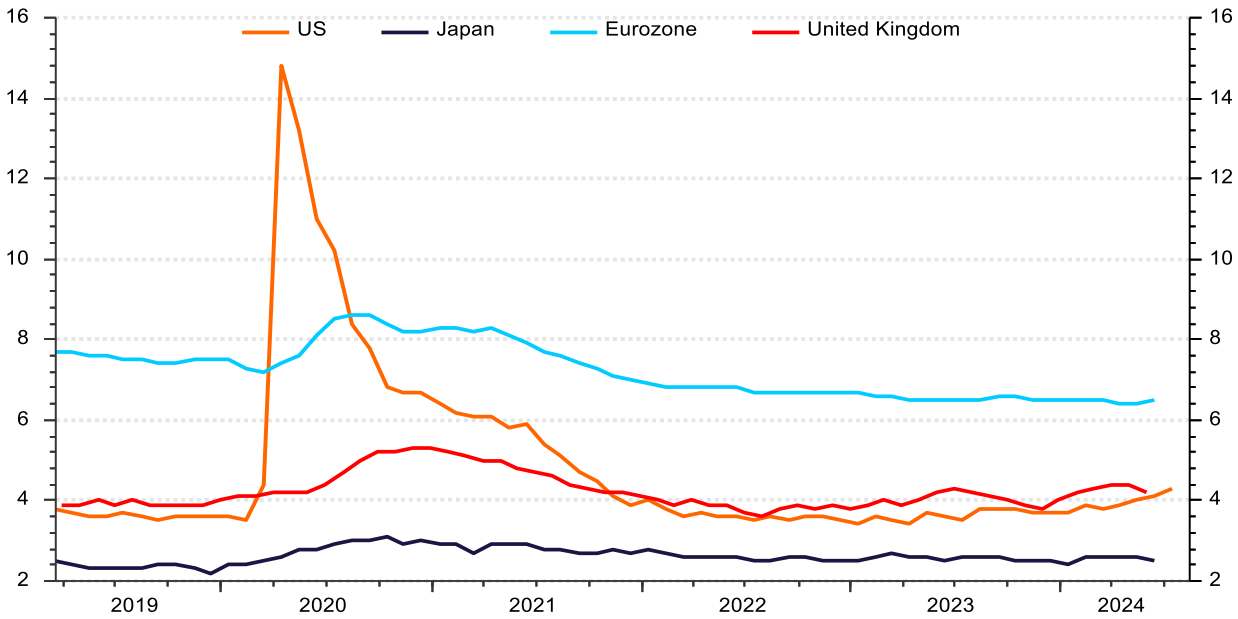
Source: LSEG Datastream, NSE EPR.

Figure 154: Inflation Across Major Economies


Source: LSEG Datastream, NSE EPR.

Figure 155: Growth Across Major Economies


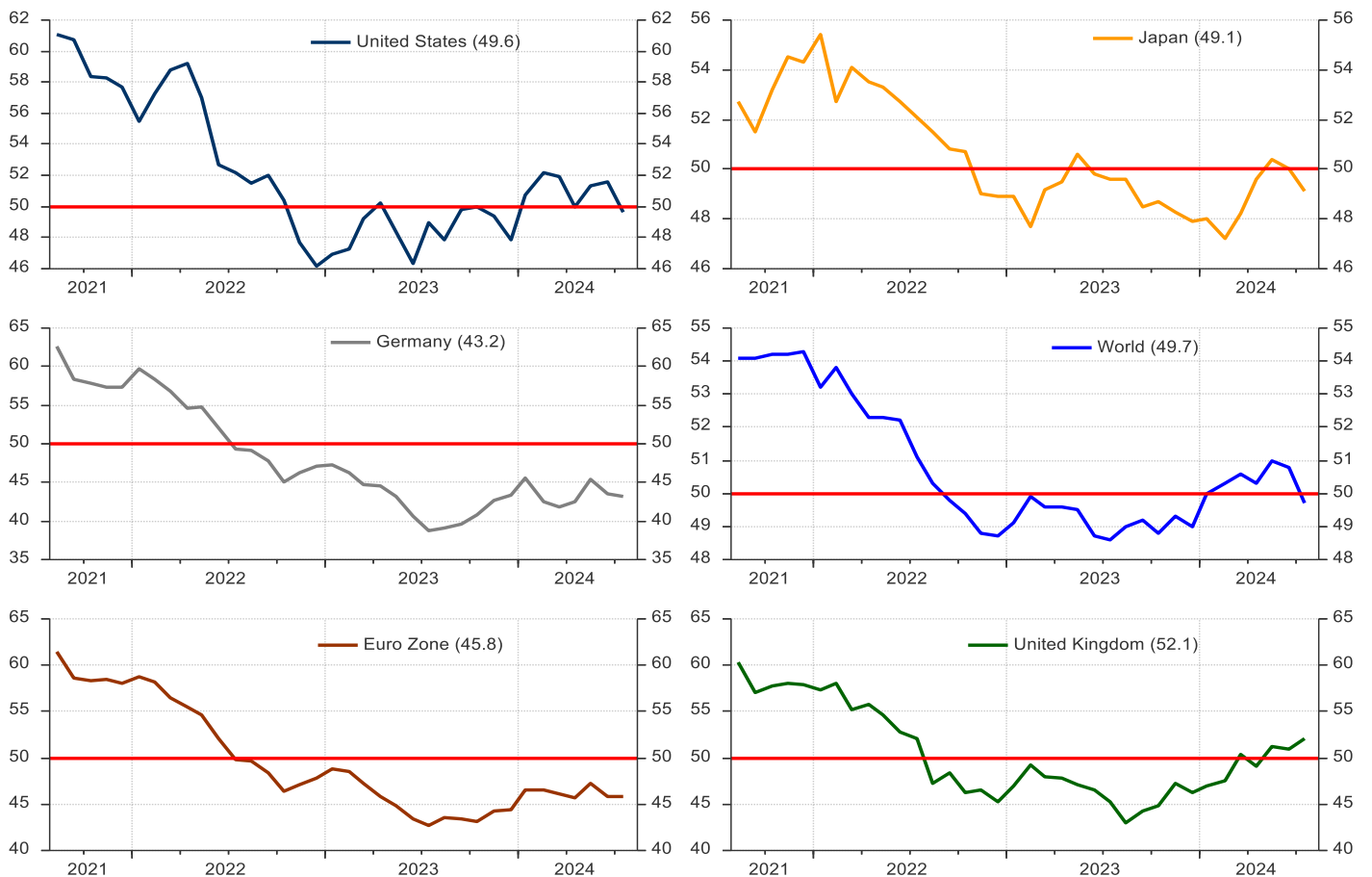
Source: LSEG Datastream, NSE EPR.

Figure 156: Unemployment Rates


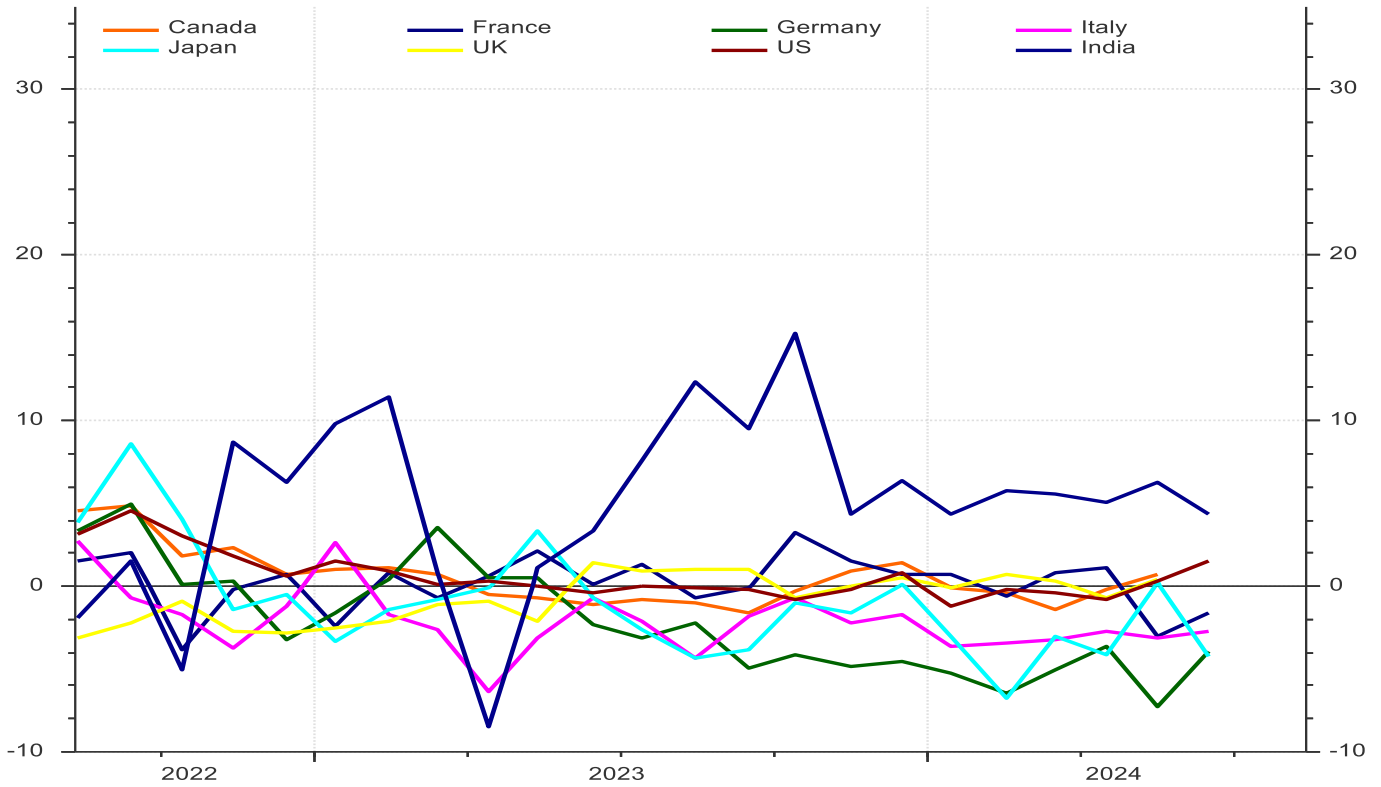
Source: LSEG Datastream, NSE EPR.

Figure 157: Trend in PMI manufacturing across countries

Manufacturing (SA) PMIs: Developed Markets



Source: LSEG Datastream, NSE EPR.

Figure 158: Consumer Confidence Index across major economies


Source: LSEG Datastream, NSE EPR

Highlights from the Annual Survey of Unincorporated Sector Enterprises: 2022-2023

The Annual Survey of Unincorporated Enterprises (ASUSE) was released by the MOSPI in July'24 providing a comprehensive overview of the unincorporated non-agriculture enterprises.⁷ These enterprises play a pivotal role in the Indian economy in terms of contribution to GDP and generating employment. This survey was conducted during the period October 2022 to September 2023. Majority (55%) of the 6.5 crore unincorporated establishments belong to the rural sector and almost 85% of the estimated establishments are own account establishments. The highest number of establishments are in the other services category. The top 10 states account for nearly three-fourths of the total number of establishments, with the highest number in Uttar Pradesh, followed by West Bengal and Maharashtra.

- **Number of establishments increases to 6.5 crore:** The total number of estimated establishments belonging to the unincorporated segment grew by 9% YoY to 6.5 crore during the period covered under ASUSE 2022-23. ~55% of the establishments belong to the rural sector, indicating a greater number of unincorporated non-agriculture establishments exist in the rural economy. ~85% of the estimated establishments have been observed to be an “own account establishments” (OAE)⁸ while the remaining ~15% are “hired worker establishments” (HWE).⁹ The share of manufacturing, trading and other services to the total estimated number of establishments stood at 27.4%, 34.7% and 37.9% respectively. Other services have the highest share of establishments in both the rural (37.5%) and urban sector (38.4%) while the share of urban manufacturing is the least at around 24.2%.
- **Other retail trade has the highest share of establishments:** Of all the estimated establishments (rural and urban), ‘other retail trade’ has the highest share of ~30%, followed by apparels (11.3%) and community, social & personal services (9.5%). In the rural sector, the major three activities under the manufacturing category include manufacturing of apparels, tobacco products and food products, which have a cumulative share of ~70%, whereas the same activities in the urban sector have a cumulative share of 65%. Other retail trade accounts for 90% of the trade establishments in the rural sector, higher than the share of 85% in the urban sector.
- **The top 10 states account for nearly three-fourths of all establishments:** Uttar Pradesh (13.8% share) ranks at the top in the number of establishments (in both rural and urban), followed by West Bengal (12%) and Maharashtra (9.4%). The share in these top three states account for little more than one-third of all establishments in India. UP, Bihar, West Bengal and Maharashtra are states with a high share of rural OAE and HWE establishments. On the other hand, the share of urban OAE and HWE establishments are relatively higher in Tamil Nadu, UP, Maharashtra and West Bengal. UP has the highest share of rural unincorporated establishments at 15.8% while Maharashtra has the highest share of urban unincorporated establishments at 12%. The highest share of OAEs is observed in UP (14.5%) while Maharashtra (13.3%) has the highest share of HWEs. West Bengal has the highest share in manufacturing establishments (16.2%), while UP has the highest share in trade (16.9%) and other services (12.3%).

⁷ Non-agriculture establishments which are not registered under Companies Act, 1956 or 2013. This includes all household proprietary, partnership, society, trusts, associations, clubs, body of individuals, cooperatives, self help groups and non-profit institutions.

⁸ An establishment which is run without any hired worker employed on a fairly regular basis

⁹ An establishment which is employing at least one hired worker on a fairly regular basis

- **Other services have the highest share of 40% in GVA:** Other services account for nearly 40% of the GVA¹⁰ followed by trading activities (~36%). The share of manufacturing in the GVA of unincorporated enterprises stood at around one-fourth. Though the share of manufacturing as per National Account Statistics (NAS) for all enterprises stood at a similar level (~25.7%), there is a notable divergence observed in the case of trade¹¹ and other services.¹² As per NAS, the share of trade in GVA stood at ~17% in FY23 while other services stood at 57%. States like Maharashtra, Gujarat, Tamil Nadu and Karnataka cumulatively account for 35% of GVA but relatively have a smaller share of 25% in the total number of establishments. On the other hand, states like Uttar Pradesh, West Bengal, Odisha, Bihar and Madhya Pradesh, cumulatively have 41% of the total establishments but account for only 28% of the GVA.
- **Industries with low GVA per worker employ more workers:** Total employment in the unincorporated enterprises stood at ~11 crore while the annual average GVA per worker stood at Rs 1.4 lakh. The estimated number of workers in the unincorporated enterprise is around one-fifth of the total estimated employment count.¹³ The industries which have an average GVA per worker higher than the all-India average have a total employment of 3.9 crore, notably lower than the employment of ~7 crore seen in industries which have an average GVA per worker below the all-India average. Within the broad categories, manufacturing has the lowest GVA per worker as well as estimated workers while other services have the highest GVA per worker and estimated number of workers. The top five industries as per annual GVA per worker have a total employment of 14.7 lakh while the bottom five industries employ ~2.4 crore. On the other hand, the top five industries as per number of workers employed (6.5 crore) have an average GVA per worker of Rs 1.3 lakh, lower than the all-India average. The bottom five industries as per number of workers employed have an average GVA per worker of Rs 2 lakh, meaningfully higher than the all-India average.
- **Manufacturing has a mix of high productive and low productive activities:** Out of the top 10 activities based on the annual GVA per worker, there are five activities which fall under manufacturing, which includes other transport equipment, machinery & equipment, rubber & plastic products, electrical equipment and other manufacturing. That said, the bottom 10 activities based on the annual GVA per worker have eight activities which form part of manufacturing. Manufacturing of tobacco, apparels, textiles and beverages have the lowest annual GVA per worker.
- **Manufacturing accounts for the highest number of female workers:** In both rural and urban areas, manufacturing accounts for the highest share of female workers. While almost four in every 10 employees in the manufacturing sector are females, the share is lower for trading (17%) and other services (20%). At the aggregate level, one-fourth of the workforce in the unincorporated enterprise is female. The share of female workers is higher in the rural area (28.6%) compared to the urban area (~23%). Around one-fourth of the unincorporated establishments

¹⁰ Sectors included in the GVA include manufacturing, trade, other services and non-captive electricity generation

¹¹ Trade as per National Account Statistics include Trade & repair services and hotels & restaurants. However, to bring it in line with the ASUSE classification, we have excluded hotels & restaurants from trade

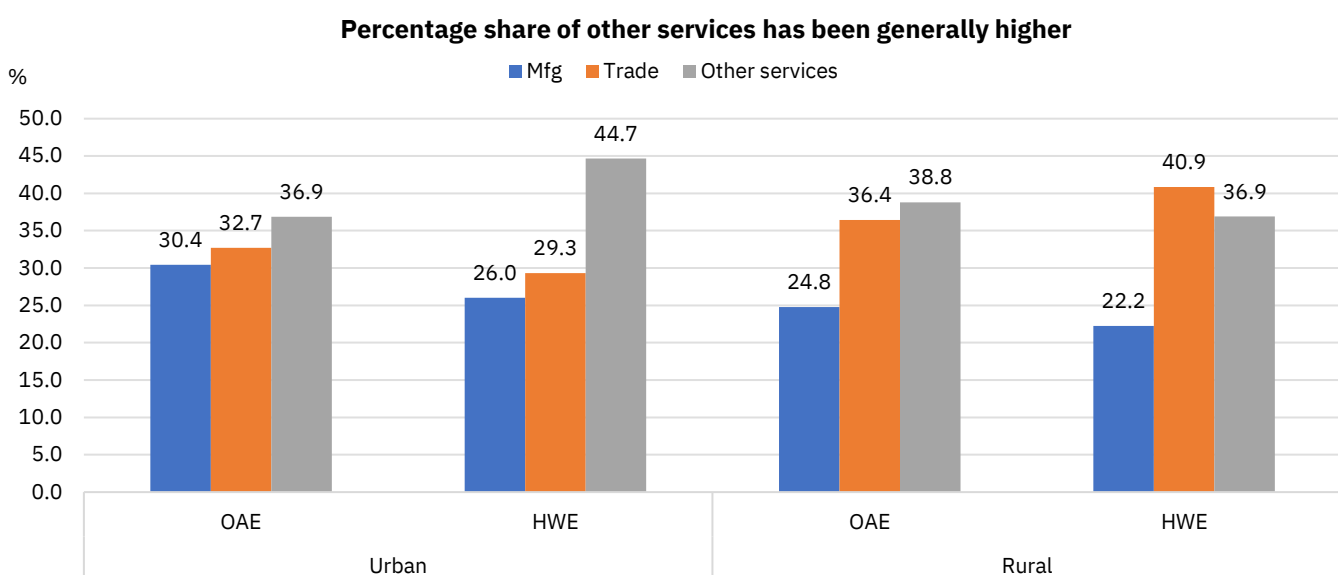
¹² The sub-categories of other services (as per NAS) which have been considered for computation include hotels & restaurants, transport, storage, communication & services related to broadcasting, financial services, other services.

¹³ Total estimated employees as per the RBI's KLEMS data is 59.6 crore as of FY23

(proprietary) is headed by a female entrepreneur. Seven major states – Telangana (43.3%), West Bengal (32.7%), Karnataka (31.4%), Andhra Pradesh (27.8%), Tamil Nadu (27.7%), Gujarat (27.1%), Kerala (26.8%) and Maharashtra (24.2%) where about one-fourth of the proprietary establishments have been run by female entrepreneur.

- Average annual emoluments to a hired worker at Rs 1.25 lakh in 2022-23:** The average annual emoluments paid to a hired worker has been Rs 1.25 lakh during ASUSE 2022-23. The annual average emoluments have been higher in the urban sector at Rs 1.3 lakh compared with ~Rs 1 lakh in the rural sector. The ratio of the annual emolument paid to the formal hired worker¹⁴ vis-à-vis informal hired worker¹⁵ stood at 2.2x at the all-India level. This ratio has been meaningfully higher for Maharashtra (3.5x), Assam (3.4x) and Uttar Pradesh (3.2x). In the case of Bihar, the annual emolument paid to an informal paid worker is marginally higher than the formal paid worker. The ratio of the annual emolument paid to a worker in the unincorporated enterprise is lower than the per-capita income of the country in FY23 (Rs 1.7 lakh). States like Bihar, Uttar Pradesh and Jharkhand have the per-capita state income lower than the annual emoluments paid to the workers in the unincorporated enterprise.
- Tepid increase in the number of establishments since FY16:** In comparison to the survey conducted in FY16, the total number of establishments registered a CAGR of 0.4%, with the rural sector registering a CAGR of 1.3% while the establishments in the urban sector recording a decline. The estimated number of workers in the unincorporated enterprises have declined marginally from 11.1 crore to 10.96 crore, possibly reflecting a shift towards formal employment. The annual GVA per worker has grown from ~Rs 1 lakh to Rs 1.4 lakh (CAGR: +4.6%) with the CAGR in the rural sector (+6%) outpacing the urban sector (+4.2%).

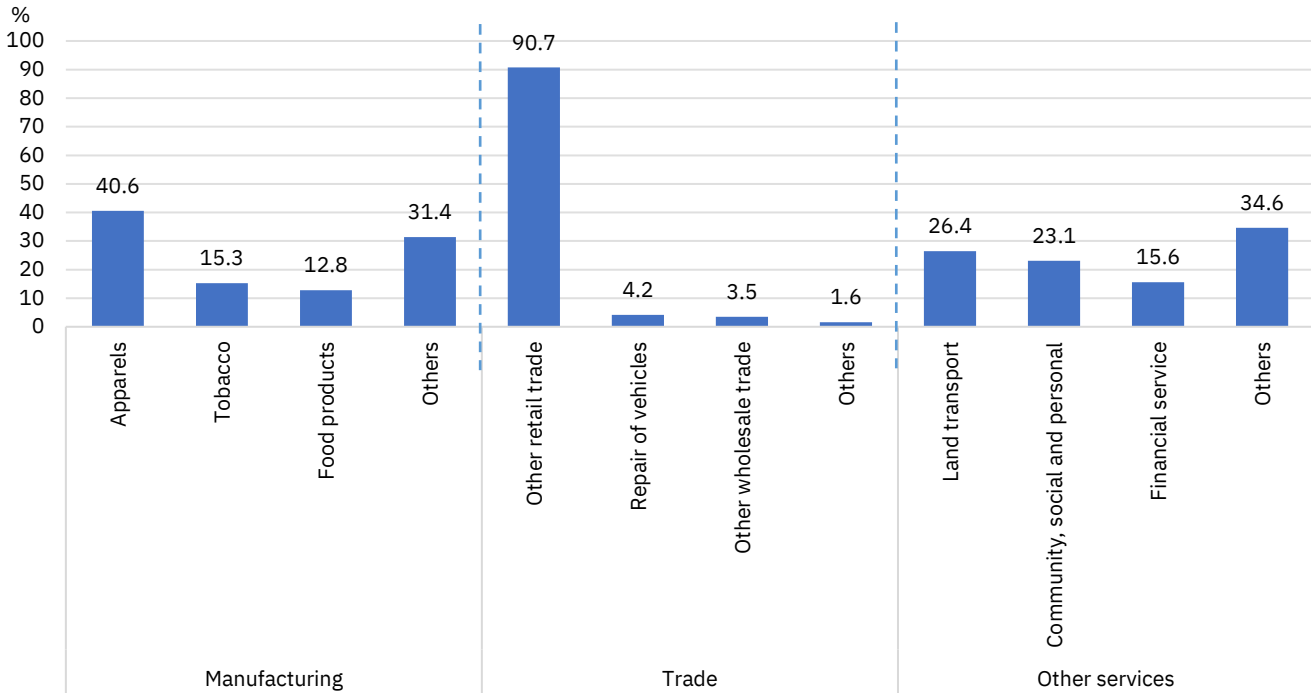
Figure 159: Percentage share of estimated number of establishments by broad region, establishment type and sector



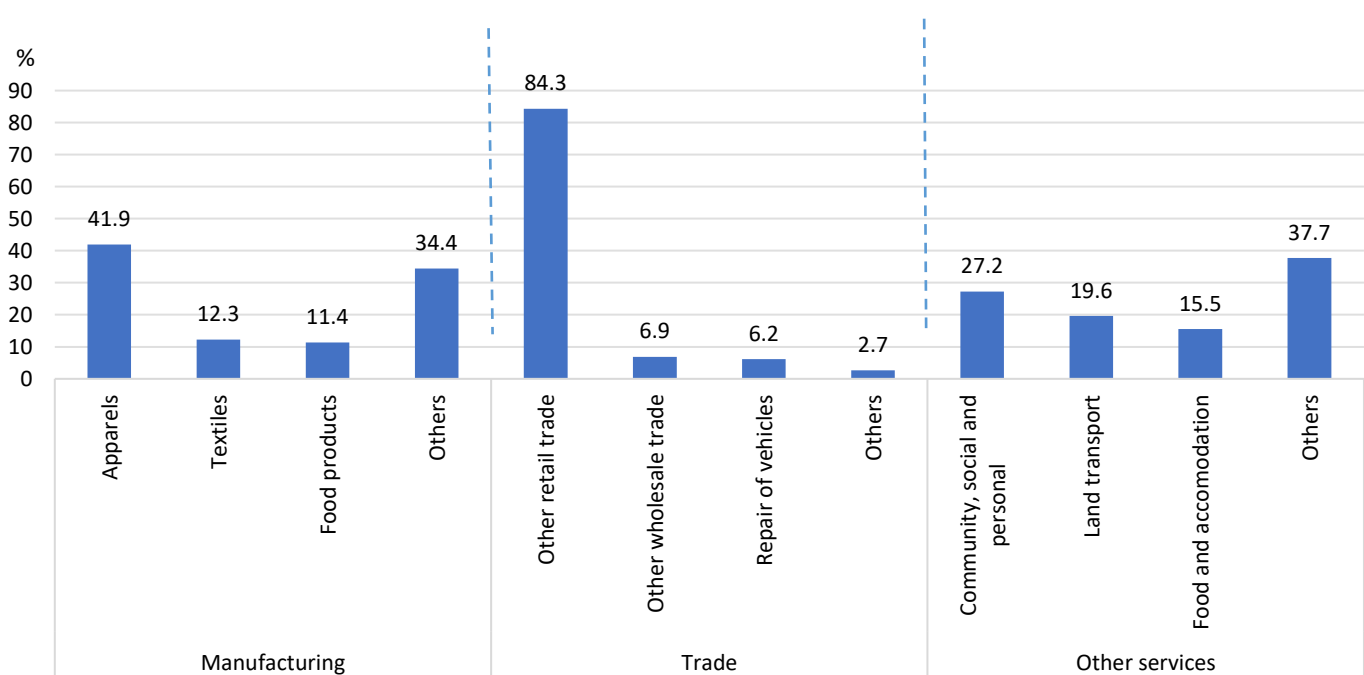
Source: MOSPI, NSE EPR

¹⁴ A formal hired worker is one who is eligible for paid leave and also eligible for social security benefits like PF, ESIC, health insurance, etc. provided by the employer.

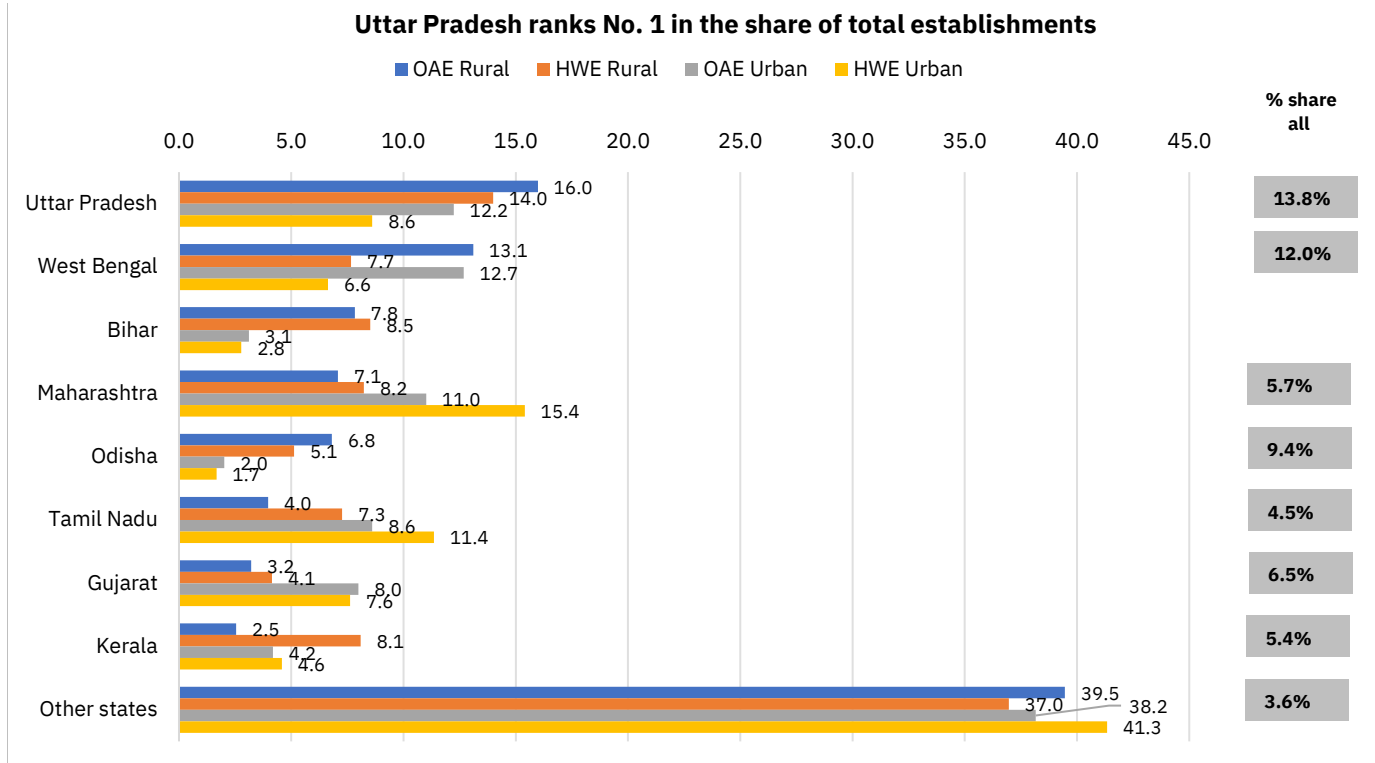
¹⁵ An informal hired worker is not eligible for paid leave and/or not eligible for social security benefits like PF, ESIC, health insurance etc. provided by the employer.

Figure 160: Percentage share of establishments of top three activities under each sector – Rural


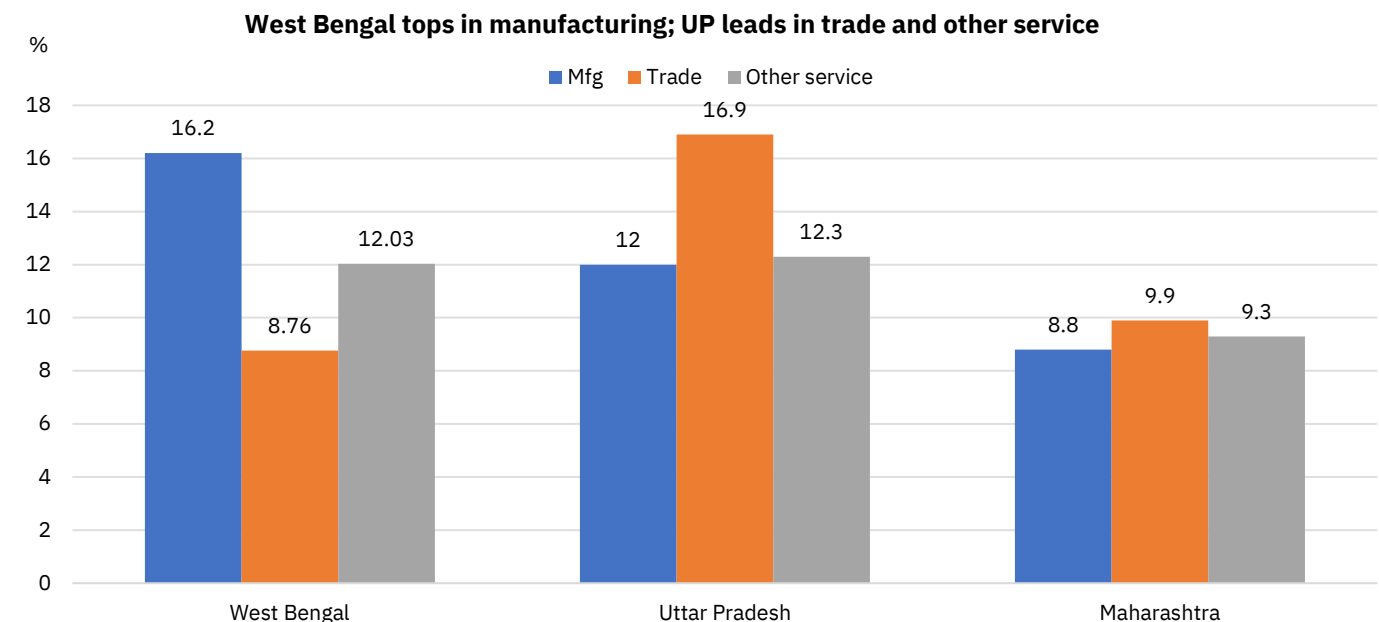
Source: MOSPI, NSE EPR.

Figure 161: Percentage share of establishments of top three activities under each sector – Urban


Source: MOSPI, NSE EPR.

Figure 162: State-wise percentage share of total establishments across establishment type


Source: MOSPI, NSE EPR.

Figure 163: Percentage share of establishments in top three states across sectors


Source: MOSPI, NSE EPR.

Figure 164: Percentage share of Gross value added as per ASUSE*

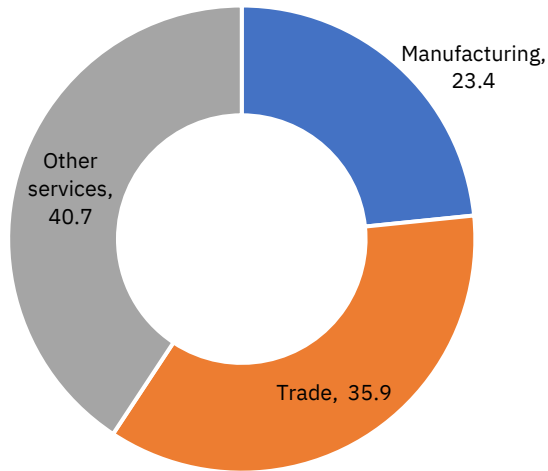
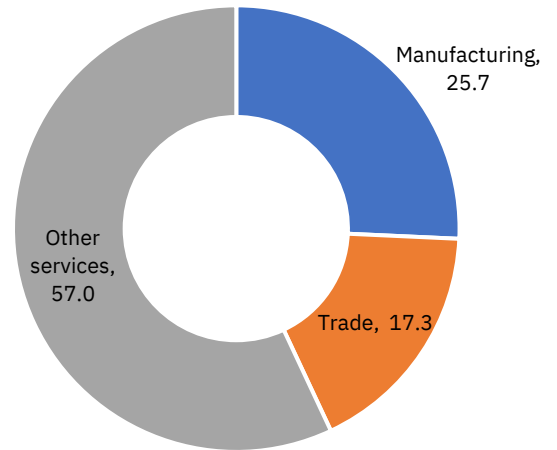
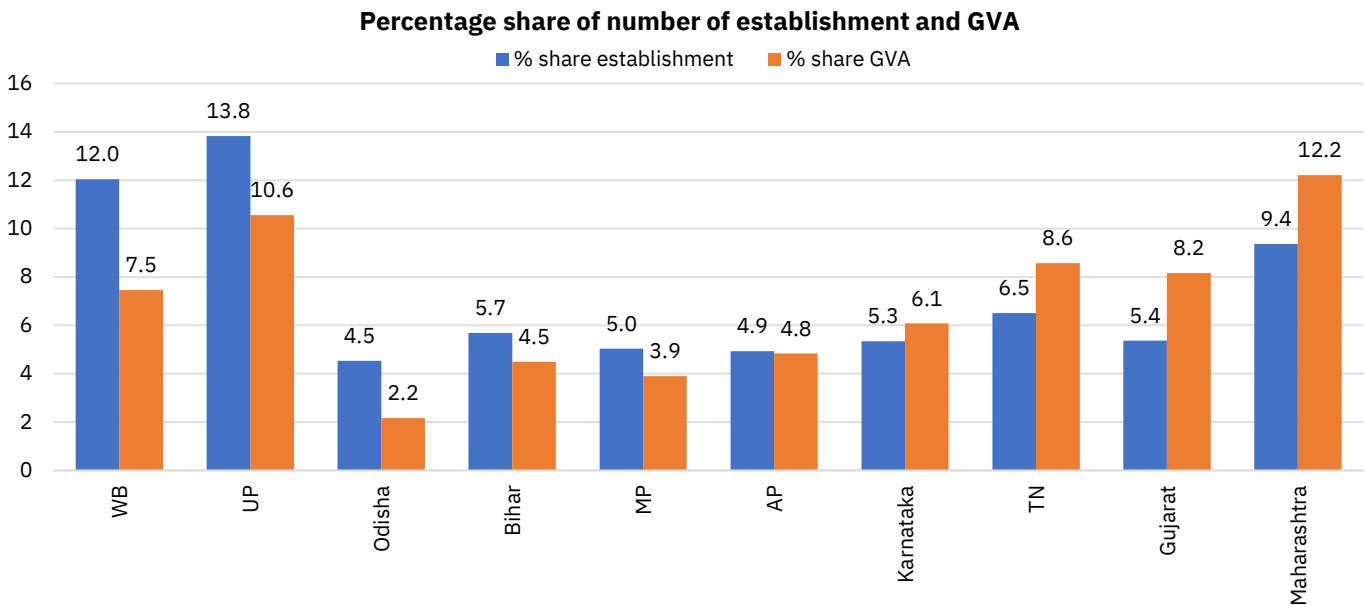


Figure 165: Percentage share of Gross value added as per NAS\$

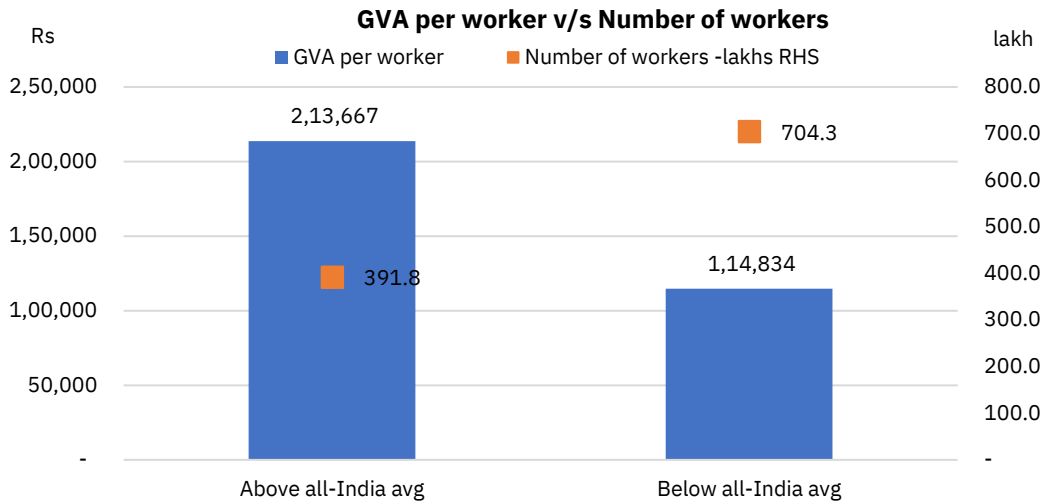


Source: MOSPI, National Account Statistics, NSE EPR. * ASUSE: Annual Survey of Unincorporated Enterprises. \$ NAS: National Account Statistics

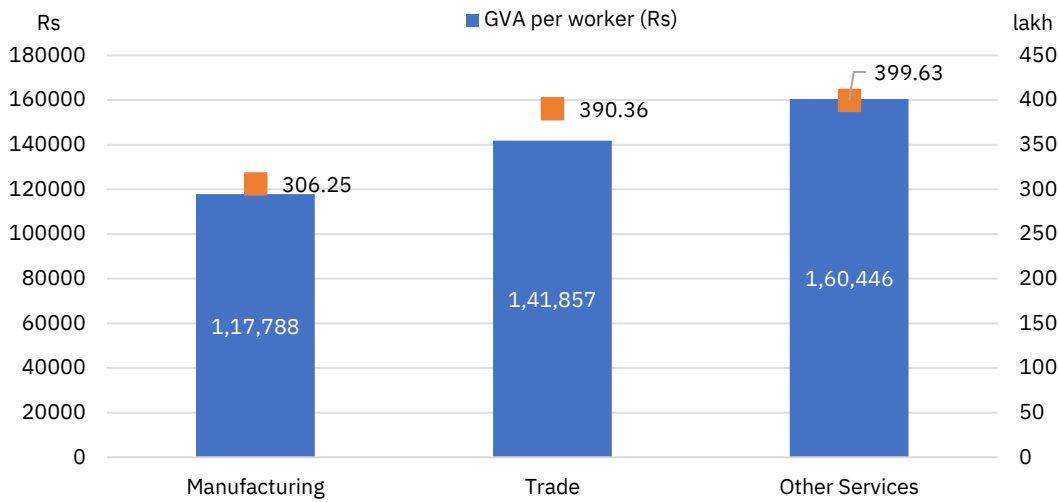
Figure 166: Comparison of the percentage share of number of establishments vis-à-vis percentage share of GVA across states



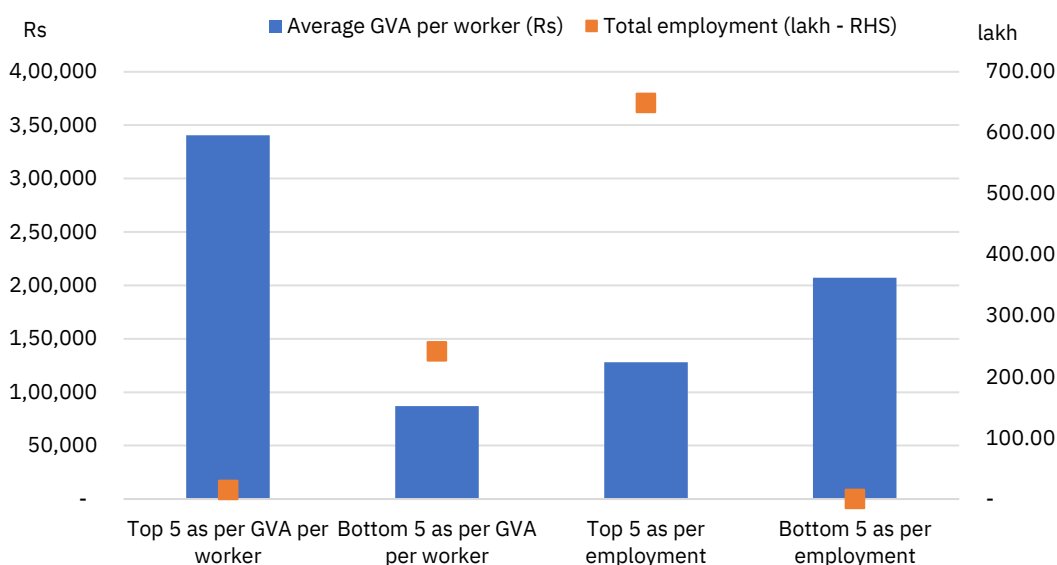
Source: MOSPI, NSE EPR.

Figure 167: Comparison of GVA per worker and estimated number of workers


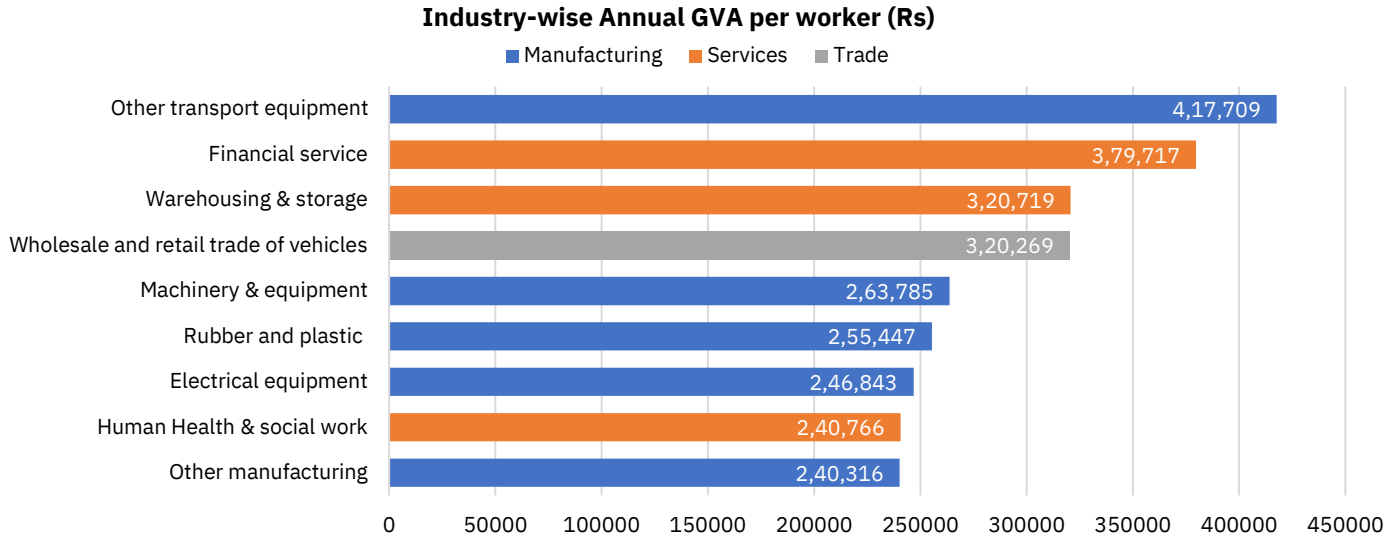
Source: MOSPI, NSE EPR.

Figure 168: Comparison of GVA per worker and estimated number of workers across key sectors


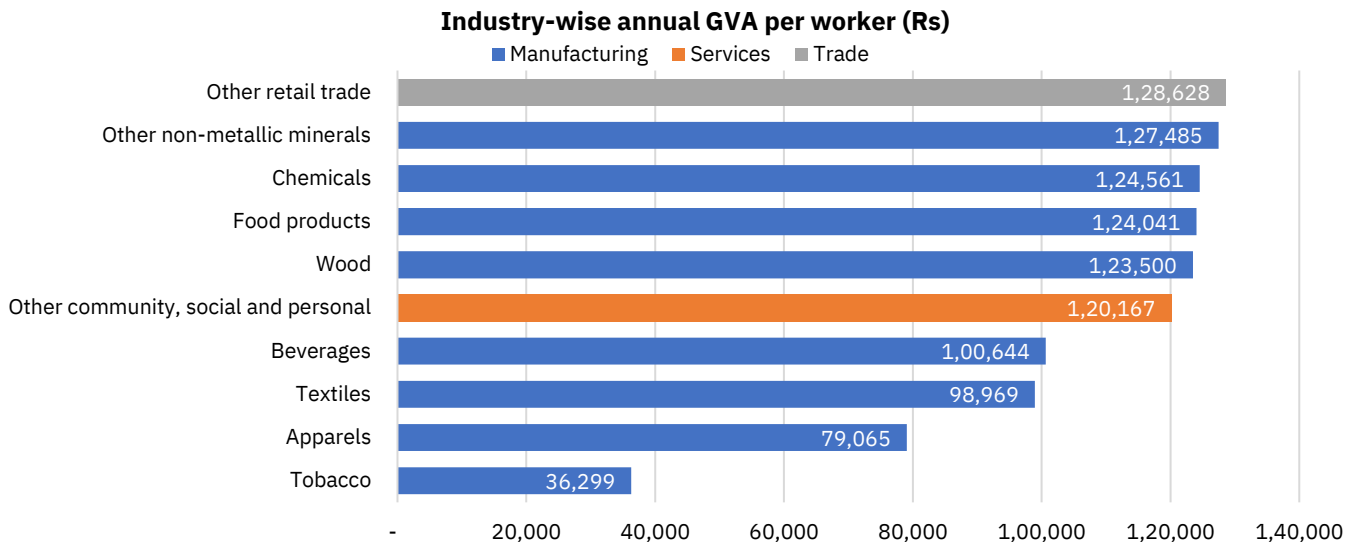
Source: MOSPI, NSE EPR.

Figure 169: Comparison of GVA per worker and estimated number of workers for top industries


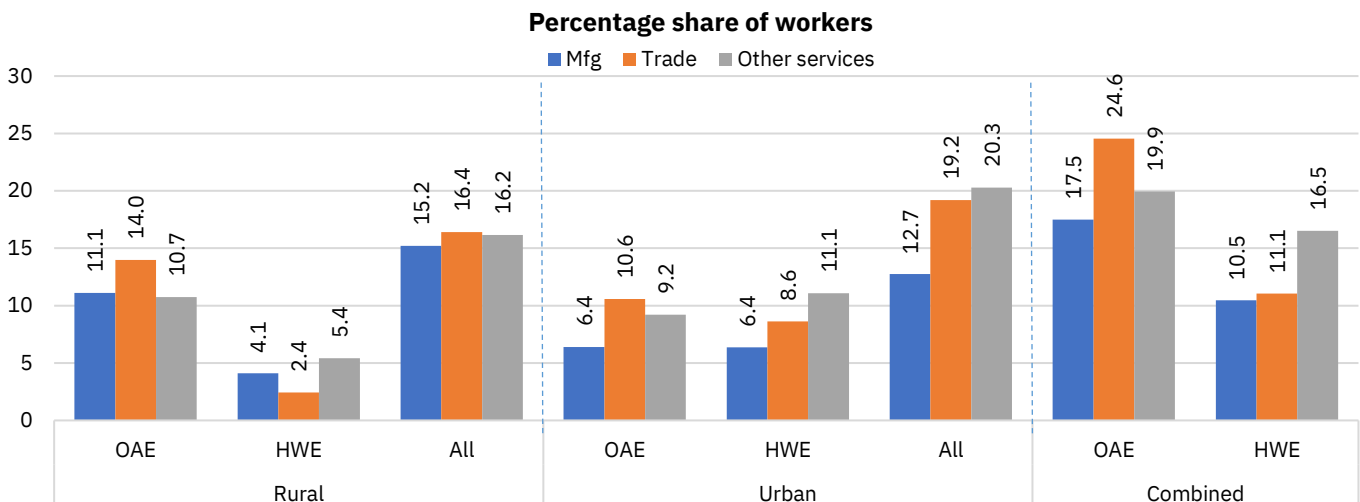
Source: MOSPI, NSE EPR.

Figure 170: Top-10 activity as per GVA per worker


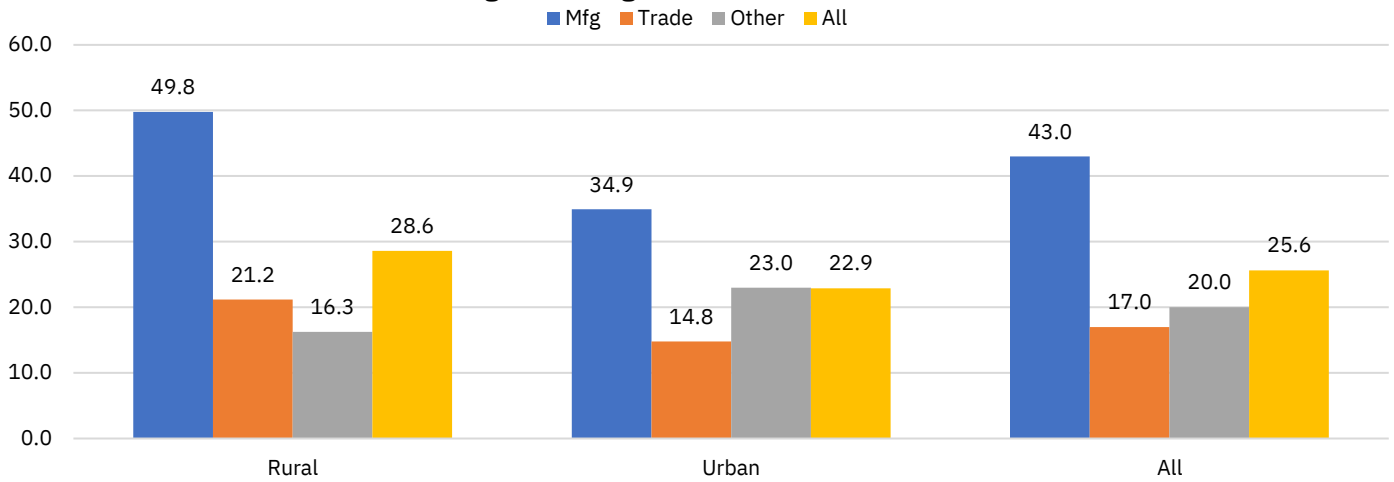
Source: MOSPI, NSE EPR.

Figure 171: Bottom-10 activity as per GVA per worker


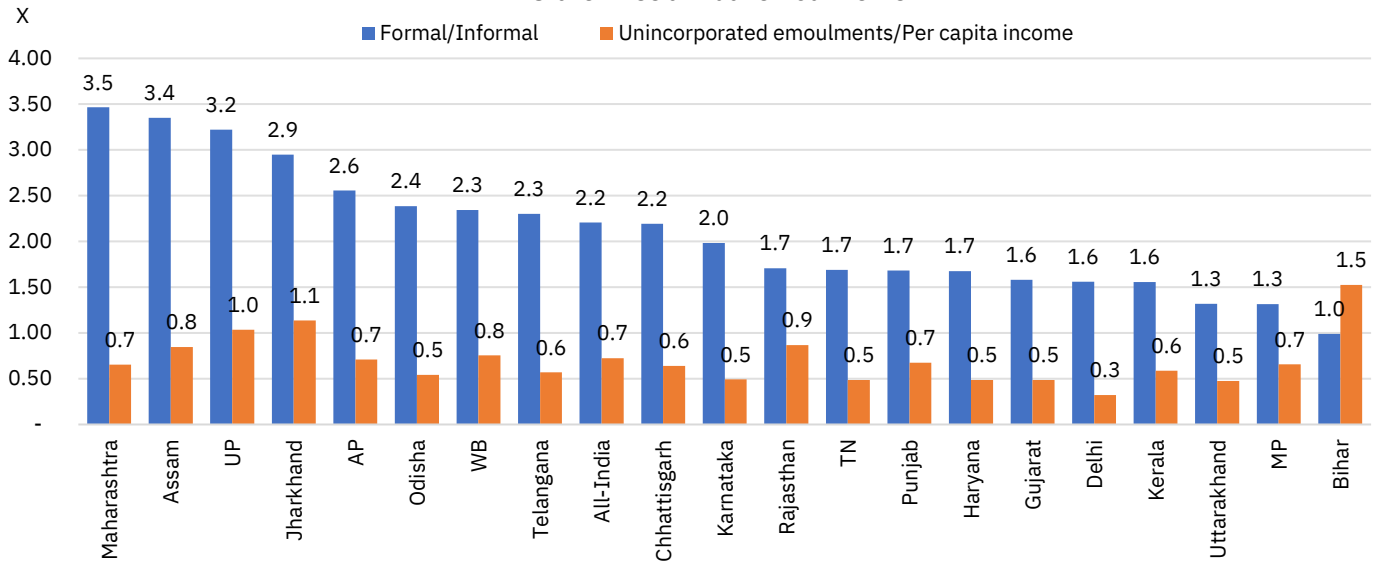
Source: MOSPI, NSE EPR.

Figure 172: Estimated number of workers (% share of total) by category and sector


Source: MOSPI, NSE EPR.

Figure 173: Percentage share of female workers by broad regions and sectors
Manufacturing has the highest share of female workers


Source: MOSPI, NSE EPR.

Figure 174: State-wise annual emoluments for formal and informal workers
State-wise annual emoluments


Source: MOSPI, NSE EPR

Table 29: Comparison of Survey on Unincorporated Enterprises 2025-16 vs 2022-23

Heads	2015-16	2022-23	CAGR (%)
Estimated number of establishments (Number in crore)	634	650	0.4
- Rural	325	356	1.3
-Urban	309	294	-0.7
Estimated number of workers (Figs. in lakh)	1,113	1,096	-0.2
GVA per worker (Figs. in Rs)	1,03,741	1,41,769	4.6
- Rural	69,263	1,04,483	6.0
-Urban	1,31,754	1,75,842	4.2
Emoluments per hired worker (Figs. in Rs)	87,544	1,24,842	5.2
Value of owned fixed assets per enterprise (Figs. In Rs)	2,31,870	3,18,144	4.6
- Rural	1,25,690	1,99,169	6.8
-Urban	3,43,503	4,62,359	4.3

Source: MOSPI, NSE EPR.

Insights

Highly cited research paper 1 in the field of Behavioural Science Investment behaviour of women entrepreneurs ¹⁶

Jyoti M. Kappal¹⁷ Shailesh Rastogi¹⁸*Research Paper summary prepared by Dhruvisha Dave¹⁹ and Varuna Joshi²⁰*

1. Introduction

Countries are promoting entrepreneurship to boost their economies. In 2014, the Indian government launched Startup India, Invest India, and Make in India to foster entrepreneurship. Women entrepreneurs are boosting India's economy. They develop businesses and manage various personal tasks. Women are a growing part of the global entrepreneurial ecosystem, making them an attractive market for products and services, thus the government is also encouraging them. 13.76% of entrepreneurs (8.05 million out of 58.5 million) are women, according to the sixth economic census by the National Sample Survey Organisation (GOI), 2016. 5.29 million works in non-agricultural sectors (65.7%). Urban India has 2.8 million women entrepreneurs (34.88%), according to the survey. Mahila E-Haat, Startup India, National Mission for Empowerment of Women, Leadership Development of Minority Women, Swa-Shakti Project, Rural Women's Development and Empowerment, and Rashtriya Mahila Kosh are government initiatives to help women entrepreneurs succeed.

For three reasons, this research focuses on women. First and foremost, women are becoming more involved in family financial decisions. Second, men and women behave different financially. Third, financial institutions are targeting female investors. Understanding women entrepreneurs' financial investment behaviour is crucial as their involvement in their families' finances grows

2. Hypothesis

An individual's personality, gender, socioeconomic background, opinions, beliefs, and other demographic factors all play a role in shaping his or her investment behaviour. To better serve their clients, financial service providers are increasingly interested in learning about the psychology of investors and the elements that influence their investing decisions.

Behavioural finance tries to understand how and why people invest, which affects how prices move and where different investment goods are placed on the market. Therefore, the following two areas can be explored within the field of behavioural finance:

- Behavioural finance micro (BFMI): It seeks to solve concerns of rationality and to find cognitive elements that influence investors' decision-making by studying the behaviour of individual investors.
- Behavioural finance macro: It finds and discusses discrepancies with the efficient market hypothesis that can be explained by behavioural models.

The authors of this study have focused on BFMI to find out what makes individual investors, especially women entrepreneurs, decide what investments to make.

¹⁶ Kappal, J. M., & Rastogi, S. (2020). Investment behaviour of women entrepreneurs. *Qualitative Research in Financial Markets*, 12(4), 485-504.

¹⁷ Symbiosis School of Banking and Finance (SSBF), Symbiosis International (Deemed University) (SIU), Pune, India

¹⁸ Symbiosis Institute of Business Management, Symbiosis International (Deemed University) (SIU), Pune, India

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3. Data and Methodology

This study uses a qualitative research approach because it better illuminates how reality is a social construction, and the in-depth responses allow for a more complete grasp of the problem. The following criteria were established for selecting interviewees:

1. Have been in business for at least three years.
2. Should be a resident of either Pune or Mumbai
3. Have made investments in at least two distinct types of financial instruments (such as post-office schemes, fixed deposits, mutual funds, equity, real estate, and insurance)

Exploratory interviews were chosen as the method of inquiry since there is a scarcity of in-depth studies on the investment behaviour of women business owners. When gathering private information, qualitative methods are the way to go. They probe hidden emotions and mysterious happenings by recording one's attitudes. The interview process allows for exploration and development on the part of the researcher. The creation of these codes made advantage of open coding methods.

4. Summary of Results

Women entrepreneurs would have taken some risk while beginning their business, but they don't take the same degree of risk when making investments. The obtained data was examined for recurring themes, which were chosen when more than 75% of respondents discussed a specific subject. Following data analysis, 13 themes like these emerged:

1. **The need to be financially independent:** 83% said they invest for themselves and their families. 88% of respondents want financial freedom and need to understand their investment instrument. 77% prefer to make the final decisions, meaning they don't like others making them.
2. **Conservative investor:** Women enterprises come across as conservative investors. They don't mind taking on less danger, but they want to protect the main idea: 88% of the people who answered engaged in less risky instruments.
3. **Choice of investment instruments:** 88% think fixed deposits are safe and rewarding. 77% thought real estate investment was safe and recommended it. 77% of respondents said mutual funds are good investments, but they don't understand the asset class enough to make lump sum contributions. In total, 83% of people think of gold as an investment tool and would not hesitate to sell it if they needed to, just as they would with an imaginary investment. Instead of jewellery, they invested in gold biscuits. Only 16% of respondents invested in equities.
4. **Paucity of time:** 94% of respondents said they could study more and take more risks in investments, but they didn't have time to learn about different asset classes.
5. **Influence of parents' investment behaviour:** Children subconsciously learn from their parents. 83% of respondents said they learned about money from their parents even though they didn't discuss about it. 88% of respondents learned about investments from their parents.
6. **Influence of experiences of friends and family:** 72% of respondents were deterred from investing in equities by the unpleasant experiences of those who thought they knew the market.
7. **Investment advisor:** 94% of respondents use financial advisors for wealth management because they lack investment product knowledge.
8. **Risk averseness/fear of the uncertain:** Women entrepreneurs were confident in their firms and willing to take risks because they believed they could succeed. 83% of respondents said they fear investing risks.

9. **Long-term investor:** Planning is a strength of women entrepreneurs. Financial planning is disciplined because they plan for business contingencies. They always save more than expected. 77% of respondents are long-term investors and dislike withdrawing their investments.
10. **Loss aversion:** Despite their entrepreneurial spirit, 83% of respondents were loss-averse while investing. They said the loss would hurt more than the 50% profit.
11. **Preparedness for retirement:** 88% of interviewees felt unprepared for retirement. They hadn't decided on retirement yet, but they were thinking about it.
12. **Mental accounting:** Most women entrepreneurs (88%), retain separate accounts/investments for different needs/goals. They have separate expense accounts. Some respondents keep everyday expenses and savings accounts separate to avoid overspending.
13. **Knowledge of investment instruments:** All respondents indicated they knew little about investment instruments, hence their portfolio featured minimal riskier asset classes. They all agreed that with greater product information, they would take more risks and broaden their portfolios to include equities. They knew little about investment tools.

5. Conclusion and Implications

This study examined the personal financial decisions of women entrepreneurs in Mumbai and Pune, two leading startup locations. The study's other goal was to examine the way they handle investments. Urban Indian women entrepreneurs are a growing investment category for BFSI firms. According to the report, women entrepreneurs are long-term investors who are conservative and frequently seek the advice of investment consultants. This group's investment product selections are impacted by their parents' and friends' investments. They appear to want financial freedom and make their own judgements. However, their lack of financial product understanding precludes them from taking on riskier investment items. If given adequate investment product knowledge and enough time to evaluate their investments, they will invest in other asset classes like equities.

This study found three biases in women entrepreneurs: loss aversion, risk aversion, and mental accounting. A broader sample of women entrepreneurs from different cities will add to the current research. Rural Indian women entrepreneurs may invest differently. Cultural influences on women entrepreneurs' investment behaviour can be studied. Although the research indicated that children resemble their parents for financial requirements, an in-depth Indian study could evaluate the degree of this association.

Highly cited research paper 2 in the field of Behavioural Science

Know thyself financially: How financial self-awareness can benefit consumers and financial advisors²¹

Nivriti Chowdhry²²

Utpal M. Dholakia²³

Research Paper Summary Prepared by Eshita Sharma²⁴ and Varuna Joshi²⁵

1. Introduction

Everybody faces financial worries; increasing inflation, stagnated income, decrease in personal savings, increased worries about retirement preparedness, etc. Literature has shown that having sufficient financial knowledge is significant in helping people make sensible financial decisions. The authors aim to study whether financial self-awareness leads to positive financial outcomes.

The authors have made an important distinction between financial self-awareness and financial literacy. Financial self-awareness is an understanding of one's current financial state whereas financial literacy is a broad understanding of the economy, finance, and various economic and financial principles. For instance, financial self-awareness would help the individual to know how much money to allot into inaccessible savings and investments whereas, financial literacy would allow the individual to identify which investments would result in the greatest financial gain.

2. Hypothesis

The purpose of this study is to understand whether financial self-awareness leads to positive financial outcomes. The hypotheses of this study are:

H1: Financial self-awareness is positively associated with financial satisfaction, spending, and saving and investment.

H2: Financial self-efficacy will mediate the positive effect of financial self-awareness on financial satisfaction, spending, saving and investment.

H3: the individual's financial literacy will strengthen the positive effects of financial self-awareness on saving and investment.

3. Design and Methodology

The study aimed to understand whether financial self-awareness leads to positive financial outcomes. For this, three studies were conducted.

- Study one, a longitudinal study, was conducted to examine the role of financial self-awareness in debt reduction. The data of 6849 individuals who had undertaken an initial counseling session with the National Foundation for Credit Counseling and enrolled in their Debt Management Plan was used for the study. The time spent in the counseling session was taken as the measure of financial self-awareness, as more time spent in the session would lead to a better understanding of the individual's financial situation. Thirteen months later, the assessed variables were: how much debt the individuals had paid off and if the individuals were still an active part of the Debt Management Plan.

²¹ Chowdhry, N., & Dholakia, U. M. (2020). Know thyself financially: How financial self-awareness can benefit consumers and financial advisors. *Financial Planning Review*, 3(1), e1069. <https://doi.org/10.1002/cfp2.1069>

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- Study two was a questionnaire-based study, where participants were assigned to either financial self-awareness, health self-awareness, or control conditions. There were 304 participants in this study. They were asked to fill out a questionnaire before making a financial decision. This was conducted to assess whether administering a financial self-awareness scale before taking a financial decision would function as an intervention.
- In the third study, a survey was conducted to measure financial self-awareness, financial satisfaction, spending, saving and investment, financial literacy, and financial self-efficacy. The authors conducted study 3 by adapting the survey measures and sample (27,564 respondents) from National Financial Capability Study conducted by FINRA.

4. Summary of results

The results indicate that financial self-awareness significantly impacted all financial outcomes; it was positively related to saving and investment and negatively related to spending more than income. Moreover, financial self-efficacy significantly affected all financial outcomes. It mediated the positive effect of financial self-awareness on financial satisfaction, spending, and saving and investment.

- Study 1 found that participants in Debt Management Plans reduced their credit balance by an average of 3.94%. Financial self-awareness significantly predicted balance reduction. When repeating the analysis excluding participants who dropped out before 13 months, similar results were obtained, with financial self-awareness significantly predicting balance reduction.
- In Study 2, participants who underwent financial self-awareness training made more prudent financial decisions, allocating more money to savings, classifying items better, and showing less impulsive buying tendencies.
- Study 3 supported the idea that financial self-awareness positively impacted various financial outcomes, such as saving, investing, and financial satisfaction. Financial literacy also played a role, moderating the effect on saving and investment outcomes. Financial self-efficacy mediated the relationship between financial self-awareness and financial outcomes. When financial literacy was high, financial self-awareness was also high, leading to saving and investment behavior.

In conclusion, these studies highlight the importance of increasing financial self-awareness to encourage positive financial behaviors and outcomes.

5. Conclusion and Implications

This study highlights the importance of knowing one's financial state. Increased awareness about personal finances has numerous benefits for individuals' financial wellness. It boosts confidence in managing finances, leading to wiser spending and saving decisions. Being aware of income and expenses allows for better budgeting, reducing debt accumulation, and enabling long-term savings and investments. When combined with financial literacy, increased financial self-awareness supports improved financial behaviors like retirement savings and diversified investments.

Adding a self-assessment module on financial self-awareness to financial literacy programs can enhance their effectiveness. Financial advisors can also encourage clients to complete a financial self-awareness measure and engage in discussions to improve their financial condition, leading to better financial outcomes.

Overall, this research emphasizes the importance of knowing one's financial situation and provides a practical approach to encourage responsible financial behaviors. It also clarifies the role of financial literacy in affecting financial outcomes, contributing to the understanding of the effectiveness of financial education programs.

Highly cited research paper 3 in the field of Behavioural Science

Risk Preference Elicitation and Financial Advice Taking²⁶

David J. Streich²⁷

Research paper summary prepared by Eshita Sharma²⁸ and Varuna Joshi²⁹

1. Introduction

Modern portfolio theory emphasizes the significance of risk tolerance as the primary factor in determining the ideal allocation between risky and risk-free assets in financial advisory and wealth management services. This highlights the importance of using precise Risk Elicitation Methods (REMs) to provide suitable financial advice. Investor protection regulations and academic research focus on identifying effective REMs. However, the current REMs used by financial advisors often fall short of their importance, resulting in risk profiles based on limited and potentially unreliable data. This issue is particularly critical for digital asset management systems like robo-advisors, which solely rely on risk profiles derived from investors' responses to online questionnaires to create and manage portfolios. Unlike traditional advisors, robo-advisors lack the ability to interact personally with investors to prevent misclassifications.

This study examines Risk Elicitation Methods (REMs) in terms of their perceived suitability and their impact on the use of financial advice. These differences in perceived suitability stem from the interactive nature of these REMs, which allows investors to draw conclusions about the advisor's decision-making process. The REMs are expected to vary in terms of perceived process similarity, indicating how closely investors and advisors align in their decision-making processes. This perceived process similarity, in turn, may influence advice suitability directly and indirectly by affecting perceived source credibility and the complexity of the risk-profiling task. To investigate, an online experiment was conducted, enabling participants to delegate financial decision-making to a robo-advisory prototype in an incentivized financial task.

2. Hypothesis

The hypotheses are of the study are:

1. The first hypothesis states that there is a rank ordering of Risk Elicitation Methods (REM), in terms of perceived similarity to investor's decision-making processes. It is ranked as $PS^{SG} > PS^{CE} > PS^{BRET}$, where *SG* is general risk preference, *CE* is the certainty equivalent method, *BRET* is the bomb risk elicitation task method; *i* is the investor's decision-making process, and *a* refers to the investor's perception of the advisor's decision-making process.

$$PS_{i,a}^{SG} > PS_{i,a}^{CE} > PS_{i,a}^{BRET}$$

It suggests that *SG* is considered closest to the investor's decision-making process as it requires minimal advisor involvement. *CE* is considered more intuitive and closer to an investor's decision-making process than *BRET* as it involves choosing between risky and risk-free options.

2. Process similarity is positively associated with advice suitability.
3. (A) The expected relationship between process similarity and source credibility is unclear.
(B) Source credibility is positively associated with advice suitability.

²⁶ Streich D.J. (2023). Risk Preference Elicitation and Financial Advice Taking. *Journal of Behavioral Finance*. 24(3) 259-275. <https://doi.org/10.1080/15427560.2021.1974444>

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4. (A) Process similarity is negatively associated with task complexity.
(B) Task complexity is positively associated with advice suitability.

Advice suitability is positively associated with delegation.

3. Data and Methodology

The authors tested the hypotheses on 261 participants through an incentivized online experiment. The participants initially earned an experimental budget by completing a task of answering 20 general knowledge questions from various fields, where they earned a payoff of €8 by answering more than ten questions correctly, and €4 by answering less than eleven questions correctly. This budget was performance-based to promote unbiased decision-making.

Next, the participants took part in a four-period financial decision-making game, where they could allocate their earned budget to three experimental assets with uncertain returns. Asset A, a risk-free asset yielded a 5% per-period return; Asset B, a moderate-risk asset yielded an equal probability of +21% or -7% each period; Asset C, a high-risk asset, yielded an equal probability of +35% or -14% each period. Participants could observe the returns of their investment portfolios, along with the three assets after every trading period. They could then change the composition of their portfolios. The terminal value of their portfolios determined the experimental payoff.

Before the first trading period, participants had the option to delegate decision-making for some or all their budget to a robo-advisory algorithm, which charged a 0.5% fee on the delegated assets. The algorithm assessed financial risk tolerance using one of three Risk Elicitation Methods (REMs) and managed the assets on behalf of the participant. Three robo-advisory prototypes suggested one of seven risk profiles. Participants could first choose a profile from these options. The robo-advisors then determined risk preferences and recommended a profile, which may or may not be a match for the participant's initial choice. Participants could review and adjust the recommended profile and express their confidence in the decision.

The final payout consisted of a fixed show-up fee and a performance-based component. For participants in the SG group, this performance-based component was determined by their performance in the financial decision-making task, which included the first effort task where they had to answer general knowledge questions. For participants in the CE and BRET groups, the performance-based payout component was determined by their performance in the financial decision-making task or their choices in the respective risk elicitation task.

4. Summary of Results

Participants reported that in the *BRET* condition, they perceived significantly lower process similarity compared to the *CE* condition, while there were no differences in the *SG* group comparisons. This partially supports the suggested rank ordering of Risk Elicitation Methods (REMs) in terms of process similarity (H1). Participants also reported higher task complexity in the *BRET* condition compared to the *CE* condition, however, they reported source credibility and advice suitability did not differ significantly among the three conditions.

The results suggest that process similarity has a highly significant and positive direct effect on advice suitability, supporting H2. This indicates that participants considered the risk profile suggestion more suitable when the advisor's process was perceived as more similar to their own decision-making process.

Additionally, process similarity and source credibility were positively correlated (H3a), suggesting that more similar advisors were seen as more credible. Source credibility, in turn, was significantly and strongly positively correlated with advice suitability, supporting H3b. In fact, almost half of the observed correlation between process similarity and advice suitability can be attributed to its effect on source credibility.

There was no apparent relationship between process similarity and task complexity (H4a), but task complexity was positively related to advice suitability (H4b). Lastly, the positive association between advice suitability and delegation was confirmed (H5).

In summary, the results suggest that process similarity positively influences the perceived suitability of the suggested risk profile, which is a key factor in the decision to delegate. Source credibility plays a significant role, explaining nearly half of the observed correlation between process similarity and advice suitability.

5. Conclusion and Implications

This study explores how different Risk Elicitation Methods (REMs) used in financial advisory impact perceived advice suitability and delegation. The research suggests that investors draw inferences about the advisor's decision-making process and the risk profiling task based on the REM used. This, in turn, can directly influence advice suitability and delegation, as well as impact source credibility and task complexity.

The study highlights the significance of using appropriate Risk Elicitation Methods (REMs) in financial advisory. Different REMs can influence how investors perceive the advice and the decision-making process. Financial advisors and robo-advisory platforms should carefully select REMs that align with the preferences and characteristics of their clients. Financial advisors may need to segment their clients based on their decision-making processes and customize their approach accordingly. For instance, investors with high cognitive reflection may respond differently to REMs than those with low cognitive reflection. Efforts to improve the accuracy of risk profile suggestions can lead to increased delegation. Financial institutions should focus on refining their risk assessment methods to better match investors' needs.

As investors rely more on advisors who apply similar decision-making processes, there's a need to consider potential behavioural biases that may result from this. Advisors should be aware of these biases and work to mitigate them in the advisory process. As source credibility plays a vital role in influencing investors' decisions, advisors and robo-advisors should work on establishing and maintaining credibility to gain clients' trust. The study suggests that improving source credibility can lead to more favourable outcomes in terms of advice suitability and delegation.

Highly cited research paper 4 in the field of Corporate Finance

Do Majority-of-Minority Shareholder Voting Rights Reduce Expropriation? Evidence from Related Party Transactions³⁰

Nan Li³¹

Research paper summary prepared by Economic Policy and Research

A Related Party Transaction (RPT) is when a company does business with someone closely connected to it, such as a family member of a key employee, a major shareholder, or another business owned by the same group of people. For example, if a company buys supplies from a business owned by its CEO's sister, that's an RPT. RPTs are often used by majority shareholders to take advantage of a company's resources, sometimes at the expense of minority shareholders. Excessive use of RPTs can lower a company's value, hinder market growth, and even contribute to financial crises. Therefore, it draws considerable attention of the regulators and governments. However, governments haven't completely banned these transactions as they can help companies in reducing transaction costs and increase availability of capital. However, not all RPTs are conducted with good intentions, and therefore, regulators aim to limit those that unfairly benefit majority shareholders by implementing rules around transparency and governance.

This paper explores whether a mandatory shareholder vote on RPTs can protect minority shareholders and positively impact overall shareholder value. It argues that allowing shareholders to vote helps prevent harmful deals and discourages controlling shareholders from pushing through unfair transactions. Even if the vote doesn't block an RPT, many votes against it can hurt the reputation of those in control, leading them to reconsider or revise the deal. Knowing this, controlling shareholders might avoid proposing transactions that could harm minority shareholders, making the vote rule a useful tool for oversight and accountability.

The paper examines how the mandatory voting rule on RPTs in India, introduced under the Companies Act 2013 and SEBI's listing rules, affects the RPTs volume, firm performance and foreign institutional holdings. According to Section 188 of the 2013 Act, material RPTs must be approved by the minority shareholders (after the board's approval). Similarly, SEBI's rule mandates that if a firm's expected total transaction amount with a related party exceeds 10% of its most recent annual revenue, all the transactions with the related party must be approved by shareholders beforehand.

Using data from 7,743 firm-year observations across 1,716 companies between 2012 and 2016, the paper highlights several key findings. The author has used difference-in-differences (DiD) method to examine this relationship and classified firms into treatment and control group based on pre-period material RPTs. Firms which had material RPTs before implementation of this rule were classified into treatment group otherwise in control group. First, it shows that RPT resolutions are more likely to face opposition compared to other resolutions. On average, 8.03% of votes are cast against RPT resolutions, compared to only 1.85% for non-RPT resolutions. Additionally, 9.77% of RPT resolutions receive at least 25% against votes, while only 0.56% of non-RPT resolutions face similar levels of dissent. The paper also finds that companies with higher previous RPT levels tend to receive more votes against RPT resolutions. Further, the analysis distinguishes financing and operating RPTs, revealing that only financing RPTs significantly influence voting outcomes. Second, companies that were required to follow the mandatory voting rule on RPTs had much higher levels of RPTs than those who did not (0.556 vs. 0.212). After the rule was implemented, the average total RPTs for these companies dropped significantly, from 0.556 to 0.445 of their total assets, while remaining almost unchanged for the control group.

³⁰ <https://onlinelibrary.wiley.com/doi/full/10.1111/1475-679X.12357#:~:text=In%20the%20presence%20of%20business,voting%20mechanism%20helps%20mitigate%20expropriation>

³¹ Carlson School of Management University of Minnesota

A difference-in-differences analysis revealed that the treated group saw an 8% drop in total RTPs around the time the voting rule was adopted, compared to the control group. The study also found that only material and financing RTPs were significantly reduced after the rule was enforced. Third, the author used an event study model to assess the impact on share value, finding that the stock market reacted positively to the rule, with a 2.3% increase in share value. Fourth, the reduction in RTPs led to a 2.9% improvement in firm performance. Finally, the study also noted a 25.6% increase in foreign institution ownership after the rule was implemented.

In conclusion, the paper argues that the mandatory voting rule, requiring a majority of minority shareholders to approve RTPs, has strengthened corporate governance by deterring unfair transactions. This has resulted in better firm performance, higher value, and increased foreign investment. The findings suggest that other countries with weaker governance structures could benefit from adopting similar rules. To ensure that the rule is effective, the author recommends giving voting rights primarily to minority shareholders, especially in companies where control is highly concentrated.

Market performance

Market round-up

Adverse global cues weigh on Indian equities

Global equities moved higher in July after delivering a mixed show in the previous month, with developed markets outperforming emerging economies. US equities ended with modest gains, accompanied by a shift in allocation from growth to rate-sensitive sectors/stocks in the light of strengthening rate cut expectations, seeing some reversal in tech stocks. European equities, however, ended lower for the second month in a row, weighed down by slowing growth and uncertainty around the French election. Developed equities (MSCI World Index) generated a gain of 1.7% in July but sold off in August thus far (MTD: -1.4% as of August 14th, 2024), taking the YTD gain to 11.1%. Emerging market equities underperformed their developed market counterparts in July, primarily led by a sell-off in China and Taiwan. The MSCI EM Index ended the month with a modest loss of 0.1% in July, and further by 0.8% in August thus far (YTD: +5.2%; As of August 14th, 2024). Global debt, on the other hand, rallied for the second month in July and further in August, aided by rate cut by the European Central Bank and easing growth and inflation in the US that cemented rate cut expectations from the US Fed. The US 10-year sovereign yield softened by 65bps since June-beginning to 3.8% as of August 14th, while that in the EU fell by a marginally lower 47bps during this period to 2.2%.

Indian equities extended the rally in July, outperforming its developed as well as emerging counterparts by a wide margin, supported by an all-round Union Budget, strong FPI buying and robust macroeconomic data. In fact, the benchmark Nifty 50 Index touched the 25,000 mark on August 1st, only to see some reversal since then, weighed down by adverse global cues, strengthening geopolitical conflicts and resultant risk-off environment. The benchmark Nifty50 Index ended the month 3.9% higher but has fallen by 3.2% in August thus far, translating into a total return of 11.1% in 2024 till date (As of August 14th). The Nifty Mid-cap 50 and Small-cap 50 Index outperformed yet again with a gain of 6.0% and 4.3% respectively in July. Echoing the global trend, the Indian bond market also rallied in July and further in August, even as it was not strong as its global counterparts. Easing inflation, expectations of the Centre undershooting its budgeted fiscal deficit target, higher FPI demand and falling global yields kept the bond market sentiments buoyant during the month. Consequently, the 10-year G-sec yield softened by 8bps in July, and another 7bps in August thus far, translating into a decline of 32bps in the year thus far to 6.86%.

- **Indian equities extended the rally in July but sold off in August:** After witnessing a strong rebound in June, Indian equities extended the rally in July, touching fresh all-time high levels, outperforming the developed as well as emerging market counterparts by a wide margin. This was aided by an all-round Union Budget and strong macroeconomic data. In fact, the benchmark Nifty 50 Index touched the 25,000 mark on August 1st. Robust net inflows by FPIs, prominently so in the first three weeks of the month, coupled with sustained buying by DIIs on the back of strong SIP inflows, supported the rally. The benchmark Nifty50 Index ended the month of July 3.9% higher but fell in August (-3.2% in August thus far; as of August 14th, 2024), weighed down by adverse global cues including slowdown in the US and intensifying geopolitical conflicts. This has translated into a total return of 11.1% in 2024 thus far. The Nifty Mid-cap 50 and Small-cap 50 outperformed with gains of 6.0% and 4.3% in July.

The benchmark Nifty 50 Index recorded a gain of 3.9% in July but fell by 3.2% in August thus far, translating into a YTD gain of 11.1% (As of August 14th, 2024).

After rising over the previous three months, average daily turnover (ADT) in NSE's cash market declined by 9% MoM to Rs 1.39 lakh crore in July and further by 10.4% MoM to Rs 1.25 lakh crore in August till date (As of August 14th, 2024). This has translated into ADT of Rs 1.27 lakh crore in the fiscal thus far, nearly 55% higher than that in FY24. ADT in the equity options segment (premium) also fell by a strong 22% MoM to Rs 68,640 crore in July on top of a 32% MoM increase in the previous

month, only to rise by 6.8% MoM to Rs 73,279 crore in August thus far, translating into ADT of Rs 71,317 crore in FY25 thus far (As of August 14th, 2024), nearly 15.4% higher than that in the whole of FY24. In the equity futures segment, ADT fell by 13.4% MoM to Rs 2.1 lakh crore in July, and further by 21.7% in August thus far to Rs 1.66 lakh crore. In the fiscal thus far, ADT in the equity futures segment at Rs 2.05 lakh crore is nearly 53.1% higher than that in the whole of FY24.

- **Indian debt moved higher in July, echoing the global trend:** Global debt rallied for the second month in a row in July, aided by rate cut by the ECB and easing inflation and worsening growth in the US that cemented rate cut expectations from the US Fed. The US 10-year sovereign yield softened by 32bps in July and another 22bps in August thus far to 3.8% (As of August 14th, 2024), translating into a 65bps decline since June 1st, while that in the EU softened by a marginally lower 19bps in July and further by 13bps in August thus far to 2.2%. The 10-year sovereign bond yield in Japan, on the other hand, hardened by 11bps in July thus far, only to ease by 23bps in August thus far to 0.8% as of August 14th, 2024.

After remaining broadly stable in the previous month, the Indian bond market resumed gains in July, echoing the global trend. This was on the back of several factors including a) easing headline inflation (headline inflation eased to a 59-month low of 3.5% in July), b) better tax collections and lower expenditure as reflected in the Centre's monthly balances thus far indicating potential undershooting of the Centre's budget estimate of 4.9%, c) continued buying by FPIs and d) strengthening rate cut expectations by the US Fed. Consequently, the 10-year G-sec yield softened by 8bps in July, and another 7bps in August thus far, translating into a decline of 32bps in the year thus far to 6.86%.

- **FPIs turned sellers in Indian equities August after two months of strong buying:** FPIs turned strong buyers of Indian equities in June and remained so in July, with net inflows of US\$7.1bn in these two months. Political stability following a clear mandate to the NDA government in the general elections, coupled with strong economic momentum and an all-rounded Union Budget, boosted investor sentiments. FPIs, however, turned sellers of Indian equities in the later part of July, selling about a billion dollar in the last six trading days, and continued being so in August, with net outflows of about US\$2.2bn in August thus far (As of August 14th, 2024). Adverse global cues including concerns of a recession in the US and strengthening geopolitical conflicts, triggered flight of capital from emerging markets including Indian equities to safe-haven assets. FPIs, however, remained steady buyers of Indian debt for the fourth month in a row in August, taking the total net inflows in the fiscal thus far to US\$6.5bn. DIIs, on the other hand, remained steady buyers of Indian equities for the 12th month in a row in July, albeit with a sequentially lower quantum, only to strengthen it meaningfully in August. In the fiscal till date (As of August 14th), net DII inflows stood at Rs 1.83 lakh crore—the highest ever during this period and reaching 87% already of the net DII inflows in the whole of FY24.
- **Global equities edged higher in July:** Global equities moved higher in July after delivering a mixed show in the previous month, with developed markets outperforming emerging economies. Easing global inflation and strengthening rate cut expectations by the US Fed boosted investor sentiments. Developed equities (MSCI World Index) generated a gain of 1.7% in July but sold off in August thus far

(MTD: -1.4% as of August 14th, 2024), taking the YTD gain to 11.1%. Emerging market equities underperformed their developed market counterparts in July, primarily led by a sell-off in China and Taiwan. The MSCI EM Index ended the month with a modest loss of 0.1% in July, and further by 0.8% in August thus far (YTD: +5.2%; As of August 14th, 2024).

US: The month of July saw US equities rising further to fresh all-time high levels, accompanied by a shift in allocation from growth to rate-sensitive sectors/stocks in the light of strengthening rate cut expectations, seeing some reversal in tech stocks. The S&P 500 composite Index rose by 1.1% in July, while the Dow Jones Index outperformed with a 4.4% return, only to see some reversal in August thus far, translating into YTD (As of August 14th, 2024) gains of 14.4% and 6.2% respectively.

On the macro front, the S&P Global US manufacturing PMI, after increasing for three consecutive months, dropped to 49.6 in July (vs. 51.6 in Jun'24), the lowest reading in CY24 so far, with the Services PMI moderating slightly to 55.0 (vs. 55.3 in Jun'24). The US economy added 114k jobs in Jul'24, which is significantly lower than the revised 179k jobs in June and well below the expected 175k jobs. This marked the lowest job growth in three months and is also below the 12-month average monthly gain of 215k. Further, the hike in the unemployment rate to 4.3% in July (vs. 4.1% in Jun'24) to the highest level since October 2021 indicates that the labour market is indeed cooling down. The headline inflation rate inched down sharply to 3% in June from 3.3% in May after remaining sticky in the 3.1%-3.5% range over the last few quarters. The Federal Reserve kept the policy rate unchanged at 5.25%-5.50% in July but indicated the possibility of a rate cut in the September meeting.

Europe: The European equities, however, ended lower for the second month in a row, weighed down by slowing growth and uncertainty around the French election. The flagship Euro Stoxx 50 Index fell by 0.4% in July. The UK equity market fared well, wherein the FTSE 100 index increased by 2.5% to hit an all-time high in July and remained broadly steady in August thus far, resulting in the YTD returns increasing to 6.1% (As of August 14th, 2024).

On the macro front, the Q2 GDP in the Euro area grew by 0.8% YoY. The headline inflation increased to 2.6% in July from 2.5% in June. The Eurozone Manufacturing PMI remained unchanged at 45.8 in July, reflecting the poor momentum for manufacturing in the Euro area. The Services PMI continued to decline for the fourth month in a row, dropping to 51.9 in July (vs. 52.8 in Jun'24). The labour market continued to show resilience with the unemployment rate remaining stable at the historical low of 6.4% in June. On the policy front, the ECB kept its interest rates unchanged in its July meeting, after a 25bps rate cut in June.

The UK economy continues to be on a recovery path as reflected in the high frequency indicators. The Manufacturing PMI stayed in the expansionary zone, increasing to 52.8 in July (vs. 50.9 in Jun'24) and the services PMI experienced an expansion, standing at 52.5 in July (vs. 52.1 in Jun'24). The Bank of England announced a 25bps rate cut in its July meeting from a 16-year high of 5.25% to 5%, citing easing inflation and softening of the labour market, even as it hinted at adopting a cautious approach in the future easing cycle.

Asia: Asian equities extended its rise in July, led by a rally in Indian markets, partly offset by sell-off in China, Taiwan and Hong Kong. Indian equities (Nifty 50) delivered a 3.9% gain in July, translating into strong YTD gains of 11.1% (as of August 14th, 2024). On the flip side, Hong Kong equity markets witnessed a decline in July, reflected by a 2.1% fall in the Hang Seng index, resulting in YTD gain of 0.4% (As of August 14th, 2024). Further, Japanese equity markets also witnessed a reduction, indicated by a 1.2% fall in Nikkei 225 index, followed by a steep 6.8% decline in August thus far, with the YTD gain of 8.9% (As of August 14th, 2024). Similarly, Taiwanese equities fell by 3.6% in July, translating into a YTD gain of 22.9% (As of August 14th, 2024). Korean and Chinese equities echoed similar sentiments as both KOSPI and Shanghai Composite Index fell by 0.97%, translating into YTD returns of -0.4% and -4.2% respectively.

On the macro front, the Indian economy continued to display resilience as reflected in the high frequency indicators. While the Manufacturing PMI marginally declined to 58.1 in July (vs. 58.3 in Jun'24), it remained above its long-term average and was among the highest in recent years. The manufacturing industry was aided by sturdy demand, majorly through an ascent in fresh orders. The Services PMI marginally declined to 60.3 in July (vs 60.5 in Jun'24), marking an expansion in services activity for 36 consecutive months. Continued expansion of output, coupled with an historical pace of growth in new orders, highlighted a significant rise in business activity. Additionally, the headline inflation fell to a nearly five-year low of 3.54%. On the monetary policy front, the RBI kept the policy rate unchanged for the ninth consecutive time in its July meeting.

- **Commodity prices continued to fall in July:** The S&P GSCI Index—a composite commodity index, dropped by 4.7% in July, and 1.7% in August so far. This decline was influenced by falling oil prices, as the market balanced the effects of reduced demand from China against supply concerns stemming from Middle Eastern tensions. In Agri-commodities, the decline was led by soyabean and wheat, falling by 9.2% and 8.5% respectively. Industrial metals also reflected similar sentiments, with Aluminum, Zinc, Tin, Lead, Nickel and Copper, experiencing a decline. In precious metals, while Gold recorded gains of 4.1% in July (YTD: 18.7%; As of August 14th, 2024), Silver gave up some of its gain after rallying for major part of the year, falling by 0.3% in July (YTD: +16.1%; As of August 14th, 2024). Oil prices dropped by 6.7% in July and by another 0.4% in August, dropping the YTD return to a mere 3.4% (As of August 14th, 2024).
- **Rupee hits lowest amid global uncertainties:** INR touched a record low of 83.97 on August 12th, 2024, amid global economic concern and fresh geopolitical escalation. It was led by rising Brent prices and increased dollar demand from gold importers amid tensions in the Middle East and Eastern Europe in the last month. The decline was less steep compared to other currencies, supported by steady foreign portfolio inflows. While equity inflows were impacted by capital gains tax adjustments announced in the Union budget, debt inflows remained robust, bolstered by a significant rise in RBI reserves to \$675 bn in Jul'24. Despite global uncertainties and a rise in forward premium rates in the last month, the Rupee's volatility remained low relative to its peers.

The S&P GSCI Index fell by 4.7% in July and 1.7% in August thus far, taking the YTD gain to 1.2% (As of August 14th, 2024).

Market performance across asset classes

Table 30: Performance across equity, fixed income, currency, and commodity markets (As on July 31st, 2024)

Indicator Name	Jul-24	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Equity Indices									
NIFTY 50	24,951	24,011	22,605	19,754	3.9	10.4	14.9	26.3	14.8
NIFTY 500	23,531	22,560	20,997	17,059	4.3	12.1	18.8	37.9	21.1
MSCI INDIA	3,027	2,902	2,703	2,211	4.3	12.0	19.1	36.9	21.7
India Volatility Index (%)	13	14	13	10	-4.0	3.0	-17.4	27.3	-8.6
MSCI WORLD	3,572	3,512	3,305	3,064	1.7	8.1	11.4	16.6	12.7
S&P 500 COMPOSITE	5,522	5,460	5,036	4,589	1.1	9.7	14.0	20.3	15.8
DOW JONES INDUSTRIALS	40,843	39,119	37,816	35,560	4.4	8.0	7.1	14.9	8.4
HANG SENG	17,345	17,719	17,763	20,079	-2.1	-2.4	12.0	-13.6	1.7
FTSE 100	8,368	8,164	8,144	7,699	2.5	2.8	9.7	8.7	8.2
NIKKEI 225	39,102	39,583	38,406	33,172	-1.2	1.8	7.8	17.9	16.9
Fixed Income									
India 10YR Govt Yield (%)	6.92	7.01	7.20	7.17	-8bps	-27bps	-22bps	-25bps	-25bps
India 5YR Govt Yield (%)	6.85	7.02	7.21	7.16	-18bps	-36bps	-18bps	-31bps	-22bps
India 1YR Govt Yield (%)	6.84	6.94	7.06	6.90	-10bps	-22bps	-26bps	-6bps	-27bps
India 3Month T-Bill Yield (%)	6.82	7.01	7.20	6.92	-19bps	-38bps	-41bps	-9bps	-26bps
US 10YR Govt Yield (%)	4.06	4.37	4.68	3.95	-32bps	-63bps	11bps	11bps	19bps
Germany 10YR Govt Yield (%)	2.30	2.49	2.58	2.47	-19bps	-28bps	14bps	-17bps	27bps
China 10YR Govt Yield (%)	2.15	2.21	2.31	2.70	-6bps	-16bps	-29bps	-55bps	-43bps
Japan 10YR Govt Yield (%)	1.04	1.05	0.87	0.61	-1bps	17bps	32bps	44bps	42bps
Currency									
USD/INR	83.7	83.4	83.4	82.2	0.4	0.4	0.8	1.8	0.6
EUR/USD	1.1	1.1	1.1	1.1	1.0	1.2	-0.4	-1.9	-2.0
GBP/USD	1.3	1.3	1.3	1.3	1.6	2.6	0.9	-0.2	0.8
USD/YEN	150.5	160.9	157.4	142.1	-6.5	-4.4	2.9	5.9	6.7
USD/CHF	1.1	1.1	1.1	1.2	2.1	4.2	-2.5	-1.5	-4.4
USD/CNY	7.2	7.3	7.2	7.1	-0.5	-0.2	0.7	1.1	1.9
Commodities									
Brent Crude Oil (US\$/bbl)	80.6	86.4	87.9	85.6	-6.7	-8.3	-1.6	-5.8	3.8
LME Aluminium (US\$/MT)	2,228.0	2,487.8	2,584.8	2,244.8	-10.4	-13.8	-0.6	-0.8	-5.0
LME Copper (US\$/MT)	9,102.3	9,456.0	9,892.4	8,800.0	-3.7	-8.0	7.1	3.4	7.5
LME Lead (US\$/MT)	2,048.5	2,176.7	2,181.9	2,145.8	-5.9	-6.1	-5.5	-4.5	0.7
LME Nickel (US\$/MT)	16,336.1	17,040.2	19,065.0	22,076.0	-4.1	-14.3	2.0	-26.0	-0.2
LME Tin (US\$/MT)	29,807.8	32,478.0	31,261.3	28,642.0	-8.2	-4.7	14.6	4.1	18.4
LME Zinc (US\$/MT)	2,615.6	2,878.5	2,914.6	2,565.8	-9.1	-10.3	3.9	1.9	-0.9
SHC Iron Ore Spot (US\$/MT)	102.0	106.5	118.0	111.0	-4.2	-13.6	-23.3	-8.1	-28.4
Gold Spot Price (US\$/troy ounce)	2,421.9	2,326.3	2,296.5	1,968.4	4.1	5.5	18.2	23.0	17.3
Silver Spot Price (US\$/troy ounce)	29.1	29.1	26.3	24.8	-0.3	10.5	26.8	17.2	22.2
Platinum Spot Price (US\$/ounce)	972.0	1,012.0	939.0	949.0	-4.0	3.5	5.2	2.4	-3.4
Palladium Spot Price (US\$/ounce)	923.0	972.0	942.0	1,274.0	-5.0	-2.0	-5.0	-27.6	-17.5
Soyabeans (US\$/bushel)	10.3	11.3	11.3	14.0	-9.2	-8.9	-14.0	-26.5	-18.8
Corn (c/lb)	382.5	398.0	440.8	502.8	-3.9	-13.2	-14.6	-23.9	-18.8
Wheat (US\$/bushel)	5.1	5.6	5.7	6.1	-8.5	-11.6	-15.8	-16.4	-19.8
Cotton (US\$/lb)	0.6	0.7	0.7	0.8	-4.5	-15.1	-24.3	-23.6	-19.8
Raw Sugar (c/lb)	18.9	20.4	19.5	23.8	-7.3	-3.1	-19.1	-20.4	-7.6

Source: LSEG Workspace, Cogencis, NSE EPR

Table 31: Performance across global asset classes (As on July 31st, 2024)

Asset performance (Ranked by % change each year)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024TD
SSE Comp 52.9	Bitcoin 34.2	Bitcoin 122.7	Bitcoin 1,394.5	Nifty 50 4.6	Bitcoin 94.1	Bitcoin 304.5	Bitcoin 59.4	WTI Crude 6.7	Bitcoin 153.5	Bitcoin 37.6
Nifty 500 39.3	STOXX 600 10.2	WTI Crude 45.0	MSCI EM \$ 37.8	Nasdaq 100 0.0	Nasdaq 100 39.5	Nasdaq 100 48.9	WTI Crude 55.8	Nifty 50 5.7	Nasdaq 100 55.1	Nasdaq 100 21.4
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 19.5
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 18.6
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 17.5
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	Gold 16.8
DJIA 10.0	Nifty 500 0.2	MSCI EM \$ 11.6	MSCI World 23.1	Russell 1000 -4.8	STOXX 600 27.6	Nifty 500 17.9	Nifty 50 25.6	STOXX 600 -10.1	Nifty 50 21.3	WTI Crude 16.1
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 15.8
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	Nifty 50 13.6
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 12.2
Gold -1.8	Nifty 50 -3.0	Nifty 500 5.1	WTI Crude 12.5	MSCI EM \$ -14.2	Gold 18.7	DJIA 9.7	FTSE100 18.4	Russell 1000 -19.1	MSCI EM \$ 10.3	MSCI EM \$ 11.8
MSCI EM \$ -1.8	Gold -10.5	Nifty 50 4.4	FTSE100 12.0	SSE Comp -24.6	FTSE100 17.3	STOXX 600 -1.5	SSE Comp 4.8	MSCI EM \$ -19.7	FTSE100 7.9	FTSE100 9.1
WTI Crude -45.9	MSCI EM \$ -14.6	STOXX 600 2.4	STOXX 600 11.2	WTI Crude -25.3	Nifty 50 13.5	FTSE100 -11.6	MSCI EM \$ -2.2	Nasdaq 100 -32.4	SSE Comp -3.7	DJIA 7.2
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 -0.1

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

Equity market performance and valuations

Table 32: Performance across NSE equity indices (As on July 31st, 2024)

July-24 Index Name	PR Index Returns (%)					TR Index Returns (%)				
	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Broad Market Indices										
Nifty 50	3.9	10.4	26.3	16.5	17.5	4.0	11.1	27.8	17.9	18.9
Nifty Next 50	4.6	15.2	65.1	23.9	23.5	4.7	15.5	66.2	24.9	24.5
Nifty 100	4.1	11.0	32.2	17.5	18.3	4.2	11.6	33.7	18.8	19.6
Nifty 200	4.4	11.8	35.7	19.1	19.8	4.4	12.4	37.0	20.3	21.1
Nifty 500	4.3	12.1	37.9	19.9	21.1	4.4	12.6	39.3	21.1	22.3
Nifty Midcap 50	6.0	17.7	54.0	29.6	30.8	6.2	17.9	55.0	30.9	32.1
Nifty Midcap 100	5.8	16.0	56.4	28.5	29.9	5.9	16.2	57.3	29.5	31.1
Nifty Midcap 150	4.9	15.7	54.6	27.7	30.5	5.0	15.9	55.5	28.7	31.6
Nifty Midcap Select	5.6	17.0	50.4	24.2	26.3	5.8	17.3	51.5	25.3	27.3
Nifty Smallcap 50	4.3	13.8	69.0	19.1	27.5	4.5	14.2	70.4	20.2	28.7
Nifty Smallcap 100	4.5	12.5	63.5	22.1	28.2	4.6	12.8	64.8	23.1	29.4
Nifty Smallcap 250	4.9	13.4	58.1	25.3	31.4	5.0	13.6	59.1	26.3	32.6
Nifty LargeMidcap 250	4.5	13.4	43.2	22.6	24.4	4.6	13.8	44.5	23.8	25.6
Nifty MidSmallcap 400	4.9	14.9	55.8	27.0	30.8	5.0	15.1	56.8	28.0	31.9
Nifty500 Multicap 50:25:25	4.5	12.8	44.1	22.1	24.7	4.6	13.2	45.3	23.3	25.9
Nifty Microcap 250	7.7	18.4	71.8	34.8	42.4	7.8	18.5	72.7	35.7	43.6
Nifty Total Market	4.4	12.3	38.9	20.3	21.6	4.5	12.8	40.3	21.5	22.8
Thematic Indices										
Nifty India Consumption	6.1	13.5	40.5	22.8	21.3	6.2	14.0	41.9	24.1	22.7
Nifty MidSmall India Consumption	3.3	15.3	49.5	25.0	28.3	3.4	15.5	50.2	25.6	29.2
Nifty Non-Cyclical Consumer	6.6	13.9	37.3	21.3	21.3	6.7	14.5	38.6	22.5	22.5
Nifty India Manufacturing	3.9	17.1	57.0	26.4	28.8	4.1	17.4	57.9	27.5	30.2
Nifty Infrastructure	4.0	10.8	55.3	28.9	25.2	4.1	11.0	56.9	30.3	26.9
Nifty Services Sector	3.4	10.4	24.4	12.8	14.4	3.4	11.1	25.9	14.1	15.7
Nifty Commodities	4.2	9.7	51.8	21.5	24.2	4.3	9.9	53.1	23.1	26.0
Nifty CPSE	10.4	20.1	113.8	54.3	30.1	10.4	20.1	119.2	59.5	34.3
Nifty PSE	9.3	16.9	112.0	48.3	29.4	9.4	17.0	116.3	52.8	33.5
Nifty Energy	5.5	9.2	64.2	32.5	24.8	5.5	9.2	66.5	34.8	27.5
Nifty MNC	3.1	15.6	39.2	20.8	20.9	3.3	16.0	40.3	22.2	22.4
Nifty India Digital	8.0	17.1	48.9	15.0	24.3	8.2	17.7	50.3	16.3	25.9
Nifty India Defence	4.8	41.4	157.4	89.7	60.4	4.8	41.4	159.3	92.0	62.6
Nifty Mobility	5.7	16.7	71.9	35.3	30.6	5.8	17.0	72.8	36.4	32.0
Nifty100 Liquid 15	0.9	5.3	33.6	19.3	14.2	0.9	5.7	34.4	20.5	15.3
Nifty Midcap Liquid 15	7.4	21.9	53.4	29.2	29.6	7.5	22.2	54.9	30.7	30.9
Nifty Aditya Birla Group	-0.1	14.6	47.1	18.0	24.1	0.1	14.9	47.8	18.7	24.7
Nifty Mahindra Group	3.8	29.1	63.7	33.7	29.3	4.3	29.7	65.1	35.5	31.3
Nifty Tata Group	8.7	11.0	40.7	21.0	24.1	8.8	11.8	42.3	22.4	26.0
Nifty Tata Group 25% Cap	7.4	10.3	52.6	26.0	32.2	7.5	10.9	53.7	27.1	33.6
Nifty Shariah 25	8.7	18.1	39.0	14.9	18.5	8.9	19.0	41.1	16.7	20.4
Nifty50 Shariah	11.3	19.2	34.2	11.7	17.7	11.5	20.3	36.6	13.6	19.8
Nifty500 Shariah	7.6	18.0	42.9	17.3	23.1	7.7	18.6	44.5	18.8	24.8
Nifty SME EMERGE	4.8	16.9	82.9	75.6	60.9	4.8	16.9	83.2	75.9	61.3
Nifty100 ESG	5.2	12.9	35.1	15.7	19.4	5.3	13.5	36.5	17.0	20.7
Nifty100 Enhanced ESG	5.2	13.0	35.0	15.8	19.2	5.3	13.6	36.4	17.1	20.6
Nifty100 ESG Sector Leaders	3.9	11.0	32.0	15.7	17.4	3.9	11.6	33.4	17.0	18.8

July-24	PR Index Returns (%)					TR Index Returns (%)				
Index Name	1M	3M	1Y	3Y	5Y	1M	3M	1Y	3Y	5Y
Strategy Indices										
Nifty Alpha 50	6.7	19.0	76.8	28.2	38.3	6.7	19.2	78.0	29.2	39.3
Nifty100 Alpha 30	7.0	15.8	74.4	24.4	25.5	7.0	16.1	76.0	25.7	26.7
Nifty Alpha Low-Volatility 30	6.5	12.6	50.6	22.8	21.5	6.6	13.0	52.2	24.2	23.0
Nifty Alpha Quality Low-Volatility 30	6.4	17.3	53.1	22.8	23.1	6.6	17.8	55.2	24.5	25.0
Nifty Alpha Quality Value Low-Volatility 30	8.1	18.2	61.5	29.6	26.6	8.3	18.9	64.2	31.9	29.0
Nifty200 Alpha 30	6.4	18.5	76.9	30.8	33.0	6.5	18.8	78.5	32.2	34.2
Nifty Dividend Opportunities 50	9.3	15.6	53.6	26.1	22.1	9.4	16.5	56.7	28.9	25.2
Nifty Growth Sectors 15	11.4	15.7	27.3	18.3	17.2	11.5	16.9	29.7	20.2	18.9
Nifty High Beta 50	4.0	8.5	60.7	29.4	26.3	4.1	8.8	61.7	30.6	27.5
Nifty Low Volatility 50	6.2	13.2	37.2	17.3	21.0	6.4	13.6	38.7	18.9	22.7
Nifty100 Low Volatility 30	5.9	13.0	33.6	17.9	19.1	6.1	13.6	35.2	19.7	21.1
Nifty100 Quality 30	6.3	15.6	37.4	18.2	19.0	6.4	16.3	39.2	19.8	20.8
Nifty Quality Low-Volatility 30	6.8	14.1	32.6	16.6	18.8	7.0	14.7	34.3	18.3	20.6
Nifty200 Quality 30	7.7	18.8	39.4	17.5	19.8	7.8	19.5	41.5	19.4	21.9
Nifty50 Equal Weight	5.6	12.3	38.1	21.4	22.4	5.7	12.8	39.6	23.0	24.1
Nifty100 Equal Weight	5.5	13.6	49.5	21.5	22.7	5.6	14.0	50.8	22.8	24.1
Nifty50 Value 20	8.5	14.0	39.8	20.1	22.3	8.5	15.0	42.6	22.6	25.0
Nifty500 Value 50	6.0	11.2	83.7	40.4	32.9	6.0	11.4	86.3	43.6	35.8
Nifty Midcap150 Quality 50	4.3	19.2	40.3	14.8	22.6	4.4	19.6	41.6	15.8	23.9
Nifty200 Momentum 30	4.9	13.6	66.2	25.5	29.0	5.0	14.0	67.7	26.7	30.2
Nifty Midcap150 Momentum 50	4.6	14.6	69.5	33.6	38.7	4.7	14.7	70.8	34.6	39.7
Sector Indices										
Nifty Auto	5.9	18.7	69.9	38.5	31.2	6.1	19.2	71.1	39.7	32.7
Nifty Bank	-1.5	4.4	12.9	14.2	12.3	-1.5	5.1	13.9	15.1	12.9
Nifty Private Bank	-1.4	4.8	9.8	12.7	10.1	-1.4	5.3	10.7	13.4	10.6
Nifty PSU Bank	0.4	-2.7	60.1	44.7	21.8	0.4	-2.0	61.2	46.5	22.8
Nifty Financial Services	0.0	7.2	15.1	12.4	13.0	0.0	7.9	16.2	13.4	13.8
Nifty Financial Services Ex-Bank	4.5	8.5	31.4	14.8	15.8	4.6	8.9	32.6	15.8	16.8
Nifty Financial Services 25/50	2.8	9.8	25.6	16.0	15.8	2.8	10.4	26.9	17.1	16.7
Nifty MidSmall Financial Services	2.8	6.2	41.4	20.4	15.8	3.0	6.6	42.9	21.8	17.0
Nifty FMCG	9.4	14.5	17.9	19.9	16.4	9.5	15.5	20.1	22.0	18.4
Nifty IT	13.0	23.0	36.5	10.3	21.2	13.1	24.4	39.3	12.4	23.6
Nifty MidSmall IT & Telecom	7.6	19.0	49.0	22.9	39.6	7.7	19.4	50.0	24.1	41.2
Nifty Media	7.9	13.6	4.3	6.2	1.9	7.9	13.6	4.7	6.9	2.6
Nifty Metal	-2.4	4.4	41.8	18.4	29.9	-2.3	4.6	42.4	20.2	31.9
Nifty Pharma	10.4	14.8	45.3	14.7	22.2	10.6	15.1	46.1	15.6	23.1
Nifty Realty	-1.0	12.4	93.0	40.0	32.5	-0.8	12.6	93.5	40.5	33.0
Nifty Consumer Durables	3.7	14.8	45.1	18.6	22.8	3.8	15.2	45.7	19.2	23.4
Nifty Oil & Gas	8.4	12.1	62.8	26.6	24.0	8.5	12.1	64.1	28.4	26.2
Nifty Healthcare Index	9.3	14.8	43.8	15.5	24.1	9.5	15.1	44.6	16.3	25.1
Nifty MidSmall Healthcare	8.5	13.5	50.5	15.0	27.1	8.6	13.7	51.2	15.7	28.1
Nifty Transportation & Logistics	5.6	17.3	69.9	37.1	32.1	5.8	17.7	70.9	38.2	33.4
Nifty Housing	2.3	9.0	38.4	18.3	21.2	2.4	9.5	39.6	19.4	22.5

Source: NSE Indices, NSE EPR

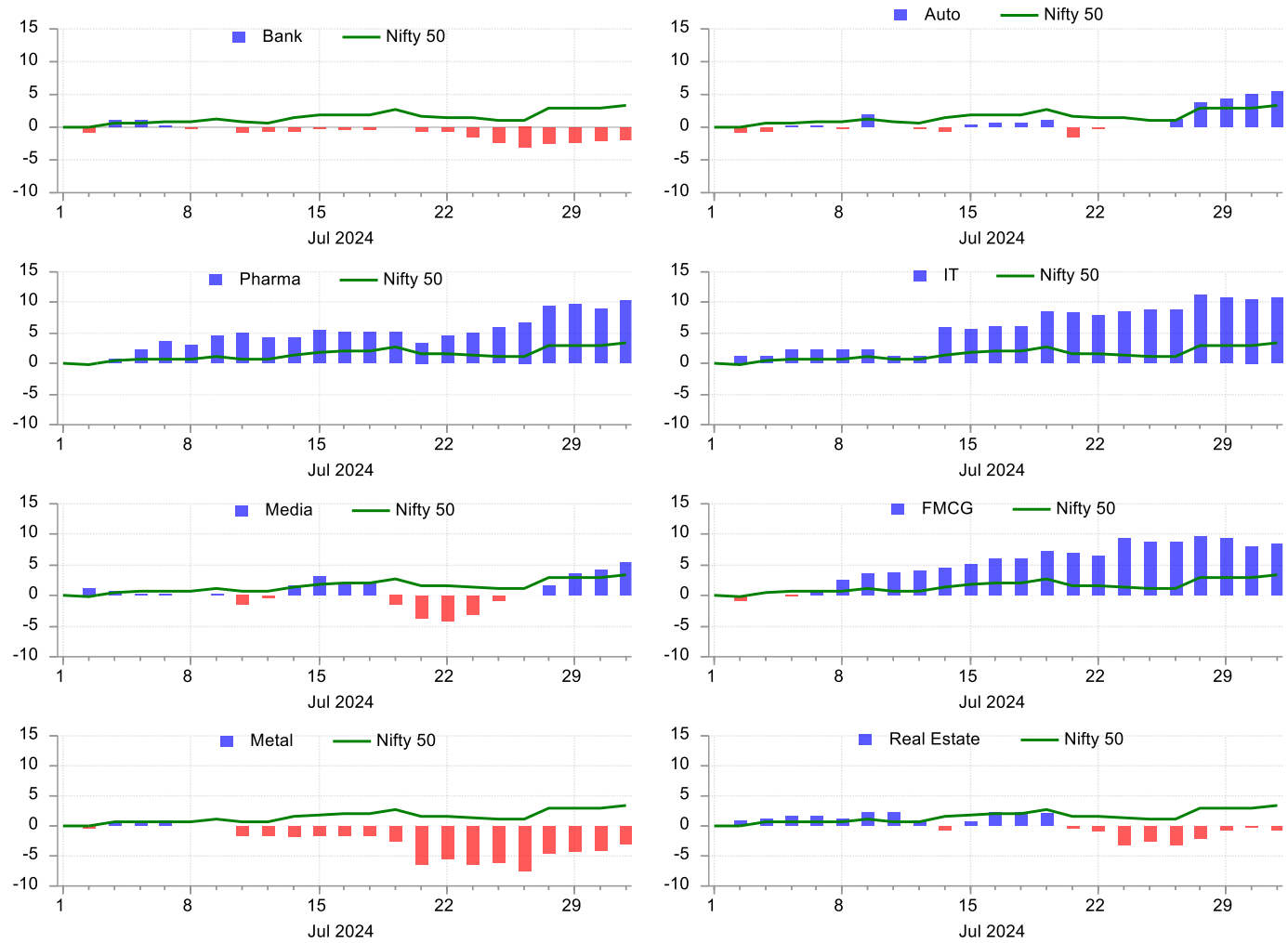
Note: Returns for the period up to one year are absolute returns. Returns for a period greater than one year are CAGR returns.

Table 33: Performance across NSE sector indices based on Price Return Index (As on July 31st, 2024)

Indicator Name	Jul-24	1M ago	3M ago	12M ago	1M (%)	3M (%)	6M (%)	12M (%)	YTD (%)
Sector indices									
Auto	26,685	25,201	22,480	15,708	5.9	18.7	38.8	69.9	43.3
Bank	51,553	52,342	49,397	45,651	-1.5	4.4	12.1	12.9	6.8
Energy	44,087	41,789	40,367	26,854	5.5	9.2	20.0	64.2	31.7
FMCG	62,082	56,757	54,241	52,637	9.4	14.5	12.7	17.9	8.9
IT	40,851	36,158	33,201	29,928	13.0	23.0	11.5	36.5	15.0
Infrastructure	9,499	9,134	8,575	6,115	4.0	10.8	20.9	55.3	30.1
Media	2,150	1,992	1,893	2,062	7.9	13.6	-0.1	4.3	-10.0
Metals	9,583	9,814	9,176	6,758	-2.4	4.4	20.2	41.8	20.1
Pharma	21,777	19,732	18,971	14,992	10.4	14.8	21.4	45.3	29.4
Real Estate	1,094	1,105	973	567	-1.0	12.4	27.7	93.0	39.7
Thematic Indices									
CNX PSE	11,684	10,686	9,993	5,511	9.4	16.9	34.8	112.0	48.8
CNX Consumption	11,806	11,132	10,405	8,402	6.1	13.5	22.6	40.5	23.3
CNX Services	31,458	30,428	28,503	25,294	3.4	10.4	14.9	24.4	13.6

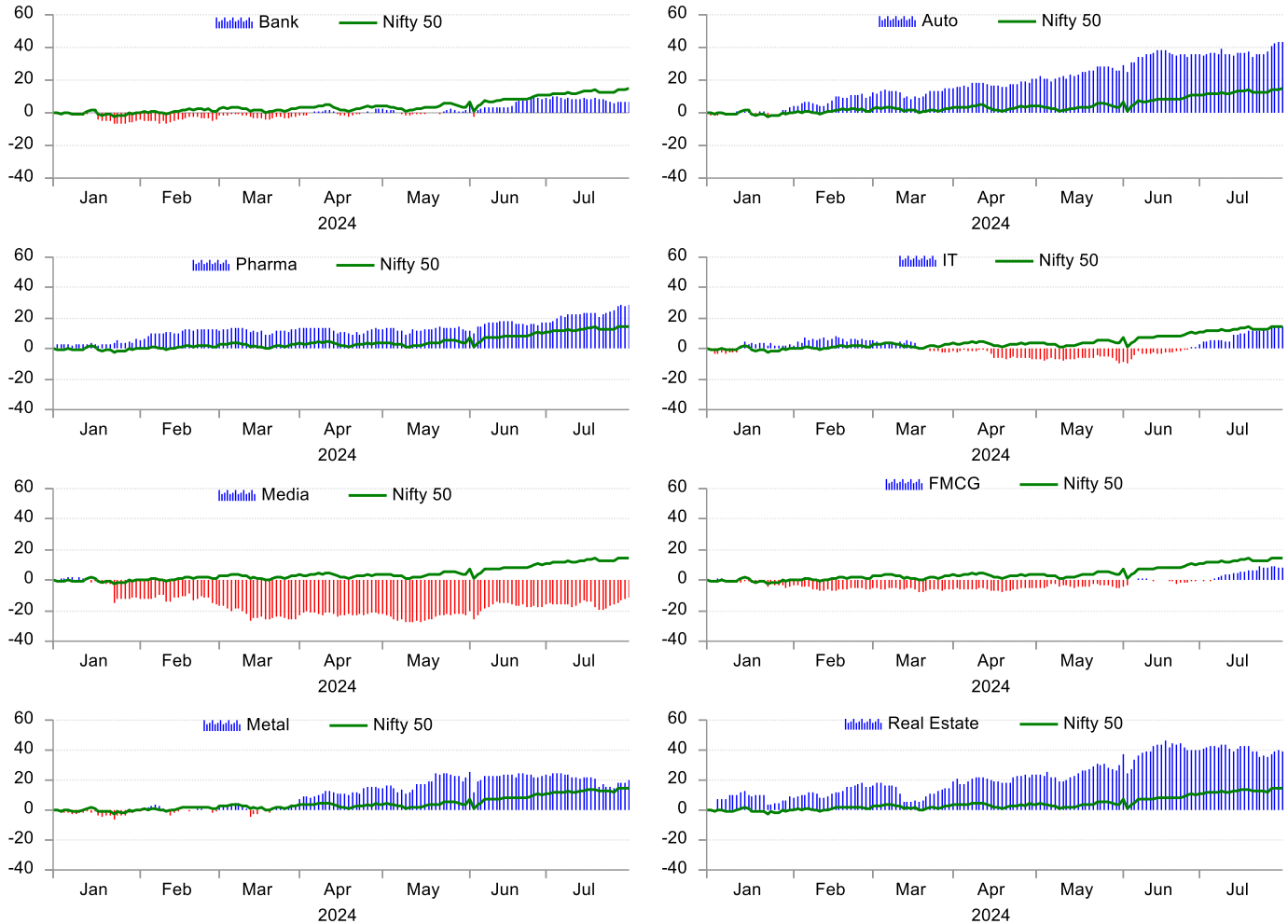
Source: Cogencis, NSE EPR

Figure 175: NIFTY sector performance in July 2024

 Rebased to 0 on July 1st, 2024


Source: LSEG Datastream, NSE EPR.

Figure 176: NIFTY sector performance in 2024 till date

 Rebased to 0 on January 1st, 2024


Source: LSEG Datastream, NSE EPR.

Nifty 50 performance attribution analysis

Indian equities rebounded extended the rally in July but started August on a weak

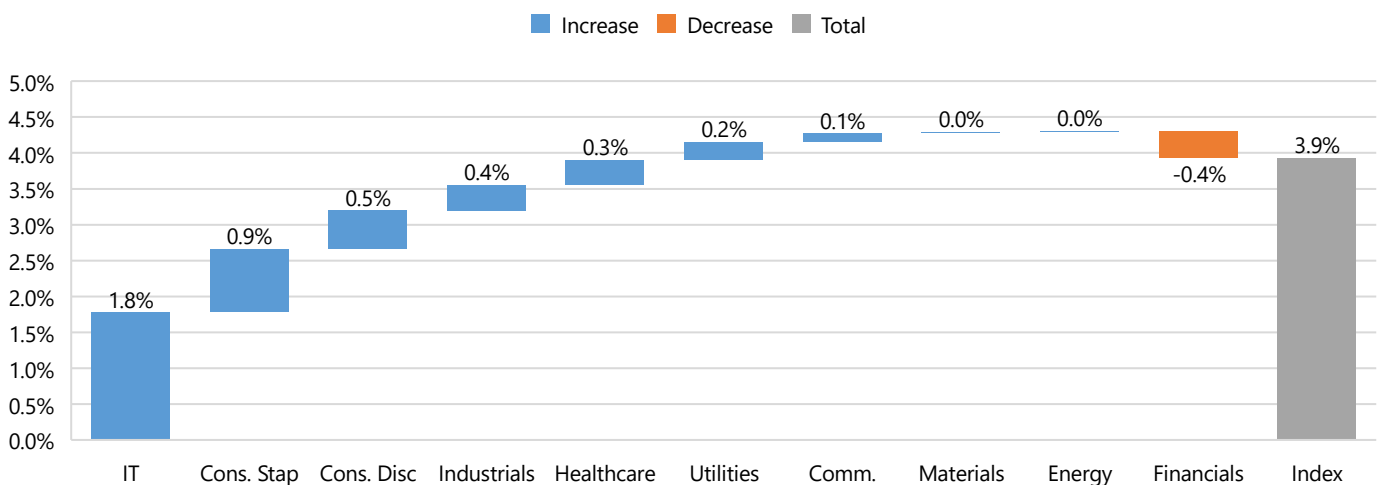
note: After witnessing a strong rebound in June, Indian equities extended the rally in July, touching fresh all-time high levels, outperforming the developed as well as emerging market counterparts by a wide margin. This was aided by an all-round Union Budget and strong macroeconomic data. In fact, the benchmark Nifty 50 Index touched the 25,000 mark on August 1st. Robust net inflows by FPIs, prominently so in the first three weeks of the month (US\$4.9bn between July 1st and July 23rd) before they turned net sellers in the last week of July, coupled with sustained buying by DIIs on the back of strong SIP inflows, supported the rally. Net inflows by FPIs in the month of July stood at US\$3.9bn on top of US\$3.1bn in the previous month, only to reverse in the month of August (-US\$2.2bn as of August 14th), taking the net FPI inflows in the fiscal thus far to US\$718m. DIIs, on the other hand, remained steady buyers of Indian equities for the 12th month in a row in July, albeit with a sequentially lower quantum, only to strengthen it meaningfully in August. In the fiscal till date (As of August 14th), net DII inflows stood at Rs 1.83 lakh crore—the highest ever during this period and reaching 87% already of the net DII inflows in the whole of FY24.

The benchmark Nifty50 Index ended the month of July 3.9% higher but fell in August (-3.2% in August thus far; as of August 14th, 2024), weighed down by adverse global cues including slowdown in the US and intensifying geopolitical conflicts. This has translated into a total return of 11.1% in 2024 thus far. The Nifty Mid-cap 50 and Small-cap 50 outperformed with gains of 6.0% and 4.3% in July.

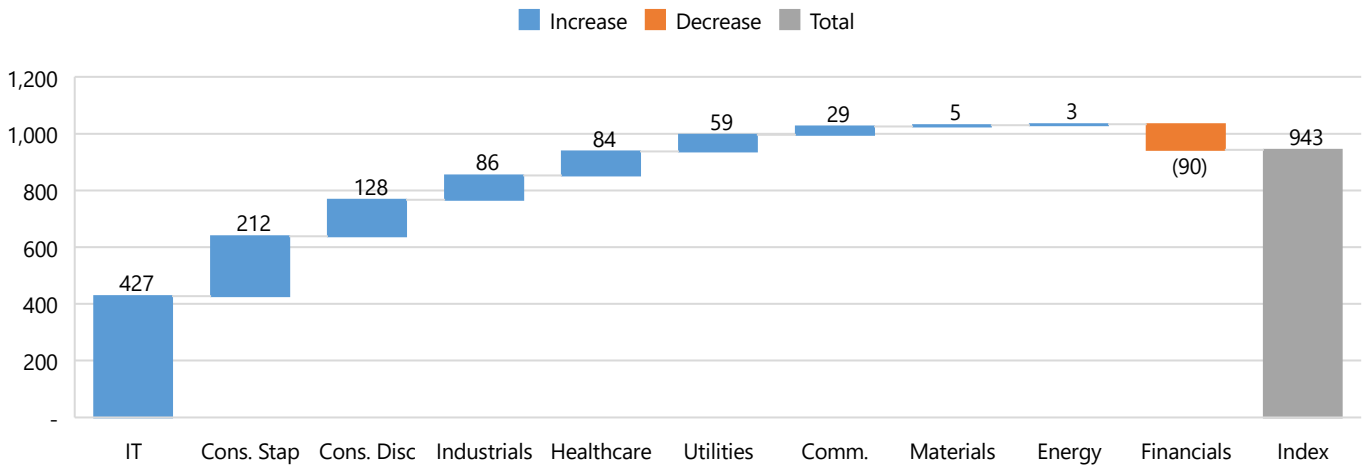
Within the Nifty 50 companies, barring Financials, all other sectors ended the month of July in green, led by Information Technology, Consumer Staples and Consumer Discretionary. together contributing to 81% of the Nifty 50 gains during the month. In the last 12 months, Consumer Staples and Materials were the only two sectors that recorded losses, with Consumer Discretionary, IT, Energy and Communication Services together accounting for ~62% of the gain in the Nifty 50 Index during this period.

Figure 177: Sector-wise contribution to Nifty 50 price return in July 2024

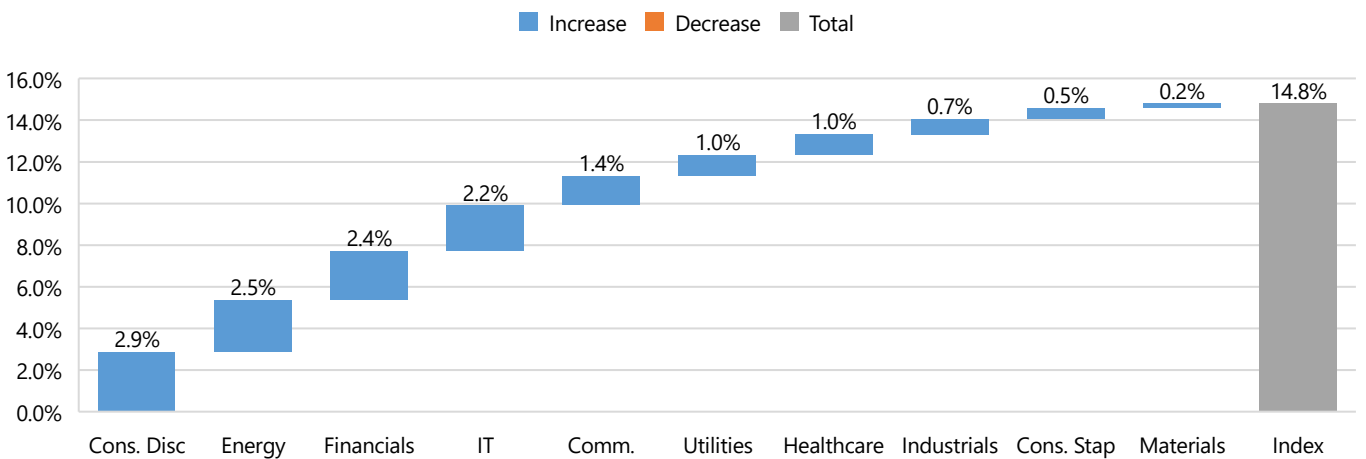
Contribution to Nifty50 Index percentage change (July 2024)



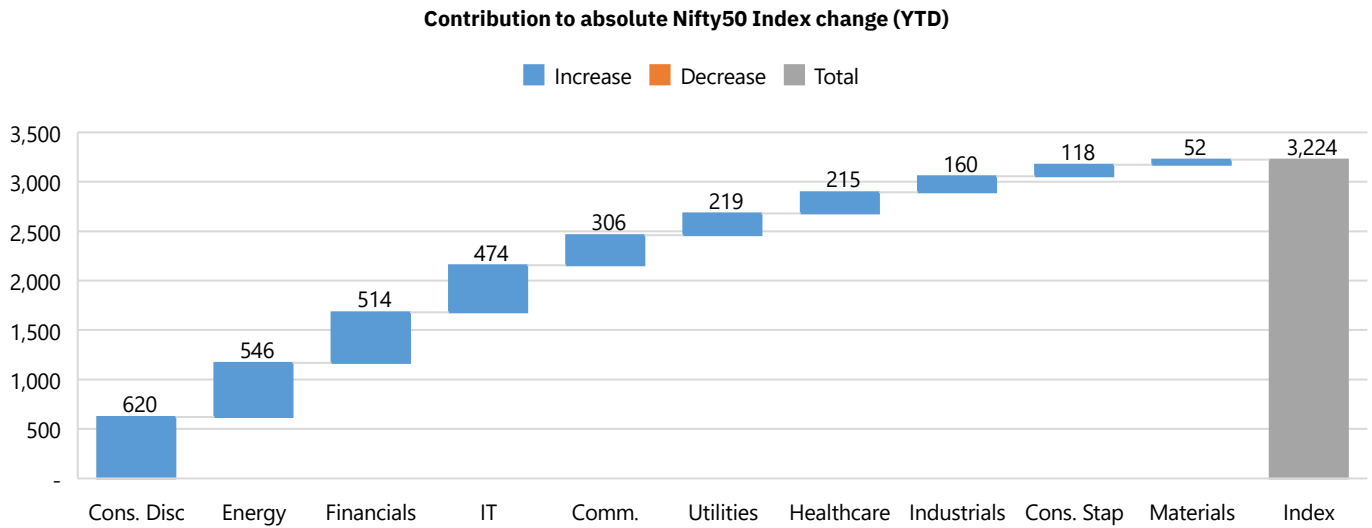
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 178: Sector-wise contribution to absolute Nifty 50 Index change (points) in July 2024
Contribution to absolute Nifty50 Index change (July 2024)


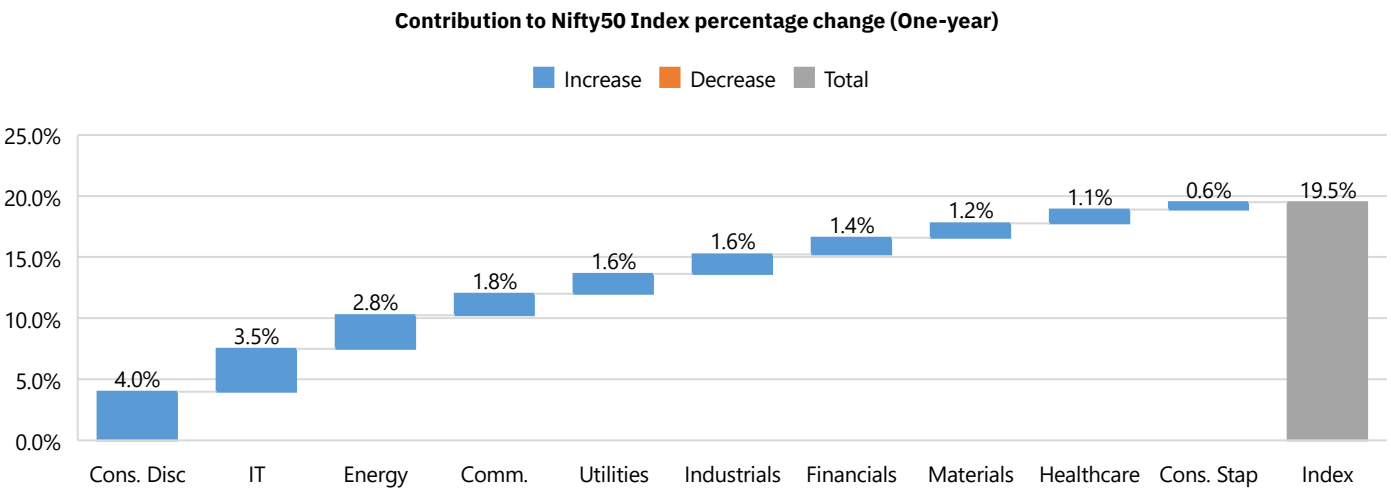
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 179: Sector-wise contribution to Nifty 50 price return in 2024 till date (Jan-Jul'24)
Contribution to Nifty50 Index percentage change (YTD)


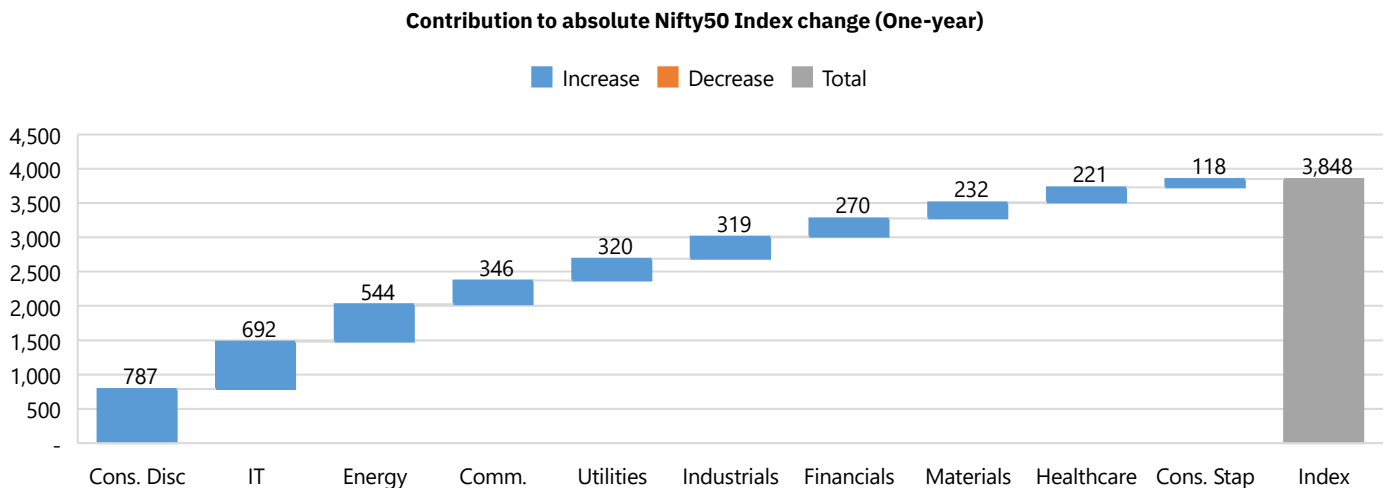
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 180: Sector-wise contribution to Nifty 50 Index change (points) in 2024 till date (Jan-Jul'24)


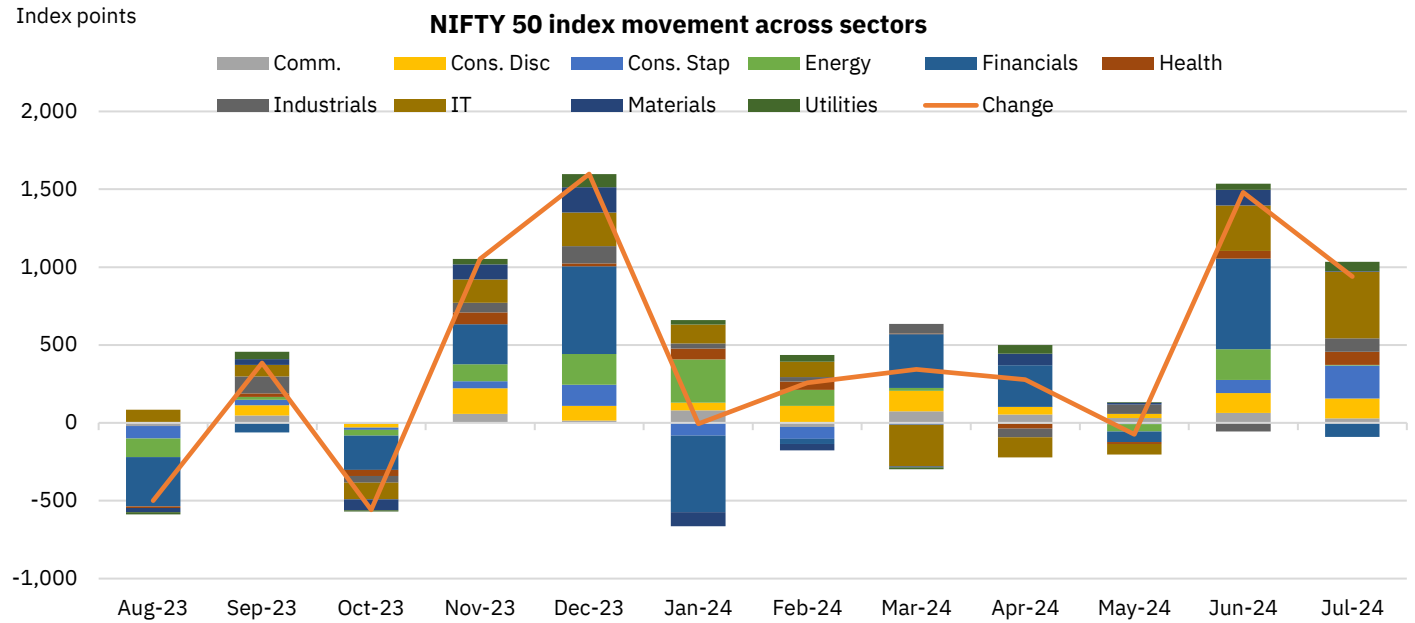
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 181: Sector-wise contribution to Nifty 50 price return in last one year (Aug'23-Jul'24)


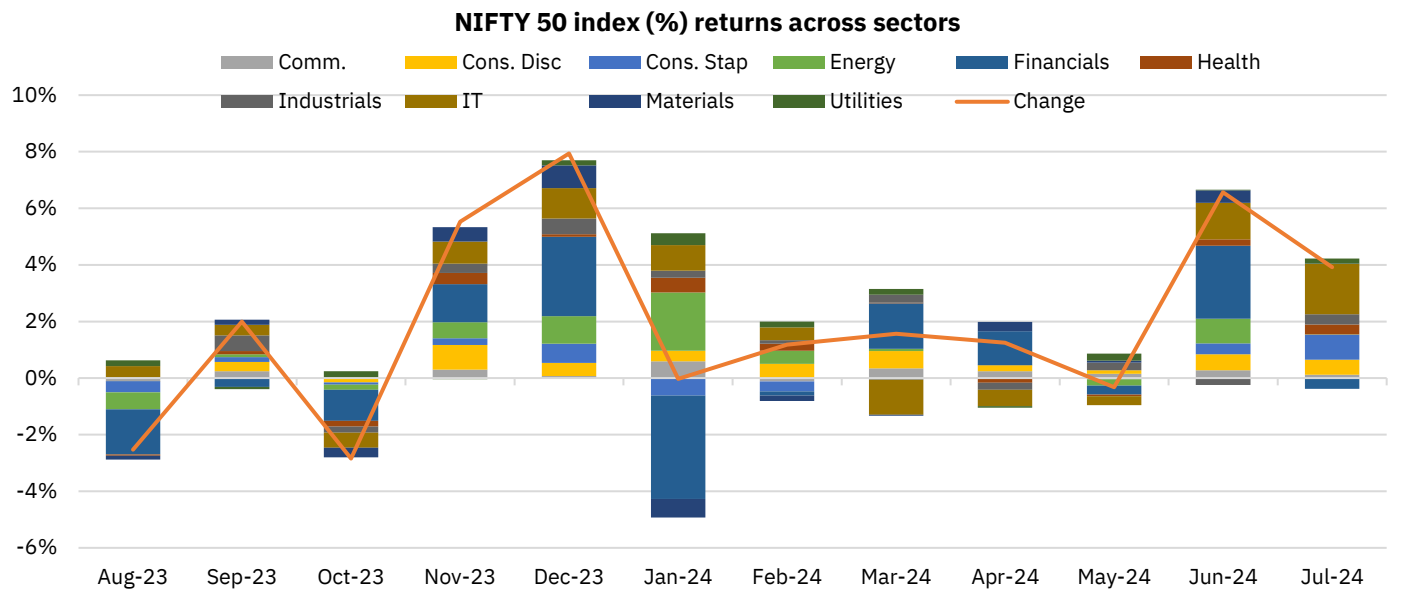
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 182: Sector-wise contribution to Nifty 50 Index change (points) in last one year (Aug'23-Jul'24)


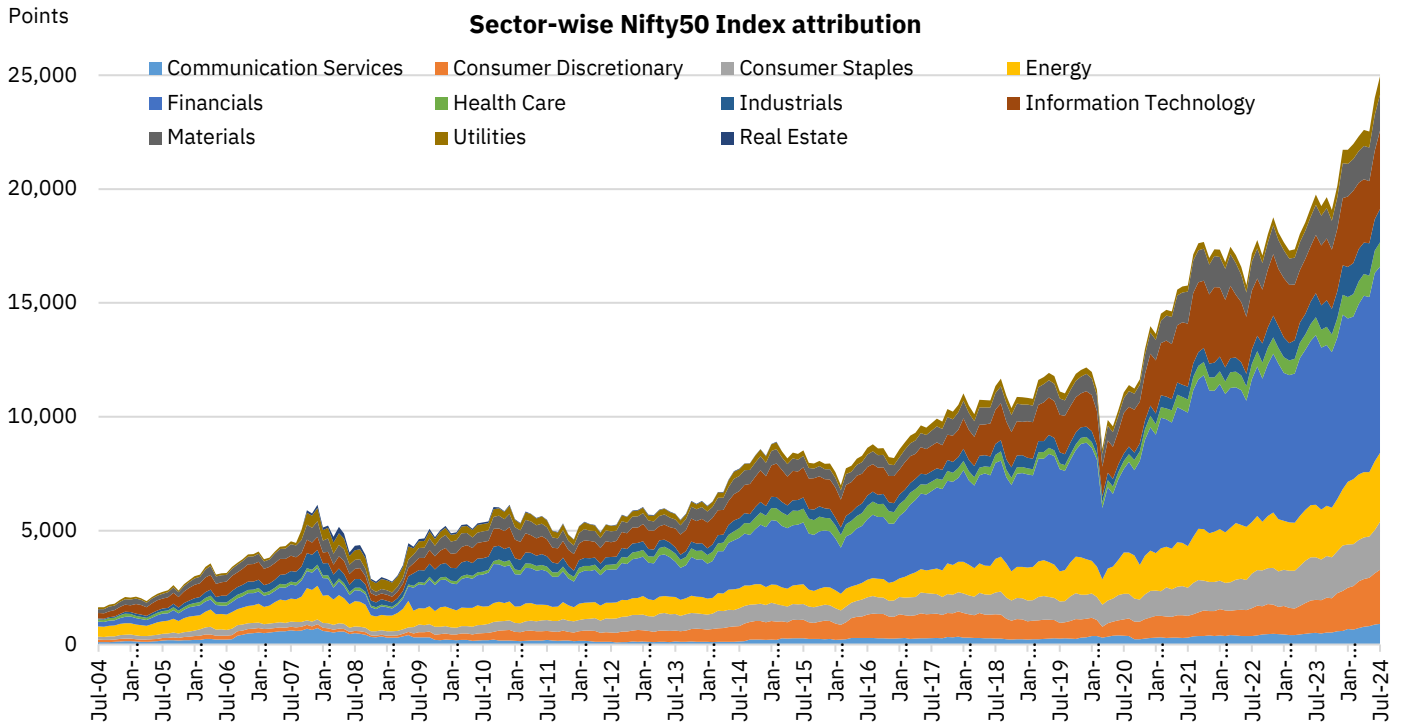
Source: LSEG Datastream, CMIE Prowess, NSE Indices, NSE EPR.

Figure 183: Nifty 50 Index monthly movement across sectors over last 12 months


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

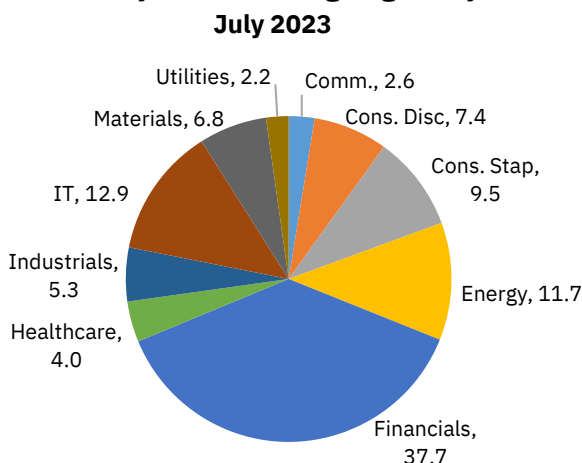
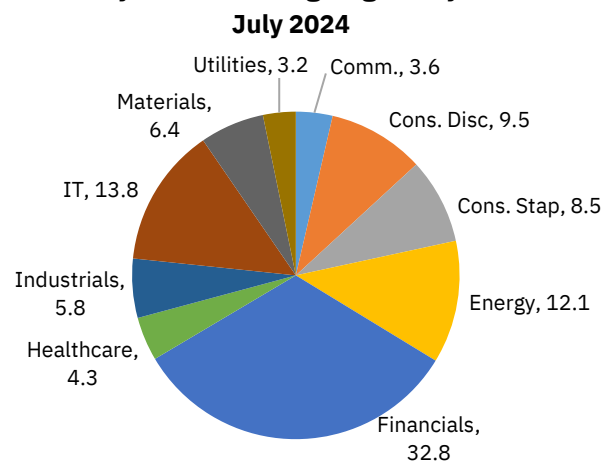
Figure 184: Nifty 50 Index monthly return across sectors over last 12 months


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

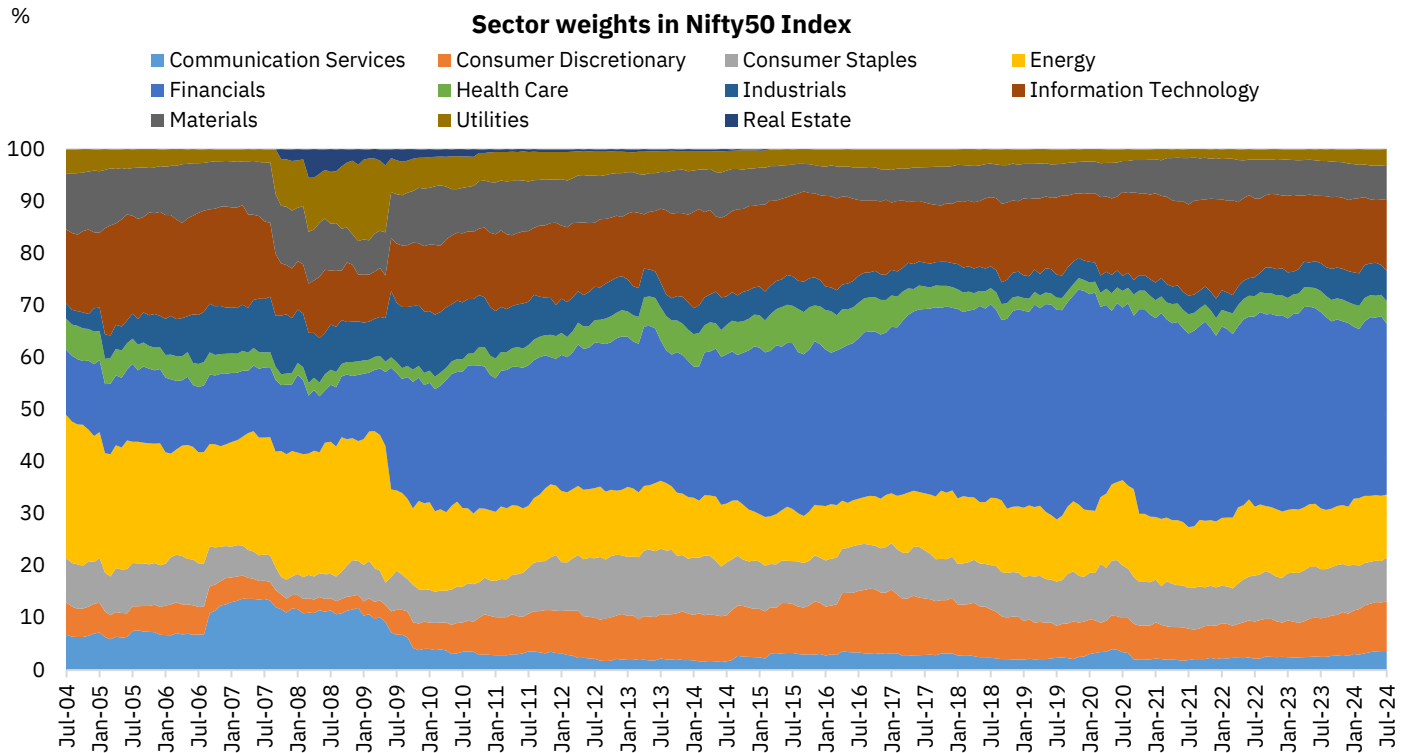
Figure 185: Sector-wise Nifty50 Index attribution (2004-)


Source: LSEG Datastream, CMIE Prowess, NSE EPR.

Relative outperformance of Information Technology and Consumer Staples in the month gone by led to their weights in the Nifty 50 Index rising by 124bps and 55bps MoM to 13.8% and 8.5% respectively. While the IT sector weight is still up 87bps in the last 12 months, Consumer Staples weight fell by 102bps in the last 12 months. Among other sectors, Consumer Discretionary weight rose by 216bps in the last 12 months to over six-year high of 9.5% by July-end, while that of Communication Services and Utilities increased by 106bps and 100bps to over a four-year and a six-and-a-half year high of 9.5% and 3.2% respectively. Consumer Staples apart, this increase in weight for Consumer Discretionary, Communication Services and Utilities came at the expense of a significant drop in the weight of Financials of 490bps in the last 12 months to 32.8%, nearly 9.2pp lower than the peak weight of 42% in December 2019.

Figure 186: Nifty 50 sector weightage (July 2023)

Figure 187: Nifty 50 sector weightage (July 2024)


Source: LSEG Datastream, CMIE Prowess, NSE EPR

Figure 188: Sector weights in the Nifty 50 Index (2003-)


Source: LSEG Datastream, CMIE Prowess, NSE EPR

Table 34: Top five Nifty 50 Index gainers in July 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
Infosys Ltd.	INFY	19.2	1.0	247
I T C Ltd.	ITC	16.6	0.6	147
Tata Consultancy Services Ltd.	TCS	12.3	0.5	110
Larsen & Toubro Ltd.	LT	7.5	0.3	69
Tata Motors Ltd.	TATAMOTORS	16.9	0.3	68
Total			2.7	641
Nifty 50 Index	NIFTY 50	3.9	3.9	941

Source: LSEG Datastream, CMIE Prowess, NSE EPR

Table 35: Top five Nifty 50 Index gainers in Jan-Jul 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
I C I C I Bank Ltd.	ICICIBANK	21.9	1.5	334
Bharti Airtel Ltd.	BHARTIARTL	44.5	1.4	306
Reliance Industries Ltd.	RELIANCE	16.5	1.4	304
Mahindra & Mahindra Ltd.	M&M	68.1	1.3	285
Infosys Ltd.	INFY	21.8	1.2	267
Total			6.9	1,495
Nifty 50 Index	NIFTY 50	14.8	14.8	3,220

Source: LSEG Datastream, CMIE Prowess, NSE EPR

Table 36: Top five Nifty 50 Index losers in July 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
H D F C Bank Ltd.	HDFCBANK	-4.0	-0.5	-117
Reliance Industries Ltd.	RELIANCE	-3.8	-0.4	-93
Axis Bank Ltd.	AXISBANK	-7.8	-0.3	-63
Bajaj Finance Ltd.	BAJFINANCE	-4.3	-0.1	-20
Tata Steel Ltd.	TATASTEEL	-5.0	-0.1	-17
Total			-1.3	-310
Nifty 50 Index	NIFTY 50	3.9	3.9	941

Source: LSEG Datastream, CMIE Prowess, NSE EPR

Table 37: Top five Nifty 50 Index losers in Jan-Jul 2024

Security name	Security symbol	Return (%)	Index % return contribution (%)	Index change contribution (points)
H D F C Bank Ltd.	HDFCBANK	-5.5	-0.9	-186
Kotak Mahindra Bank Ltd.	KOTAKBANK	-5.3	-0.2	-40
Bajaj Finance Ltd.	BAJFINANCE	-7.1	-0.2	-38
Asian Paints Ltd.	ASIANPAINT	-9.3	-0.2	-35
Indusind Bank Ltd.	INDUSINDBK	-10.7	-0.1	-27
Total			-1.5	-326
Nifty 50 Index	NIFTY 50	14.8	14.8	3,220

Source: LSEG Datastream, CMIE Prowess, NSE EPR

Earnings and valuation analysis

Consensus earnings CAGR for the period 2023-25 pegged at 11.2%: Consensus earnings estimates saw modest downgrades last month on muted profit growth. The Nifty50 earnings estimates (Source: LSEG Datastream) for 2024/2025 were downgraded by 0.9%/0.8% in July, translating into a total decline of 2.3%/0.3% in the year thus far. This implies an expected earnings growth of 7.6% and 15.0% for 2024 and 2025 as on June 30th, 2024, vs. 9.4% and 14.9% as of end of the previous month, respectively, resulting in a two-year CAGR (2023-25) of 11.2% vs. 12.1% as of June-end and 13.8% as of March-end.

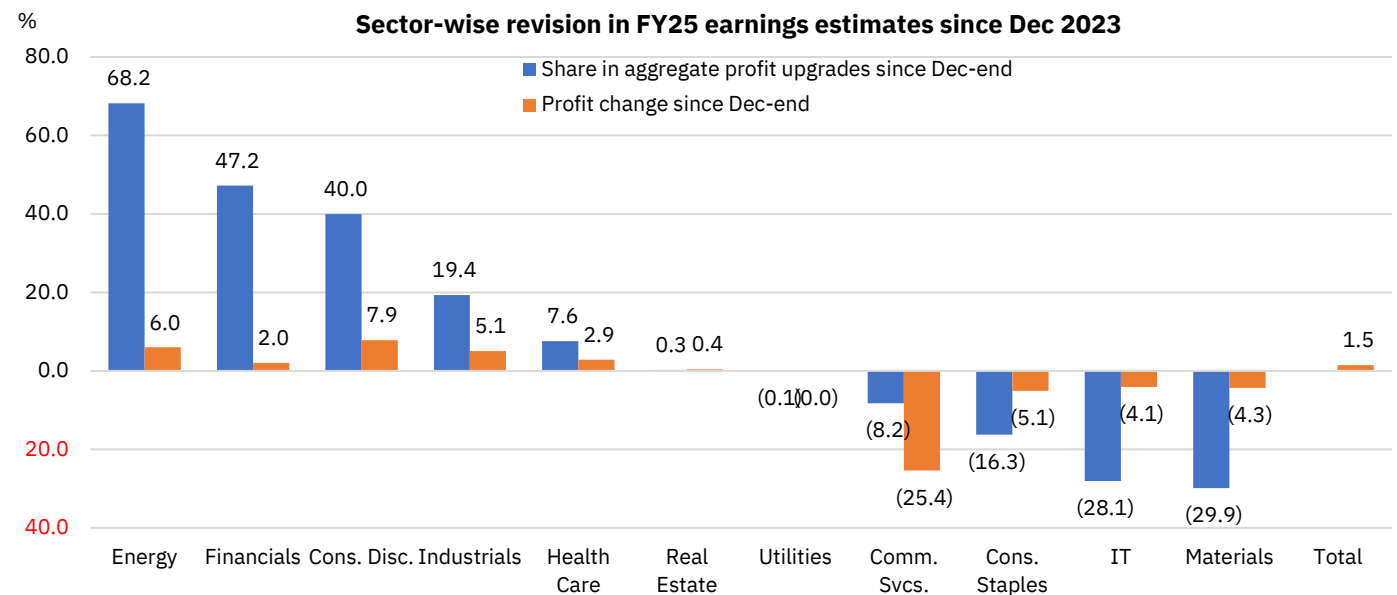
Our analysis of earnings estimates of top 200 companies by market cap³² painted a somewhat contrasting picture. The aggregate consensus earnings estimate for this universe for FY25 as well as FY26 remained broadly steady in July, translating into a total increase of 1.5% and 4.2% since December-end. This was primarily led by upgrades in Energy, Financials, Consumer Discretionary and Industrials. Excluding these four sectors, accounting for ~66% of total earnings, the aggregate profit estimate for FY25, however, was cut by 3.1% this year thus far, led by downgrades in Materials, Information Technology, and Consumer Staples. While Materials and Information Technology companies are feeling the heat of weakening global demand, a slower recovery in rural demand has weighed on the top-line and earnings of Consumer Staples companies. For FY26, barring Information Technology and Consumer Staples, all other GICS sectors have seen their aggregate earnings within the top 200 companies either remain broadly steady or increase in the year thus far, led by Energy that accounts for nearly 43% of the absolute upgrade in profit estimate since the beginning of this year, followed by Consumer Discretionary that accounted for another 20%. Excluding these two sectors, profit upgrade in FY26 was relatively modest at 1.7% this year.

³² The sample set consists of top 200 companies by one-year average market cap ending June 30th, 2023, covered by at least five or more analysts during the previous 12 months using IBES estimates from LSEG Datastream.

Table 38: Earnings growth and forward-looking multiples for Nifty 50 Index

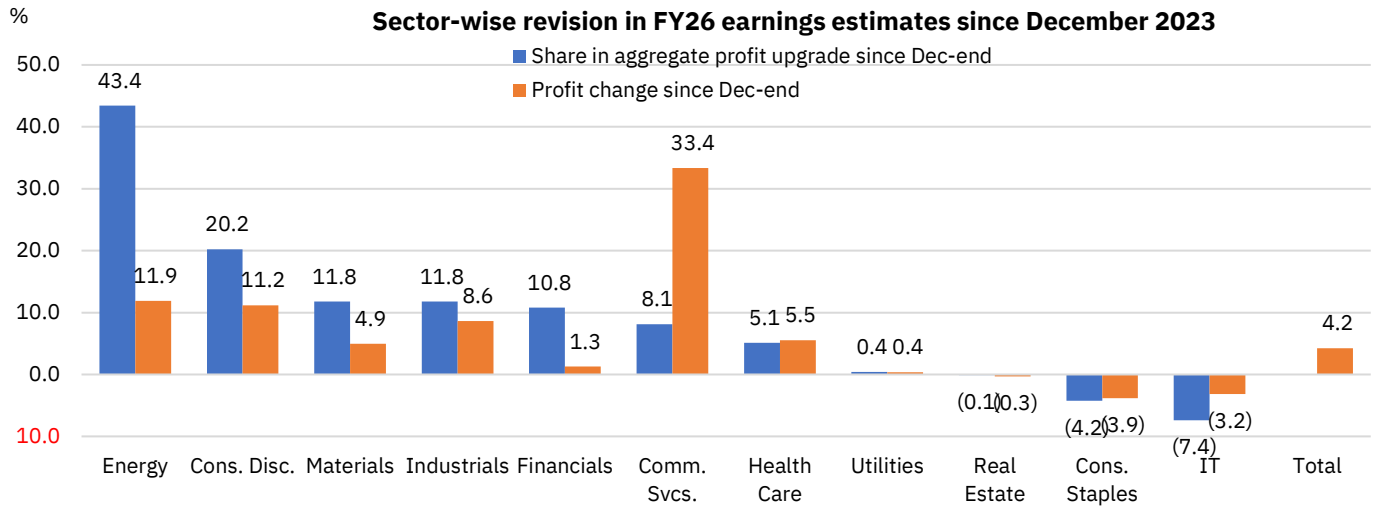
Metric	Periods	As on 31-Jul-24	Change (%/bps)				
			1M	3M	6M	YTD	1Y
EPS (Rs)	12-month forward	1115.6	0.3%	3.9%	5.6%	5.6%	11.0%
	2023	987.5	0.7%	4.6%	3.2%	2.5%	2.9%
	% YoY	24.0%	86bps	540bps	388bps	415bps	541bps
	2024	1062.6	-0.9%	0.2%	-1.3%	-2.3%	-3.0%
	% YoY	7.6%	-177bps	-471bps	-495bps	-537bps	-648bps
	2025	1221.7	-0.8%	0.7%	0.6%	-0.3%	0.5%
Price to earnings (P/E) (x)	12-month forward	21.9	2.9%	5.3%	9.2%	8.2%	12.1%
	2024	23.0	4.2%	9.3%	16.8%	16.9%	28.2%
	2025	20.0	4.1%	8.7%	14.6%	14.5%	23.8%
Price to Book value (P/B) (x)	12-month forward	3.3	2.7%	-0.3%	3.1%	2.1%	8.6%
	2024	3.5	3.7%	2.9%	9.5%	9.3%	22.3%
	2025	3.1	3.7%	2.6%	8.9%	8.8%	22.7%

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

Figure 189: Sector-wise revision in FY25 earnings estimates for top 200 companies since December 2023


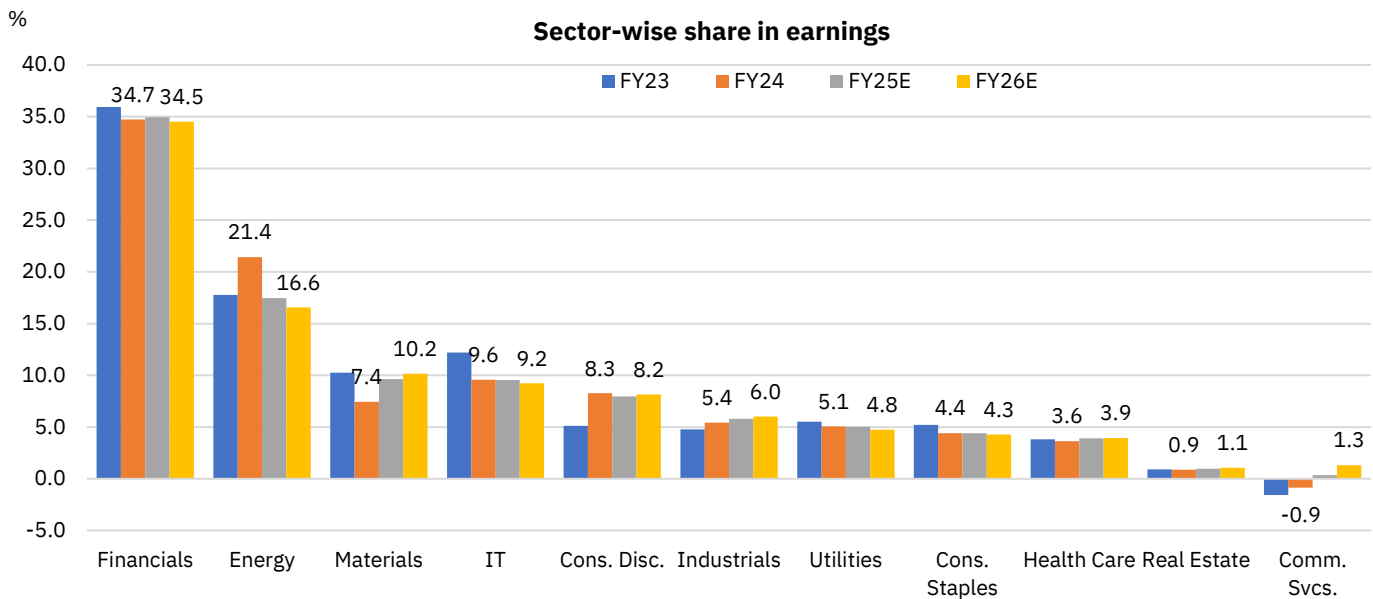
Source: LSEG Datastream, NSE EPR

 Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as on August 8th, 2024.

Figure 190: Sector-wise revision in FY26 earnings estimates for top 200 companies since December 2023


Source: LSEG Datastream, NSE EPR

 Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as on August 8th, 2024.

Figure 191: Sector-wise share in earnings


Source: LSEG Datastream, NSE EPR

 Note: Based on IBES earnings estimates of top 200 companies by one-year average market cap ending June 30th, 2024, covered by at least five analysts at any given point of time over the last one year. Data is as of August 8th, 2024.

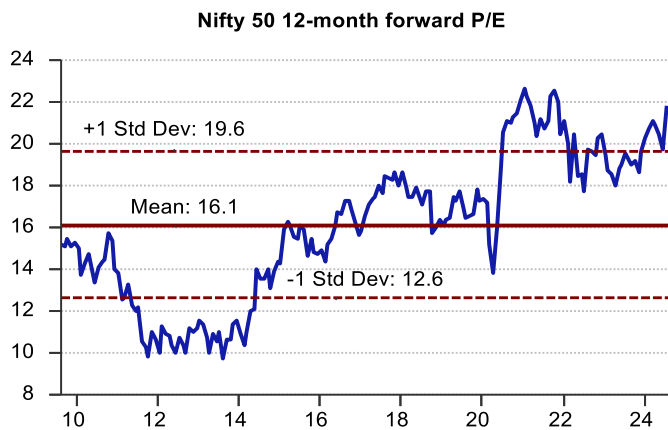
Market valuations at 18-month high levels: After remaining broadly steady over the previous three months, market valuations saw a significant rebound during June-July, as policy stability, resilient economic environment and an all-round budget resulted in strengthened investor sentiments, notwithstanding the recent dip owing to adverse global cues. The Nifty50 Index currently trades at a 12-month forward P/E of 22.1x—the highest since January 2022 and nearly 36% higher than long-term (Last 15-year) average multiple (16.1x) and 12% higher than the one standard deviation above the long-term multiple.

Valuations, however, have been seeing some correction on price-to-book (P/B) basis since February, only to see an increase in June and further in July, with Nifty50 currently

trading at a 12-month forward P/B of 3.3x. This implies a premium of ~36% to the average P/B of 2.45x over the last 15-year period.

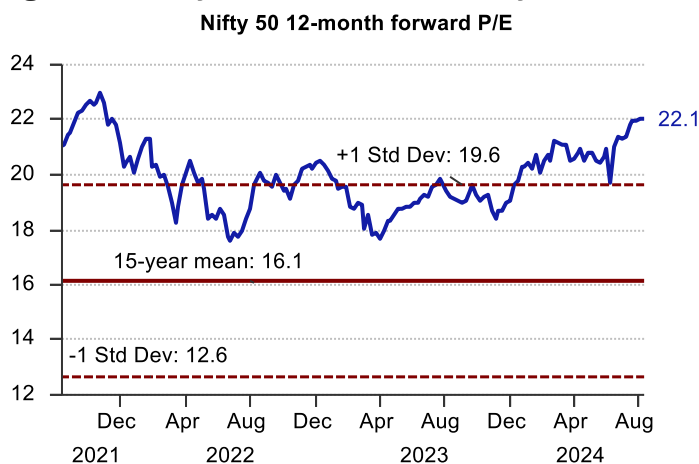
...Accompanied with an increase in valuation premium to EM equities: Indian equities have perennially traded at a premium to EM equities, thanks to India's strong economic fundamentals and robust growth outlook. While India's underperformance vis-à-vis its emerging market peers during the first few months of 2024 resulted in its valuation gap to MSCI EM fall, the last two months saw the premium rising again. On a 12-month forward P/E, MSCI India trades at a premium of 102% vs. last 15-year average premium of 52%—the highest since November 2022. On 12-month forward P/B, MSCI India is trading at a much higher premium of 147% vs. last 15-year average premium of 81%.

Figure 192: Nifty 50 NTM P/E trend for last 15 years



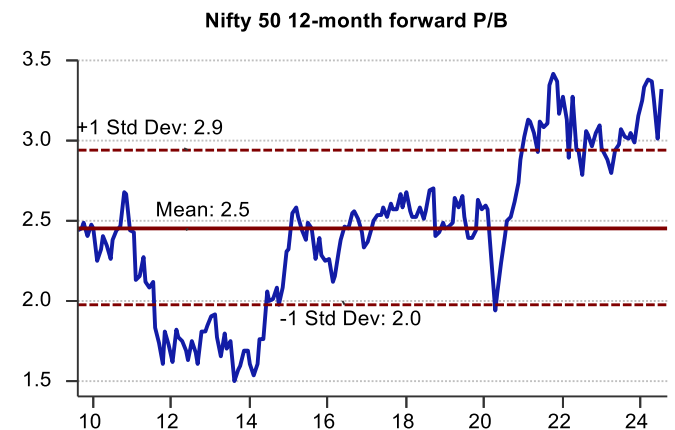
Source: LSEG Datastream, NSE EPR

Figure 194: Nifty 50 NTM P/E (Last three-year trend)



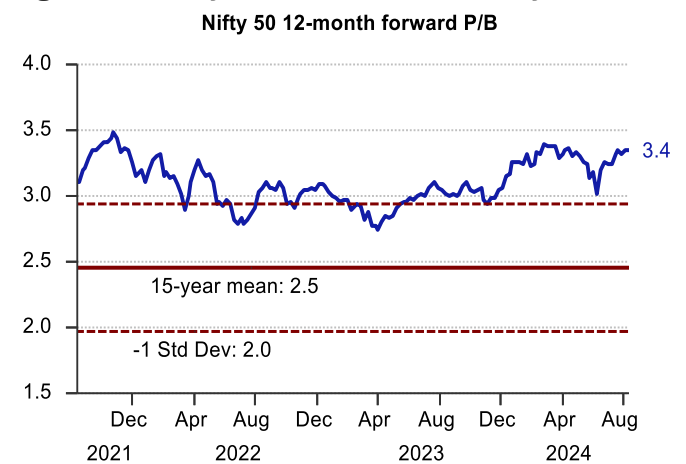
Source: LSEG Datastream, NSE EPR

Figure 193: Nifty 50 NTM P/B trend for last 15 years

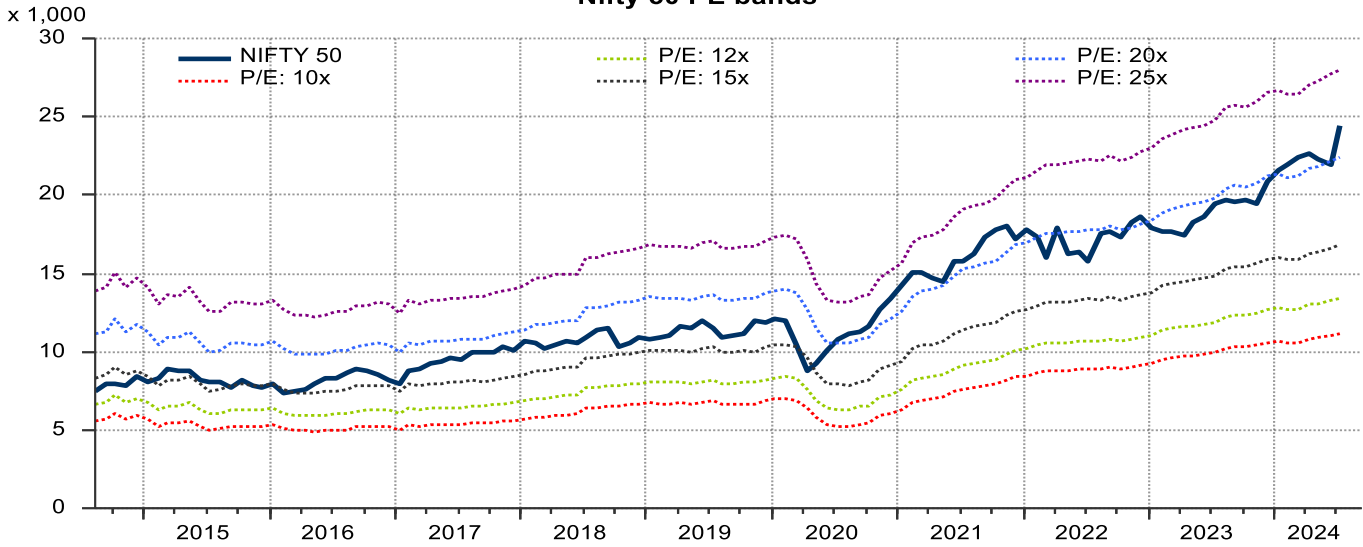


Source: LSEG Datastream, NSE EPR

Figure 195: Nifty 50 NTM P/B (Last three-year trend)



Source: LSEG Datastream, NSE EPR

Figure 196: Five-year trend of Nifty 50 values at different 12-month forward P/E bands
Nifty 50 PE bands


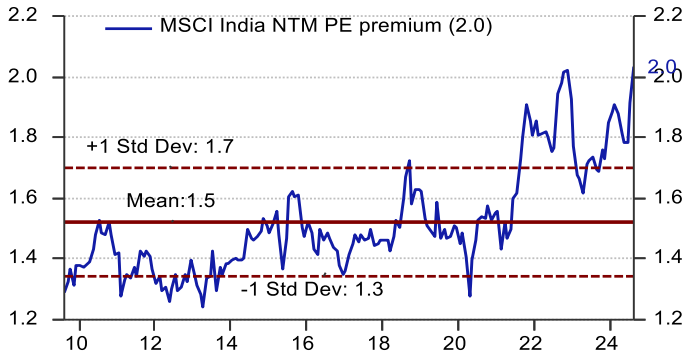
Source: LSEG Datastream, NSE EPR

Figure 197: NTM P/E of MSCI India vs. MSCI EM (15-year trend)

MSCI India currently trades at a premium of 102% to MSCI EM on 12-month forward P/E vs. last 12-month average premium of 52%.

12-months forward P/E (Relative premium)

IBES MSCI India vs MSCI Emerging Markets



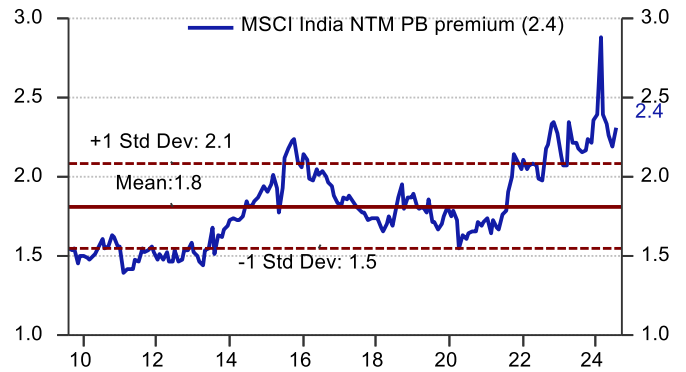
Source: LSEG Datastream, NSE EPR

Figure 198: NTM P/B of MSCI India vs. MSCI EM (15-year trend)

On 12m forward P/B as well, India's valuation premium to MSCI EM is much higher at 147%.

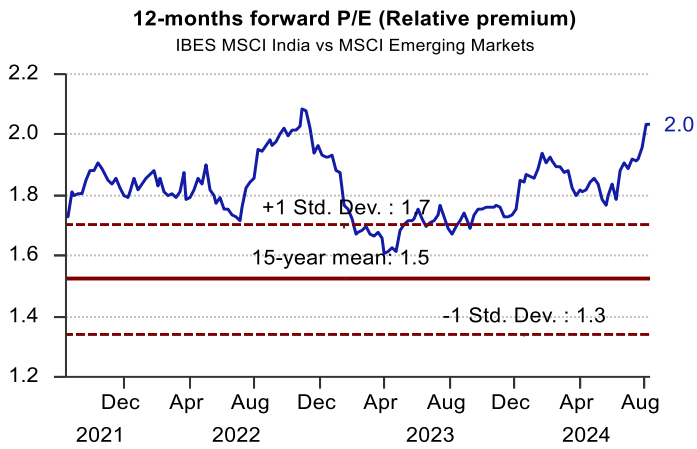
12-month forward P/B (Relative Premium)

IBES MSCI India vs MSCI Emerging Markets



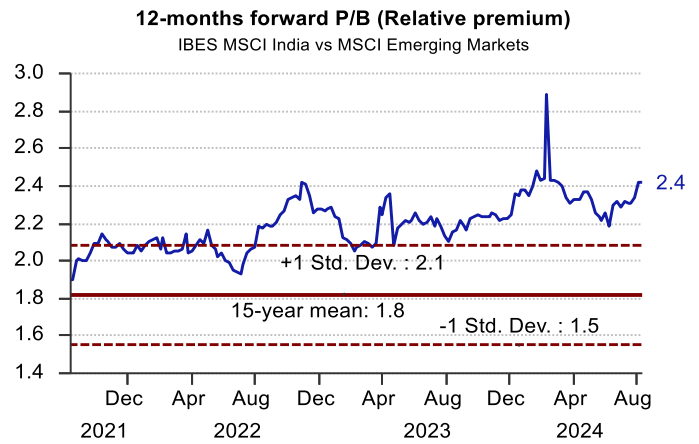
Source: LSEG Datastream, NSE EPR

Figure 199: NTM P/E of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Datastream, NSE EPR

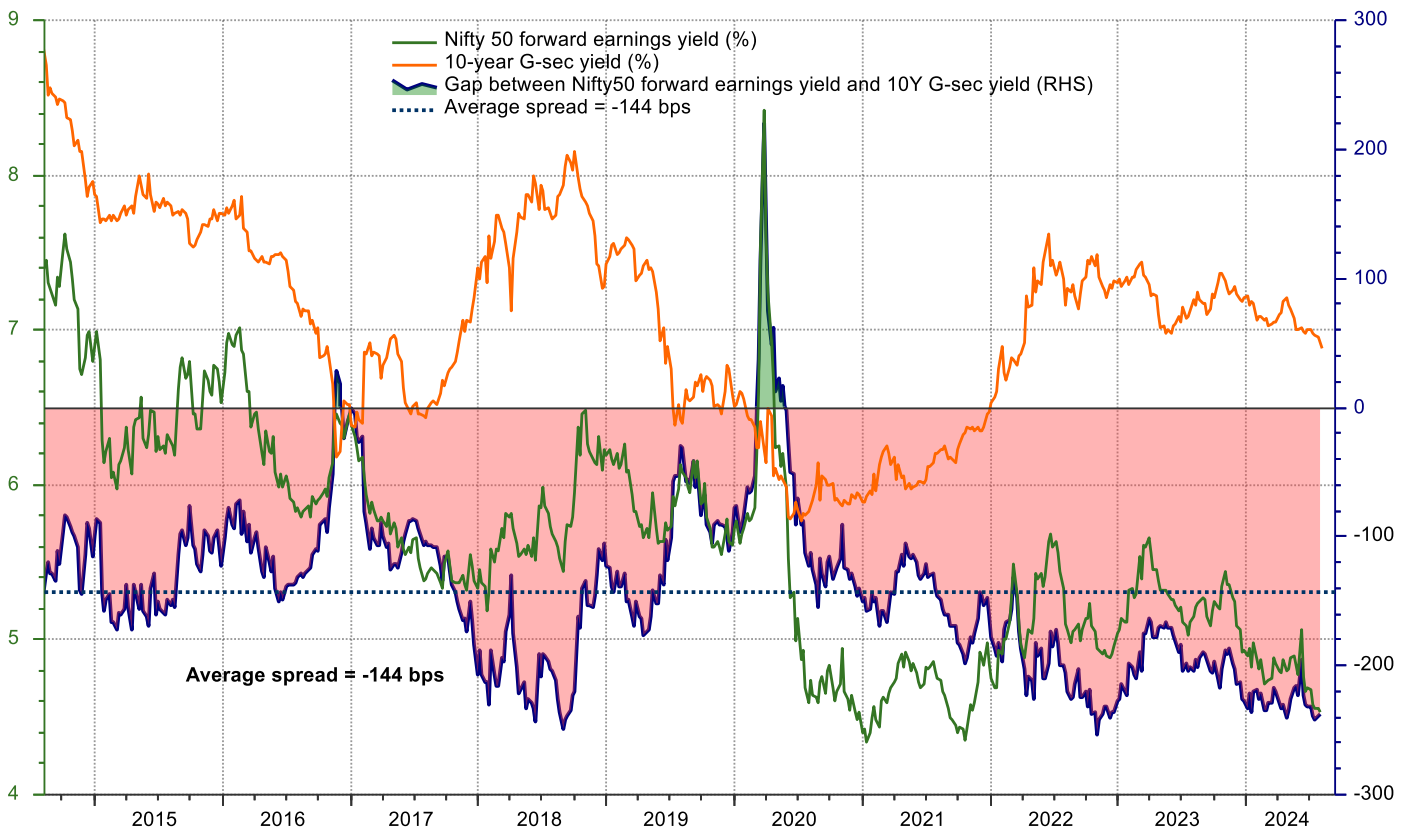
Figure 200: NTM P/B of MSCI India vs. MSCI EM (Last three-year trend)



Source: LSEG Datastream, NSE EPR

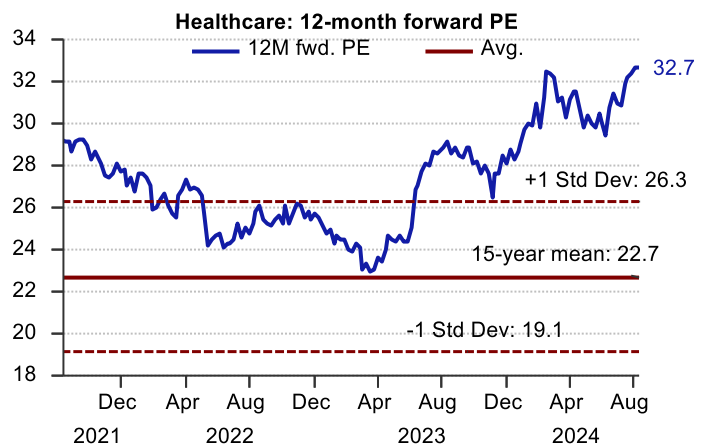
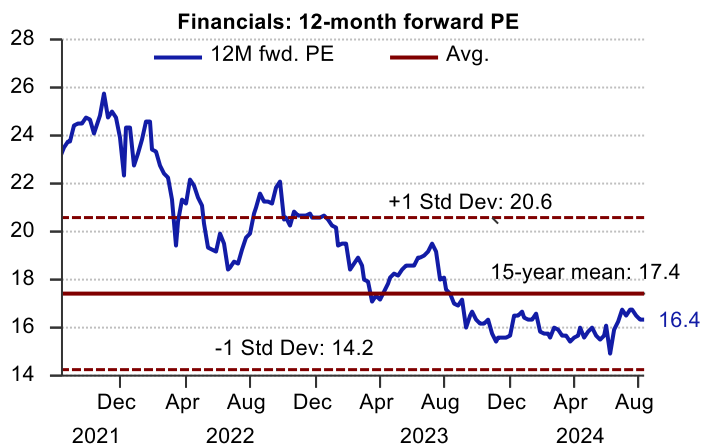
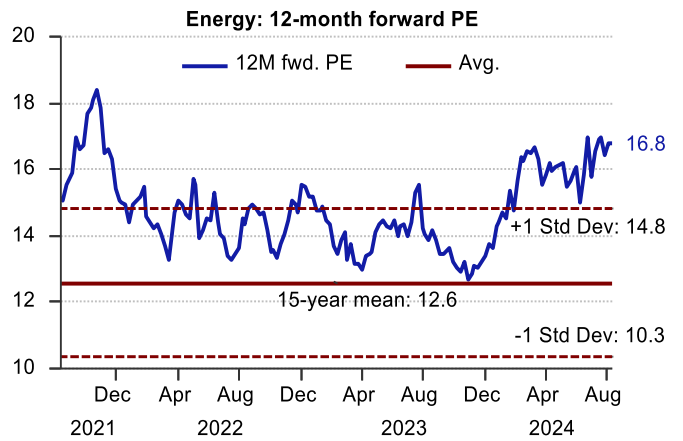
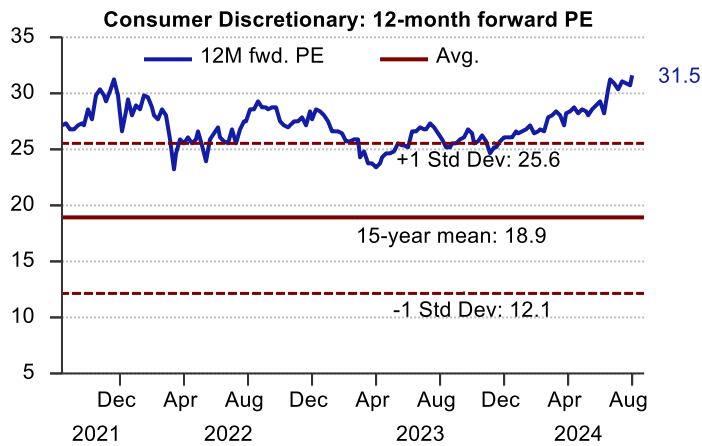
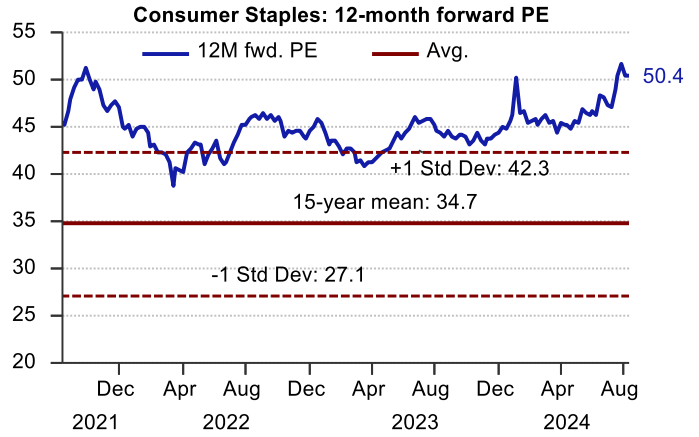
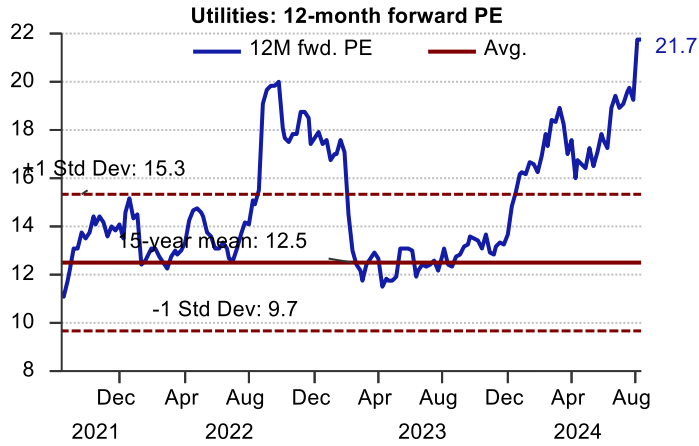
Figure 201: Nifty 50 forward earnings yield* vs. 10-year G-sec yield

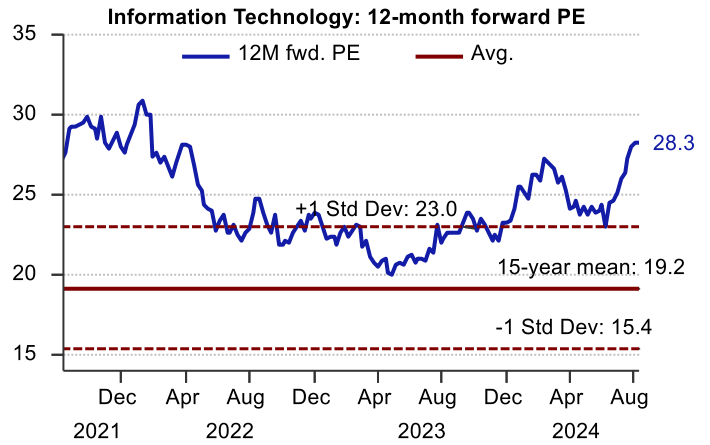
Spread between Nifty 50 forward earnings yields and 10-year G-sec yield



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

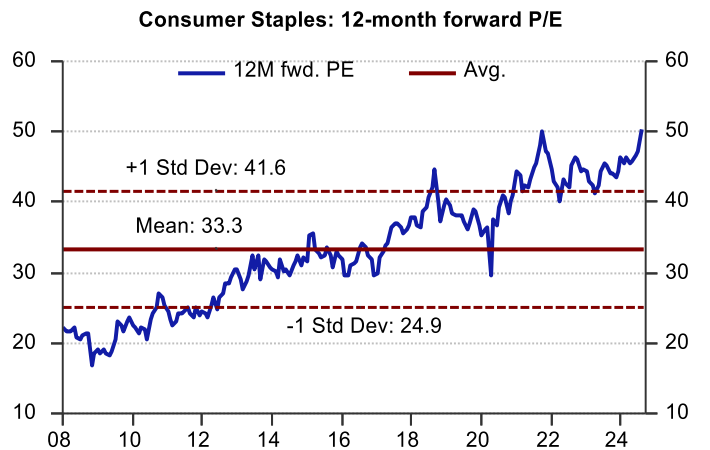
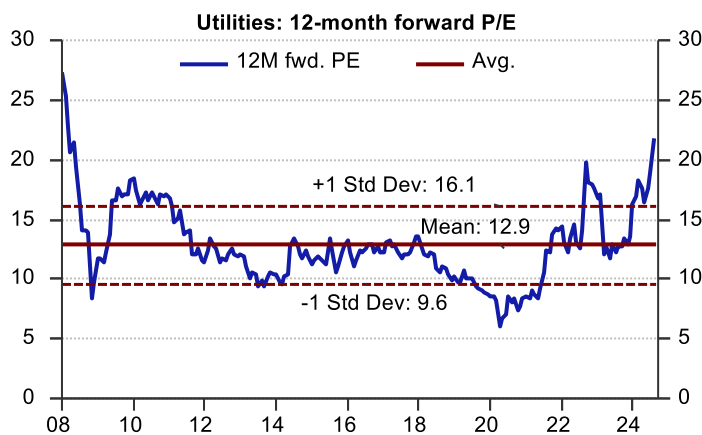
Valuations improved for most sectors in June: We have also looked at long-term trends of 12-month forward P/E and P/B multiples across MSCI India sector indices. The last two months saw an increase in valuations across most sectors. The forward multiple for Financials, despite some rerating in the month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

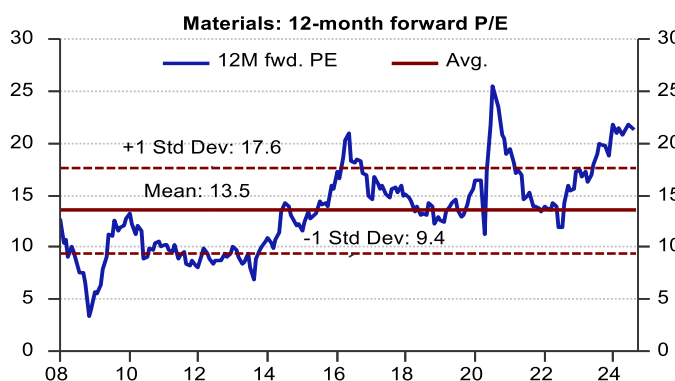
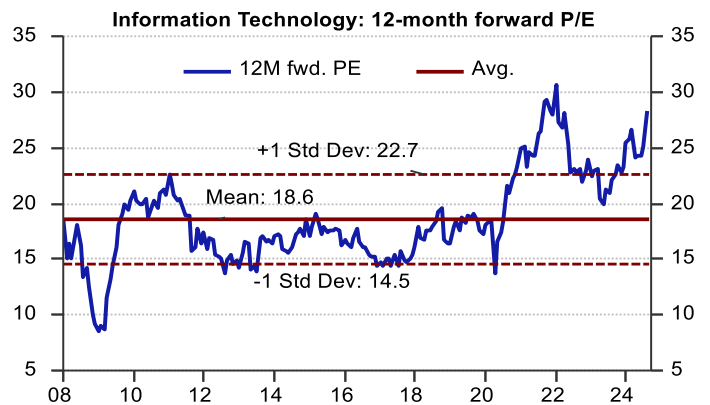
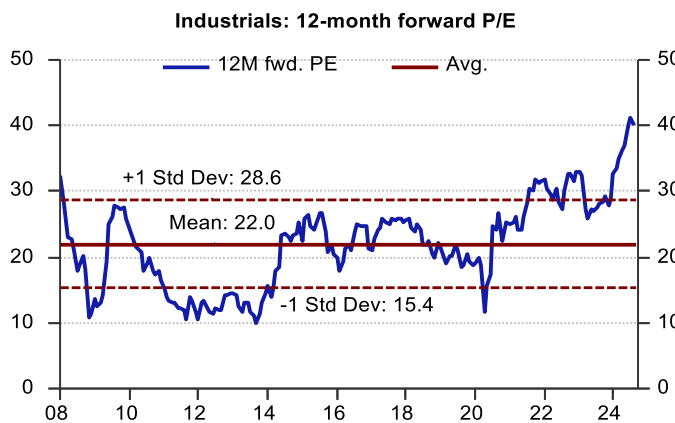
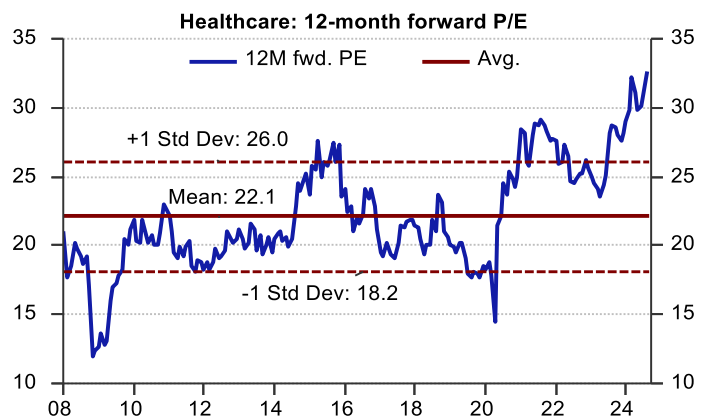
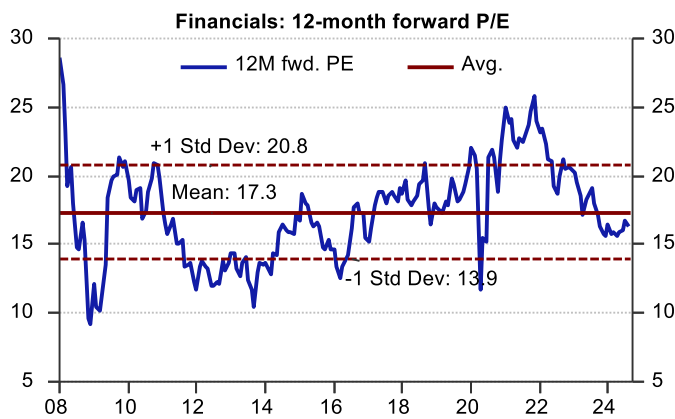
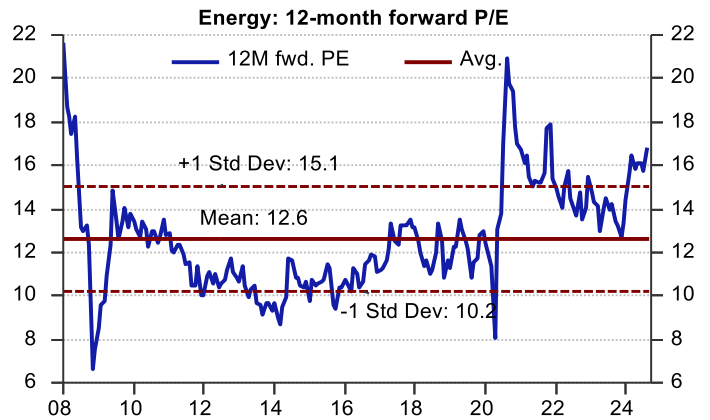
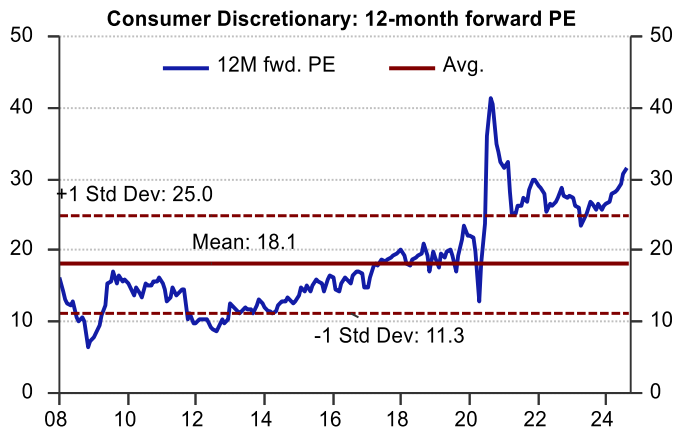
Figure 202: 12-month forward P/E for MSCI India sector indices (Three-year trend)




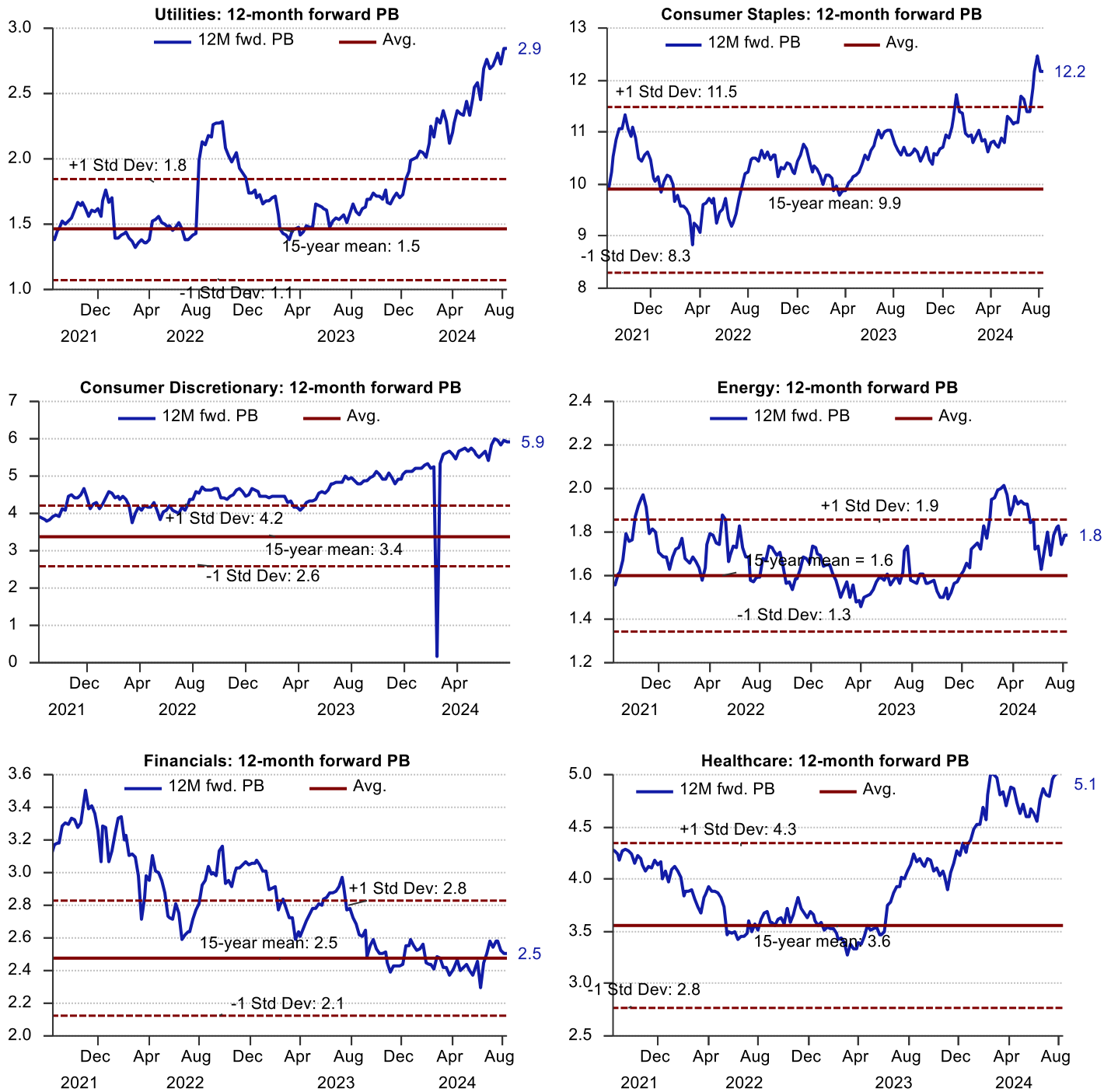
Source: LSEG Datastream, NSE EPR.

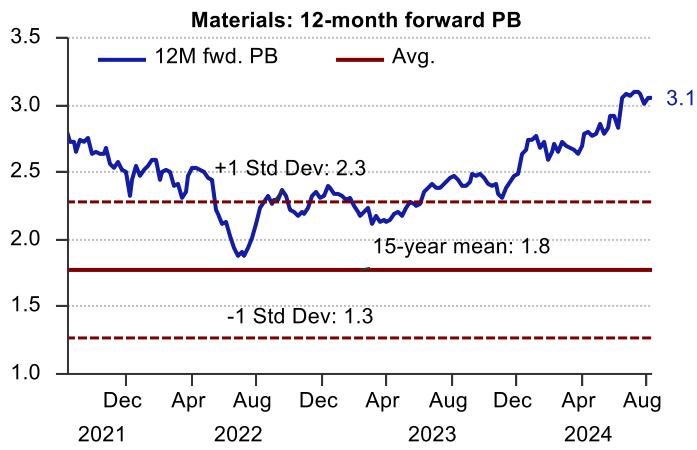
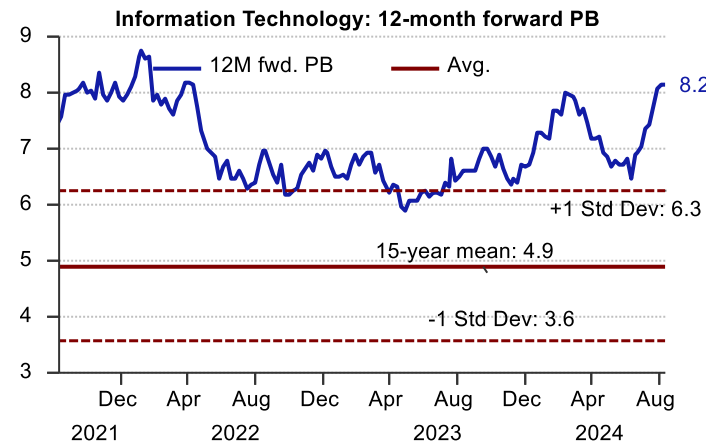
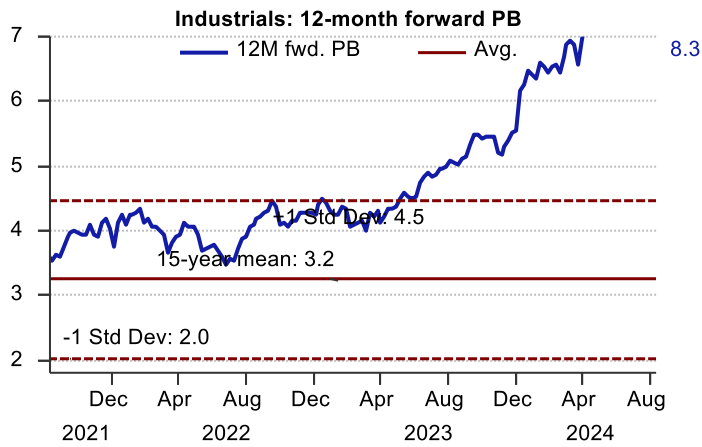
Figure 203: 12-month forward P/E for MSCI India sector indices (Long-term trend)



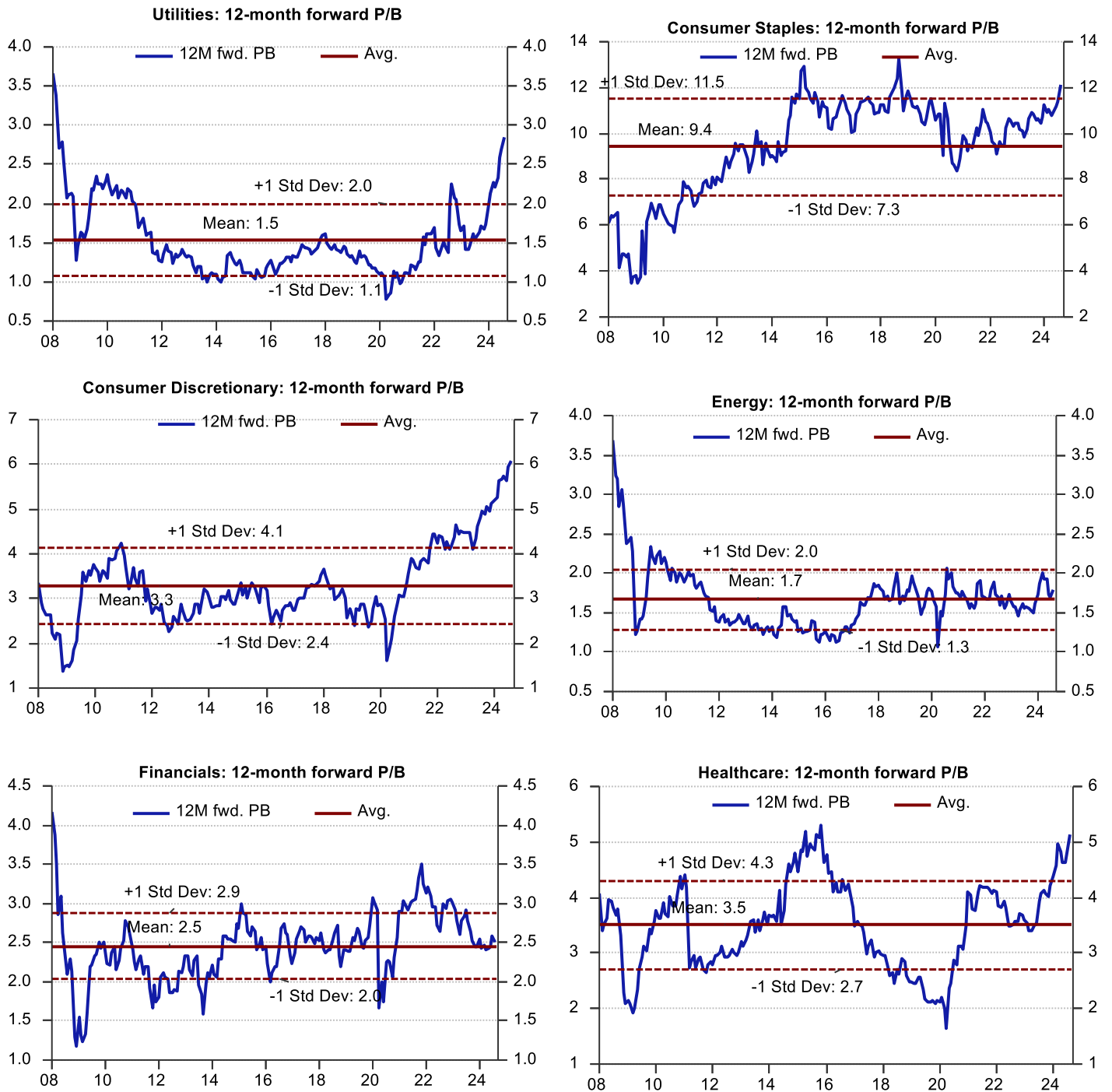


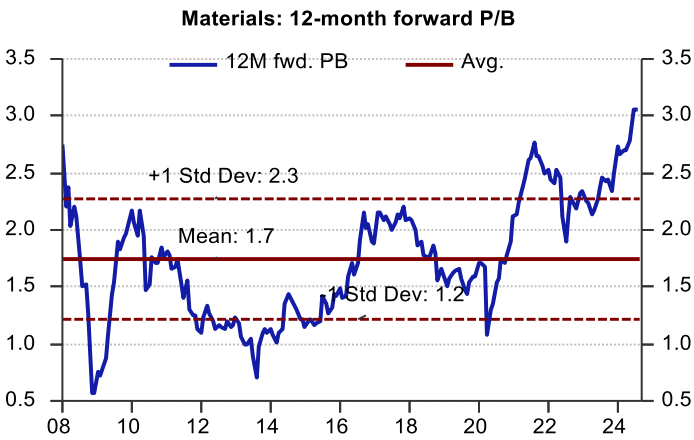
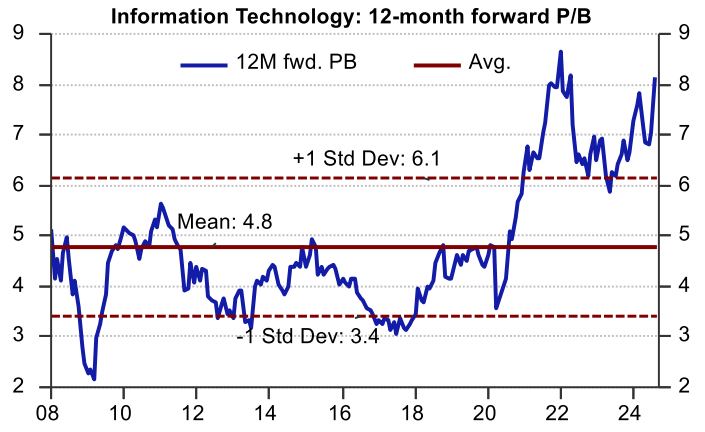
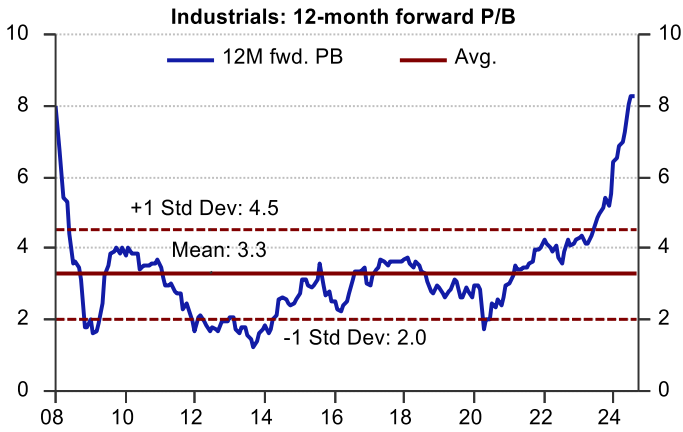
Source: LSEG Datastream, NSE EPR

Figure 204: 12-month forward P/B for MSCI India sector indices (Three-year trend)




Source: LSEG Datastream, NSE EPR.

Figure 205: 12-month forward P/B for MSCI India sector indices (Long-term trend)




Source: LSEG Datastream, NSE EPR.

Fixed income market performance

Table 39: Performance of key Nifty debt indices (As of July 31st, 2024)

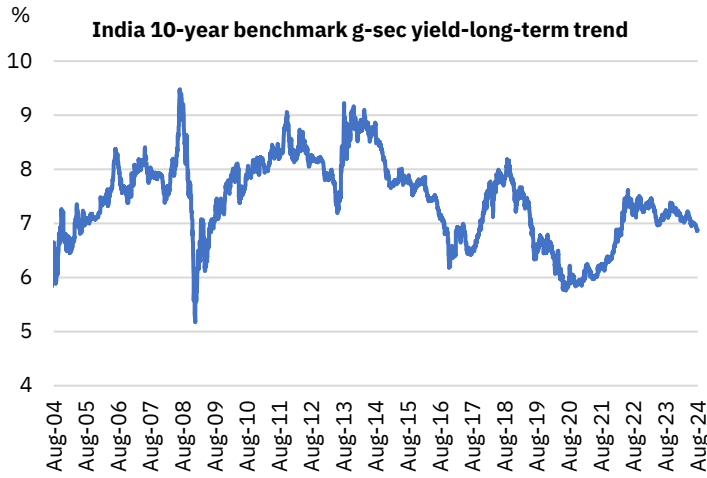
Category	Index name	Absolute returns (%)					CAGR returns (%)		
		1M	3M	6M	1Y	YTD	2Y	3Y	5Y
G-sec	Nifty 5yr Benchmark G-sec Index	1.4	3.1	4.3	8.5	5.0	7.6	5.8	6.6
	Nifty 10 yr Benchmark G-Sec	1.2	3.7	4.8	8.5	5.7	8.2	4.9	4.8
	Nifty Composite G-sec Index	1.1	3.6	5.0	9.2	6.0	8.6	6.0	6.3
SDL	NIFTY 10 Year SDL Index	1.0	3.2	5.8	8.5	6.6	8.9	6.6	7.0
AAA credit	NIFTY AAA Ultra Short Duration Bond Index	0.7	1.9	4.0	7.8	4.6	7.5	6.4	6.0
	NIFTY AAA Short Duration Bond Index	0.8	2.1	3.7	7.1	4.4	6.7	5.2	6.6
	NIFTY AAA Low Duration Bond Index	0.7	1.9	3.9	7.3	4.5	7.1	5.8	6.1
	NIFTY AAA Medium Duration Bond Index	1.0	2.4	4.0	7.3	4.7	6.8	5.1	7.1
	NIFTY AAA Medium to Long Duration Bond Index	0.9	2.2	4.3	7.3	5.0	7.1	5.1	6.8
	NIFTY AAA Long duration Bond Index	0.5	2.1	5.1	7.4	5.5	7.9	5.1	6.6
Composite	NIFTY Liquid Index	0.6	1.8	3.7	7.4	4.3	7.1	6.0	5.3
	NIFTY Money Market Index	0.7	1.9	3.9	7.6	4.5	7.3	6.1	5.6
	NIFTY Ultra Short Duration Debt Index	0.7	1.9	4.0	7.9	4.7	7.6	6.4	6.0
	NIFTY Short Duration Debt Index	0.8	2.1	3.8	7.4	4.5	7.0	5.6	6.6
	NIFTY Low Duration Debt Index	0.7	1.9	4.0	7.6	4.6	7.3	6.1	6.1
	NIFTY Medium Duration Debt Index	1.0	2.5	4.0	7.5	4.7	7.2	5.5	7.0
	NIFTY Medium to Long Duration Debt Index	1.0	2.7	4.5	7.9	5.2	7.8	5.8	6.8
	NIFTY Long Duration Debt Index	0.8	3.3	5.4	9.1	6.6	9.0	6.4	7.0
	NIFTY Composite Debt Index	0.9	2.7	4.4	8.0	5.3	7.8	5.9	6.9
	NIFTY Corporate Bond Index	0.8	2.1	3.8	7.3	4.5	7.1	5.6	7.1

Source: NSE Indices, NSE EPR

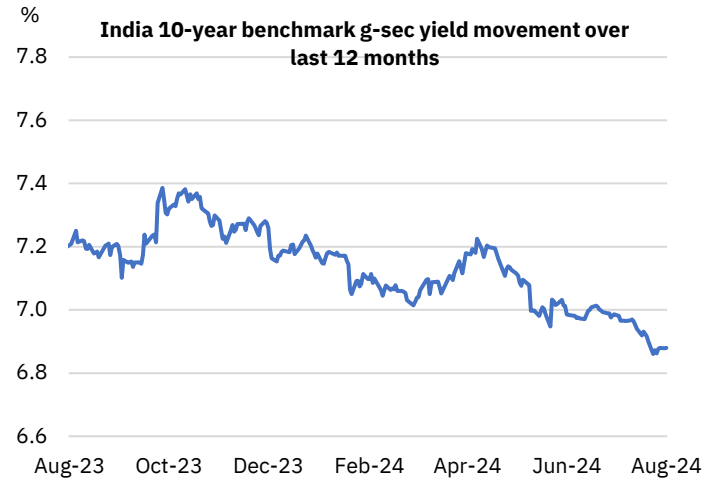
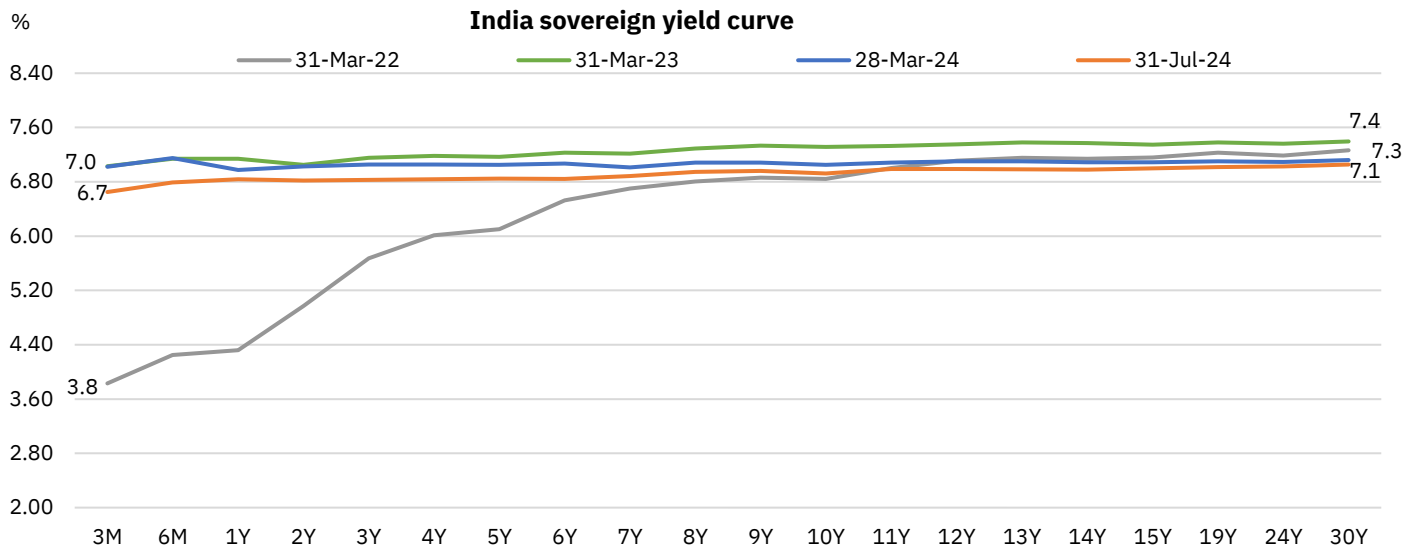
Global fixed income markets rallied in the last two months...: Global debt rallied for the second month in a row in July, aided by rate cut by the ECB and easing inflation and worsening growth in the US that cemented rate cut expectations from the US Fed. The US 10-year sovereign yield softened by 32bps in July and another 22bps in August thus far to 3.8% (As of August 14th, 2024), translating into a 65bps decline since June 1st, while that in the EU softened by a marginally lower 19bps in July and further by 13bps in August thus far to 2.2%. The 10-year sovereign bond yield in Japan, on the other hand, hardened by 11bps in July thus far, only to ease by 23bps in August thus far to 0.8% as of August 14th, 2024.

...with Indian debt moving in tandem, aided by favourable domestic and global cues:

After remaining broadly stable in the previous month, the Indian bond market resumed gains in July, echoing the global trend. This was on the back of several factors including a) easing headline inflation (headline inflation eased to a 59-month low of 3.5% in July), b) better tax collections and lower expenditure as reflected in the centre's monthly balances thus far indicating potential undershooting of the Centre's budget estimate of 4.9%, c) continued buying by FPIs and d) strengthening rate cut expectations by the US Fed. FPIs were buyers of Indian debt for the fourth month in a row in August with net inflows of US\$6.5bn during May-Aug'24 (As of August 14th, 2024). Consequently, the 10-year G-sec yield softened by 8bps in July, and another 7bps in August thus far, translating into a decline of 32bps in the year thus far to 6.86%.

Figure 206: India 10Y G-sec yield—long-term trend


Source: Cogencis, NSE EPR

Figure 207: India 10Y G-sec yield—last one-year trend

Figure 208: India sovereign yield curve


Source: Cogencis, NSE EPR

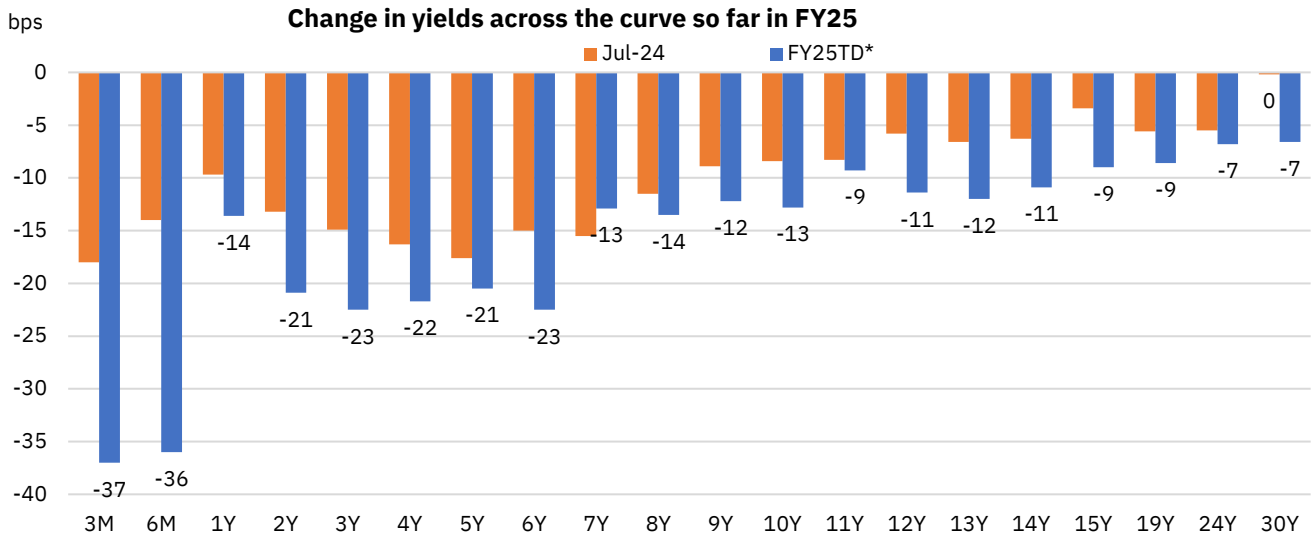
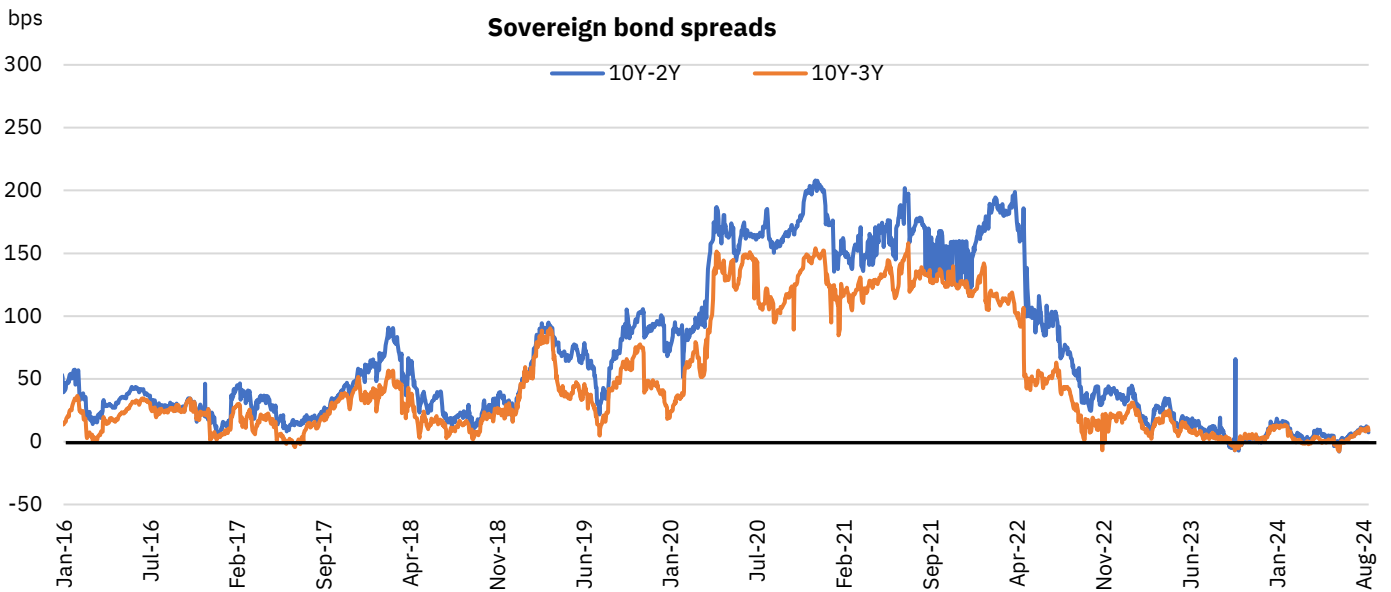
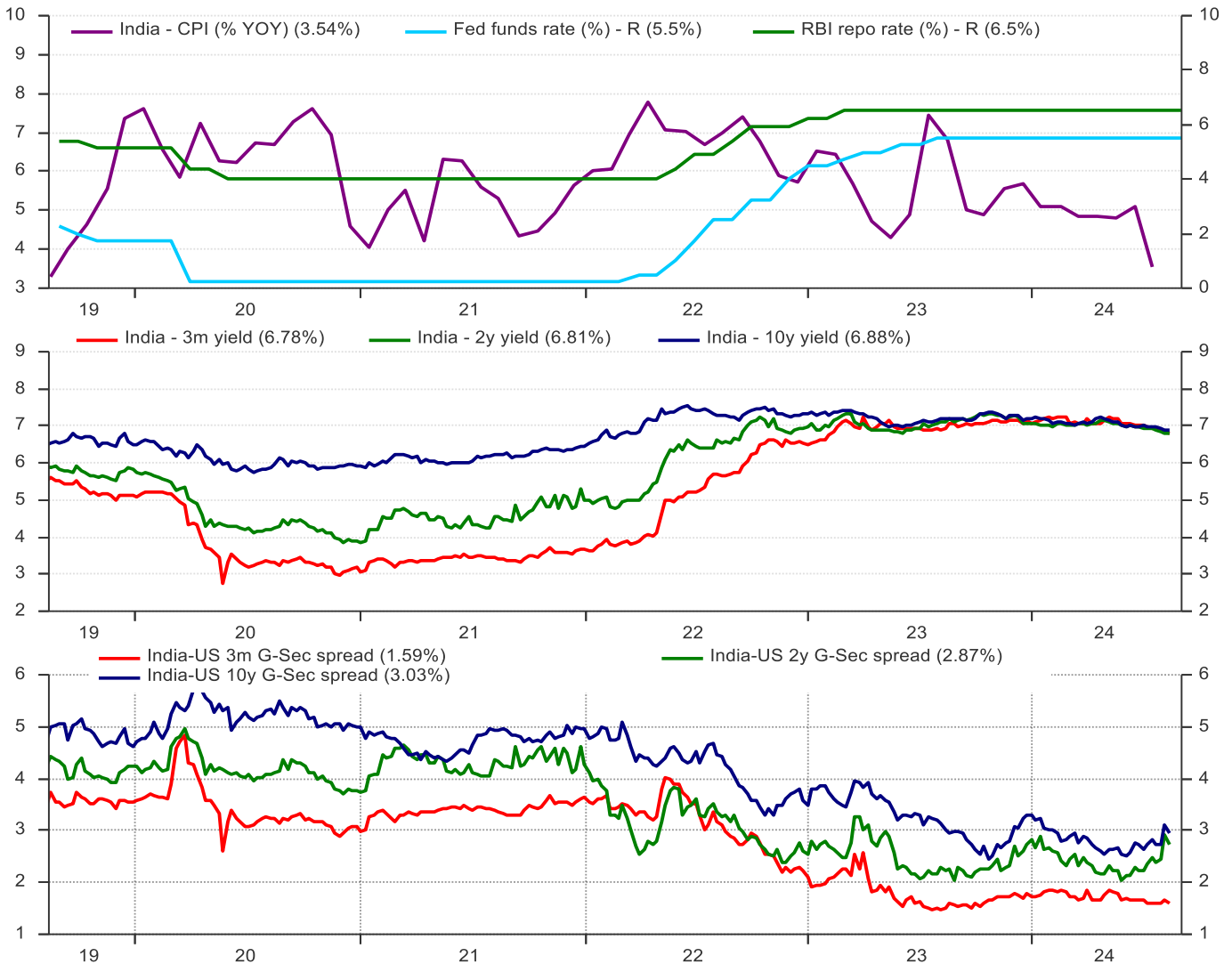
Figure 209: Change in sovereign yields across the curve

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

Figure 210: India sovereign bonds term premia


Source: Cogencis, NSE EPR

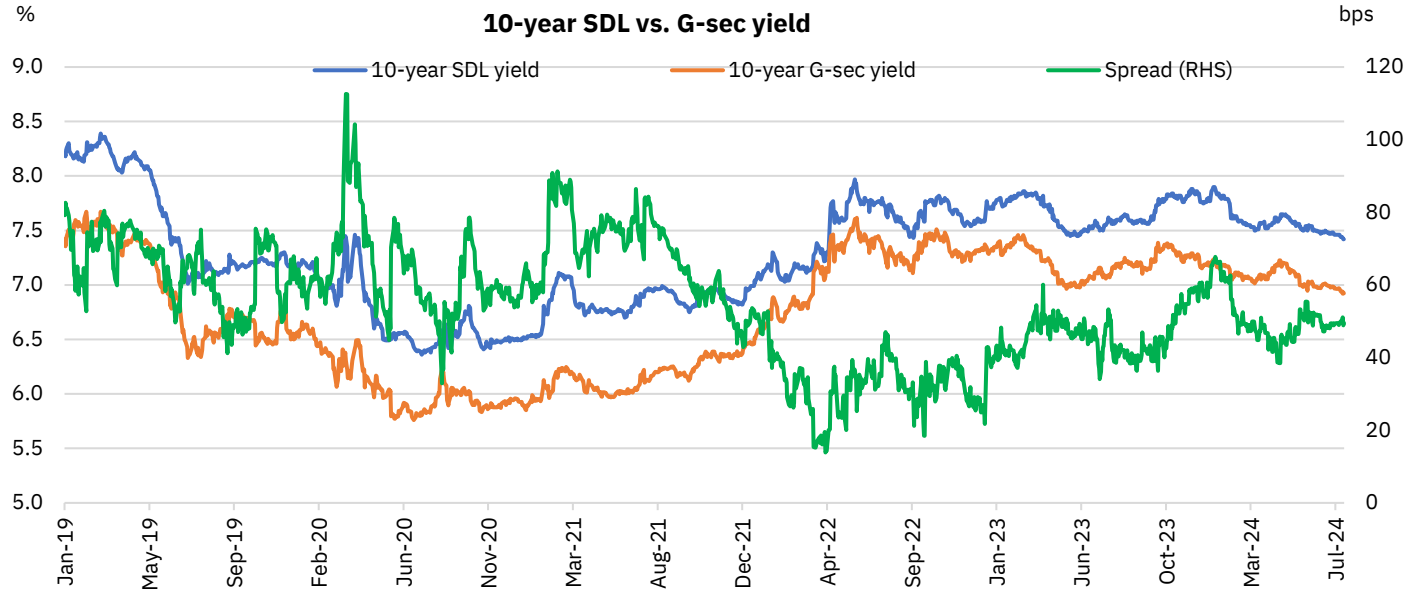
Figure 211: Inflation, yields and spreads in India vs. US


Source: LSEG Datastream, NSE EPR

SDL spreads remained broadly steady in July: After widening sharply in the last quarter of 2023 amid higher-than-indicated borrowings (Rs 2.46 lakh crore in Q4 2023, 1.7% higher than the indicated amount), SDL (State Development Loans) spreads fell in the first four months of the year on lower-than-expected borrowings, only to widen again in May, thanks to higher demand for G-secs in the run-up to the inclusion in the JP Morgan Emerging Market Bond Index. SDL spreads, however, fell in June, but remained broadly steady in July in the range of 48-51bps, thanks to a similar drop in SDL and G-sec yields last month. Macro factors apart, a part of this decline is attributed to states continuing to borrow much less than the indicated amount. For instance, total state borrowings in this fiscal thus far at Rs 2.37 lakh crore (As of August 9th, 2024) is nearly 34% lower than the

indicated amount of Rs 3.59 lakh crore, and about 3.2% below the amount issued during the same period last year.

Figure 212: Spreads between 10-year SDL and G-sec yields

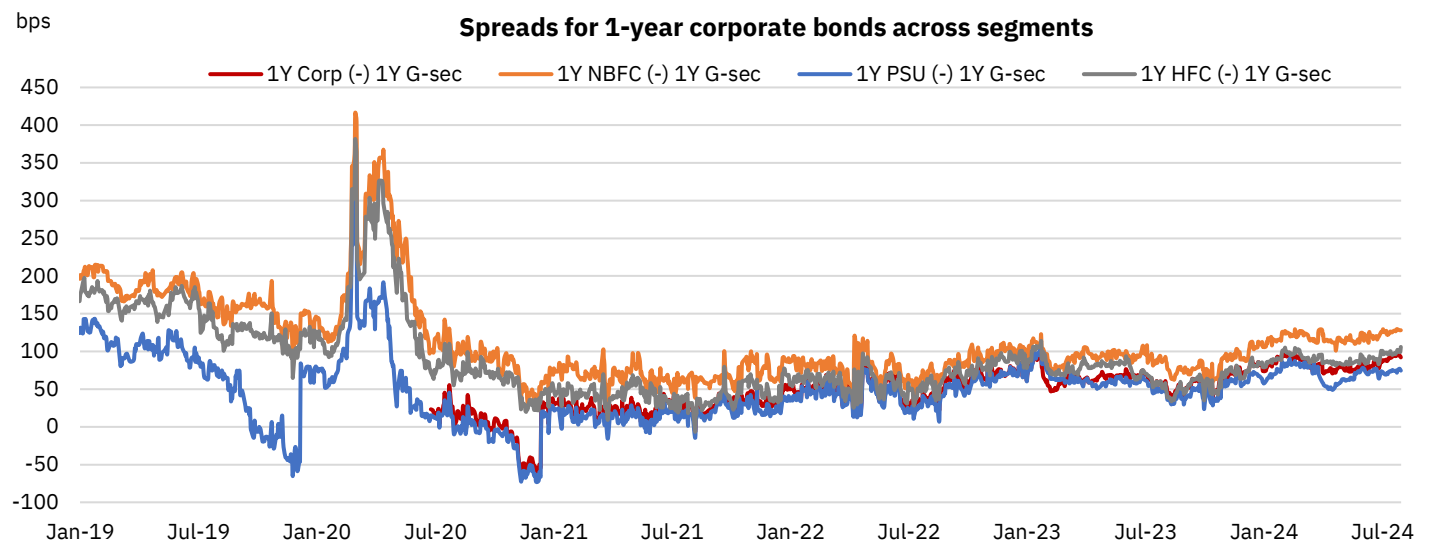


Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR.

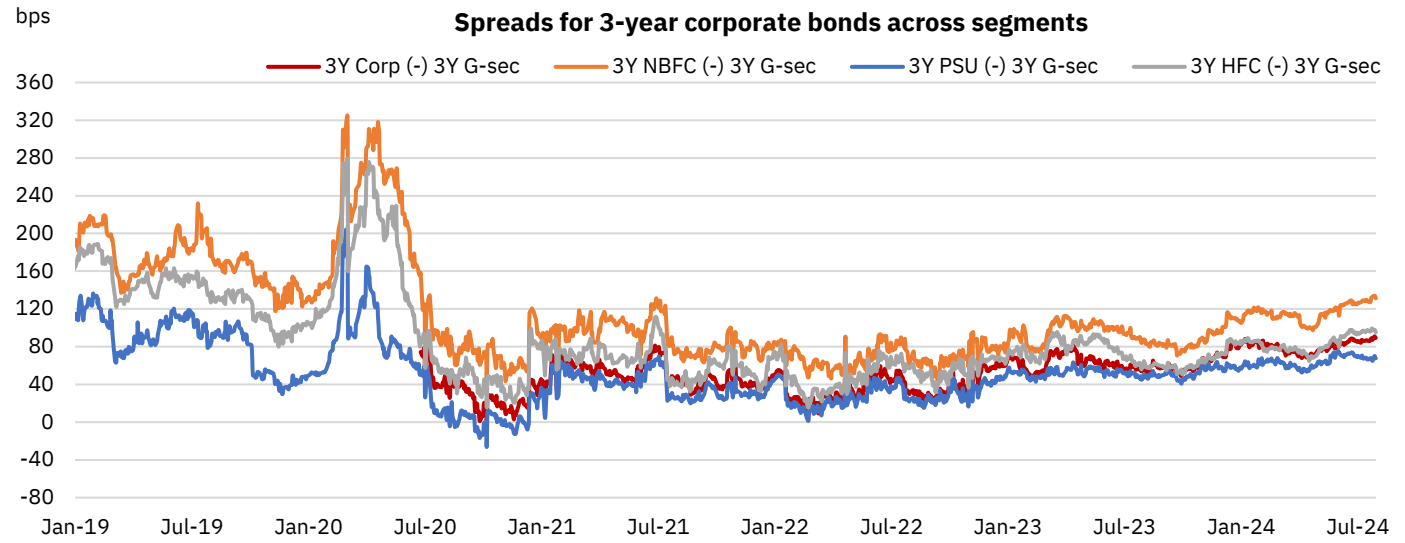
Corporate bond market performance

Unlike sovereign bonds, corporate yields in July eased only marginally across the board, partly supported by easy liquidity. Spreads at both long- and short-end of the corporate curve rose in July, as strengthening risk-off sentiments and inclusion of India sovereign debt in global bond indices kept the demand for sovereign papers strong. The 1-year AAA-rated papers across issuer categories saw their spreads with corresponding G-secs rise by about 12-15 bps in July.

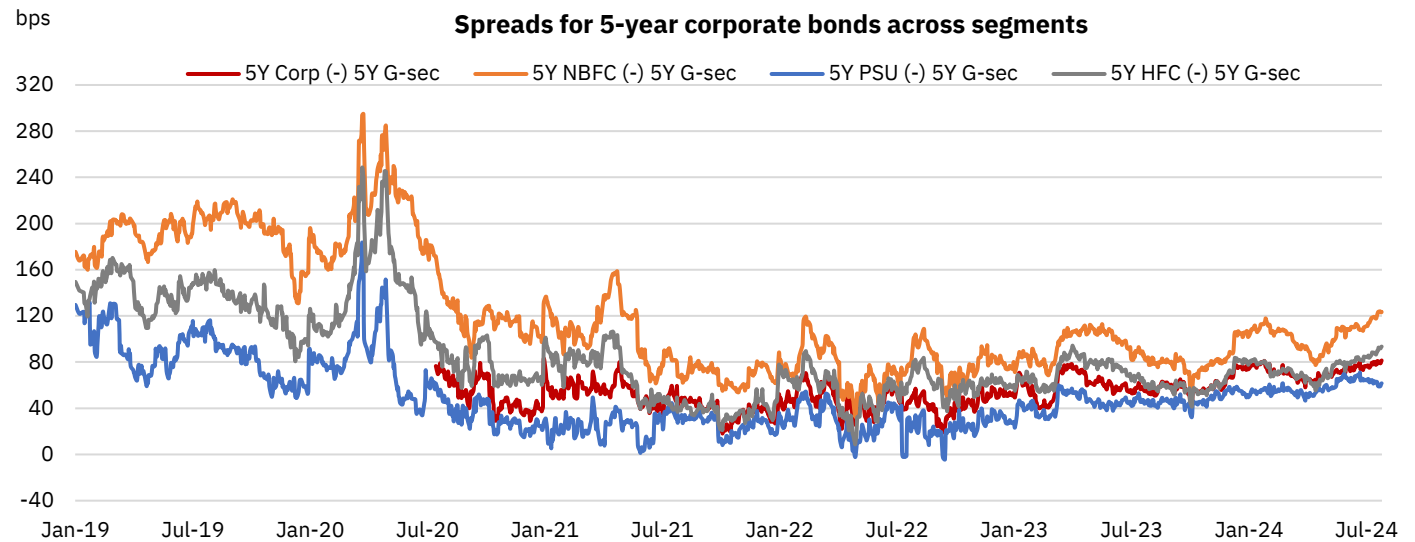
Figure 213: Spreads for one-year AAA-rated corporate bonds across segments



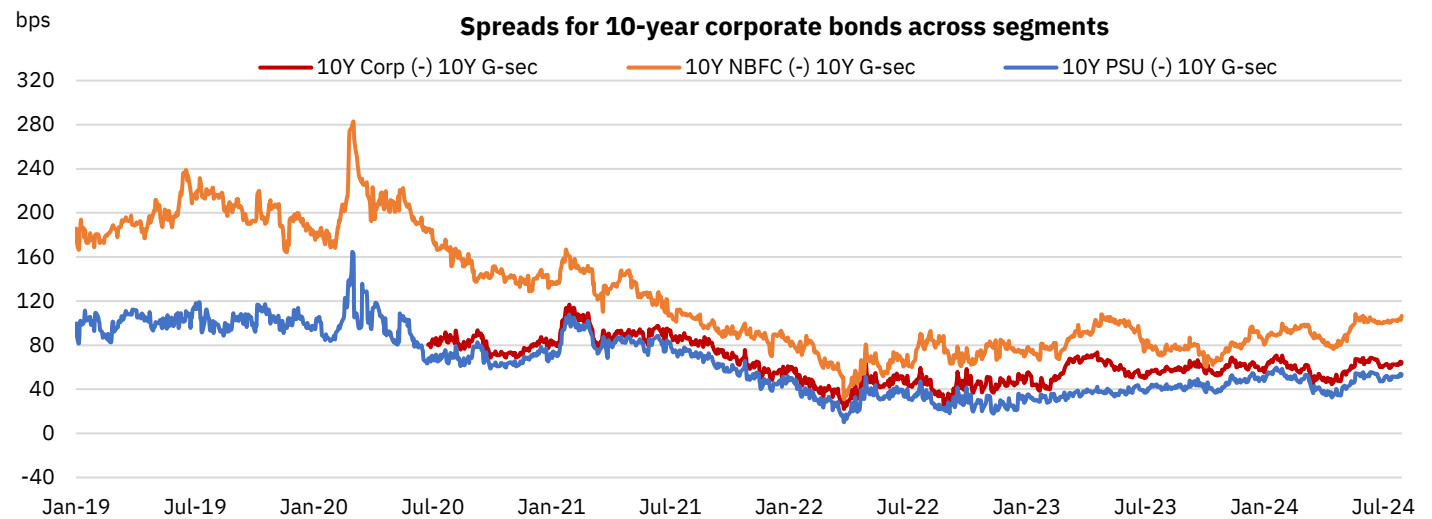
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 214: Spreads for three-year AAA-rated corporate bonds across segments


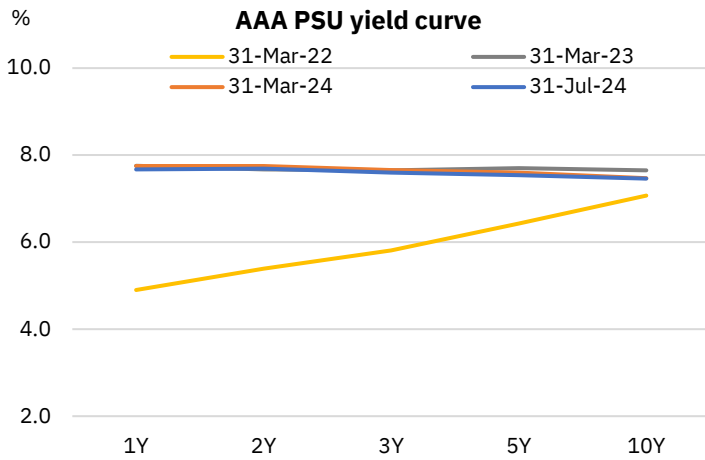
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 215: Spreads for five-year AAA-rated corporate bonds across segments


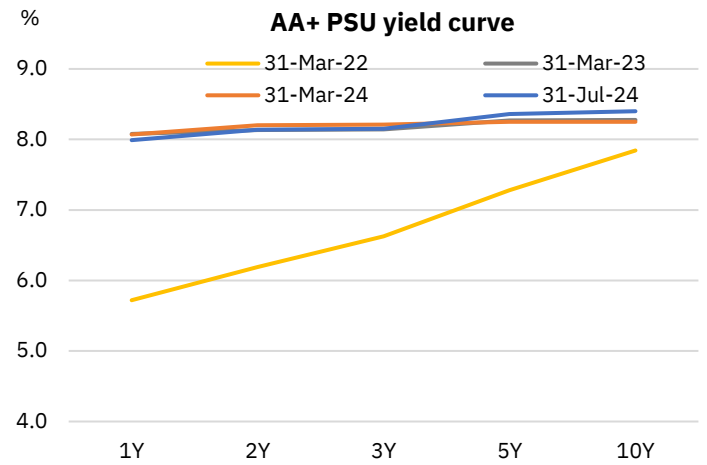
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 216: Spreads for 10-year AAA-rated corporate bonds across segments


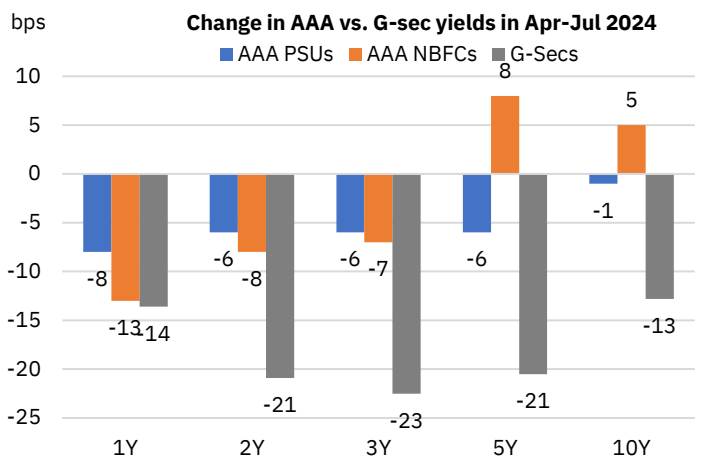
Source: NSE Data and Analytics (NDAL), Cogencis, NSE EPR

Figure 217: AAA-rated corporate bond yield curve


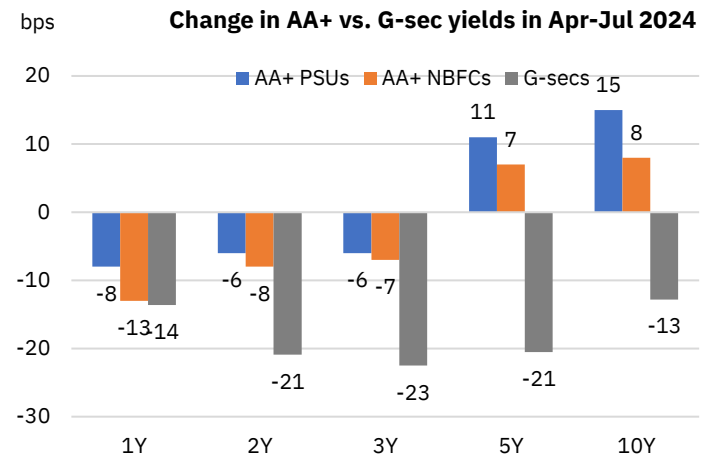
Source: NSE Data and Analytics (NDAL)

Figure 218: AA+ rated corporate bond yield curve


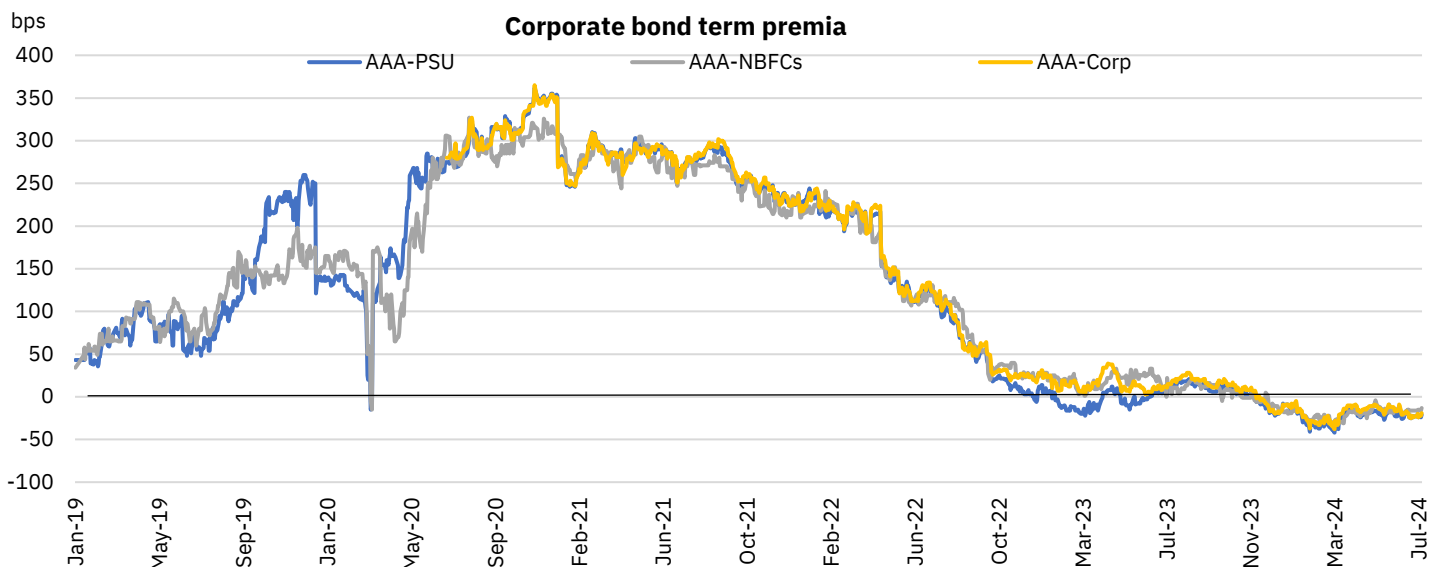
Source: NSE Data and Analytics (NDAL)

Figure 219: Change in AAA corporate bond and G-sec yields in FY25 till date


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

Figure 220: Change in AA+ corporate bond and G-sec yields in FY25 till date


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

Figure 221: Corporate bond term premia between 10-year and 1-year yields


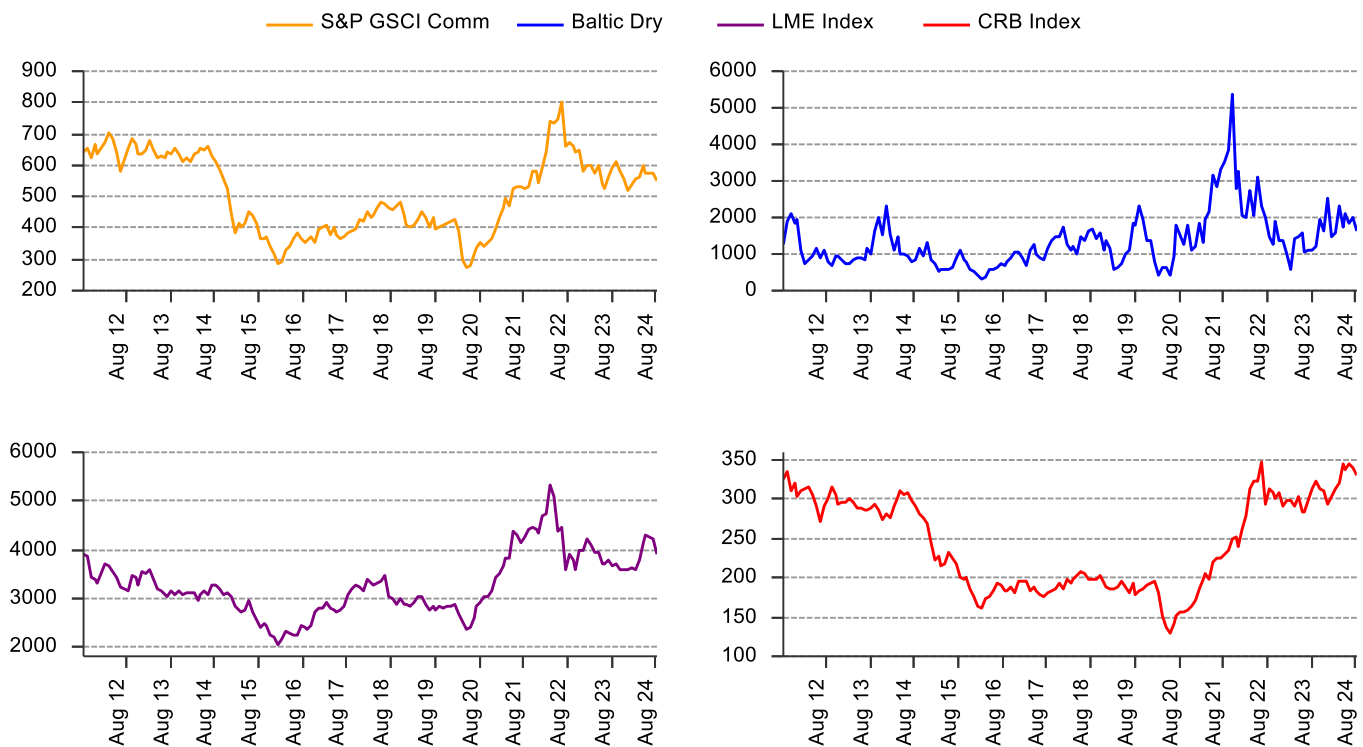
Source: NSE Data and Analytics (NDAL), NSE EPR

Commodity market performance

Commodity prices continued to fall in July: The S&P GSCI Index—a composite commodity index, dropped by 4.7% in July, and 1.7% in August so far. This decline was influenced by falling oil prices, as the market balanced the effects of reduced demand from China against supply concerns stemming from Middle Eastern tensions. In Agri-commodities, the decline was led by soyabean and wheat, falling by 9.2% and 8.5% respectively. Industrial metals also reflected similar sentiments, with Aluminum, Zinc, Tin, Lead, Nickel and Copper, experiencing a decline. In precious metals, while Gold recorded gains of 4.1% in July (YTD: 18.7%; As of August 14th, 2024), Silver gave up some of its gain after rallying for major part of the year, falling by 0.3% in July (YTD: +16.1%; As of August 14th, 2024). Oil prices dropped by 6.7% in July and by another 0.4% in August, dropping the YTD return to a mere 3.4% (As of August 14th, 2024).

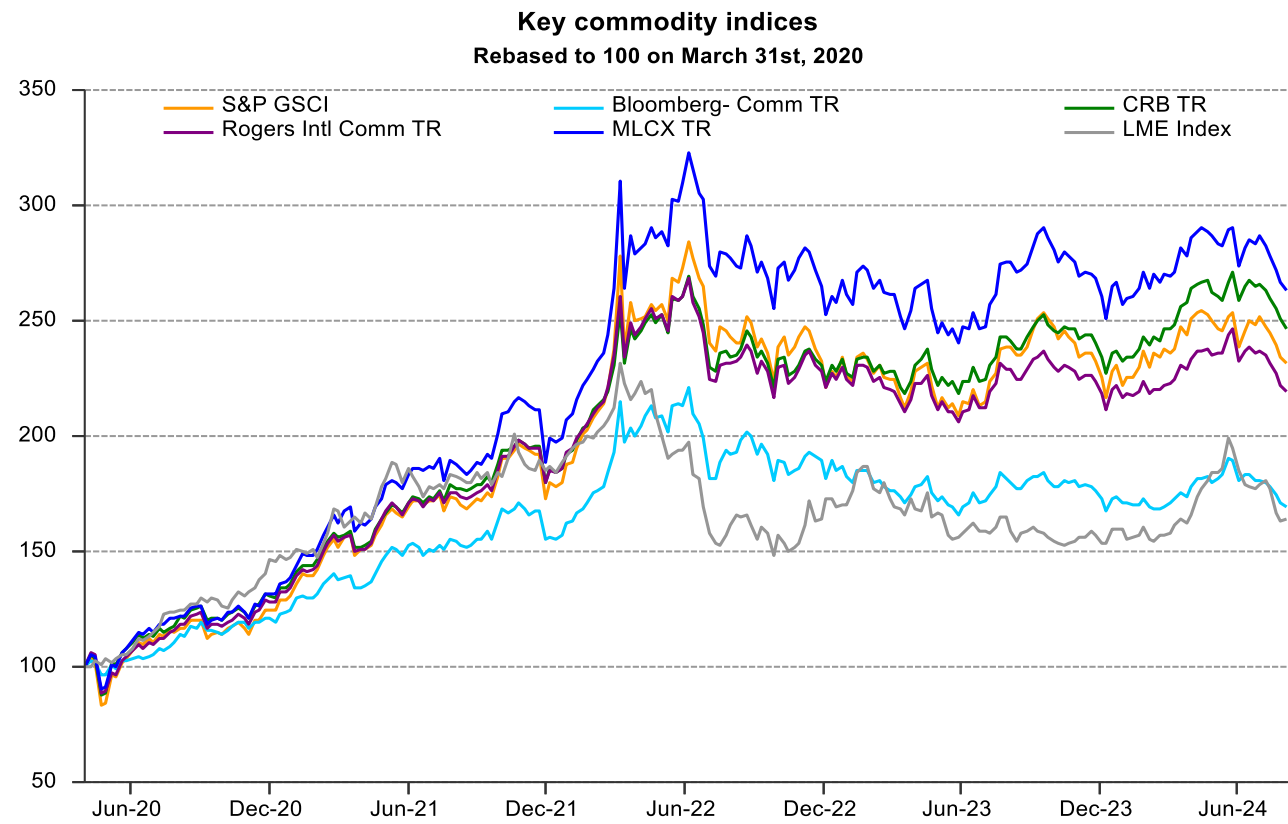
Figure 222: Movement in key commodity indices

(As on August 14th, 2024)



Source: LSEG Datastream, NSE EPR.

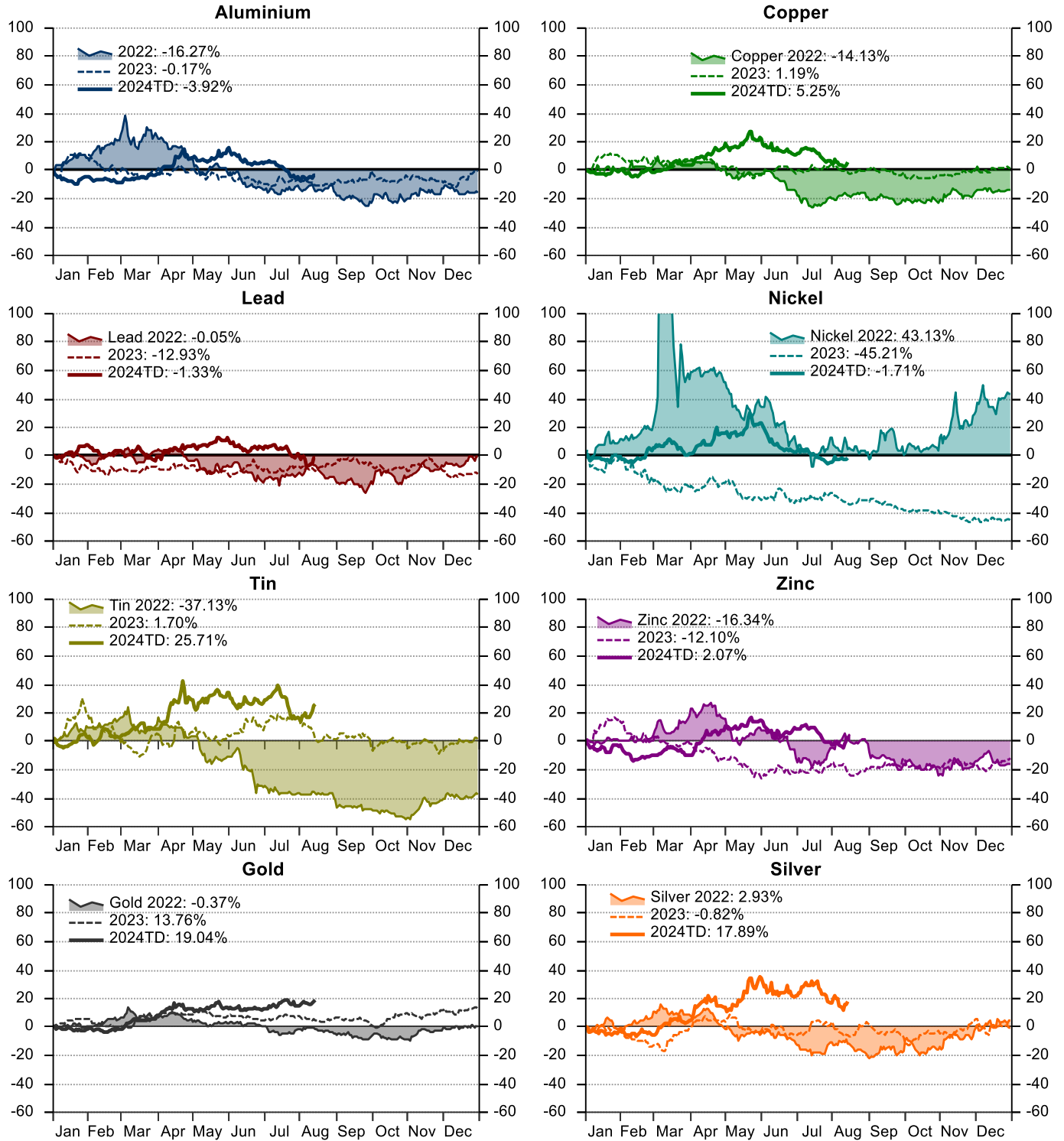
Figure 223: Movement in key commodity indices since 2020

 Rebased to 100 on March 31st, 2020 (As of August 14th, 2024)


Source: LSEG Datastream, NSE EPR.

Figure 224: Returns of key hard commodities in 2022, 2023 and 2024 till date

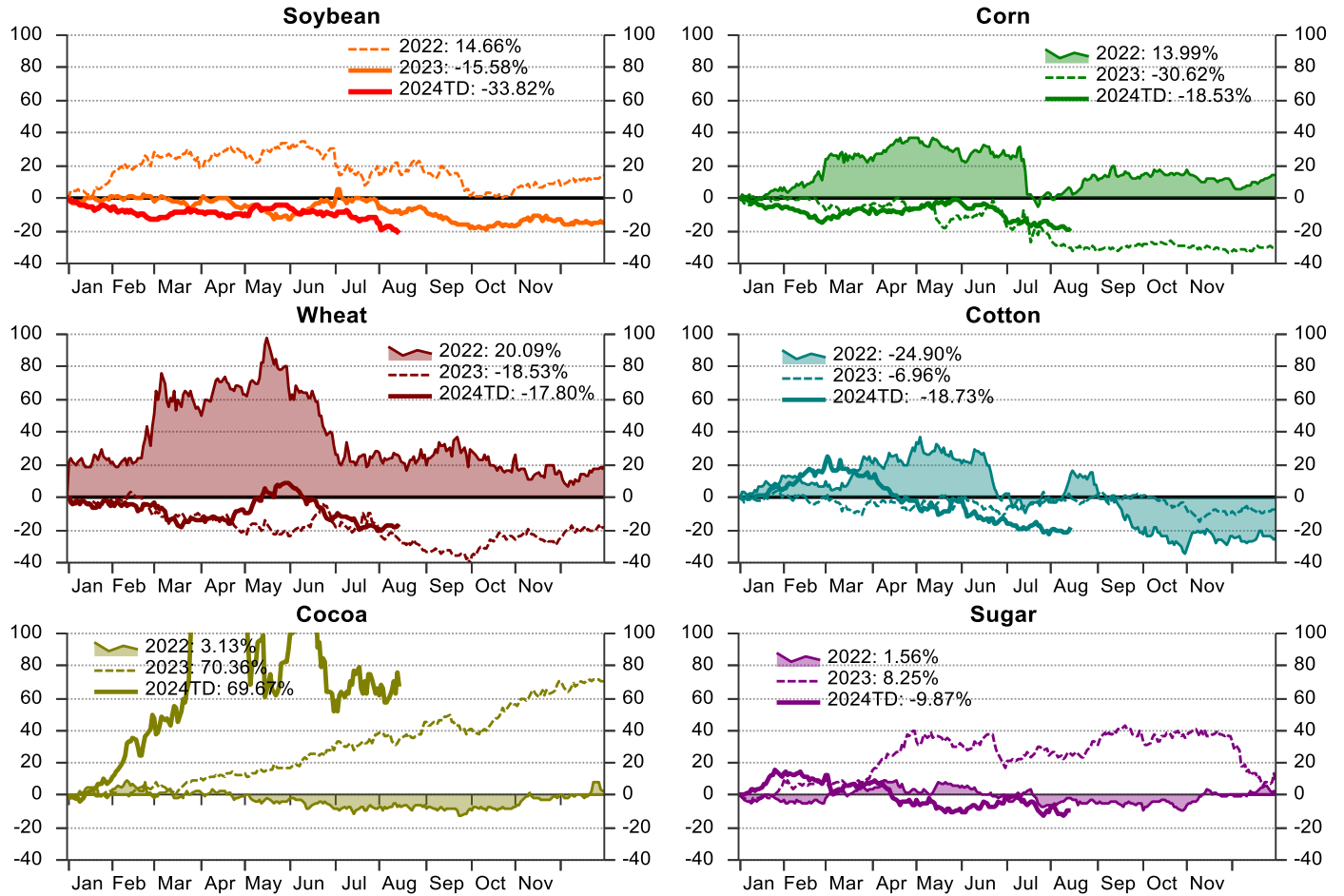
 (As of August 14th, 2024)

Returns of key hard commodities


Source: LSEG Datastream, NSE EPR.

Figure 225: Returns of key agricultural commodities in 2022, 2023 and 2024 till date

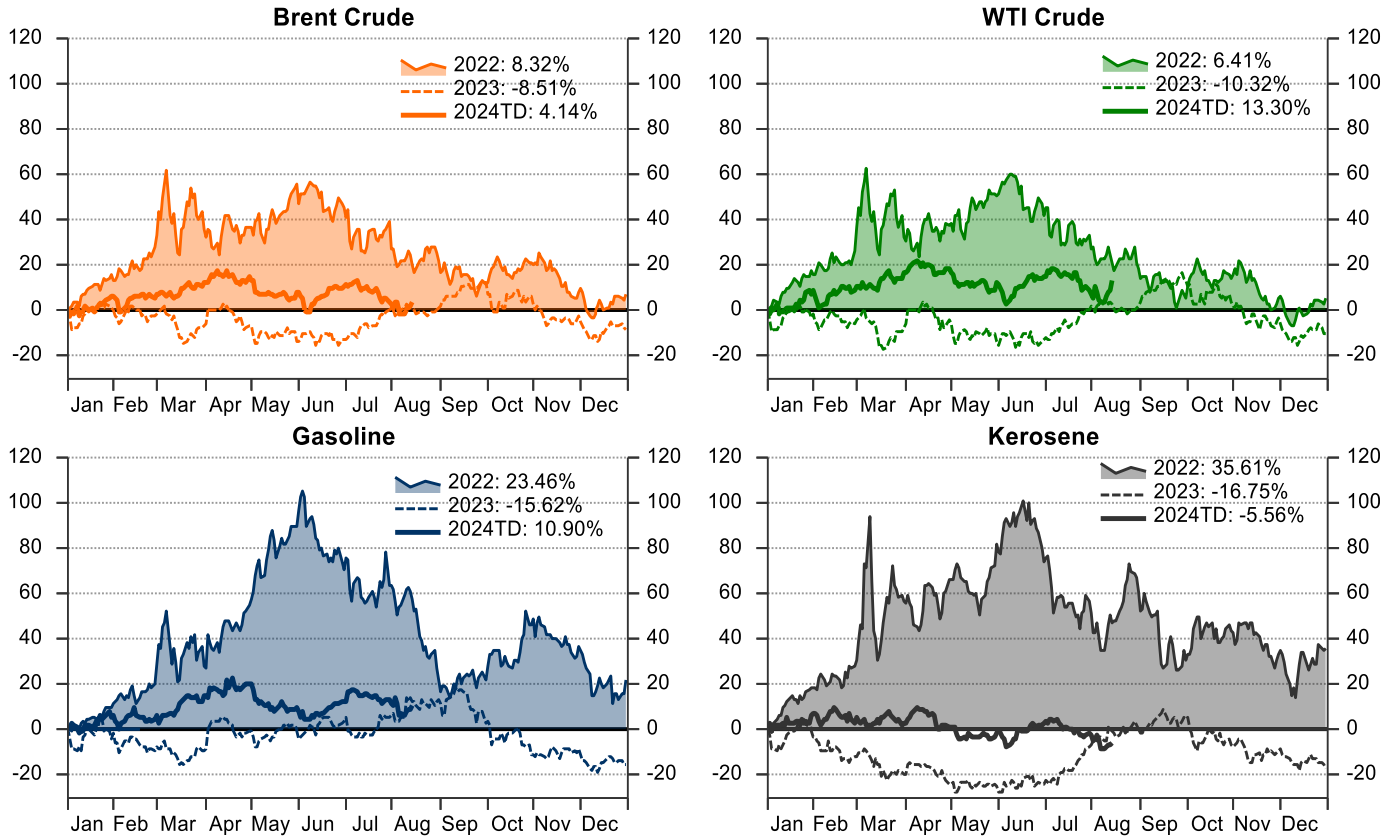
 (As of August 14th, 2024)

Returns of key agri commodities


Source: LSEG Datastream, NSE EPR.

Figure 226: Returns of key energy commodities in 2022, 2023 and 2024 till date
 (As of August 14th, 2024)

Returns of key energy commodities



Source: LSEG Datastream, NSE EPR.

Table 40: Annual performance across commodities

 (As of August 14th, 2024)

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

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024TD
Palladium 13.3	Lead -2.5	Zinc 60.6	Palladium 57.6	Palladium 19.6	Palladium 52.0	Silver 47.8	Tin 91.7	Nickel 43.1	Gold 13.8	Tin 25.7
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 19.0
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	Silver 17.9
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	WTI 13.3
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 5.3
Platinum -11.1	Copper -26.1	Copper 17.4	Lead 24.3	Nickel -16.5	Gold 18.7	Tin 19.6	Nickel 26.1	Silver 2.9	Platinum -2.4	Brent Crude 4.1
Tin -13.0	Zinc -26.5	Silver 15.1	Brent Crude 17.5	Aluminium -17.4	Silver 15.2	Nickel 18.7	Copper 25.7	Lead -0.1	Palladium -2.4	Zinc 2.1
Copper -13.7	Platinum -28.0	Aluminium 13.6	Gold 12.6	Copper -17.5	Copper 3.4	Aluminium 10.8	Lead 18.3	Gold -0.4	Brent Crude -8.5	Lead -1.3
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	Nickel -1.7
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	Aluminium -3.9
WTI -45.9	Brent Crude -35.1	Gold 9.0	Platinum 3.2	Zinc -24.5	Zinc -9.5	WTI -21.0	Palladium -10.2	Zinc -16.3	Lead -12.9	Platinum -6.8
Brent Crude -48.9	Nickel -41.8	Platinum 3.5	Tin -5.2	WTI -25.3	Tin -12.0	Brent Crude -21.8	Silver -11.7	Tin -37.1	Nickel -45.2	Palladium -6.8

Source: LSEG DataStream, NSE EPR.

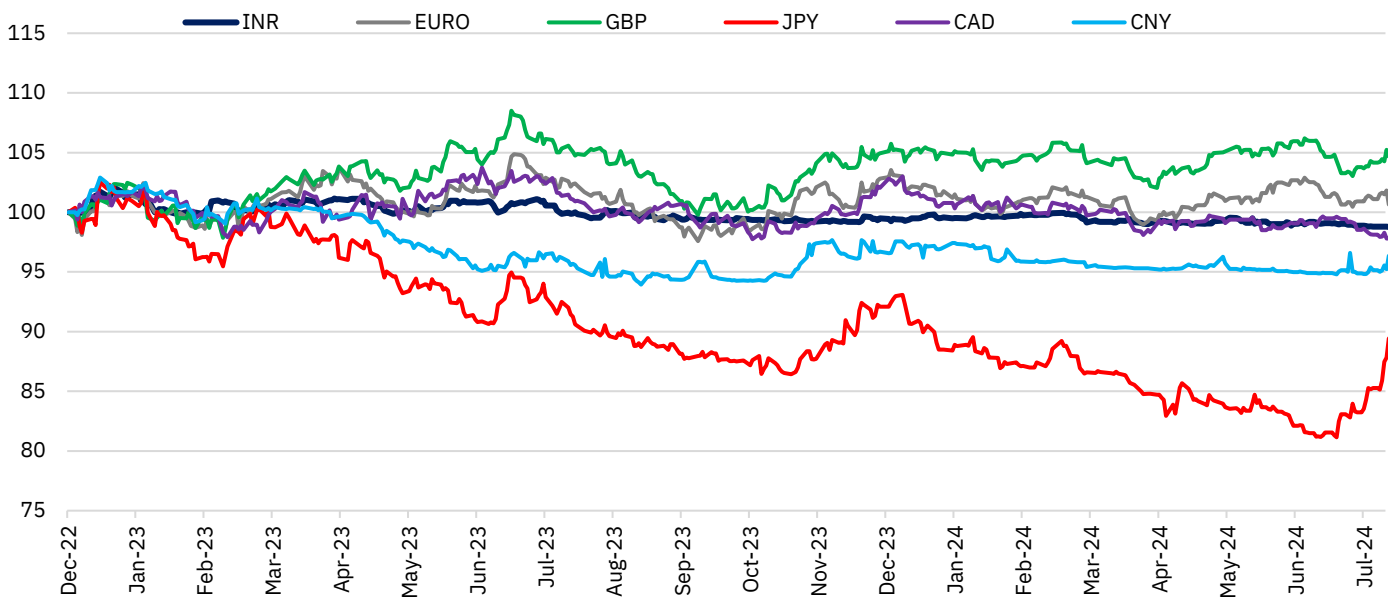
Currency market performance

INR slips to record low: INR touched a record low of 83.97 on August 12th, 2024, amid global economic concern and fresh geopolitical escalation. The domestic currency depreciated by 0.3% in Aug till now after closing at 83.72 in July 2024. Notably, FPI sold approximately \$861 mn of Indian assets in the first two weeks of August as compared to \$5.8 bn inflows recorded in Jul'24. The outflow can be attributed towards rationalisation of capital gains as announced in the Union budget and rising tensions in the Middle East and Eastern Europe. Consequently, RBI's foreign exchange reserves hit a new peak of US\$675 bn as of Aug 2nd, 2024 – an increase of US\$23 bn from Jun'24.

In the month gone by, the DXY recorded 1.7% MoM decline to 104 amid slowdown and poor employment print in US. In contrast, Asian currencies strengthened, notably the Japanese Yen – registered an appreciation of 7.2% MoM as BoJ raised interest rates and announced plans to taper its bond purchases, consequently Chinese Yuan appreciated modestly (+0.7% MoM). During the period, Pound Sterling (+1.7% MoM) and Euro (+1% MoM) appreciated while Canadian Dollar registered a marginal decline by 0.8% MoM.

Figure 227: Movement in INR vs. major DM currencies since beginning of 2023

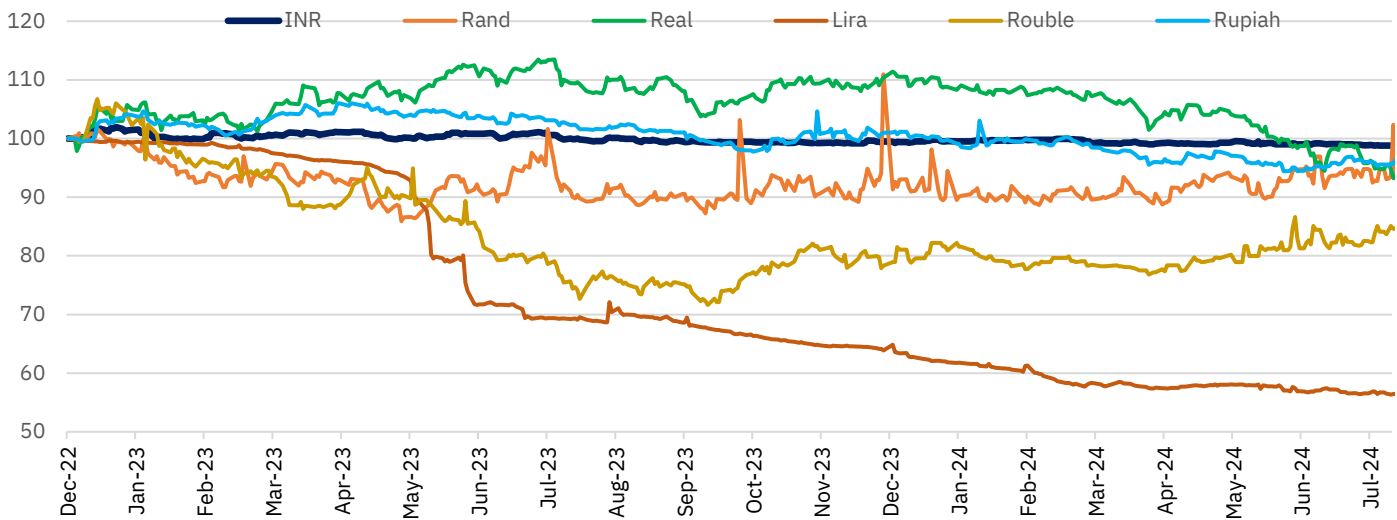
(Rebased to 100 on December 30th, 2022)



Source: Cogencis, NSE EPR.

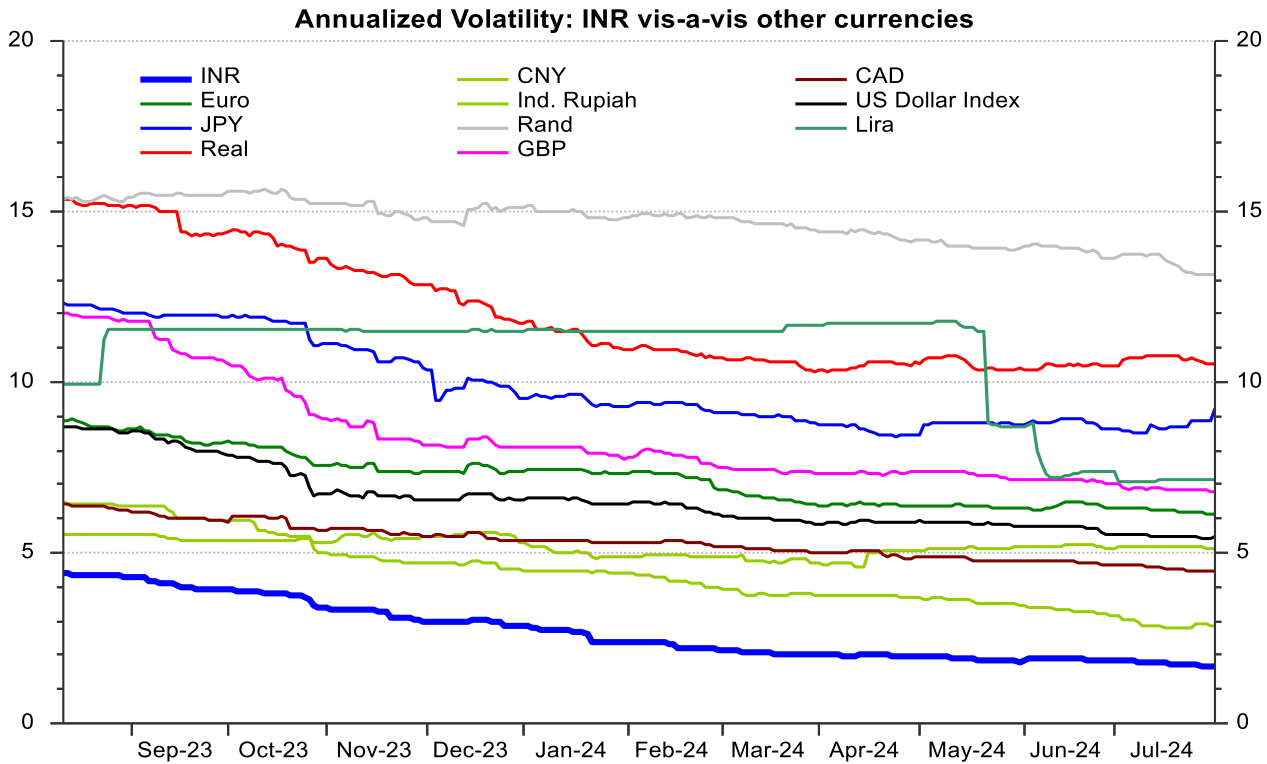
Figure 228: Movement in INR vs. major EM currencies since the beginning of 2023

(Rebased to 100 on December 30th, 2022)

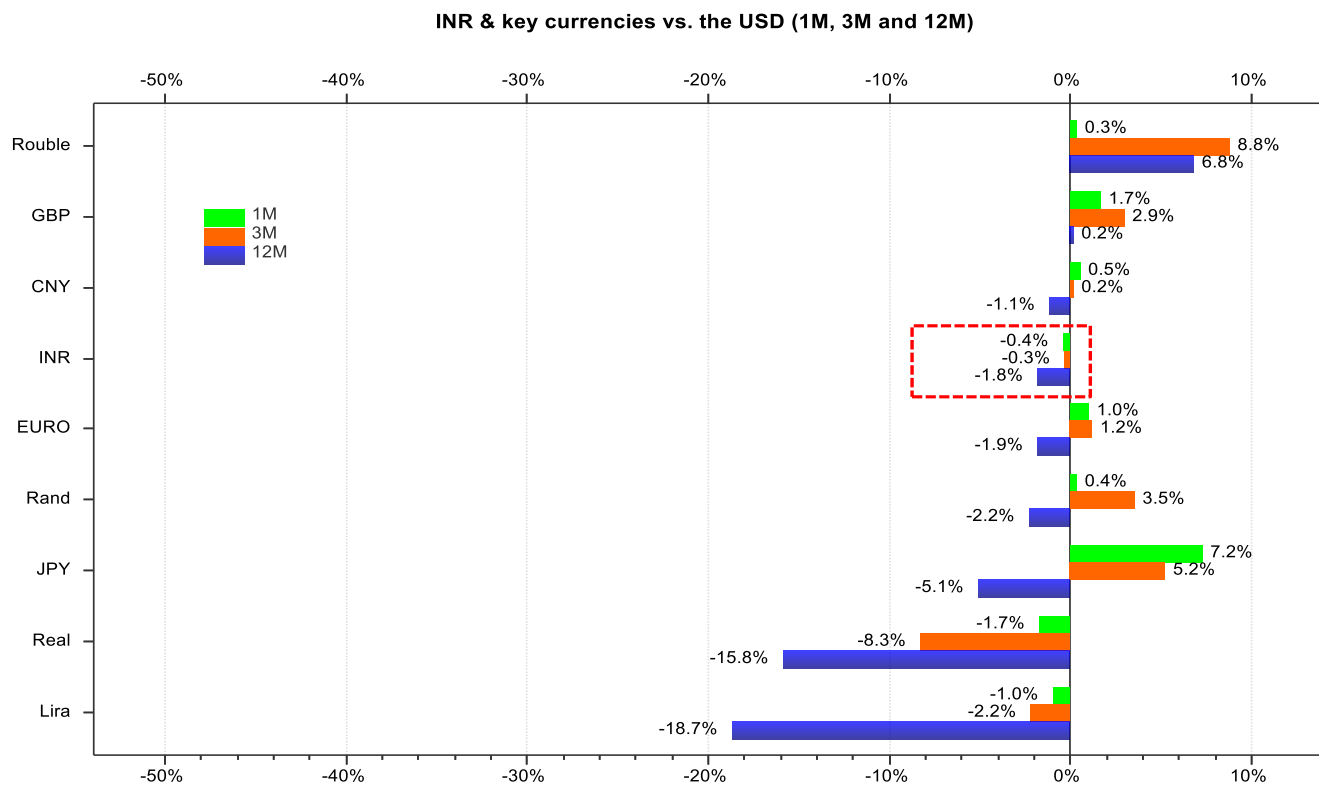


Source: Cogencis, NSE EPR.

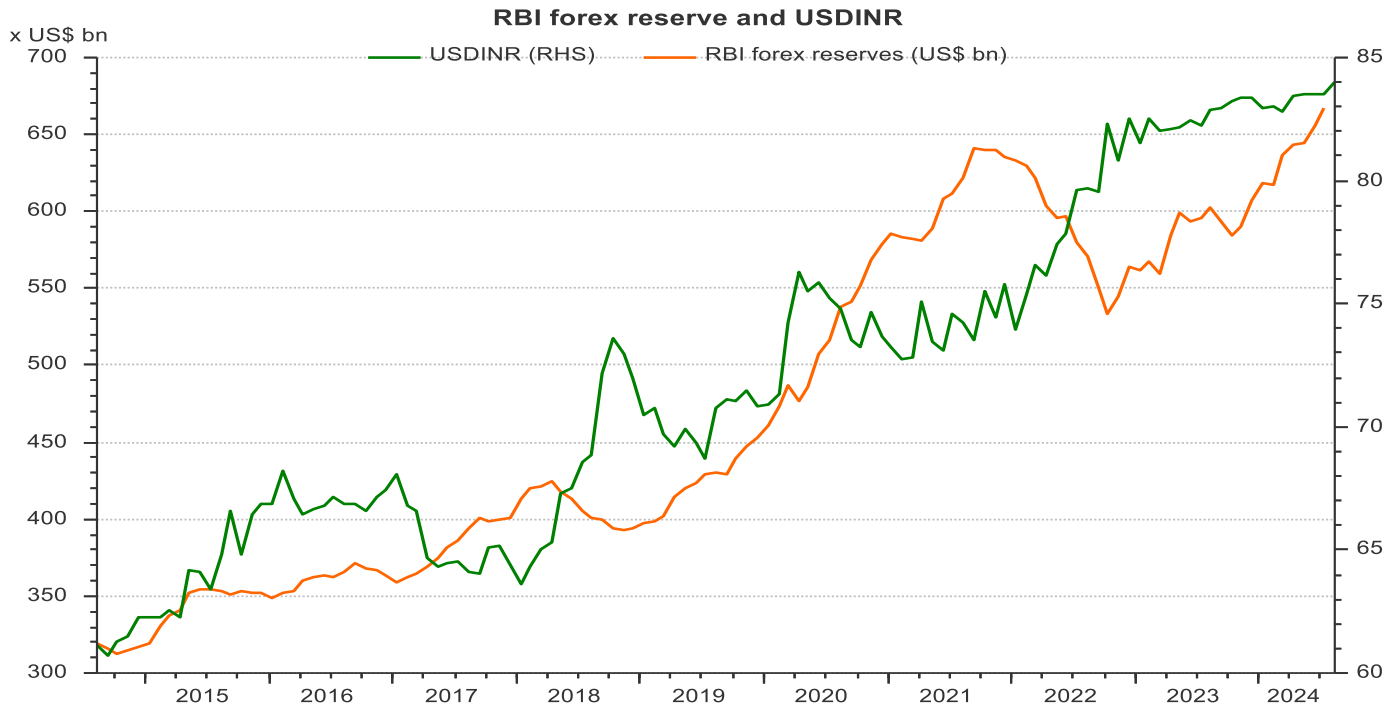
INR volatility remains lowest among EM peers: During the month of July'24, the average annualized volatility eased across most global markets, with the INR showing remarkable stability at 1.8% as against 1.9% in Jun'24 and remained the lowest among its EM peers. Despite DXY registering decline (-1.7% MoM), the INR only depreciated by 0.4%, led by rise in international oil prices and higher dollar demand by gold importers after budget announcement. The relatively mild depreciation in INR vis-à-vis other major currencies was supported by FPI inflows in Jul'24 on account of JP Morgans bond inclusion, which remained steady despite rationalization of capital gains taxes after the Union budget. Among major EM peers, the South African Rand exhibited average annualized volatility of 13.5% (vs 13.9% in Jun'24), followed by the Brazilian Real at 10.7% (vs 10.5% in Jun'24). Among the major DMs, volatility rates were 7.1% for the Turkish Lira, 8.7% for the Japanese Yen, 6.9% for the Pound Sterling, 6.2% for the Euro, 4.5% for the Canadian Dollar, and 2.9% for the Chinese Yuan.

Figure 229: Annualized volatility of INR vs other developed and EM currencies


Source: LSEG Datastream, NSE EPR.

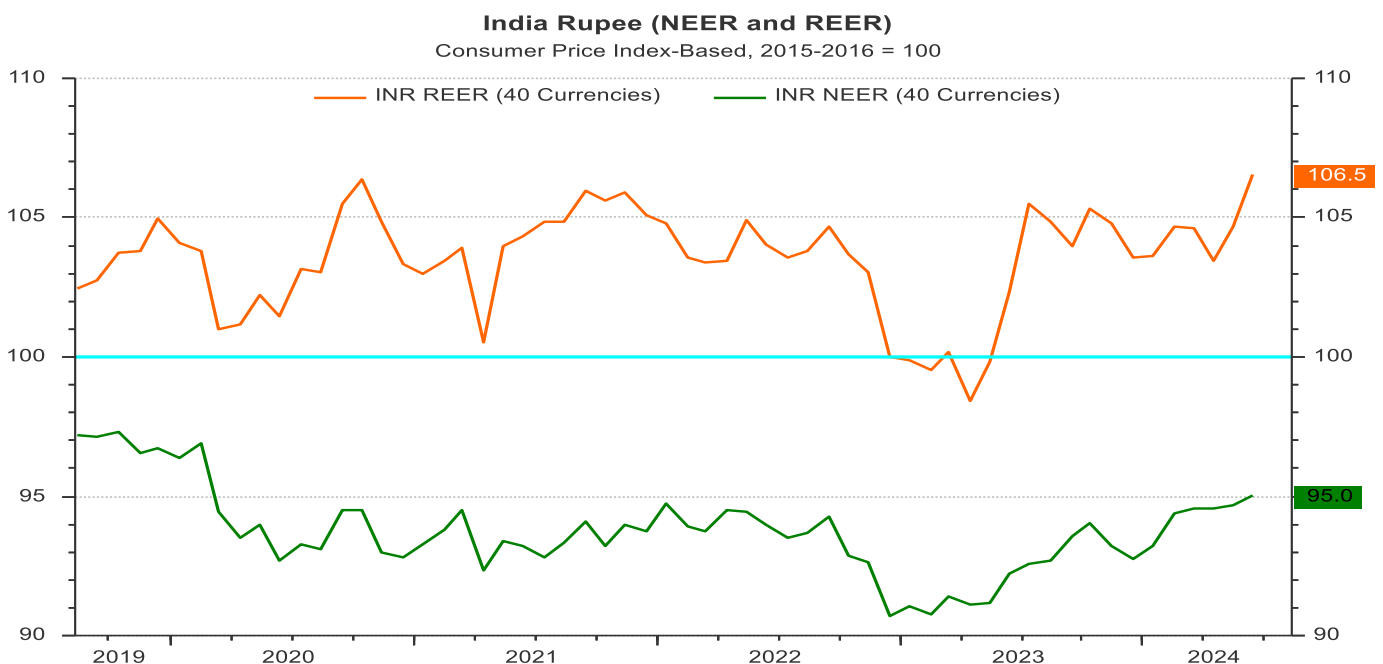
Figure 230: Change in INR vs other major currencies (as on July 31st, 2024)


Source: LSEG Datastream, NSE EPR.

Figure 231: RBI forex reserves and USDINR


Source: LSEG Datastream, NSE EPR.

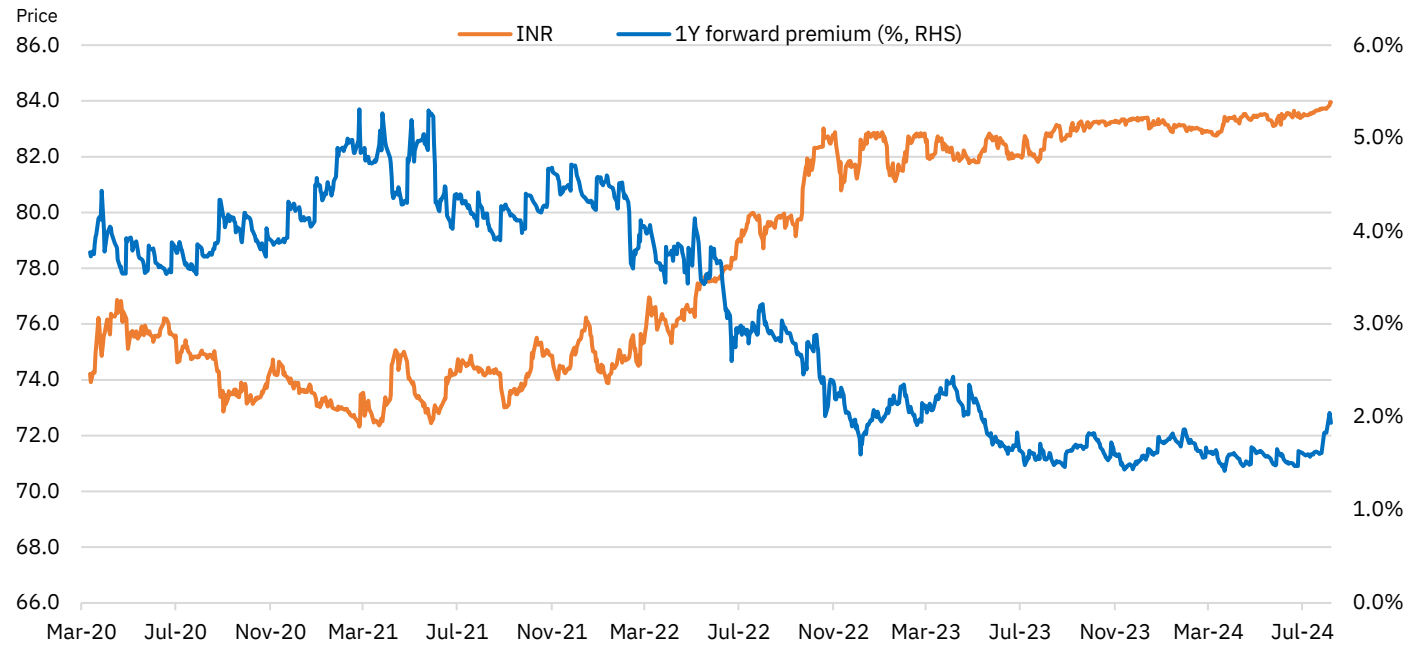
REER highlights persistent overvaluation of INR: The INR has sustained its overvaluation for the 14th consecutive month in Jun'24, reflected by the Real Effective Exchange Rate (REER), against a basket of 40 currencies. The REER has steadily increased from 102.4 in Jun'23 to 106.5 in Jun'24. Concurrently, the Nominal Effective Exchange Rate (NEER) has also registered a rise, achieving a 19-month peak at 95. The continuous rise underscores the enduring overvaluation pressures on the Rupee

Figure 232: Real and nominal effective exchange rates of INR


Source: LSEG Datastream, NSE EPR.

INR one-year forward premium rises: In the month gone by, the INR forward premium for one-year rose by 20 basis points to 1.8%, led by rising oil prices, changes to the capital gains post union budget and expectations of interest rate differential expansion – as markets anticipate Fed rate cut in response to disappointing employment prints. The one-year forward premium oscillated between 131.5 and 153.5 paise, closing at 153.5 paise against the greenback in Jul'24. Despite this notable increase in one year forward premium (+13.3% MoM), the premia remain much lower than pandemic level, reflecting the rupee's resilience and the strength of India's macroeconomic foundations amid persistent global economic uncertainties.

Figure 233: USDINR and 1-year forward premium



Source: Cogencis, NSE EPR.

Institutional flows across market segments in India

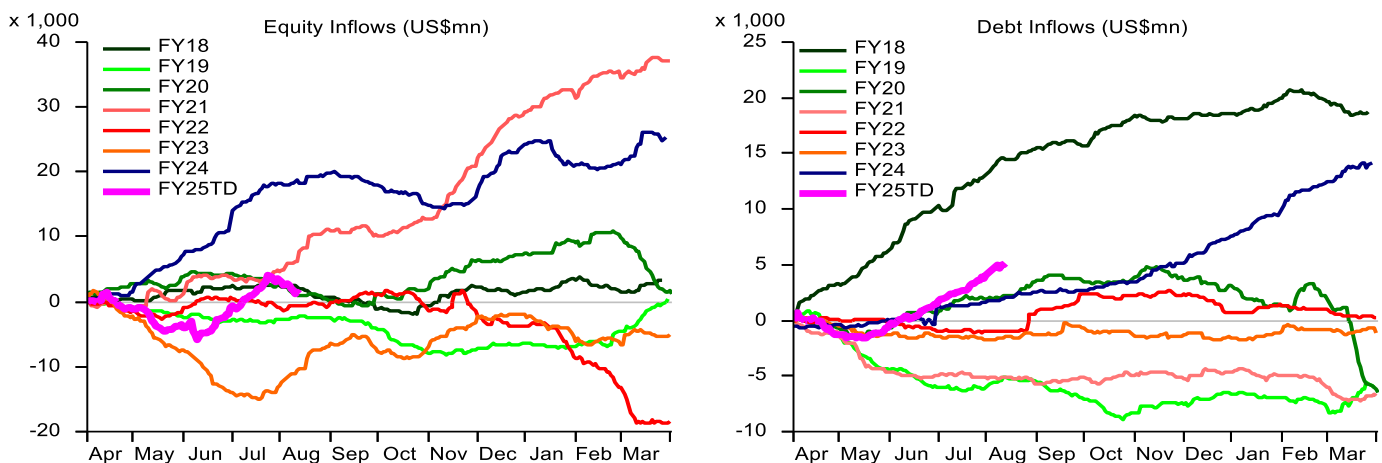
FPIs remained net buyers in the equity market in July but turned sellers in August:

FPIs remained strong buyers of Indian equities for the second month in a row in July, with net inflows of US\$3.9bn during the month, taking the total net inflows to US\$7.1bn during Jun-July. Policy stability, and strong domestic growth prospects boosted foreign investor sentiments for Indian equities. The buying sentiment, however, reversed in August with FPIs turning net sellers in the last week of July, extending it to August as well, weighed down by adverse tax-related measures in the budget, worsening global growth prospects and intensifying geopolitical tensions. Net outflows by FPIs between July 24th and August 14th stood at US\$3.3bn, taking the net inflows in the fiscal thus far to a mere US\$718m.

FPIs remained steady buyers of Indian debt: FPIs continued to be robust buyers in the debt market for the fourth month in a row, recording net inflows of US\$2.7bn in July 2024 and an additional billion dollar in August 2024 (As of August 14th, 2024). In fact, FPIs have been net buyers of Indian debt in 18 out of last 20 months (Since January 2023). Easing inflation and inclusion of Indian government bonds (IGBs) in JP Morgan's Emerging Markets Bond Indices kept FPI demand for sovereign bonds robust. Further, expectations of the Government possibly undershooting its budgeted fiscal deficit target of 4.9% amid strong tax collections and lower capex also added to the buoyant sentiments. In the fiscal year thus far (as of August 14th, 2024) net FII inflows in the debt market stand at US\$5.2bn.

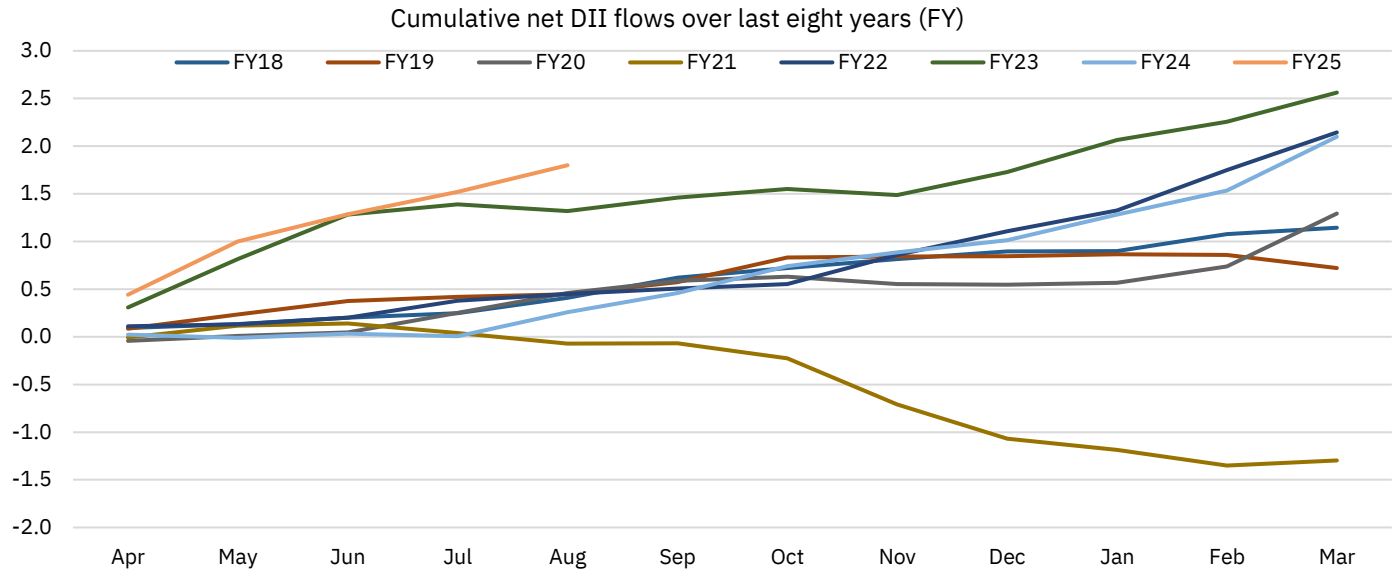
Figure 234: Net inflows by FIIs in Indian equity and debt markets

Cumulative FII net inflows over last eight years (FY)



Source: LSEG Datastream, NSE EPR.

DII remained buyers of Indian equities: In July 2024, DIIs remained net buyers of Indian equities for the 12th consecutive month, with net inflows totaling Rs 23,486 crore. Although there is a moderation, with the average monthly inflows decreasing to Rs 26,060 crore in June and July, down from an average of Rs 52,077 crore in the preceding three months, DIIs effectively managed to offset the impact of FIIs selling off, post the budget day, by pouring in Rs 50,918 crore into the Indian equities, despite the tax hike. With net flows of Rs 29,218 crore in August 2024 (As of August 14th, 2024), the overall net inflows by DIIs in the fiscal year thus far stood at a robust Rs 1.83 lakh crore—the highest ever during this period and reaching 87% already of the net DII inflows in the whole of FY24.

Figure 235: Net inflows by DIIs in Indian equity markets


Fund mobilization

Market Statistics: Primary market

Robust fund mobilization through equity while debt raising declined: In July 2024, fund mobilization through Initial Public Offerings (IPOs) recorded a 150.4% MoM surge to Rs 5,908 crore (+69.6% YoY) while primary markets equity raising through further offering (FPO, Rights, Pref and QIPs) also exhibited 107.9% MoM rise to Rs 20,279 crore. However, overall fund mobilization, through debt and equity, saw a marginal decline of 4.2% MoM, amounting to Rs 1.4 lakh crore during the month. This decrease was primarily driven by a 14.4% MoM drop in funds raised through debt issuances, totalling Rs 1,13,782 crore, that accounted for 80.8% of the total fund mobilization in July as compared to 90.5% in the previous month.

Table 41: Fund mobilization through equity and debt in the last six months (Feb'24-Jul'24)

Segments (Rs crore)	Modes	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Equity (Main Board) - Primary markets	Fresh listing	5,334	1,551	430	3,413	777	3,113
	OFS	1,586	1,564	4,624	6,193	1,180	1,765
	Fresh listing + OFS	6,920	3,115	5,055	9,606	1,957	4,878
	FPO	-	-	18,000	-	-	-
	Rights	7,891	135	1,566	1,492	805	2,295
	Preferential allotment	1,160	1,473	6,260	23,914	6,068	3,731
	QIPs	3,400	8,388	11,472	3,040	2,750	13,699
Equity (SME) - Primary markets	Fresh listing	643	438	538	405	380	873
	OFS	60	-	-	7	22	157
	Fresh listing + OFS	704	438	538	411	402	1,030
	FPO	-	27	-	-	-	150
	Rights	-	-	-	-	-	300
	Preferential allotment	10	69	50	49	105	103
	QIPs	-	-	-	-	25	-
Secondary markets	OFS	41	3,545	-	-	82	806
Total equity raised		20,127	17,190	42,940	38,513	12,193	26,993
InvITS	Fresh listing	880	2,500	-	-	-	-
	Rights	-	2,253	-	-	-	-
	Preferential allotment	-	1,091	-	-	501	-
	QIPs	-	6,181	-	-	-	-
REITs	Fresh listing	-	-	-	-	-	-
	Rights	-	-	-	-	-	-
	Preferential allotment	-	-	-	-	1,228	-
	QIPs	-	-	-	-	-	-
Total business trusts raised		880	12,025	-	-	1,729	-
Debt	CPs	72,461	65,641	43,362	69,915	90,408	49,218
	NCDs (Private)	52,086	53,188	15,950	30,966	42,209	64,565
	NCDs (Public)	1,635	654	-	1,000	334	-
Total debt raised		1,26,182	1,19,483	59,313	1,01,881	1,32,951	1,13,782
Total fund mobilization		1,47,188	1,48,698	1,02,253	1,40,394	1,46,874	1,40,775

Source: NSE EPR.

Notes: Reissuances are included for deb issuances.

The overall fund mobilization exhibited 18.2% YoY rise to Rs 5.3 lakh crore in FY25 till date (Apr'24 to July'24) as compared to the corresponding period last year, driven by equity issuances that saw a remarkable 189.3% YoY increase to Rs 1.2 lakh core during the same period.

Table 42: Resource mobilization through equity and debts during last four years (Year-wise)

Segments (Rs crore)	Modes	FY22	FY23	FY24	FY25TD
Equity (Main Board) - Primary markets	Fresh listing	40,641	14,359	28,763	7,733
	OFS	70,979	38,080	32,611	13,763
	Fresh listing + OFS	1,11,620	52,440	61,374	21,496
	FPO	-	4,300	-	18,000
	Rights	25,555	5,267	13,437	6,158
	Preferential allotment	57,883	80,952	34,549	39,974
	QIPs	31,441	8,212	66,891	30,961
Equity (SME) - Primary markets	Fresh listing	481	1,181	4,348	2,196
	OFS	23	149	273	185
	Fresh listing + OFS	504	1,330	4,622	2,381
	FPO	-	-	27	150
	Rights	355	149	120	300
	Preferential allotment	79	119	371	307
	QIPs	-	-	80	25
Secondary markets	OFS	14,210	11,033	21,769	888
Total equity raised		2,41,646	1,63,803	2,03,239	1,20,640
InvITs	Fresh listing	13,841	1,166	10,868	-
	Rights	1,284	-	5,629	-
	Preferential allotment	-	1,088	8,978	501
	QIPs	-	1,216	6,850	-
REITs	Fresh listing	-	-	3,200	-
	Rights	-	-	-	-
	Preferential allotment	950	-	400	1,228
	QIPs	-	-	2,305	-
Total business trusts raised		16,075	3,470	38,230	1,729
Debt	CPs	8,31,120	7,03,755	5,90,582	2,52,903
	NCDs (Private)	3,58,911	5,09,338	5,40,350	1,53,691
	NCDs (Public)	5,398	4,343	11,145	1,334
Total debt raised		11,95,428	12,17,436	11,42,077	4,07,928
Total fund mobilization		14,53,148	13,84,709	13,83,547	5,30,297

Source: NSE EPR.

Notes:

1. Reissuances are included for deb issuances.

2. FY25TD data is as of July 2024.

New listings in the month

Twenty-seven new companies got listed on NSE platform: In July 2024, market activity remained high, with 27 new equity listings, of which a remarkable 22 listings were on the NSE Emerge platform – the highest in a month – with fund mobilization of Rs 1,030 crore. The remaining five companies listed on the mainboard of the exchange with fund mobilization of Rs 4,878 crore. All 27 companies recorded gains on their respective listing dates in the secondary market.

It is noteworthy that NSE Emerge platform welcomed its 500th company on July 22nd, 2024, which is a significant milestone in NSE's journey to support and encourage development of the MSME sector.

Table 43: Listings on NSE Emerge platform in July 2024

Listing Date	Name of the company	Listing Gain (%)	Market Cap (Rs Cr)	Traded value on the listing day (Rs Cr)	Amount Raised (Rs Cr)
Jul 01, 24	Mason Infratech Limited	37.5	162	17	30.5
Jul 01, 24	Shivalic Power Control Limited	211.0	787	103	64.3
Jul 01, 24	Sylvan Plyboard (India) Limited	20.0	134	21	28.1
Jul 01, 24	Visaman Global Sales Limited	4.9	65	10	16.0
Jul 02, 24	Akiko Global Services Limited	27.3	101	12	23.1
Jul 02, 24	Divine Power Energy Limited	287.5	327	49	22.8
Jul 02, 24	Petro Carbon and Chemicals Limited	75.4	778	98	113.2
Jul 03, 24	Diensten Tech Limited	140.0	208	23	22.1
Jul 05, 24	Nephro Care India Limited	90.0	296	8	41.3
Jul 11, 24	Ambey Laboratories Limited	25.0	223	19	44.7
Jul 12, 24	Effwa Infra & Research Limited	90.0	379	11	51.3
Jul 12, 24	Ganesh Green Bharat Limited	90.0	940	36	125.2
Jul 19, 24	Sahaj Solar Limited	90.0	395	12	52.5
Jul 22, 24	Prizor Viztech Limited	90.0	186	9	25.2
Jul 22, 24	Sati Poly Plast Limited	90.0	128	14	17.4
Jul 23, 24	Tunwal E-Motors Limited	8.5	336	27	115.6
Jul 24, 24	Kataria Industries Limited	90.0	412	22	54.6
Jul 24, 24	Macobs Technologies Limited	28.0	99	12	19.5
Jul 29, 24	RNFI Services Limited	90.0	473	32	70.8
Jul 30, 24	V.L.Infraprojects Limited	90.0	132	4	18.5
Jul 31, 24	Chetana Education Limited	16.4	212	24	45.9
Jul 31, 24	Manglam Infra & Engineering Limited	90.0	197	18	27.6

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

Table 44: Listings on NSE Mainboard in July 2024

Listing Date	Name of the company	Listing Gain (%)	Market Cap (Rs Cr)	Traded value on the listing day* (Rs Cr)	Amount Raised (Rs Cr)
Jul 02, 24	Allied Blenders and Distillers Limited	13.9	8,892	1,561	1500.0
Jul 03, 24	Vraj Iron and Steel Limited	15.9	831	50	171.0
Jul 10, 24	Bansal Wire Industries Limited	39.1	5,485	958	745.0
Jul 10, 24	Emcure Pharmaceuticals Limited	31.5	25,701	1,898	1952.0
Jul 26, 24	Sanstar Limited	14.7	2,097	1,053	510.2

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

Top three states held 2/3rd share of companies listed on Emerge: Maharashtra, Gujarat, and Delhi accounted for approximately 69% of the overall SME listings on Emerge platform, while top 10 states together held 93% share of the companies listed as on Jul'24. The total number of companies that listed on the Emerge platform stood at 508, with fund mobilization of Rs 12,136 crore and a combined market capitalization of Rs 1.9 lakh crore on the last trading day of July. Notably, 139 companies have successfully migrated to the mainboard of the exchange, reflecting robust growth and increasing maturity of the SME sector.

Table 45: Top 10 State-wise issuances on NSE Emerge platform as of July 2024

State-wise	Number of companies	Amount Raised (Rs crore)	Market Cap (Rs crore)
Maharashtra	147	3,423	50,231
Gujarat	139	3,159	44,186
Delhi	63	1,831	33,702
Madhya Pradesh	26	614	13,734
Tamil Nadu	14	532	9,260
West Bengal	24	531	6,884
Karnataka	12	369	3,309
Telangana	14	294	2,022
Rajasthan	21	272	8,036
Haryana	13	265	3,915
Other States	35	846	13,706
Total	508	12,136	1,88,986

Source: CMIE Prowess, NSE EPR

Note: Market capitalization data is as of the last working day of July 2024.

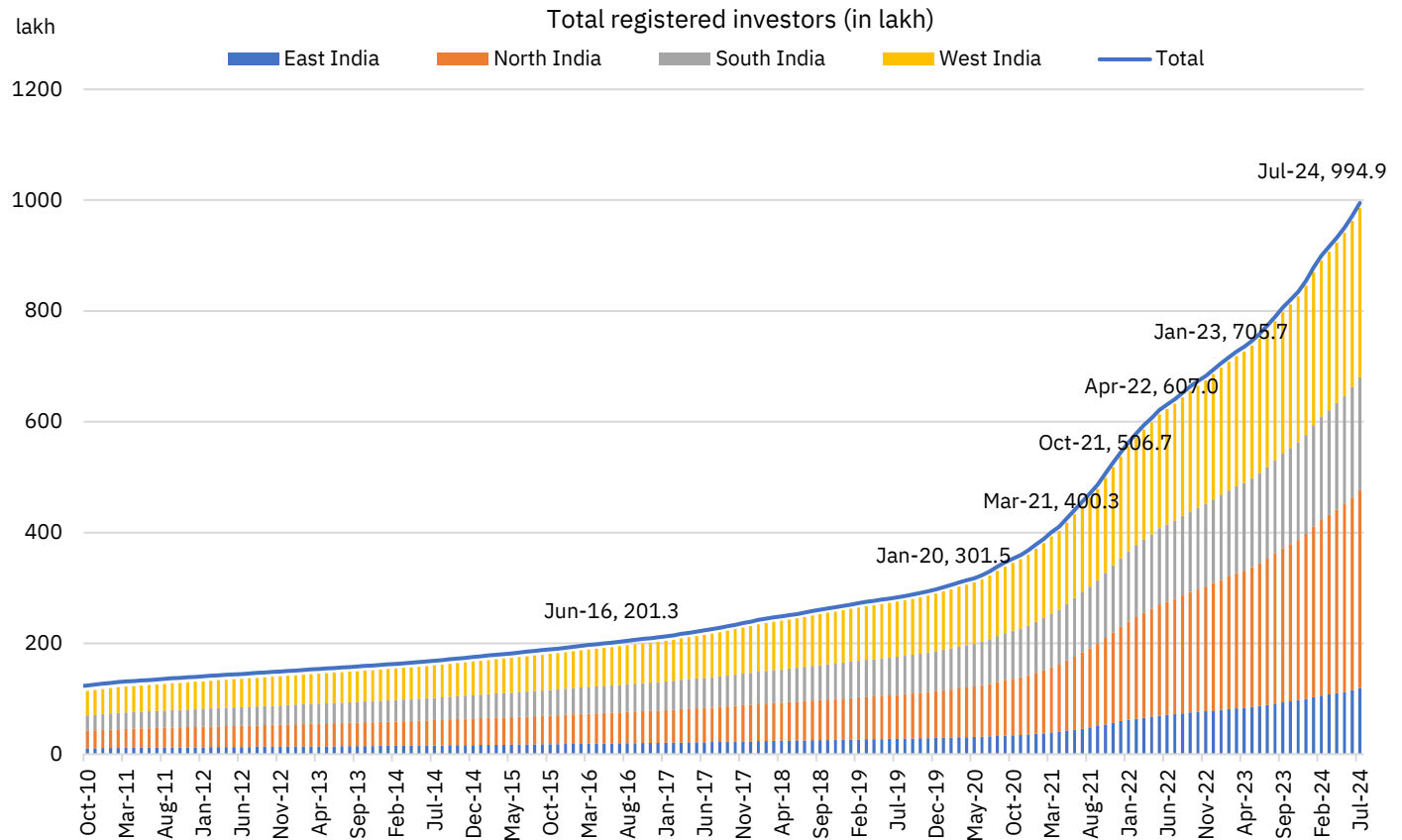
Investor growth

Region-wise distribution of total registered investors

Total registered investors crossed 10 crore mark: NSE added another 23lakh investors in the month of July, taking the unique registered investor base to 9.94 crore by the end of the month. In fact, the investor base crossed the 10-crore (100 million) mark on August 8th, 2024. Investor registrations at NSE have seen an accelerating trend over the last few years. The registered investor base hit the 1 crore mark 14 years after commencement of operations, the next 1 crore addition took about seven years, the subsequent crore investors took about three-and-half years, and the next one a little over a year. In other words, it took over 25 years for the registered investor base to hit the 4-crore mark in March 2021. The subsequent 1-crore increments (from 4 crore to 10 crore) have come through at an accelerated pace, taking on an average of about 6-7 months, with the last crore added in just over five months.

Region-wise, North India remained on top with a registered investor base of 3.6 crore, followed by West India at 3.1 crore, South India at 2 crore, and East India at 1.2 crore. North and East India have seen a remarkable increase of 35.5% and 33.5% over the last twelve months (Jul'23 vs Jul'24), followed by 23.8% YoY increase in West India and 23.2% YoY in South India.

Figure 236: 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 46: 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	119.1
North India	59.9	68.2	76.7	88.4	117.6	189.4	243.5	324.0	357.3
South India	53.1	59.7	66.6	75.1	97.0	132.5	157.3	189.2	204.1
West India	75.3	87.2	96.7	108.4	139.0	198.1	234.8	286.0	305.6
Others#	7.9	7.8	7.8	7.7	7.5	8.0	8.4	9.0	8.8
Total	217.3	247.0	274.9	310.0	400.3	593.7	726.9	915.8	994.9

Source: NSE EPR. *Data for FY25 is as of July 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 (~17% of total investor base). Uttar Pradesh retained its second position, having surpassed the milestone of 1 crore registered investors in the month of April with 1.1 crore investors in July (11.1% of the total investor base). This was followed by Gujarat at 87.1 lakhs, West Bengal at 57.7 lakh and Rajasthan at 56.6 lakh. These five states together accounted for 48.2% of the investor base as of Jul'24. Interestingly, states beyond the top 10 now account for ~27% of the registered investor base as of Jul'24, vs. 23% in FY20. This increase over the last four years is in part due to higher contributions from Bihar and Assam.

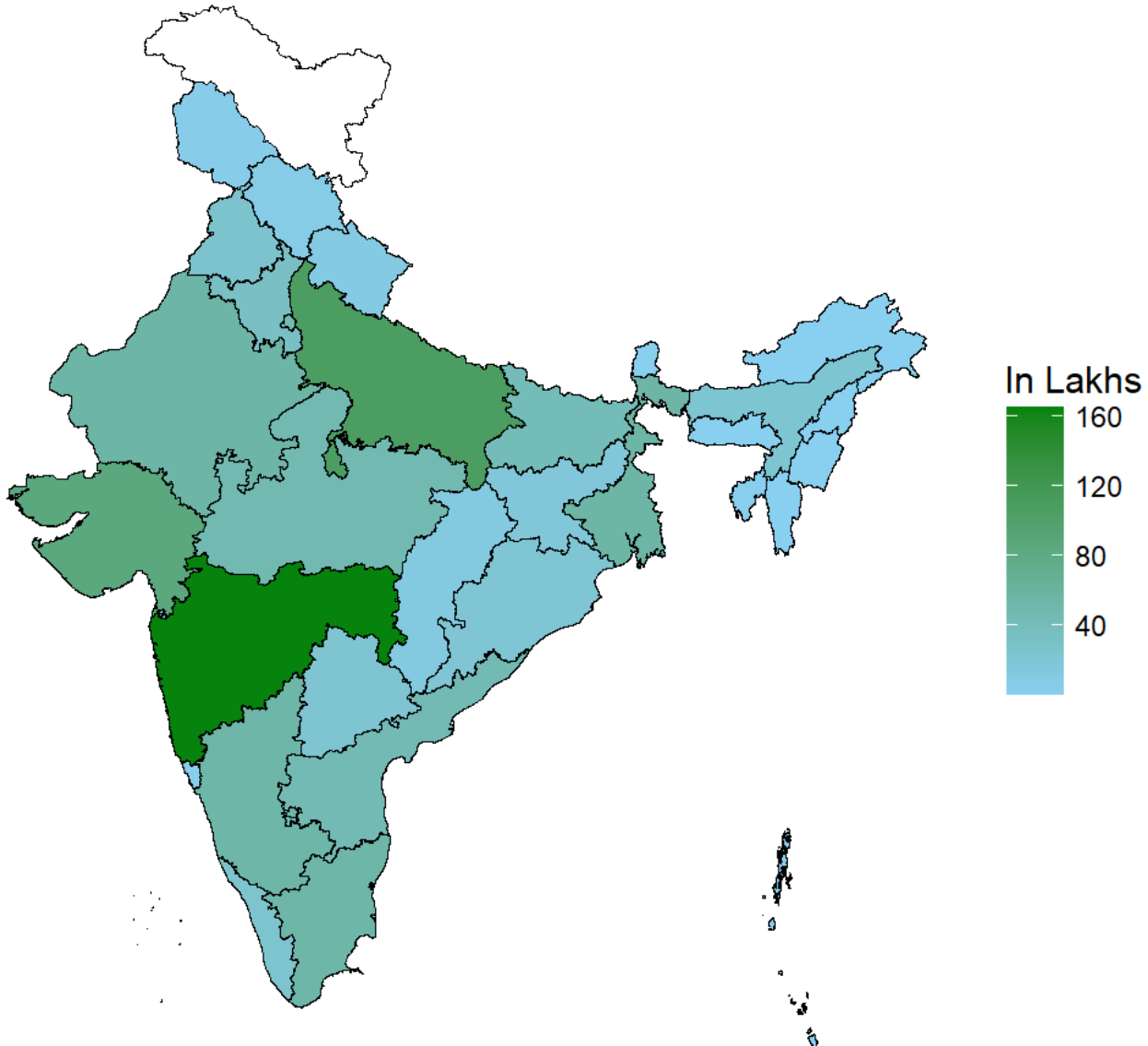
Table 47: State-wise distribution of total registered investors at end of each fiscal year

States	FY10		FY15		FY20		FY25TD*	
	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)	Count ('000)	Share (%)
Maharashtra	2,277	19.7	3,575	19.9	5,963	19.2	16,750	16.8
Uttar Pradesh	701	6.1	1,248	6.9	2,302	7.4	11,033	11.1
Gujarat	1,498	13.0	2,055	11.4	3,797	12.2	8,715	8.8
West Bengal	711	6.2	1,175	6.5	1,990	6.4	5,769	5.8
Rajasthan	426	3.7	667	3.7	1,328	4.3	5,657	5.7
Karnataka	708	6.1	1,165	6.5	1,949	6.3	5,532	5.6
Tamil Nadu	747	6.5	1,287	7.2	2,182	7.0	5,433	5.5
Madhya Pradesh	289	2.5	518	2.9	984	3.2	4,812	4.8
Andhra Pradesh	583	5.0	1,002	5.6	1,581	5.1	4,525	4.5
Delhi	780	6.8	1,197	6.7	1,853	6.0	4,485	4.5
Bihar	145	1.3	294	1.6	670	2.2	4,315	4.3
Haryana	327	2.8	531	3.0	971	3.1	3,412	3.4
Punjab	229	2.0	389	2.2	704	2.3	2,614	2.6
Kerala	345	3.0	583	3.2	942	3.0	2,452	2.5
Telangana	156	1.3	279	1.6	813	2.6	2,335	2.3
Assam	55	0.5	109	0.6	221	0.7	2,288	2.3
Orissa	121	1.1	250	1.4	494	1.6	2,148	2.2
Jharkhand	140	1.2	258	1.4	444	1.4	1,735	1.7
Chhattisgarh	67	0.6	129	0.7	252	0.8	1,228	1.2
Uttarakhand	66	0.6	123	0.7	234	0.8	1,043	1.0
Himachal Pradesh	31	0.3	60	0.3	123	0.4	656	0.7
Jammu & Kashmir	40	0.3	65	0.4	112	0.4	552	0.6
Chandigarh	38	0.3	63	0.3	100	0.3	225	0.2
Goa	30	0.3	48	0.3	82	0.3	224	0.2
Tripura	7	0.1	13	0.1	4	0.1	155	0.2

Manipur	1	0.0	5	0.0	18	0.1	107	0.1
Pondicherry	12	0.1	22	0.1	41	0.1	101	0.1
Meghalaya	3	0.0	6	0.0	12	0.0	63	0.1
Nagaland	1	0.0	3	0.0	8	0.0	54	0.1
Arunachal Pradesh	1	0.0	2	0.0	6	0.0	47	0.0
Dadra & Nagar Haveli	3	0.0	6	0.0	9	0.0	42	0.0
Sikkim	1	0.0	3	0.0	7	0.0	34	0.0
Andaman & Nicobar Islands	2	0.0	3	0.0	5	0.0	25	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	20	0.0
Lakshwadeep	0	0.0	0	0.0	0	0.0	2	0.0
Ladakh	0	0.0	0	0.0	0	0.0	1	0.0
Others	1,007	8.7	823	4.6	773	2.5	877	0.9
Total	11,549	100	17,960	100	31,004	100	99,488	100.0

Source: NSE EPR. Note: Data for FY25 is as of Jul 31st, 2024.

Figure 237: State-wise distribution of total registered investors as of July 2024



Source: NSE EPR

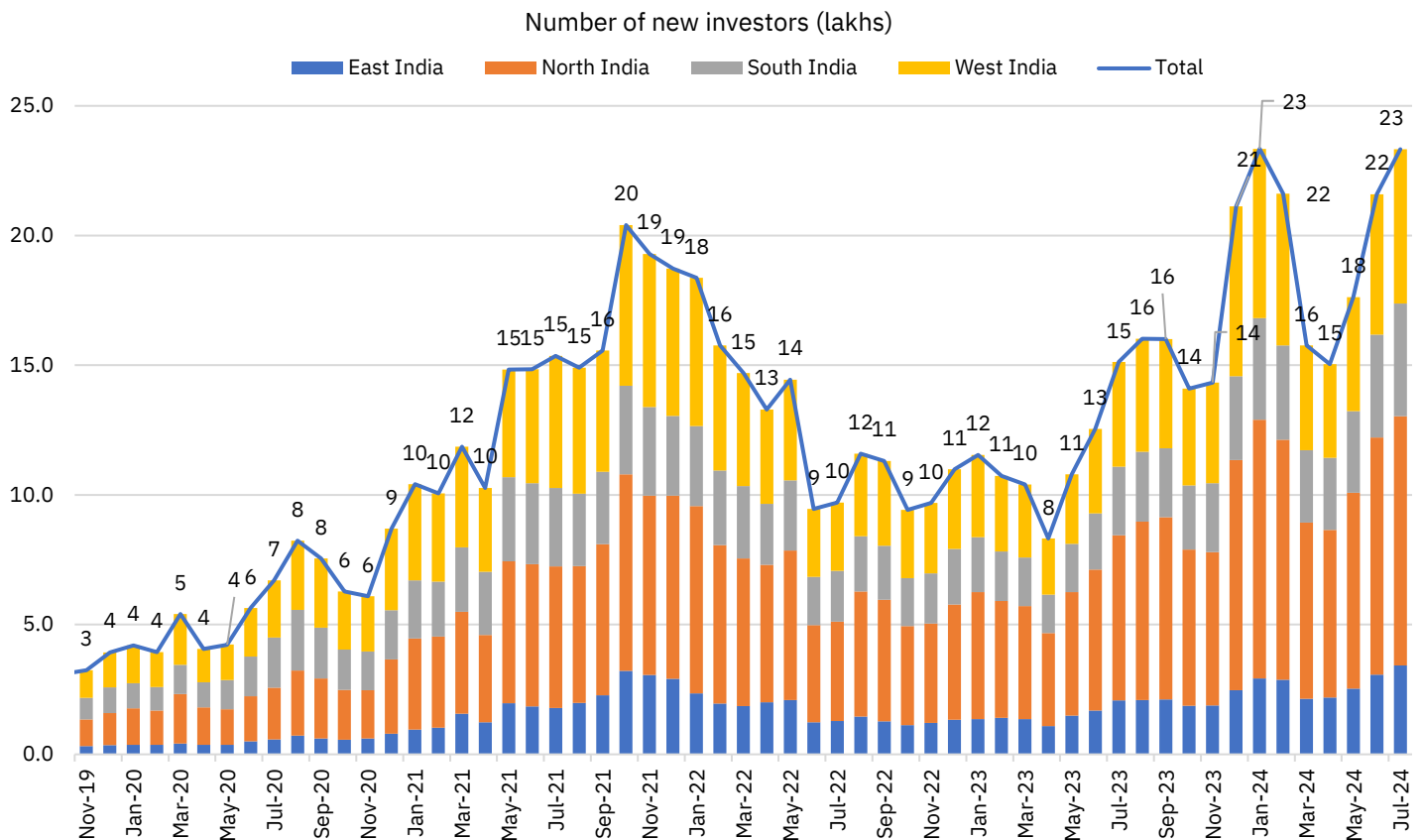
Note: The maps above are created using the state-level shapefile from <https://geographicalanalysis.com/gis-blog/download-free-india-shapefile-including-kashmir-and-ladakh/>

Region-wise distribution of new investor registrations

New investor registrations continued to increase in the month of July: New investor registrations witnessed a rising trend for the third month in a row after hitting this year's low in April 2024. The month of July saw 23.3 lakh new investor registrations, up 8% MoM from 21.6 lakh registrations in Jun'24, and 54% on a YoY basis.

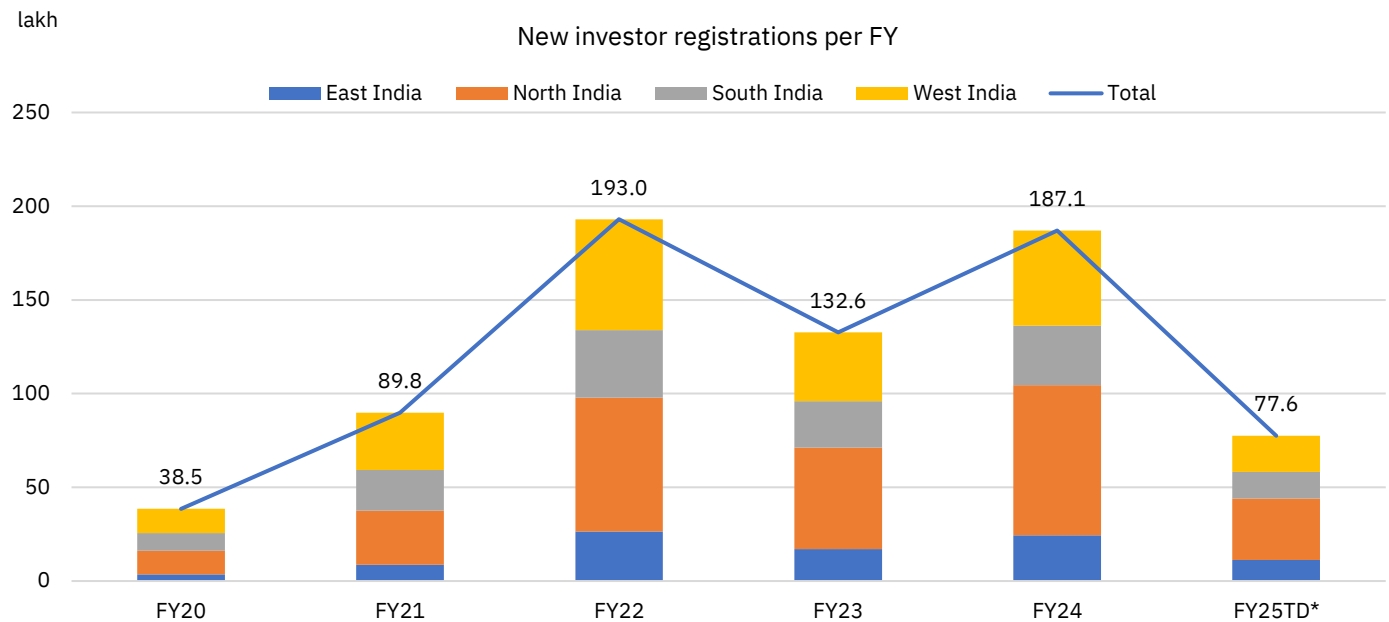
Looking at the monthly figures, the rise in Jul'24 was led by a 11.5% MoM increase in registrations from East India (3.1 lakh to 3.4 lakh), followed by a 9.9% increase in West India (5.4 lakh to 5.9 lakh), 9.4% in South India to 4.3 lakh and 5.1% in North India to 9.6 lakh in the month of July. With the MoM increase in July'24, South India's share of new investor registrations inched up from 18.4% to 18.6%, while West India's share increased to 25.5% (vs 25.1% in Jun'24) and East India's share increased to 14.7% (vs 14.2 in Jun'24), on account of a marginal decline in North India's share to 41.2% (vs 42.3% in Jun'24) in the month gone by.

Figure 238: 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 239: Region-wise distribution of new investors registered each financial year


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

Uttar Pradesh maintains the lead in new investor registrations: In July 2024, Uttar Pradesh continued to lead with 3.3 lakh new registrations, registering a 5% MoM increase from the previous month (3.2 lakh in Jun'24, +53% YoY). Maharashtra maintained the second position with close to 3.1 lakh new registrations in Jul'24 translating into a 49% YoY growth (+9.4% MoM). Among the top three states, Uttar Pradesh's share declined to 14.3% in July (vs 14.7% in Jun'24), while Maharashtra's share increased by 17bps to 13.2% in Jul'24, followed by West Bengal with a share of 7.5% (+13bps, vs 7.3% in Jun'24).

New investors in Gujarat registered a 13.8% MoM increase from 1.4 lakh in Jun'24 to 1.6 lakh in Jul'24, as the share of new registrations in the state inched up from 6.4% in Jun'24 to 6.8% in Jul'24. Among other top 10 states, Karnataka (5.5% share, +12.4% MoM, 1.3 lakh new investors) and Tamil Nadu (4.9% share, +11.3% MoM, 1.1 lakh new investors) saw a rise in their shares of new registrations pan-India. While Rajasthan (6.2% share, +4.7% MoM, 1.4 lakh new investors), Bihar (5.5% share, +2.4% MoM, 1.3 lakh new investors), Madhya Pradesh (5.3% share, +6.5% MoM, 1.2 lakh new investors) and Delhi (3.6% share, +10bps MoM, 83k new investors) registered a decline in their share for the month of July. The top five states together contributed 47.9% of all new registrations in July 2024.

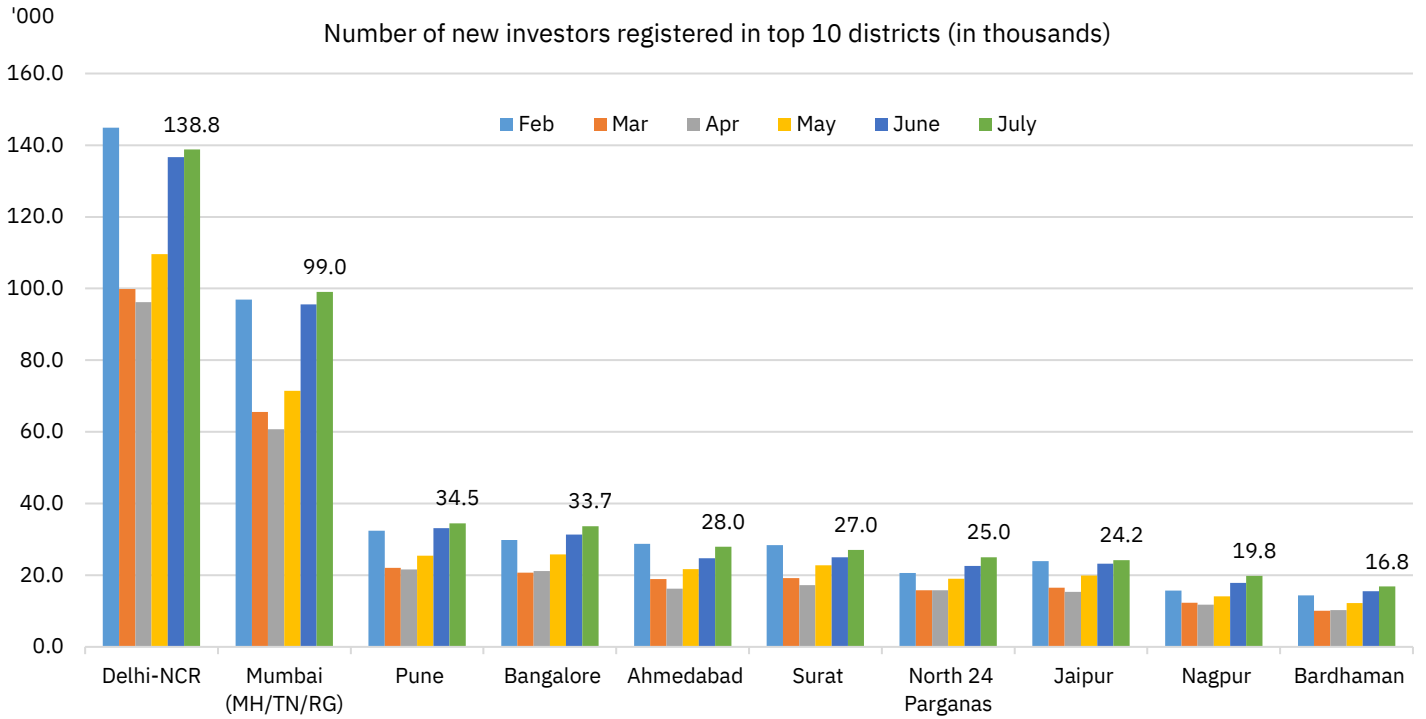
Table 48: Number of new investors registered in top 25 states (in '000)

State	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Uttar Pradesh	322.7	238.8	224.0	258.6	318.4	334.2
Maharashtra	296.4	204.7	186.3	218.9	281.2	307.8
West Bengal	146.7	106.8	109.1	127.5	158.5	174.2
Gujarat	164.4	110.7	94.4	122.8	139.1	158.2
Rajasthan	143.8	101.7	92.3	115.2	137.3	143.8
Bihar	121.2	91.0	86.6	102.5	125.9	128.9
Karnataka	107.9	75.4	74.4	90.6	114.0	128.1
Madhya Pradesh	118.8	84.9	77.0	94.5	115.6	123.1
Tamil Nadu	97.4	86.5	82.2	84.0	101.7	113.2
Delhi	87.4	60.0	58.2	66.6	83.1	83.1
Haryana	71.0	55.5	54.4	64.1	75.1	79.9
Punjab	61.5	47.8	50.2	55.7	64.9	74.3
Andhra Pradesh	60.3	42.7	44.6	49.6	62.1	69.1
Kerala	42.0	33.0	35.9	42.3	61.3	61.9
Assam	51.7	39.3	39.3	44.6	51.0	61.6
Telangana	54.6	39.1	38.4	46.2	56.0	59.9
Odisha	41.8	31.9	34.5	38.2	46.1	52.4
Jharkhand	44.4	32.0	30.8	37.2	44.7	46.7
Chattisgarh	33.2	24.3	23.5	28.5	33.6	34.9
Uttarakhand	29.4	21.0	19.9	22.5	27.9	30.0
Himachal Pradesh	19.6	13.3	13.2	14.9	18.1	18.8
Jammu & Kashmir	20.4	15.8	14.8	15.0	15.1	17.3
Tripura	4.5	3.7	3.9	4.5	6.1	6.0
Goa	5.0	3.5	3.3	3.8	5.0	5.3
Manipur	2.6	2.4	2.4	2.7	3.4	3.9

Source: NSE EPR

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

Contribution of top 10 districts inched up in July 2024: New investor registrations continued to remain concentrated in a few districts. The top 10 districts added about 4.5lakh (+5% MoM) new investors, translating into a pan-India share of 19.2%, marginally lower than 19.7% share in the previous month. Delhi recorded the highest number of new investor registrations in July out of all districts with over 1.4 lakh registrations (+1.6% MoM), followed by Mumbai with 1 lakh registrations (+3.6% MoM). Average growth in the top 10 districts was recorded at 7.2% MoM with Ahmedabad (+12.9% MoM to 28k registrations), Nagpur (+11.3% MoM to 20k registrations), and North 24 Parganas (+10.8% MoM to 25k registrations) witnessing a sharp uptrend in new investor registrations.

Figure 240: 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 recorded a new record high in July: In the month of July 2024, NSE CM segment recorded its highest ever monthly turnover of Rs 30.6 lakh crore (+100.6% YoY), marking a 5.4% MoM rise. It was primarily driven by a strong economic environment, and robust participation from domestic institutional, foreign and individual investors. During the month, investors trading also recorded its highest ever participation which demonstrates increasing confidence and active engagement of investors in the segment.

Single stock derivatives turnover recorded yet another high: The monthly turnover in single stock derivatives touched yet another high, wherein stock futures turnover increased by 4.6% MoM to Rs 38.3 lakh crore, and premium turnover in stock options rose by 3.4% MoM to Rs 2 lakh crore in Jul'24. On the contrary, index derivatives witnessed a contraction, with turnover in index futures down by 16.1% MoM to Rs 8.3 lakh crore and index options premium turnover moderating by 11.7% to Rs 13.1 lakh crore during the month.

Currency derivatives segment turnover continued its declining path: The currency derivatives segment experienced a declining trend in trading activity post March 2024. The turnover in currency futures witnessed a significant 58.3% MoM drop to Rs 45,606 crore in July 2024, while the currency options premium turnover declined by 56.6% MoM to Rs 1.5 crore. The overall trading activity in this segment took a substantial hit following the implementation of RBI's circular on hedging of foreign exchange risk through exchange traded currency derivatives, which impacted trading volumes and investor engagement.

Commodity derivatives turnover witnessed an expansion in July 2024: Commodity options premium turnover, after declining for two consecutive months, increased substantially to Rs 178.1 crore (+40.4% MoM), while commodity futures turnover increased marginally to Rs 11.1 crore (+1.3% MoM). Trading activity in the segment was distributed among Crude Oil, Silver and Natural gas during the month. Notably, the segment has witnessed substantial fluctuations in monthly turnover during calendar year 2024.

Table 49: Total turnover across segments in the last six months (Feb'24–Jul'24)

Segment (Rs crore)	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Cash market	24,57,671	18,57,039	21,20,196	24,67,941	29,05,226	30,61,577
Equity Futures	38,09,270	33,71,081	38,51,979	42,71,082	46,45,873	46,56,835
Stock Futures	29,69,909	26,45,364	31,58,915	34,64,430	36,62,528	38,31,730
Index Futures	8,39,361	7,25,717	6,93,064	8,06,652	9,83,344	8,25,104
Equity Options (Premium)	16,77,660	12,54,348	12,40,545	14,71,401	16,77,678	15,10,073
Stock Options (Premium)	1,72,161	1,26,669	1,55,943	1,86,613	1,91,370	1,97,877
Index Options (Premium)	15,05,499	11,27,679	10,84,602	12,84,788	14,86,308	13,12,196
Currency derivatives						
Currency Futures	4,64,005	5,94,814	2,17,438	1,05,151	1,09,312	45,606
Currency Options (Premium)	1,698	2,153	353	7.9	3.4	1.5
Interest rate futures	1,808	1,518	1,772	2,239	2,231	1,786
Commodity derivatives						
Commodity Futures	18.6	19.9	11.7	12.6	11.0	11.1
Commodity Options (Premium)	160.7	137.0	218.7	174.2	126.9	178.1

Source: NSE EPR

Table 50: Total turnover across segments in the last six years (FY20 to FY25TD)

Segment (Rs crore)	FY 20	FY 21	FY 22	FY 23	FY 24	FY25TD
Cash market	89,98,811	1,53,97,908	1,65,66,237	1,33,05,073	2,01,03,439	1,05,54,940
Equity Futures	2,15,52,041	2,71,46,011	2,94,68,316	2,85,92,989	3,29,64,084	1,74,25,768
Stock Futures	1,48,74,729	1,80,98,365	2,10,38,938	1,90,72,304	2,55,46,967	1,41,17,603
Index Futures	66,77,312	90,47,646	84,29,378	95,20,685	74,17,117	33,08,165
Equity Options (Premium)	13,07,932	32,08,778	68,81,160	1,18,88,256	1,51,97,594	58,99,697
Stock Options (Premium)	2,28,353	5,79,352	10,38,830	9,32,701	13,78,031	7,31,803
Index Options (Premium)	10,79,578	26,29,426	58,42,330	1,09,55,556	1,38,19,564	51,67,894
Currency derivatives						
Currency Futures	48,43,160	57,17,820	70,56,916	1,01,15,658	72,01,742	4,77,507
Currency Options (Premium)	13,202	14,764	24,994	47,540	30,405	366
Interest rate futures	3,60,818	97,391	26,357	26,296	29,571	8,028
Commodity derivatives						
Commodity Futures	6,362	5,484	2,273	14	5,429	46
Commodity Options (Premium)	-	284	131	112	523	698

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

Table 51: Notional-to-premium ratio for equity options across exchanges

Month	NSE						BSE		
	Index options			Stock options			Index options		
	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio	Notional turnover (Rs lakh crore)	Premium turnover (Rs lakh crore)	Ratio
Jul-24	8,214.9	13.1	626	119.3	2.0	60	2,542.6	1.6	1,546
Jun-24	7,226.2	14.9	486	111.8	1.9	58	2,063.7	1.6	1,285
May-24	7,153.6	12.8	557	110.3	1.9	59	2,197.4	1.6	1,383
Apr-24	7,072.4	10.8	652	99.2	1.6	64	1,695.0	1.2	1,444
Mar-24	7,097.9	11.3	629	86.7	1.3	68	1,519.4	1.0	1,550
Feb-24	8,452.1	15.1	561	104.3	1.7	61	1,552.5	1.1	1,434
Jan-24	8,719.6	15.0	581	102.2	1.8	58	1,264.4	0.8	1,565
Dec-23	7,444.3	12.4	602	101.8	1.8	56	1,422.8	0.8	1,765
Nov-23	6,452.3	8.9	729	69.7	0.9	75	739.0	0.4	1,949
Oct-23	6,288.2	9.8	642	65.2	0.8	78	656.6	0.4	1,772
Sep-23	6,526.8	11.1	589	73.8	1.0	72	528.5	0.3	1,853
Aug-23	6,577.0	11.7	564	73.3	1.0	71	232.2	0.1	1,713
Jul-23	6,258.0	12.8	488	79.8	1.1	69	91.5	0.1	1,444

Source: NSE EPR.

Average daily turnover (ADT) across segments

Average daily turnover moderated across all segments in July: Although the monthly turnover in cash markets segment touched record high, the average daily turnover in the segment declined 9% MoM to Rs 1.4 lakh in July 2024. It is noteworthy that ADT in NSE's CM segment stood at Rs 1.3 lakh crore in the first four months of FY25, which was 1.5 times the ADT as compared to the full year FY24.

In equity derivatives segment, the ADT of equity futures declined to Rs 2.1 lakh crore (-13.4% MoM), after rising for three consecutive months, while average daily premium turnover (ADPT) of equity options declined to Rs 68,640 crore (-22.3% MoM) after two consecutive monthly gain. Within equity futures, the ADT of stock futures and index futures declined to Rs 1.7 lakh crore (-9.6% MoM) and Rs 37,505 crore (-27.5% MoM) respectively. In equity options, the ADPT of stock options declined to Rs 8,994 crore (-10.4% MoM) and that of index options fell much higher by 23.8% MoM to Rs 59,645 crore during the month.

The currency derivatives segment exhibited a sharp decline, wherein currency futures ADT plunged to Rs 2,073 crore (-64% MoM), while average daily premium turnover declined to mere Rs 6.7 lakh (-50% MoM) in Jul'24. The ADT in interest rate futures also moderated to Rs 81.1 crore (-30.9% MoM) during the month. Although the ADT of commodity futures declined slightly, that of commodity options increased 22% MoM to Rs 7.8 crore premium turnover in the month gone by.

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

Segment (Rs crore)	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Cash market	1,17,032	97,739	1,06,010	1,12,179	1,52,907	1,39,163
Equity Futures	1,81,394	1,77,425	1,92,636	1,94,140	2,44,520	2,11,674
Stock Futures	1,41,424	1,39,230	1,57,946	1,57,474	1,92,765	1,74,170
Index Futures	39,970	38,196	34,690	36,666	51,755	37,505
Equity Options (Premium)	79,889	66,018	62,028	66,882	88,299	68,640
Stock Options (Premium)	8,198	6,667	7,797	8,482	10,072	8,994
Index Options (Premium)	71,690	59,352	54,231	58,399	78,227	59,645
Currency derivatives						
Currency Futures	23,200	33,045	12,080	5,258	5,753	2,073
Currency Options (Premium)	85	120	20	0.4	0.2	0.1
Interest rate futures	90.39	84.33	98	112	117	81
Commodity derivatives						
Commodity Futures	0.9	1.0	0.5	0.5	0.5	0.5
Commodity Options (Premium)	7.7	6.9	9.9	7.6	6.3	7.7

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	1,27,168
Equity Futures	87,255	1,09,020	1,18,824	1,14,831	1,34,000	2,09,961
Stock Futures	60,222	72,684	84,834	76,596	1,03,849	1,70,092
Index Futures	27,034	36,336	33,989	38,236	30,151	39,869
Equity Options (Premium)	5,295	12,887	27,747	47,744	61,779	71,082
Stock Options (Premium)	925	2,327	4,189	3,746	5,602	8,817
Index Options (Premium)	4,371	10,560	23,558	43,998	56,177	62,265
Currency derivatives						
Currency Futures	19,931	23,338	29,282	41,288	29,883	6,044
Currency Options (Premium)	54	60	104	194	126	4.6
Interest rate futures	1,485	398	109	107	123	102
Commodity derivatives						
Commodity Futures	24.6	21.5	8.8	0.1	21.4	0.5
Commodity Options (Premium)	-	1.1	0.5	0.4	2.1	7.9

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

Average trade size declined in the CM segment in July: After increasing for four consecutive months, the average trade size in the CM segment fell by 6.8% MoM to Rs 31,081 in Jul'24. Notably, even with a decline in the month gone by, the average trade size for the CM segment remains higher in the first four months of FY25 as compared with average trade size in the full year of FY24. In the equity derivatives segment, the average trade size in the equity options segment declined 11.7% MoM to Rs 5,869 premium while it increased marginally to Rs 10.2 lakh in equity futures segment during the month.

Yearly trends of the average trade size provide some noteworthy insights. Equity futures exhibited an overall expansion, with the average trade size increasing from Rs 4.4 lakh in FY14 to Rs 10.4 lakh in FY24 at 9% CAGR. Within equity futures, the average trade size of index futures and stock futures showcased a growing trend, from Rs 6.9 lakh and Rs 3.6 lakh respectively in FY14 to Rs 15.4 lakh and Rs 9.5 lakh respectively in FY24. In the current fiscal year, while average trade size of index futures has declined, average trade size of stock futures has witnessed a marginal growth.

However, equity options' average trade size (premium) showcased a volatile trajectory with a declining trend which declined from Rs 9,426 in FY14 to Rs 7,516 in FY19 and then gradually increased to Rs 8,315 in FY22, before declining in the subsequent two years to Rs 6,246 in FY24. Index options exhibited a similar trend, with the average trade size based on premium declining from Rs 9,775 in FY14 to Rs 6,655 in FY19 and Rs 6,146 in FY20, then increasing for three years in a row post, only to drop in FY24.

On the other hand, stock options saw a significant growth during the period with average trade size based on premium turnover increasing from Rs 7,936 in FY14 to Rs 13,028 in FY19 and further to Rs 20,274 in FY21, followed by a decline in the following two years. However, during the last fiscal year, the average trade size (premium) for stock options increased 9.9% YoY to Rs 15,381 in FY24 and grew further to Rs 17,573 in FY25 till date (Apr'24 to Jul'24). Remarkably, average trade size has depicted diverging trends for index and stock options premium turnover over the years.

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

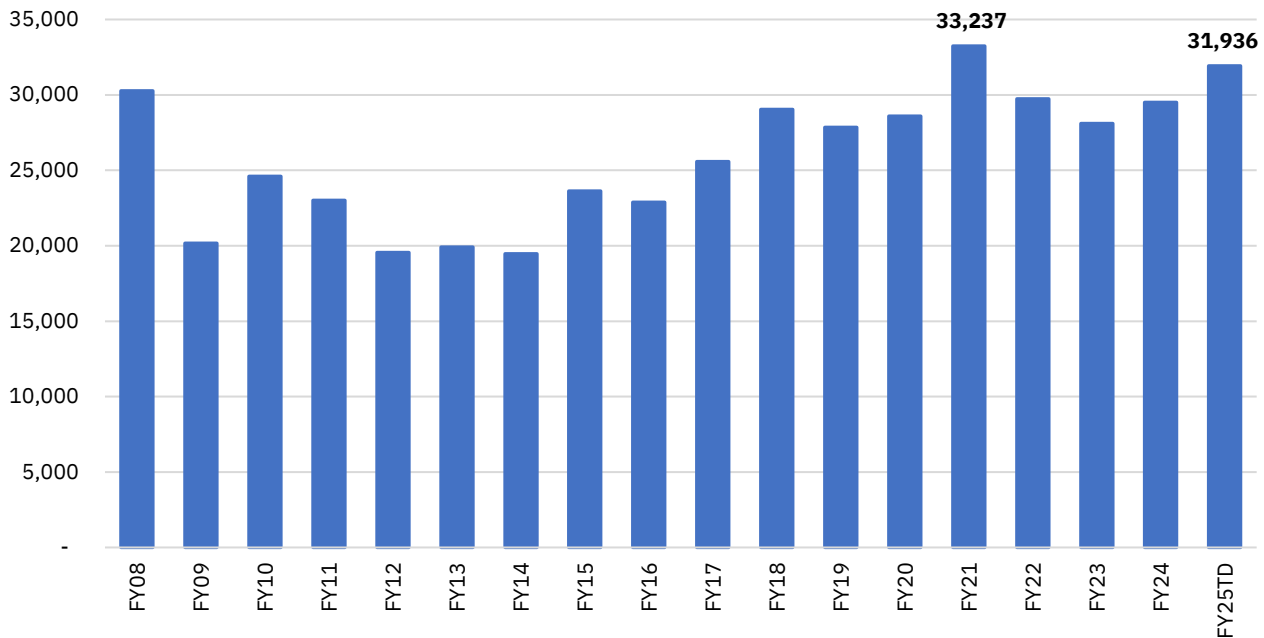
Segment wise (Rs)	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Cash market	28,180	28,649	31,133	32,133	33,356	31,081
Equity Futures	11,16,799	11,26,680	11,11,528	9,86,832	10,13,743	10,16,741
Index Futures	15,71,973	16,91,573	16,56,450	12,50,687	13,39,132	14,37,973
Stock Futures	10,32,319	10,32,124	10,36,704	9,40,627	9,51,658	9,56,412
Equity Options	6,702	6,110	6,041	6,194	6,648	5,869
Index Options	6,246	5,706	5,519	5,662	6,147	5,342
Stock Options	18,540	16,563	17,642	17,605	18,102	17,011

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

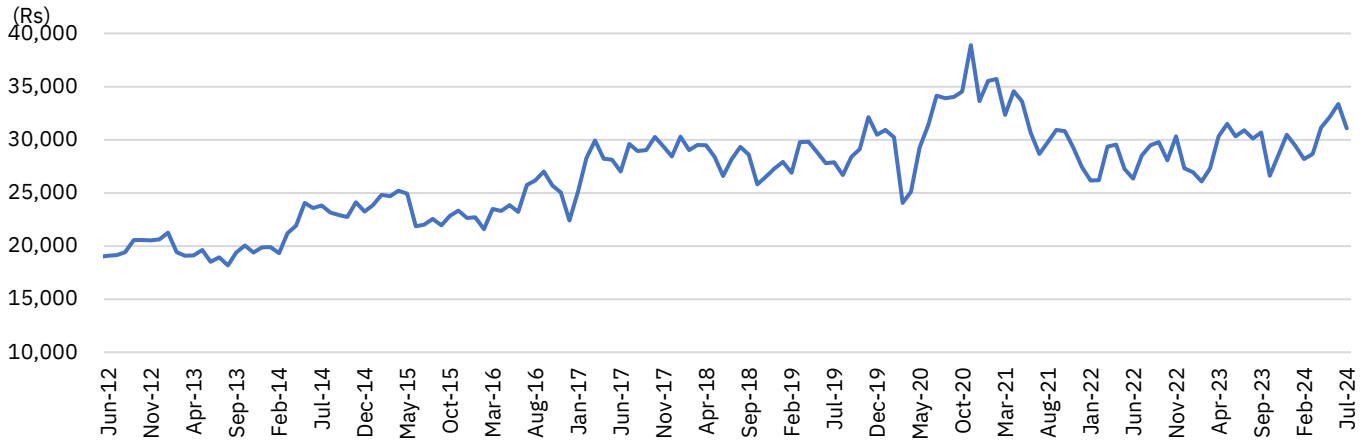
Table 55: Average trade size in NSE cash market and equity derivatives segments (FY19 to FY25TD)

Segment wise (Rs)	FY19	FY20	FY21	FY22	FY23	FY24	FY25TD
Cash market	27,860	28,604	33,237	29,737	28,111	29,510	31,936
Equity Futures	8,56,295	8,04,724	9,00,620	10,42,174	9,57,044	10,40,196	10,27,669
Index Futures	13,24,701	11,42,535	10,44,759	13,70,261	14,39,592	15,37,923	13,94,978
Stock Futures	7,63,220	7,10,431	8,42,512	9,50,949	8,19,859	9,50,852	9,67,946
Equity Options	7,516	6,812	8,255	8,315	7,886	6,246	6,194
Index Options	6,655	6,146	7,302	7,585	7,603	5,897	5,674
Stock Options	13,028	13,926	20,274	18,126	13,994	15,381	17,573

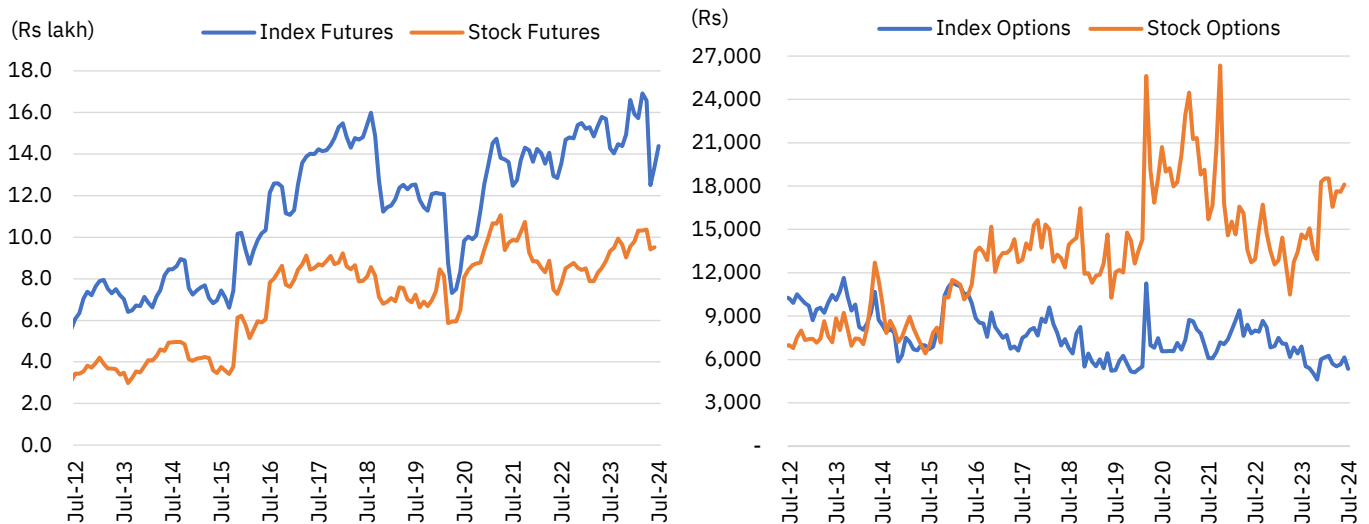
Source: NSE EPR. FY25TD data is as of Jul'24. Note: Premium has been considered for calculating average trade size for options contracts.

Figure 241: Annual trend in average trade size in NSE cash market segment (Rs)


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

Figure 242: Monthly trend in average trade size in CM segment


Source: NSE EPR.

Figure 243: Monthly trend in average trade size in NSE's equity derivatives segment


Source: NSE EPR.

ADT in the CM segment declined across most products in July: Barring SME Emerge and SGBs, where ADT grew to Rs 542 crore (+15.7% MoM) and Rs 15 crore (+20.6% MoM) respectively, it declined across other products in July 2024. The ADT for mainboard equities also declined to Rs 1.4 lakh crore (-8.9% MoM). Notably, after exhibiting remarkable growth in the previous month, the average daily turnover for InvITs plunged 90.1% MoM to Rs 33 crore while that of REITs declined 14.5% MoM to Rs 51 crore during the month gone by.

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

Products (Rs crore)	Jul-24	Jun-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Capital Market	139,163	152,907	(9.0)	127,168	62,176	104.5	81,721	119,730
Equities (Main Board)	136,698	150,011	(8.9)	124,919	61,305	103.8	80,551	117,754
Exchange Traded Funds	1,623	1,804	(10.0)	1,476	587	151.5	754	1,293
SME Emerge	542	469	15.7	409	67	513.1	145	337
Sovereign Gold Bonds	15	12	20.6	15	8	82.2	9	13
InvITs	33	333	(90.1)	99	15	547.5	36	78
REITs	51	60	(14.5)	53	42	26.4	49	56
Others	200	218	(8.3)	197	151	30.4	177	199

Source: NSE EPR

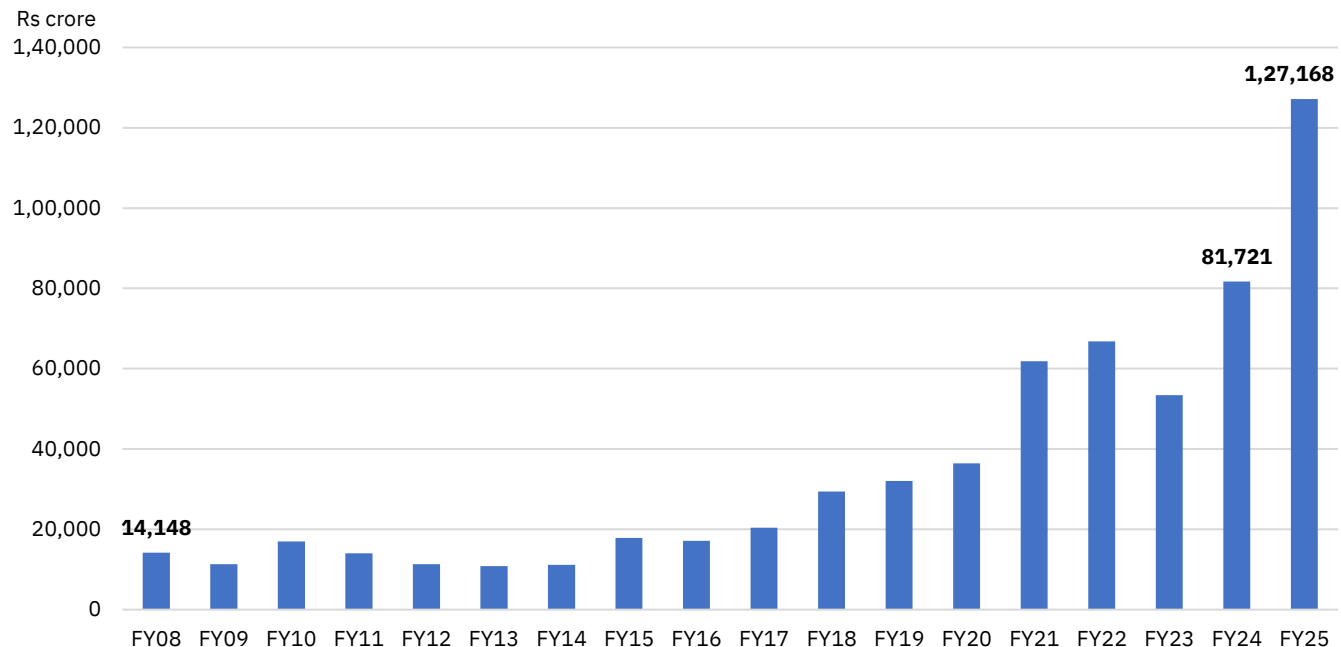
Notes: 1. Average daily turnover (ADT) excludes auction market turnover. Equities (Main Board) include stocks in EQ, BE, BL and BZ series.

2. Others include corporate and government debt instruments (excl. SGBs), preferential shares, partly paid-up shares, warrants etc., among others.

3. Figures in brackets indicate negative numbers.

4. FY25TD is as of Jul'24 and FY24TD is as of Jul'23.

Figure 244: 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 Jul'24.

NIFTY50 contracts saw the highest reduction in ADT in index futures as well as options in July 2024:

The ADT of index futures and ADPT of index options observed considerable reductions of 27.5% MoM and 23.8% MoM respectively in July 2024. Notably, in both index futures and index options, NIFTY registered the highest MoM fall in ADT by 30.9% MoM and 33.2% MoM respectively, followed by FINNIFTY in index futures and BANKNIFTY in index options.

However, in the YoY comparison, the ADT index derivatives exhibited growth across products for index future and index options, barring BankNifty which showcased 5.4% YoY drop in the first four months of FY25 as compared to last year same period.

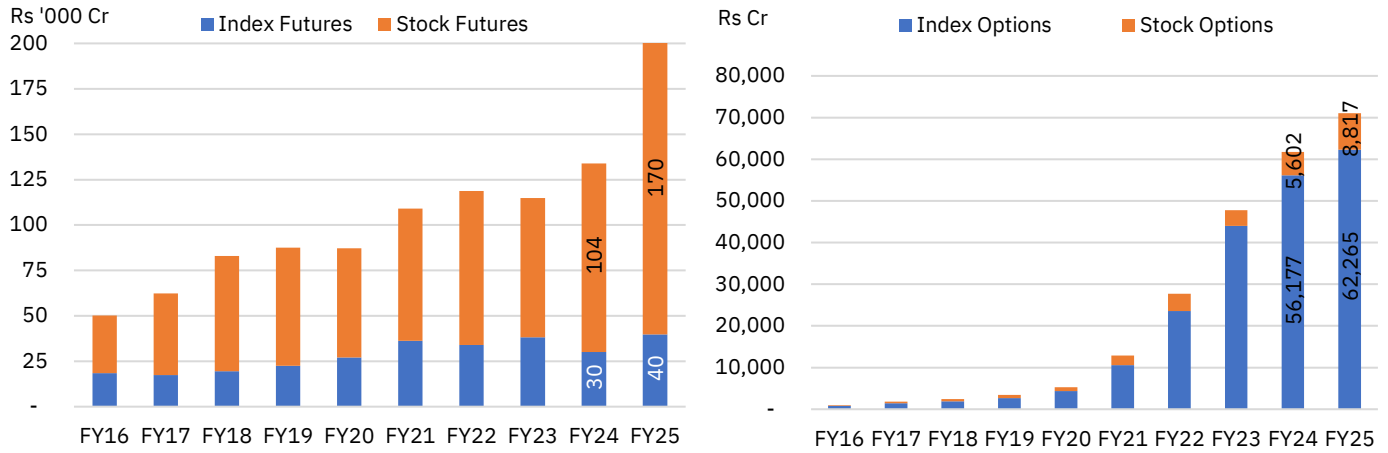
Table 57: Average daily turnover in NSE's equity derivatives segment

Product (Rs crore)	Jul-24	Jun-24	MoM Change (%)	FY25TD	FY24TD	YoY Change (%)	FY24	CY24TD
Equity Futures	2,11,674	2,44,520	(13.4)	2,09,961	1,08,996	92.6	1,34,000	1,95,834
Stock futures	1,74,170	1,92,765	(9.6)	1,70,092	81,886	107.7	1,03,849	1,56,373
Index futures	37,505	51,755	(27.5)	39,869	27,110	47.1	30,151	39,461
BANKNIFTY	15,783	20,960	(24.7)	15,893	13,216	20.3	13,841	16,334
NIFTY50	20,032	28,978	(30.9)	22,505	13,685	64.5	15,742	21,802
FINNIFTY	344	468	(26.5)	306	196	56.0	228	298
MIDCPNIFTY	1,282	1,285	(0.3)	1,101	14	NM	339	997
NIFTYNXT50	64	64	(0.8)	64	0	NM	0	30
Equity Options	68,640	88,299	(22.3)	71,082	57,409	23.8	61,779	72,480
Stock options	8,994	10,072	(10.7)	8,817	4,181	110.9	5,602	8,332
Index options	59,645	78,227	(23.8)	62,265	53,228	17.0	56,177	64,148
BANKNIFTY	29,572	38,179	(22.5)	29,753	31,440	(5.4)	30,145	31,189
NIFTY50	18,107	27,114	(33.2)	22,322	15,310	45.8	18,502	23,068
FINNIFTY	7,347	8,778	(16.3)	6,512	6,384	2	6,088	6,473
MIDCPNIFTY	4,615	4,151	11.2	3,674	94	3,796	1,441	3,416
NIFTYNXT50	4	5	(9.9)	5	0	NM	0	2

Source: NSE EPR. NM means not measurable.

Notes:

- The above table reports premium turnover for Options contracts.
- FY25TD is as of Jul'24 and FY24TD is as of Jul'23.

Figure 245: 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 July 2024.

Average daily value of open interest (OI) expanded across NSE's equity derivatives segments barring stock options: The average daily OI of equity futures and equity options recorded a rise of 9% MoM and 2% MoM respectively in July 2024. Within equity options, stock options witnessed a 1% MoM drop in average daily OI value, while index options' average daily OI value increased 3% MoM. Within equity futures, however, stock futures and index futures, both exhibited an increase in average OI value during the month.

On YoY basis, equity futures average daily OI value rose 74% YoY while it grew 20% YoY for equity options in the first four 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)	Jul-24	Jun-24	MoM Change	FY25TD	FY24TD	YoY Change
Equity Futures	4,75,611	4,38,188	9%	4,33,201	2,48,379	74%
Stock Futures	4,18,260	3,86,033	8%	3,83,340	2,14,385	79%
Index Futures	57,351	52,155	10%	49,860	33,993	47%
NIFTY	39,818	35,312	13%	34,217	21,754	57%
BANKNIFTY	14,332	14,547	-1%	13,136	12,124	8%
FINNIFTY	206	193	7%	171	107	60%
MIDCPNIFTY	2,914	2,047	42%	2,275	8	28665%
NIFTYNEXT50	80	55	47%	62	-	-
Equity Options	15,43,166	15,09,641	2%	14,50,947	12,05,759	20%
Stock Options	2,85,061	2,89,131	-1%	2,72,549	1,63,728	66%
Index Options	12,58,105	12,20,509	3%	11,78,398	10,42,032	13%
NIFTY	7,20,894	7,09,572	2%	6,80,490	5,43,449	25%
BANKNIFTY	4,49,124	4,32,996	4%	4,16,839	4,24,750	-2%
FINNIFTY	55,258	50,220	10%	52,989	73,327	-28%
MIDCPNIFTY	32,278	27,537	17%	27,717	505	5386%
NIFTYNEXT50	551	184	200%	363	-	-

Source: NSE EPR. NM means not measurable.

Notes: 1. The above table reports notional turnover. 2. FY25TD is as of Jul'24 and FY24TD is as of Jul'23.

Currency derivatives witnessed a sharp fall in ADT: The average daily turnover in the currency derivatives segment plummeted sharply, with currency futures declining to Rs 2,073 crore (-64% MoM) and currency options falling to Rs 7 lakh (-63% MoM) in the month of July 2024.

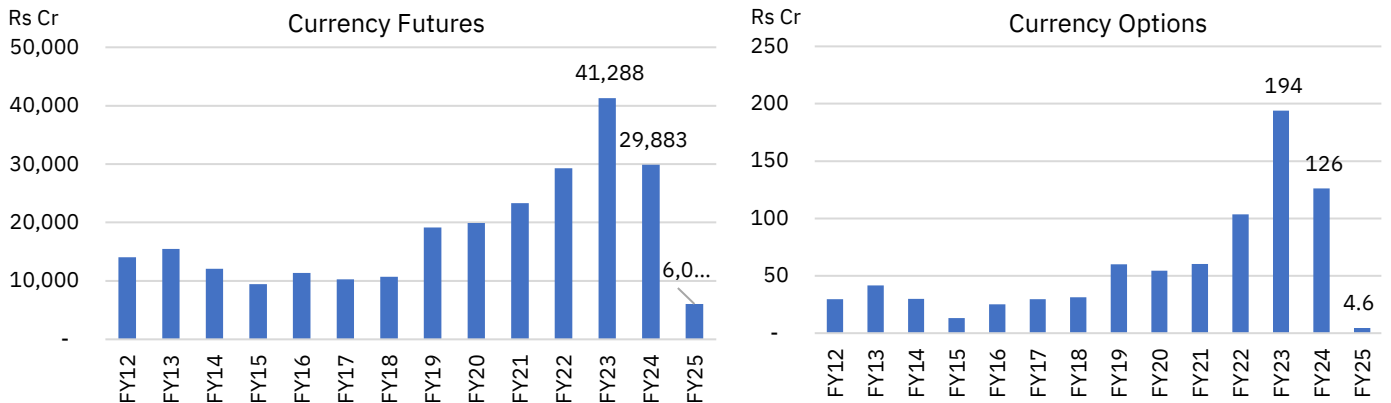
In currency futures, barring JPYINR which witnessed a notable 238% MoM rise in its ADT increasing to Rs 15 crore in July 2024, other INR pairs observed a mixed response. USDINR and EURINR pairs saw notable decline in MoM turnover, while GBPINR pair exhibited an increase in its ADT. Cross-currency pairs also exhibited mixed responses. Interestingly, although ADT of JPYINR futures experienced a massive increase on MoM basis, it experienced significant drops on YoY basis. In currency options, the ADT of USDINR pair dropped 63% MoM to Rs 6.5 lakhs (-97% YoY) during the month.

Table 59: Average daily turnover in currency derivatives segment

Product (Rs lakhs)	Jul-24	Jun-24	MoM change	FY25TD	FY24TD	YoY Change	FY24	CY24TD
Currency futures	2,07,302	5,75,327	-64%	6,04,440	30,62,347	-80%	29,88,275	15,57,342
EURINR	3,967	4,899	-19%	10,432	2,06,577	-95%	1,99,573	87,294
EURUSD	850	892	-5%	763	1,663	-54%	1,441	968
GBPINR	7,753	5,796	34%	16,140	3,53,686	-95%	3,36,657	1,59,686
GBPUSD	198	163	21%	1,133	1,532	-26%	1,147	1,128
JPYINR	1,489	440	238%	3,007	60,167	-95%	59,177	26,493
USDINR	1,92,964	5,63,024	-66%	5,72,884	24,38,300	-77%	23,89,973	12,81,689
USDJPY	82	112	-27%	80	421	-81%	306	83
Currency options	7	18	-63%	463.3	15,808.9	-97%	12,616	4,698
EURINR	-	-	-	0.1	2.2	-94%	3.1	2.4
EURUSD	-	-	-	-	-	-	-	-
GBPINR	0.1	0.1	31%	1.7	70.3	-98%	116.8	62.7
GBPUSD	-	-	-	-	-	-	-	-
JPYINR	-	-	-	-	0.1	-100%	0.2	0.1
USDINR	6.5	17.7	-63%	461.4	15,736.5	-97%	12,495.9	4,632.4
USDJPY	-	-	-	-	-	-	-	-

Source: NSE EPR

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

Figure 246: 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 July 31st, 2024.

ADT of interest rate futures moderated in July 2024: The average daily turnover (ADT) in the interest rate futures segment contracted 30.9% to Rs 81 crore in July 2024, after touching a 7-month high in June 2024. On a YoY basis, ADT of interest rate futures in FY25 registered an 18% YoY decline to Rs 102 crore in the first four months of FY25 as compared to the same period last year.

Table 60: Average daily turnover in Interest rate futures

Product (Rs Lakhs)	Jul-24	Jun-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Interest rate futures	8,117	11,743	(30.9)	10,162	12,391	(18.0)	12,270	9,660

Source: NSE EPR

 Note: Above table reports premium turnover for Options contracts. Figures in brackets indicate negative numbers. FY25TD data is as of July 31st, 2024.

Average daily premium turnover (ADPT) of commodity options exhibited a rise in July 2024: The ADPT of commodity options registered an increase of 22% MoM to a 3-month high of Rs 7.7 crore, while the ADT in commodity futures declined to a 4-month low of Rs 48 lakh in July 2024. On YoY basis, ADT of commodity futures exhibited 98.6% YoY decline, while commodity options' ADPT exhibited a notable 30x growth in the first four months of FY25 as compared to the same period last year.

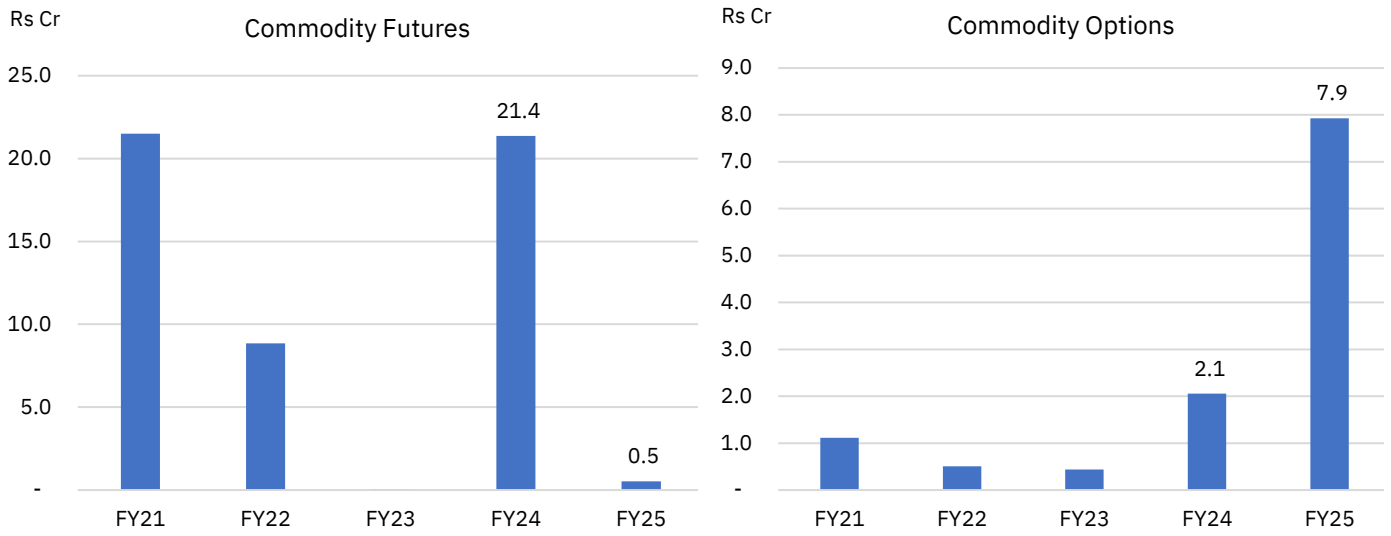
Table 61: Average daily turnover in commodities derivatives

Product (Rs Lakhs)	Jul-24	Jun-24	% MoM change	FY25TD	FY24TD	% YoY Change	FY24	CY24TD
Commodity futures	48	55	(11.4)	53	3,717	(98.6)	2,138	78
Commodity options	775	635	22.0	793	26	2,901.4	206	739

Source: NSE EPR

 Notes: Above table reports premium turnover for Options contracts; Figures in brackets indicate negative numbers; FY25TD data is as of July 31st, 2024.

Figure 247: 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 July 31st, 2024.

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

Foreign investors ended a 6-month selling streak in July: Foreign investors ended their 6-month consecutive selling streak in NSE's CM segment in July 2024 with net inflow to the tune of Rs 10,073 crore. Net investments by Domestic institutional investors (DIIs), on the other hand, moderated 28% MoM to a 5-month low of Rs 16,836 in July 2024 from Rs 23,393 crore in June 2024 in the NSE's CM segment, even as they maintained a consistent buying spree for last one year. Individuals also continued their buying impetus for the fourth consecutive month, albeit with a moderation in net investments (-44.6% MoM) to Rs 8,306 crore.

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

(Rs crore)	Jul-24			Jun-24			May-24		
Category	Buy Value	Sell Value	Net Value	Buy Value	Sell Value	Net Value	Buy Value	Sell Value	Net Value
Corporates	1,55,757	1,64,504	(8,747)	1,57,891	1,57,700	191	1,20,058	1,26,009	(5,951)
DIIs	3,50,753	3,33,917	16,836	3,52,670	3,29,278	23,393	3,02,919	2,51,755	51,164
Foreign Investors	3,61,262	3,51,188	10,073	4,02,634	4,12,093	(9,459)	3,85,283	4,23,957	(38,674)
Individuals	11,71,600	11,63,294	8,306	10,06,112	9,91,108	15,004	8,47,514	8,37,010	10,504
Others	1,35,544	1,43,759	(8,215)	1,22,376	1,31,371	(8,995)	98,251	1,04,419	(6,168)
Prop	8,86,661	9,04,914	(18,253)	8,63,543	8,83,676	(20,133)	7,13,916	7,24,792	(10,876)
Total	30,61,577	30,61,577		29,05,226	29,05,226		24,67,941	24,67,941	

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	5,32,725	5,51,140	(18,415)	11,05,673	11,47,170	(41,497)
DIIs	12,74,849	11,42,399	1,32,450	22,98,940	21,41,733	1,57,207
Foreign Investors	14,23,035	14,97,240	(74,205)	29,70,760	29,86,228	(15,468)
Individuals	37,96,836	37,49,252	47,585	71,52,033	71,04,792	47,241
Others	4,47,476	4,76,410	(28,934)	9,53,295	9,91,704	(38,410)
Prop	30,80,020	31,38,500	(58,480)	56,22,737	57,31,811	(1,09,074)
Total	1,05,54,940	1,05,54,940		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 Jul'24.

Category-wise turnover in NSE's derivatives segment

Prop. and individuals trading increased in stock derivatives in July: Category-wise, proprietary traders led the surge in stock derivatives' turnover, exhibiting 6.4% and 1.7% MoM growth in stock futures and options respectively in the month of July. While their trading increased in stock derivatives, trading in index derivatives plunged 17% and 12% MoM in index futures and options respectively. Incidentally, prop. trading has contributed 49% and 29% to the uptick in stock futures and options turnover respectively, while they contributed 35% and 50% to the decline in index futures and options turnover respectively during the month. Individuals have also witnessed a similar trend during the month, with a contribution of 18% and 44% to the increase in stock futures and options turnover respectively, while it contributed 20% and 28% to the decline in index futures and options turnover respectively.

Table 64: Category-wise turnover in equity derivatives

(Rs crore)	Jul-24		Jun-24		FY25TD		FY24	
Category wise	Buy Value	Sell Value	Buy Value	Sell Value	Buy Value	Sell Value	Buy Value	Sell Value
Index Futures	8,25,104	8,25,104	9,83,344	9,83,344	33,08,165	33,08,165	74,17,117	74,17,117
Corporates	1,09,769	1,06,917	1,31,808	1,40,217	4,52,515	4,45,734	8,66,663	8,59,339
DIIs	22,910	24,404	25,411	26,411	83,701	85,328	2,52,024	2,54,039
Foreign Investors	1,14,481	1,20,351	1,69,654	1,31,371	5,25,874	5,09,125	10,29,423	10,34,622
Individuals	2,64,117	2,55,676	2,79,322	3,03,948	9,85,687	9,91,378	22,52,031	22,45,226
Others	49,777	49,053	58,050	58,547	2,00,778	2,00,950	5,53,345	5,51,145
Prop	2,64,051	2,68,702	3,19,101	3,22,852	10,59,609	10,75,651	24,63,632	24,72,745
Stock Futures	38,31,730	38,31,730	36,62,528	36,62,528	1,41,17,603	1,41,17,603	2,55,46,966	2,55,46,966
Corporates	2,90,603	2,88,850	2,69,335	2,75,114	10,61,593	10,64,096	18,31,649	18,36,717
DIIs	3,18,504	3,22,975	3,09,971	3,03,970	11,96,367	12,07,869	22,40,985	23,06,857
Foreign Investors	10,05,397	10,01,972	9,92,820	9,76,541	37,65,351	37,45,232	61,40,115	60,77,935
Individuals	6,42,196	6,39,911	6,07,710	6,15,029	23,83,390	23,72,771	42,54,504	42,27,680
Others	1,93,019	1,90,494	1,85,211	1,85,901	7,02,897	6,98,243	18,85,711	18,86,624
Prop	13,82,011	13,87,527	12,97,481	13,05,973	50,08,006	50,29,393	91,94,002	92,11,154
Index Options	13,12,196	13,12,196	14,86,308	14,86,308	51,67,895	51,67,895	1,38,19,564	1,38,19,564
Corporates	62,409	63,785	72,309	72,760	2,08,937	2,12,544	3,59,796	3,65,396
DIIs	1,375	944	1,158	890	4,484	3,449	10,266	9,761
Foreign Investors	1,18,161	1,19,360	1,40,626	1,41,364	5,27,858	5,33,092	12,39,326	12,55,559
Individuals	4,54,529	4,48,706	5,03,165	4,98,325	18,04,390	17,82,731	48,68,556	48,16,950
Others	38,990	39,718	45,289	45,966	1,72,757	1,75,651	6,23,829	6,29,650
Prop	6,36,732	6,39,684	7,23,761	7,27,003	24,49,468	24,60,428	67,17,790	67,42,248
Stock Options	1,97,877	1,97,877	1,91,370	1,91,370	7,31,803	7,31,803	13,78,031	13,78,031
Corporates	9,485	9,910	8,703	8,867	29,443	30,560	45,728	47,270
DIIs	171	501	182	381	671	1,813	1,169	3,013
Foreign Investors	16,131	16,283	16,106	16,117	57,936	58,103	65,710	66,229
Individuals	56,772	55,952	53,575	53,379	2,10,278	2,07,491	4,13,213	4,05,530
Others	4,392	4,519	3,698	3,819	14,947	15,314	29,210	29,842
Prop	1,10,927	1,10,712	1,09,105	1,08,807	4,18,528	4,18,522	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 Jul'24.

Prop. traders contributed largely to the decline in currency derivatives turnover in July:

Continuing the pre-Jun'24 trend, currency futures turnover declined 58% MoM to Rs 45,606 crore. Within the instrument, proprietary traders, that accounted for 57% of the turnover, witnessed a stark fall in the turnover, contributing 96% of the MoM decline in the turnover. Additionally, DIIs witnessed a decline of 66% MoM in turnover. Meanwhile, contrary to the trend exhibited by other categories, currency futures turnover of corporates increased 14% MoM.

The sharp decline in the currency options premium turnover in the last few months was seen across most client categories, with individuals contributing 64% of the MoM decline in the turnover followed by prop. traders at 27%. This segment has seen a sharp dip in trading activity post the implementation of RBI regulatory guidelines on exchange-traded currency derivatives in April 2024.

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

(Rs crore)	Jul-24		Jun-24		May-24	
Category	Buy Value	Sell Value	Buy Value	Sell Value	Buy Value	Sell Value
Futures	45,606	45,606	1,09,312	1,09,312	1,05,151	1,05,151
Corporates	7,002	8,145	6,540	6,716	8,212	7,438
DIIs	807	751	2,324	2,227	2,342	1,131
Foreign Investors	5,379	4,699	6,329	5,716	4,378	4,017
Individuals	4,328	5,358	6,242	6,372	6,353	5,468
Others	1,369	1,389	1,177	1,204	1,240	1,126
Prop	26,722	25,265	86,700	87,077	82,627	85,970
Options	1.5	1.5	3.4	3.4	7.9	7.9
Corporates	0.6	0.8	0.8	0.8	1.4	1.9
DIIs	-	-	-	-	-	-
Foreign Investors	-	-	0.0	0.0	1.3	1.5
Individuals	0.4	0.6	1.5	1.9	3.2	3.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Prop	0.5	0.1	1.0	0.6	1.9	1.4

Source: NSE EPR

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

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

3. 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	4,77,507	4,77,507	72,01,771	72,01,771
Corporates	48,039	44,275	4,21,444	4,22,361
DIIIs	14,774	7,503	72,761	74,017
Foreign Investors	32,665	31,942	6,26,681	6,35,845
Individuals	38,392	33,010	10,95,914	10,94,033
Others	13,001	12,157	1,82,192	1,79,167
Prop	3,30,636	3,48,620	48,02,778	47,96,348
Options	366.0	366.0	30,404.5	30,404.5
Corporates	30.7	45.2	1,114.0	1,144.5
DIIIs	0.1	1.4	14.8	0.4
Foreign Investors	14.9	28.2	1,483.9	1,156.9
Individuals	198.3	69.2	6,593.8	6,853.0
Others	3.7	2.1	1,030.0	1,085.5
Prop	118.4	219.9	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 Jul'24.

Decline in trading activity observed across most categories in IRFs: Corporates contributed 62% to the decline in trading activity in interest rate futures, resulting in a 20% MoM decline in the turnover, followed prop. traders whose turnover shrank 36% MoM. Individuals, on the other hand, witnessed a 22% MoM increase in trading activity, offsetting the decline in turnover during the month.

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

(Rs crore)	Jul-24		Jun-24		May-24	
Category	Buy Value	Sell Value	Buy Value	Sell Value	Buy Value	Sell Value
Futures	1,786	1,786	2,231	2,231	2,239	2,239
Corporates	1,086	1,105	1,330	1,412	1,311	1,800
DIIIs	-	-	0	-	-	-
Foreign Investors	3	3	3	3	3	3
Individuals	269	243	220	198	179	373
Others	26	26	26	14	14	14
Prop	402	409	652	605	732	49

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	8,028	8,028	29,571	29,571
Corporates	4,859	5,539	12,597	13,581
DIIIs	0	-	321	296
Foreign Investors	11	11	66	66
Individuals	1,180	1,198	2,255	1,915
Others	81	57	66	62
Prop	1,898	1,224	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 Jul'24.

Individual investors and proprietary traders contributed majorly to the growth in commodity options turnover in July: While commodity futures turnover remained flat on MoM basis, commodity options turnover increased 40.4% MoM to Rs 178.1 crore in July, after declining for two consecutive months. Prop. traders' and individual investors contributed 63% and 29% respectively to the MoM growth in commodity options premium turnover.

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

(Rs crore)	Jul-24		Jun-24		May-24	
Category	Buy Value	Sell Value	Buy Value	Sell Value	Buy Value	Sell Value
Futures	11.1	11.1	11.0	11.0	12.6	12.6
Corporates	-	0.1	1.0	1.0	-	-
DIIIs	-	-	-	-	-	-
Foreign Investors	-	-	-	-	-	-
Individuals	1.8	0.5	0.6	1.8	2.4	1.8
Others	0.1	0.1	-	-	-	-
Prop	9.3	10.5	9.4	8.2	10.2	10.9
Options	178.1	178.1	126.9	126.9	174.2	174.2
Corporates	0.9	0.9	0.6	0.5	0.2	0.2
DIIIs	-	-	-	-	-	-
Foreign Investors	0.0	0.0	0.3	0.2	0.6	0.6
Individuals	23.3	23.0	8.1	8.1	16.4	16.4
Others	5.0	5.0	1.1	1.1	1.6	1.6
Prop	149.0	149.2	116.8	117.0	155.3	155.3

Source: NSE EPR

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

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

3. Above table reports premium turnover for options contracts.

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

(Rs crore)	FY25TD		FY24	
	Buy Value	Sell Value	Buy Value	Sell Value
Futures	46.4	46.4	5,429.3	5,429.3
Corporates	1.1	1.1	138.4	138.5
DIIIs	-	-	5.5	5.5
Foreign Investors	-	-	14.0	13.1
Individuals	5.6	5.5	724.6	723.6
Others	0.4	0.4	56.4	57.0
Prop	39.4	39.5	4,490.4	4,491.6
Options	697.8	697.8	523.1	523.1
Corporates	1.8	1.8	4.6	4.5
DIIIs	-	-	-	-
Foreign Investors	1.0	0.9	0.1	0.0
Individuals	68.3	67.9	48.2	48.2
Others	14.2	14.2	6.4	6.5
Prop	612.5	613.1	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 Jul'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.

Individuals' share in the CM segment trading increased in July: The share of individuals (+376bps MoM) in the overall turnover of the CM Segment increased in Jul'24, rising to a 19-month high of 38.1%, resulting from a 16.9% MoM increase in the turnover. Incidentally, the segment also witnessed record participation in terms of number of individual investors. Foreign investors' share declined 239bps to a 33-month low of 11.6% in Jul'24, resulting from a 12.6% MoM decline in their turnover in CM segment. Prop share, on the other hand, declined 81bps MoM to 29.3% despite a 2.5% MoM uptick in the turnover.

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

Client category	Jul-24	Jun-24	MoM Change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	5.2	5.4	(20)	5.1	5.3	(16)	5.6	5.3
DIIs	11.2	11.7	(55)	11.5	11.9	(42)	11.0	11.1
Foreign Investors	11.6	14.0	(239)	13.8	15.3	(142)	14.8	14.1
Individuals	38.1	34.4	376	35.7	34.9	86	35.5	35.7
Prop	29.3	30.1	(81)	29.5	27.7	177	28.2	29.3
Others	4.6	4.4	19	4.4	5.0	(63)	4.8	4.5

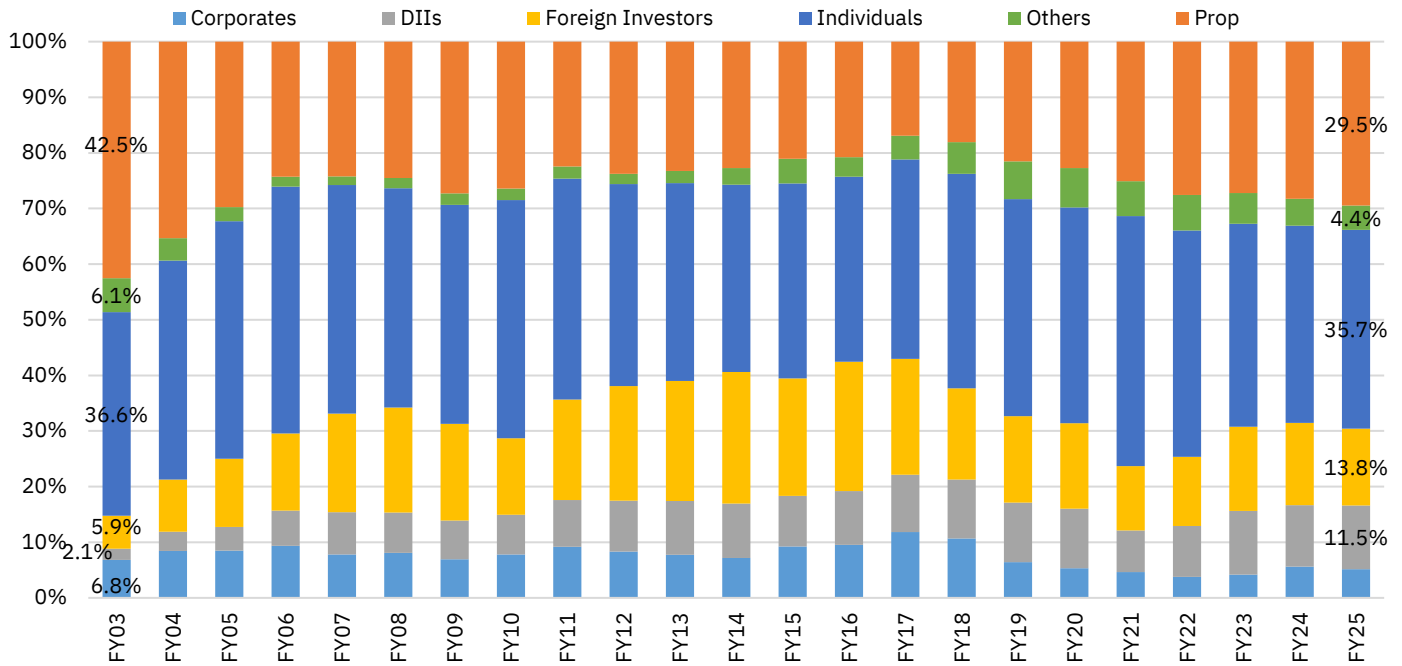
Source: NSE EPR

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

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

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

4. FY25TD is as of Jul'24.

Figure 248: Trends in share of client participation in NSE cash market segment (%)


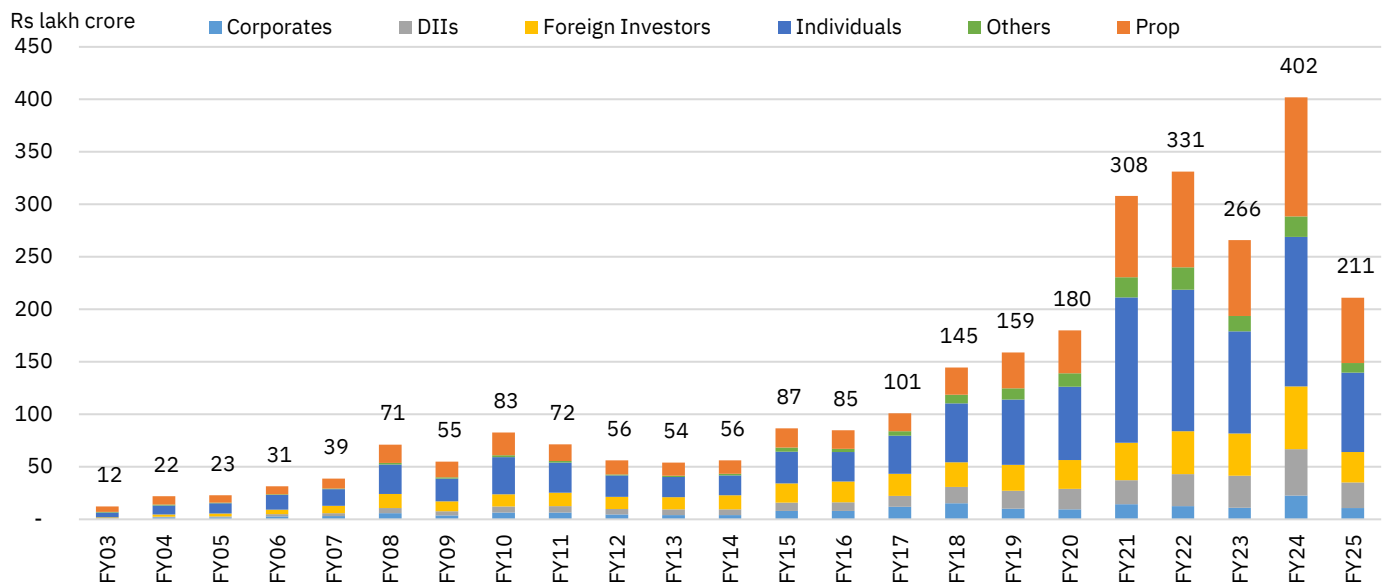
Source: NSE EPR

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 Jul'24.

Figure 249: 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 Jul'24.

Share of prop. trading increased in equity derivatives segment in July: Share of proprietary traders increased by 126bps MoM to a 4-month high of 59.9% in the equity derivatives segment in terms of notional turnover because of increased participation in stock derivatives, offset by decline in trading in index derivatives. Notably individuals witnessed expansion in their share across all instruments in the equity derivatives segment during the month.

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

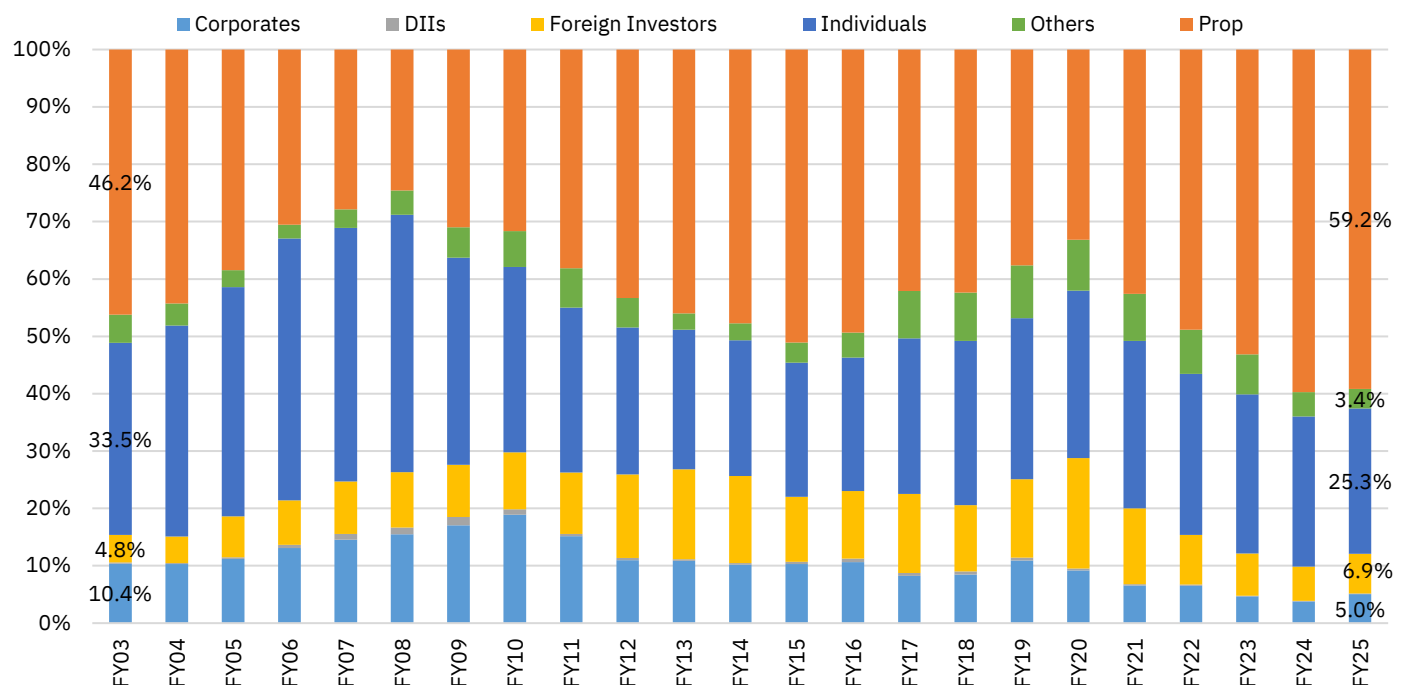
Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	5.8	5.8	3	5.0	3.8	124	3.8	4.6
DII's	0.1	0.1	0	0.1	0.1	2	0.1	0.1
Foreign Investors	6.5	6.6	(7)	6.9	6.0	96	6.0	6.9
Individuals	24.4	25.5	(105)	25.3	27.0	(168)	26.2	25.1
Prop	59.9	58.6	126	59.2	58.2	91	59.7	59.7
Others	3.2	3.4	(17)	3.4	4.9	(145)	4.2	3.6

Source: NSE EPR

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

2. Data is categorized as per client category codes as uploaded by trading members in UCC system.
3. Above data represents share in gross notional turnover i.e., buy-side turnover + sell-side turnover.
4. FY25TD is as of Jul'24.

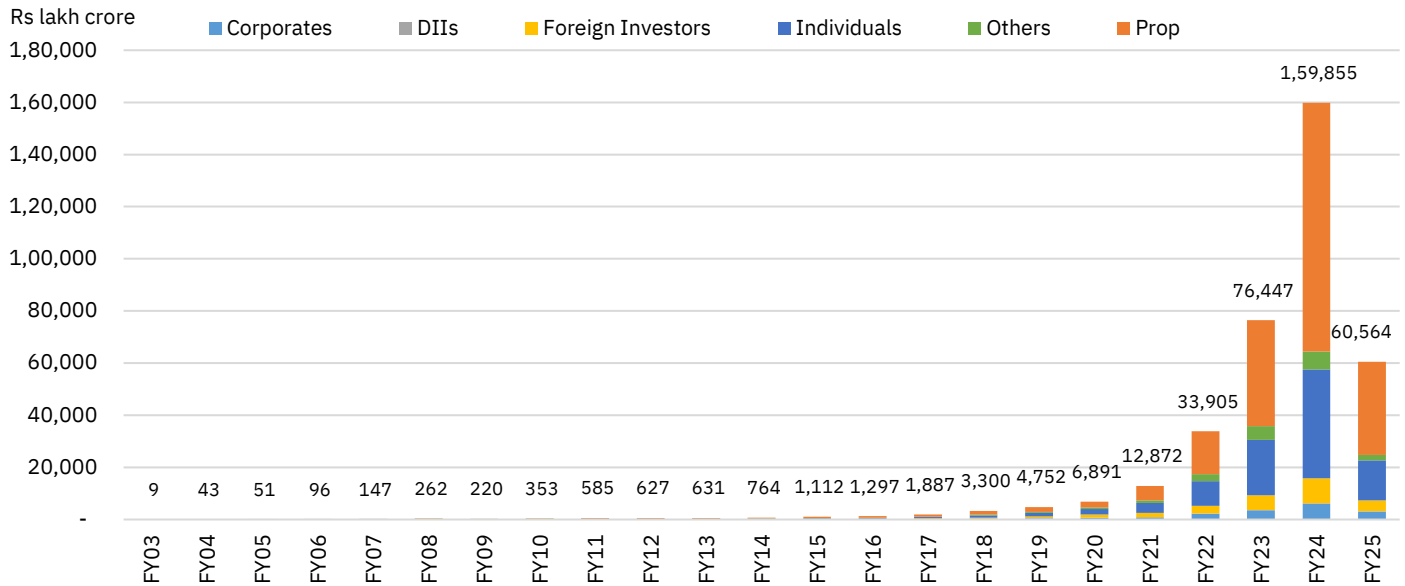
Figure 250: Trends in share of client participation in Equity Derivatives (Notional Turnover) at NSE (%)



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 Jul'24.

Figure 251: 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 Jul'24.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	8.5	8.8	(24)	8.7	8.1	57	8.2	8.5
DIIs	7.4	7.2	23	7.4	7.3	5	7.7	7.4
Foreign investors	24.1	24.4	(36)	24.5	21.6	294	21.7	23.5
Individuals	19.3	19.4	(9)	19.3	20.0	(71)	19.7	19.6
Prop	35.5	34.9	53	34.9	35.1	(17)	35.4	35.2
Others	5.2	5.2	(7)	5.2	7.9	(268)	7.4	5.7

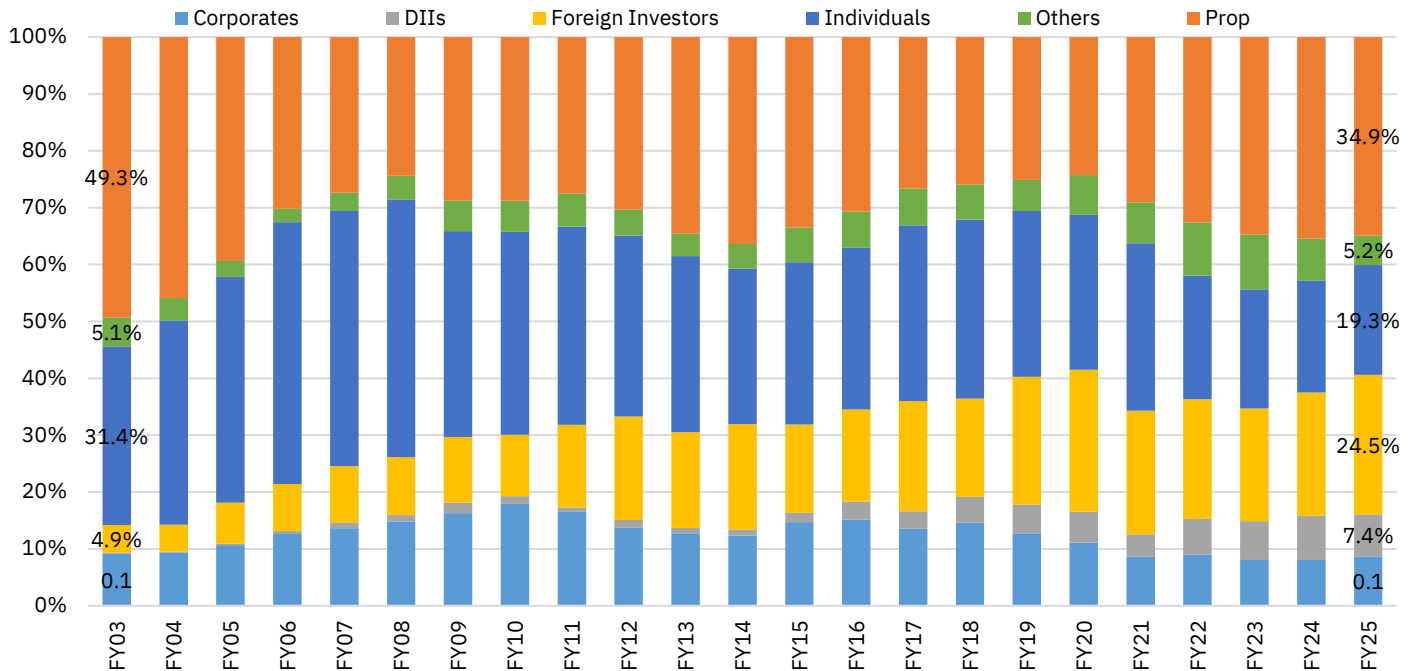
Source: NSE EPR

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

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

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

4. FY25TD is as of Jul'24.

Figure 252: Trends in share of client participation in Equity futures (Notional Turnover) at NSE (%)


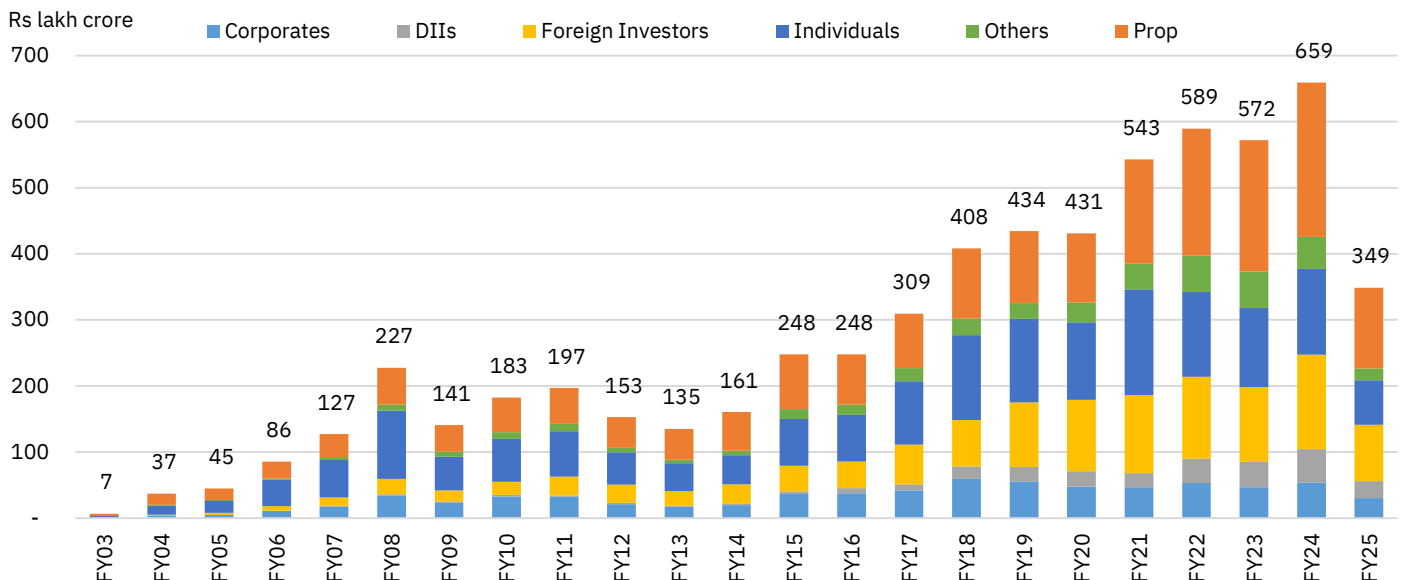
Source: NSE EPR

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 Jul'24.

Figure 253: 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 Jul'24.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.8	4.8	(3)	4.1	2.9	115	2.7	3.4
DIIs	0.1	0.1	2	0.1	0.1	1	0.1	0.1
Foreign investors	8.9	9.4	(43)	10.0	7.7	229	8.6	10.3
Individuals	33.6	33.0	60	33.9	34.6	(61)	34.6	34.0
Prop	49.6	49.7	(13)	48.7	49.8	(109)	49.7	48.7
Others	2.9	2.9	(4)	3.2	5.0	(176)	4.3	3.5

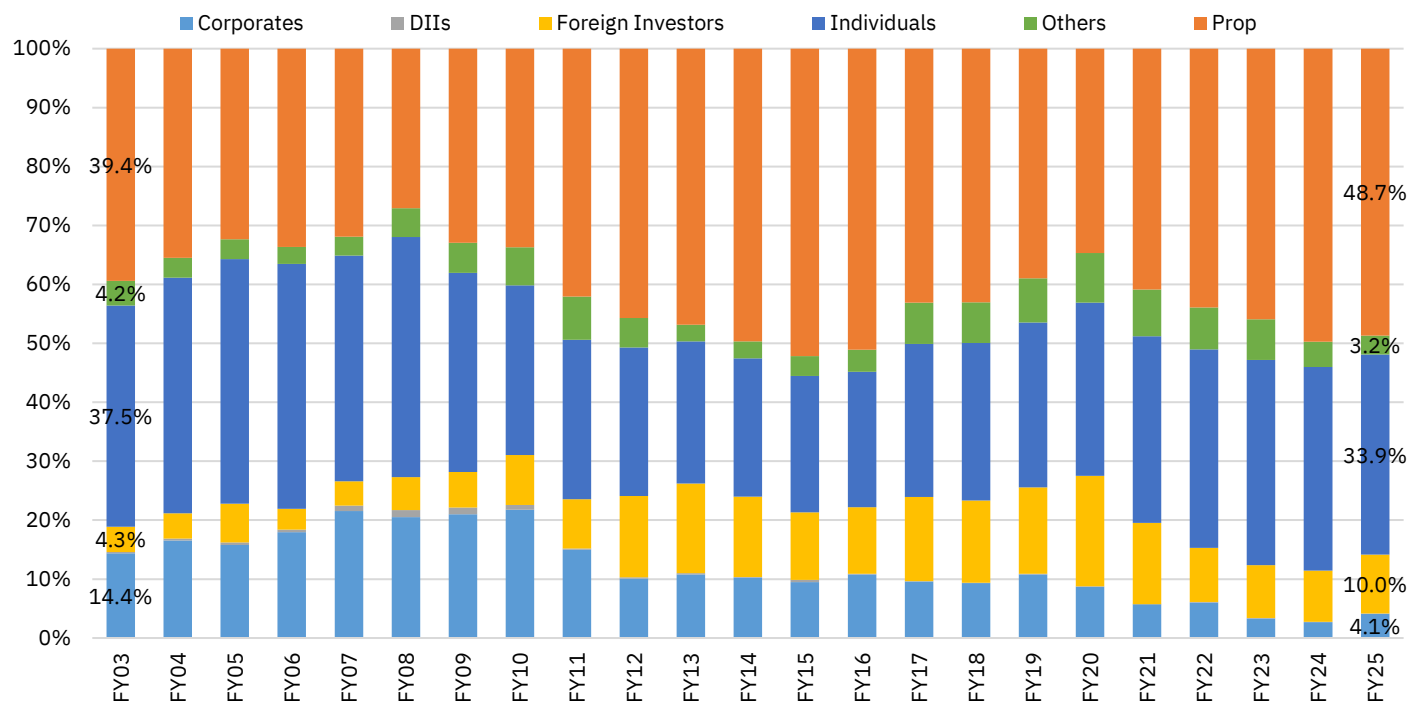
Source: NSE EPR

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

4. FY25TD is as of Jul'24.

Figure 254: Trends in share of client participation in Equity options (Premium Turnover) at NSE (%)


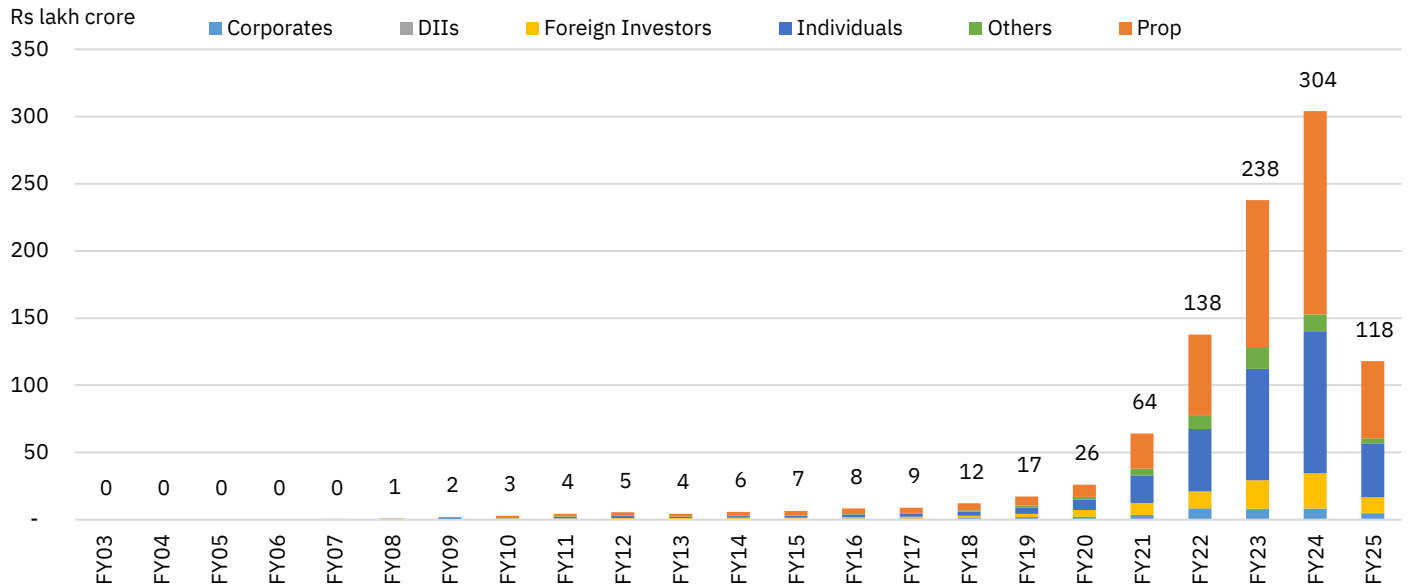
Source: NSE EPR

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 Jul'24.

Figure 255: 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 Jul'24.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	13.1	13.8	(70)	13.6	10.7	288	11.6	13.0
DIIs	2.9	2.6	23	2.6	3.4	(84)	3.4	2.8
Foreign investors	14.2	15.3	(108)	15.6	13.5	210	13.9	14.7
Individuals	31.5	29.7	184	29.9	32.4	(254)	30.3	30.0
Prop	32.3	32.6	(36)	32.3	32.2	9	33.3	32.9
Others	6.0	5.9	6	6.1	7.8	(170)	7.4	6.6

Source: NSE EPR

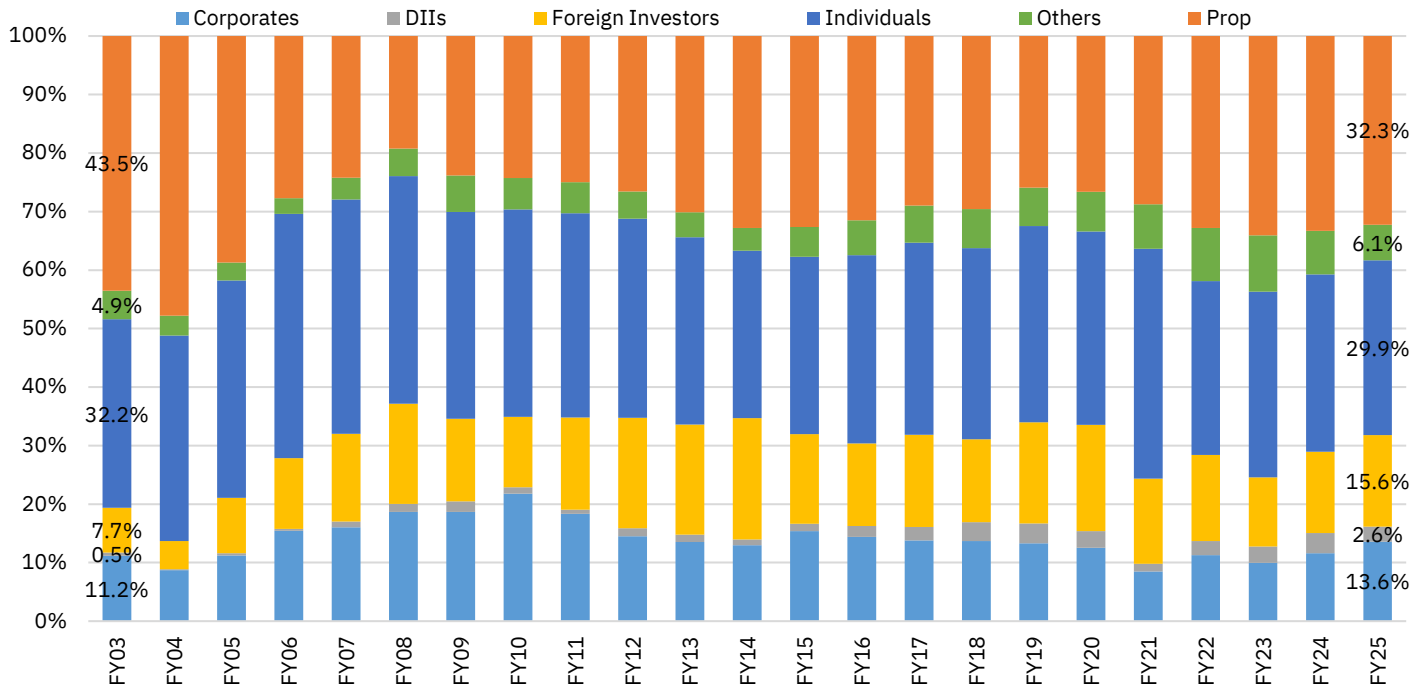
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

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

3. Figures in brackets indicate negative numbers.

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

5. FY25TD is as of Jul'24.

Figure 256: Trends in share of client participation in Index Futures at NSE (%)


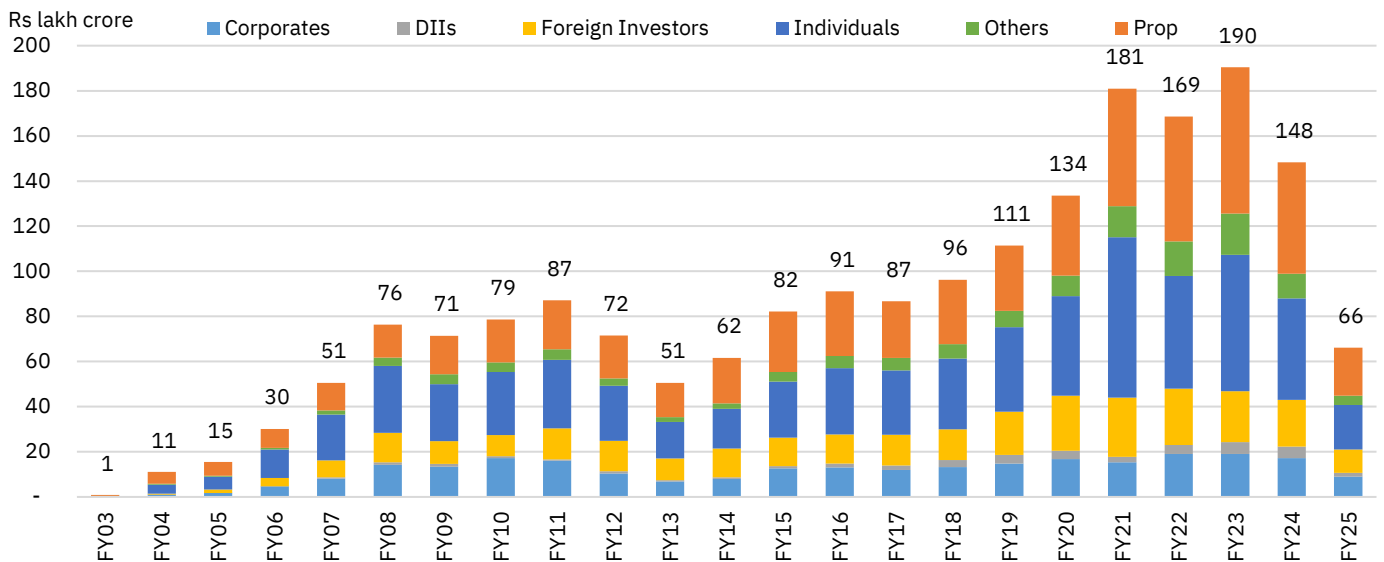
Source: NSE EPR

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 Jul'24.

Figure 257: 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 Jul'24.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	7.6	7.4	13	7.5	7.3	28	7.2	7.4
DIIIs	8.4	8.4	(1)	8.5	8.6	(13)	8.9	8.6
Foreign investors	26.2	26.9	(69)	26.6	24.2	236	23.9	25.8
Individuals	16.7	16.7	4	16.8	15.9	92	16.6	16.9
Prop	36.1	35.5	60	35.5	36.1	(51)	36.0	35.8
Others	5.0	5.1	(6)	5.0	7.9	(292)	7.4	5.5

Source: NSE EPR

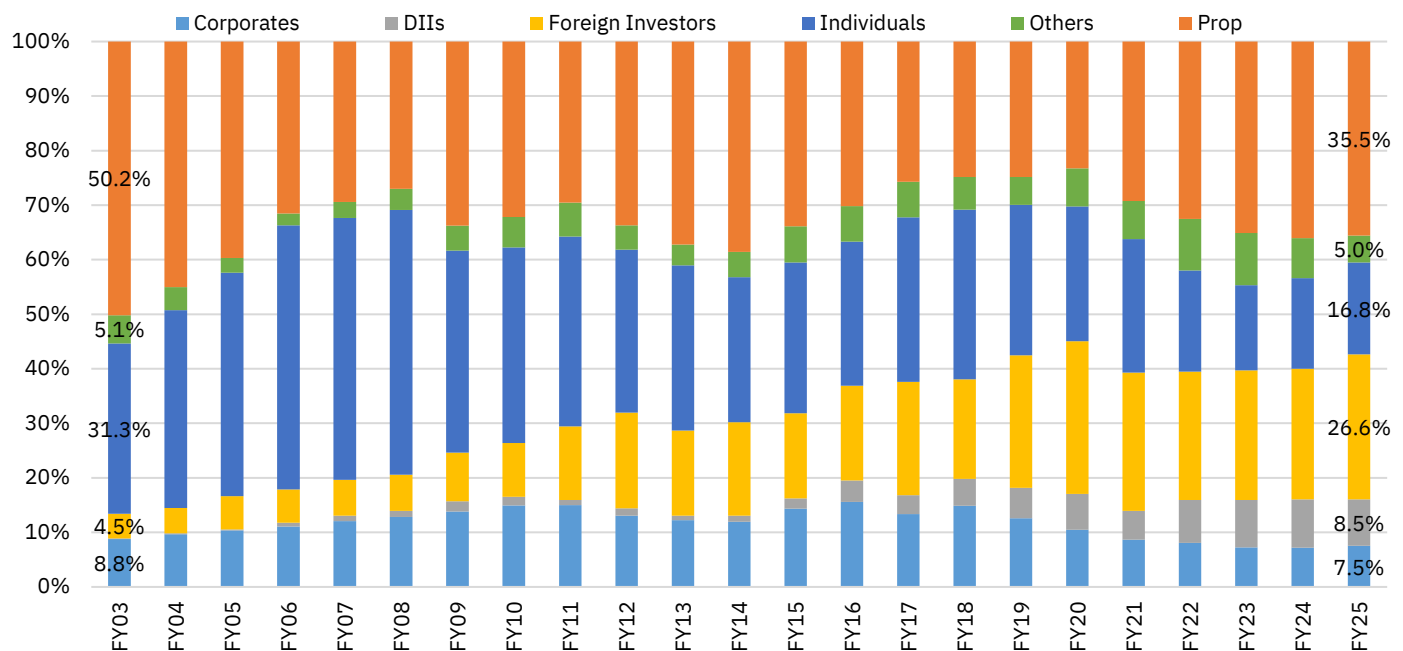
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

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

3. 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 Jul'24.

Figure 258: Trends in share of client participation in Stock Futures at NSE (%)


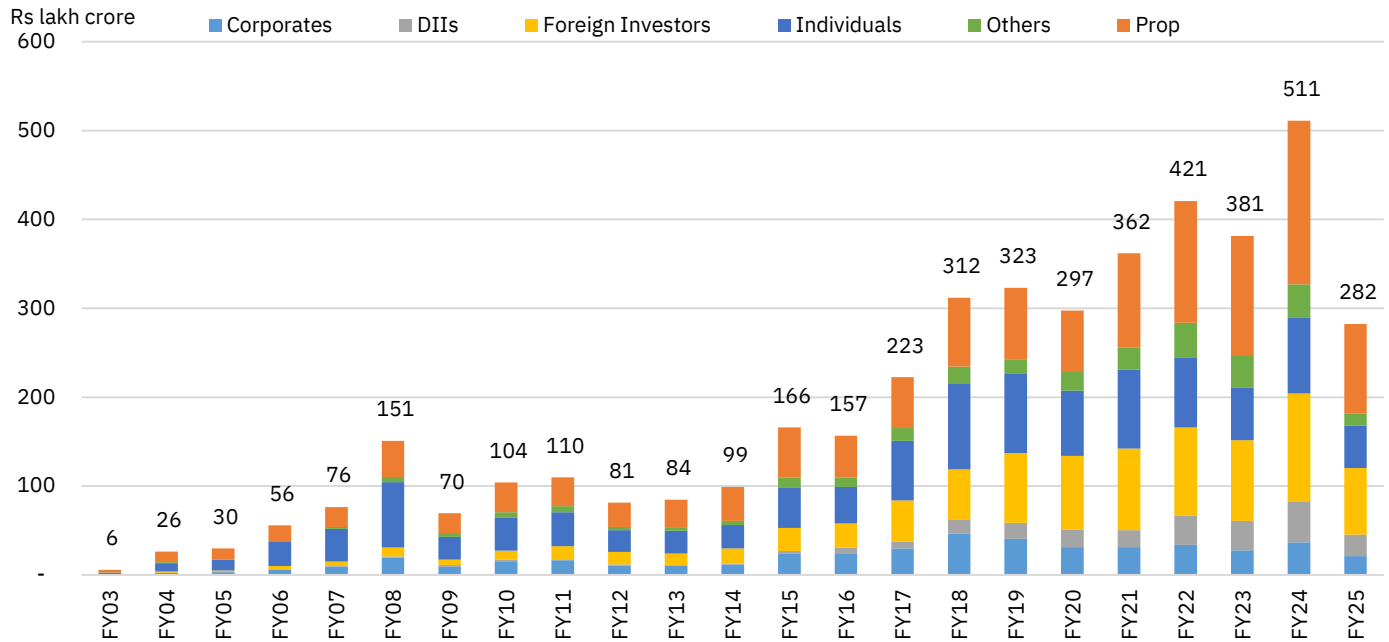
Source: NSE EPR

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 Jul'24.

Figure 259: 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 Jul'24.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.8	4.9	(7)	4.1	2.9	120	2.6	3.4
DIIs	0.1	0.1	2	0.1	0.1	1	0.1	0.1
Foreign investors	9.1	9.5	(44)	10.3	8.0	228	9.0	10.8
Individuals	34.4	33.7	73	34.7	34.8	(13)	35.0	34.7
Prop	48.6	48.8	(17)	47.5	49.1	(159)	48.7	47.5
Others	3.0	3.1	(7)	3.4	5.1	(176)	4.5	3.7

Source: NSE EPR

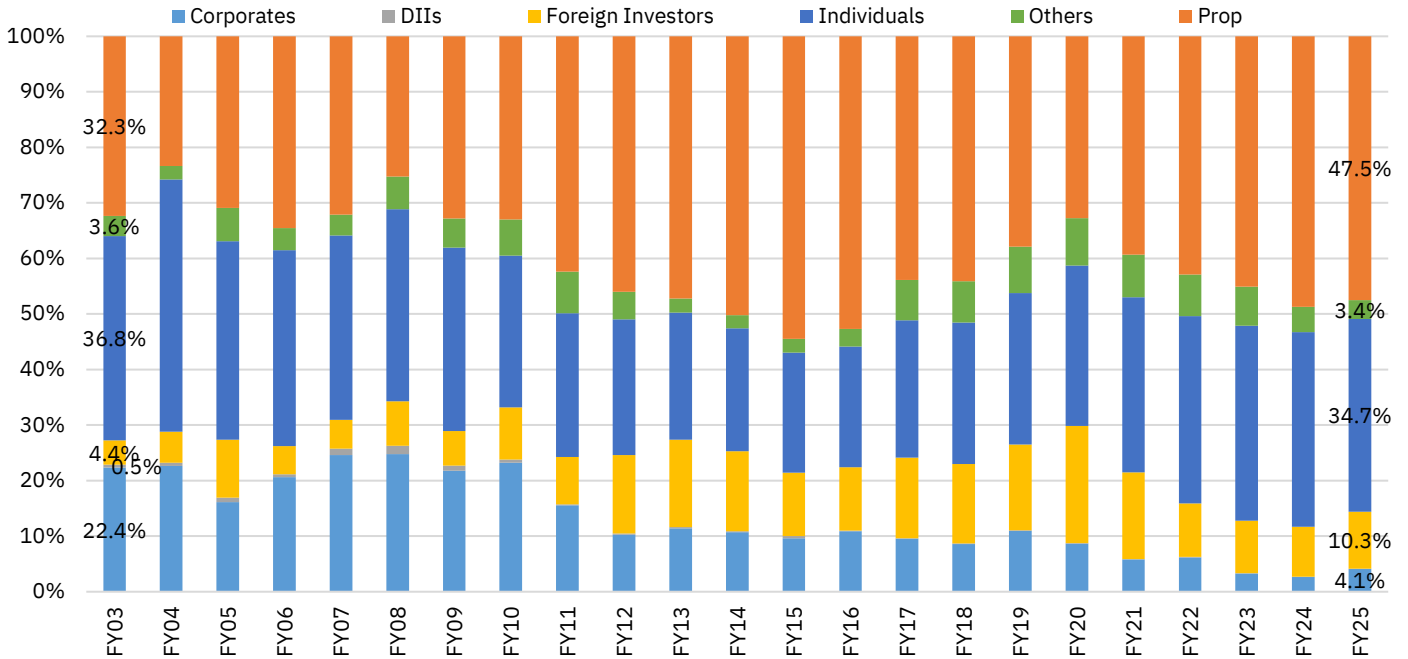
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

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

3. 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 Jul'24.

Figure 260: Trends in share of client participation in Index Options (premium turnover) at NSE (%)


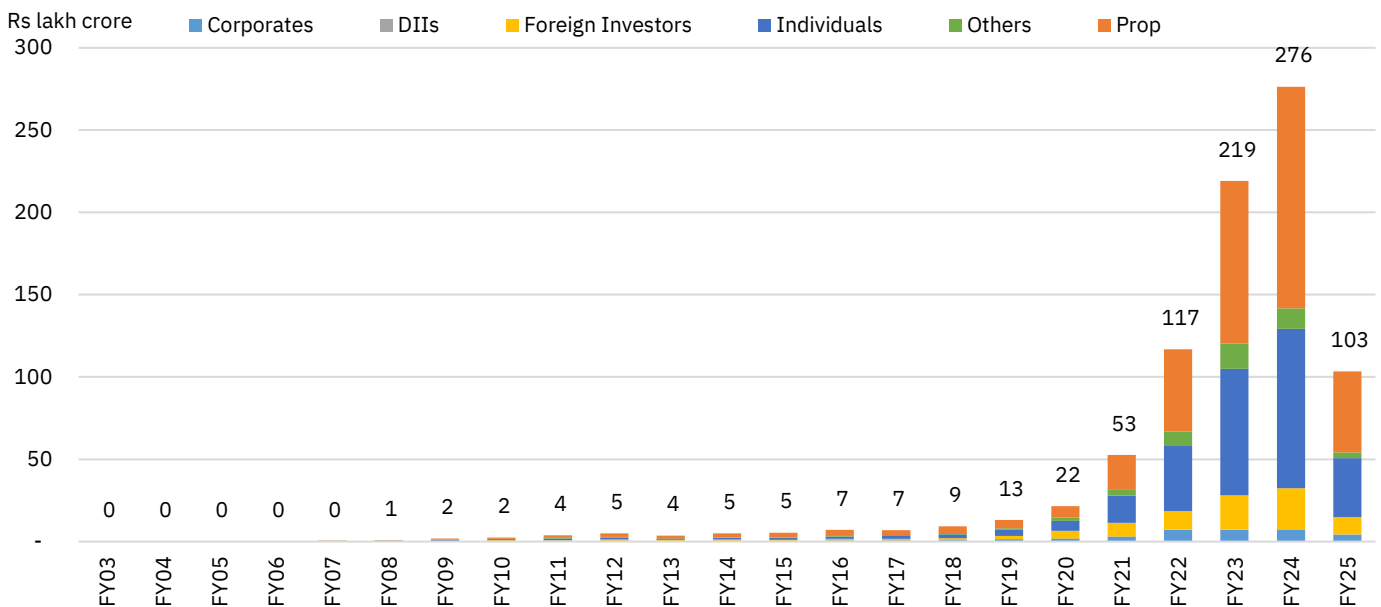
Source: NSE EPR

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 Jul'24.

Figure 261: 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 Jul'24.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	4.9	4.6	31	4.1	3.5	55	3.4	3.7
DII's	0.2	0.1	2	0.2	0.2	1	0.2	0.2
Foreign investors	8.2	8.4	(23)	7.9	3.8	408	4.8	7.2
Individuals	28.5	27.9	54	28.5	31.0	(243)	29.7	28.5
Prop	56.0	56.9	(93)	57.2	58.6	(142)	59.8	58.4
Others	2.3	2.0	29	2.1	2.9	(79)	2.1	2.0

Source: NSE EPR

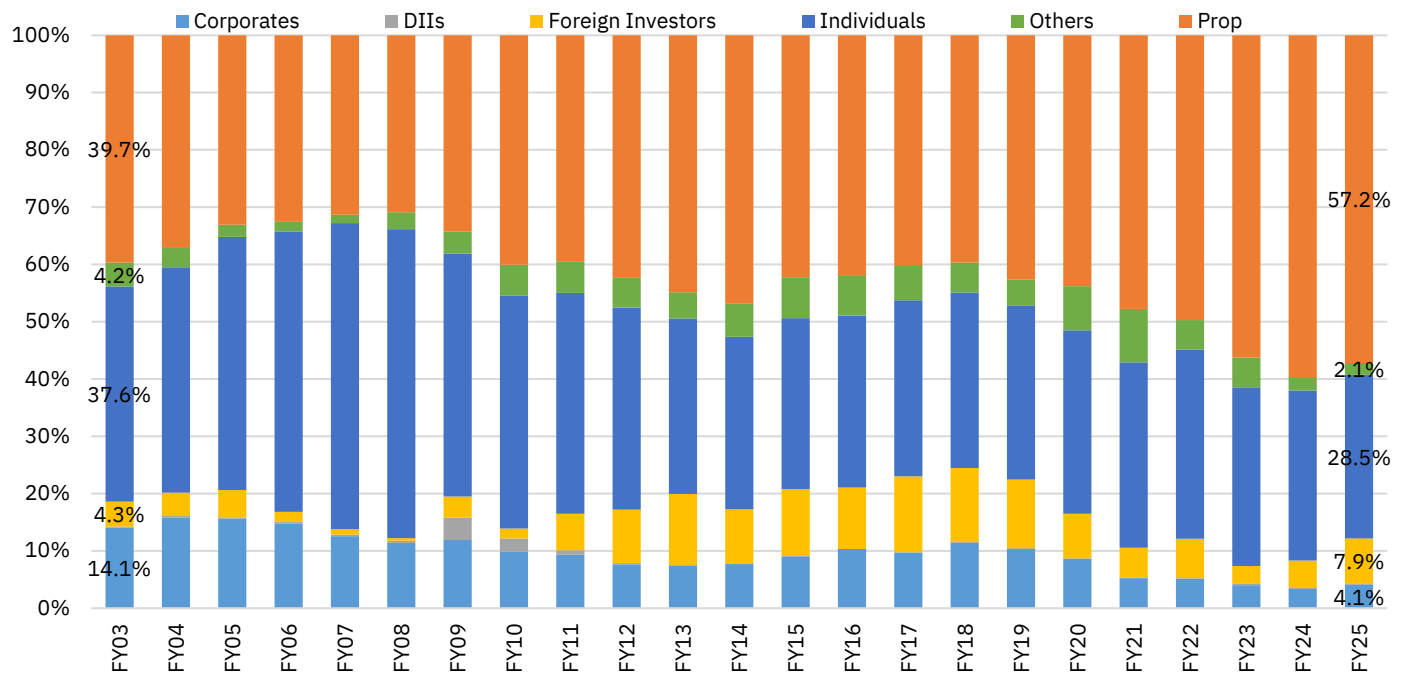
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

Figure 262: Trends in share of client participation in Stock Options (Premium Turnover) at NSE (%)


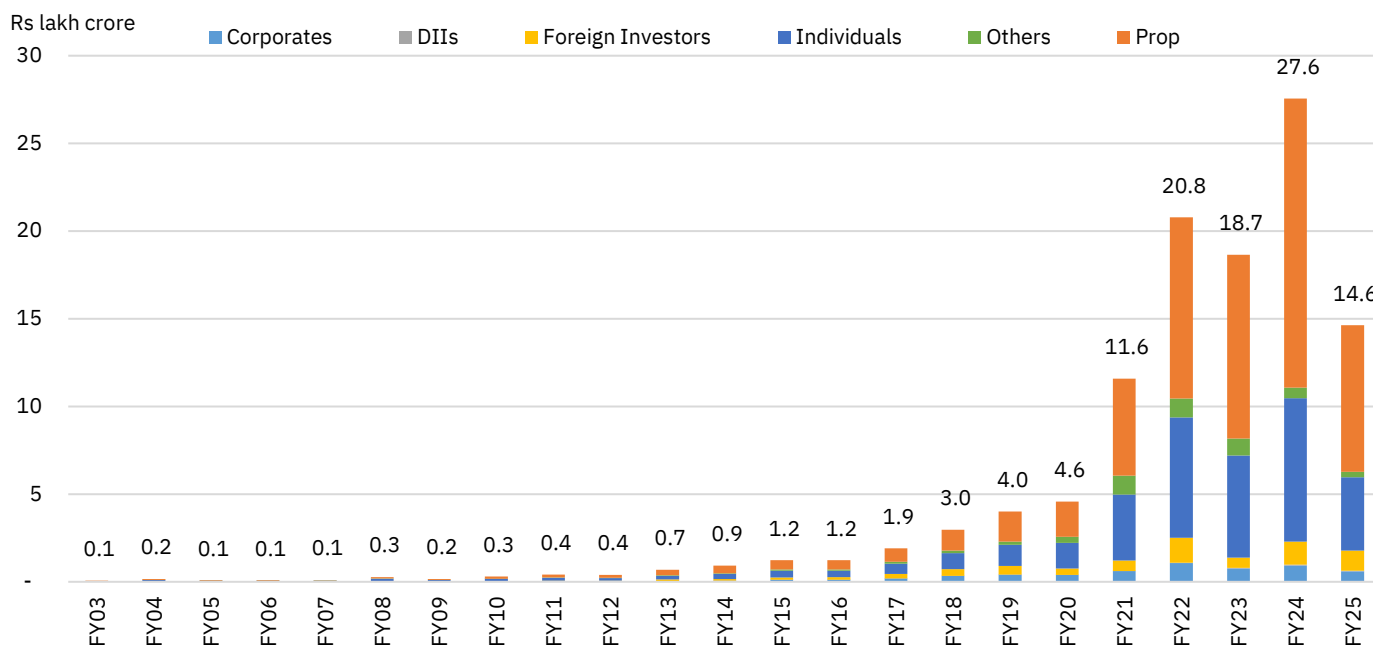
Source: NSE EPR

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 Jul'24.

Figure 263: 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 Jul'24.

Corporates' share in the currency derivatives turnover increased substantially:

Corporates' share in currency futures turnover increased 1,054bps to 16.6% and that in currency options (premium turnover) increased 2,144bps to 45.9%, surpassing individuals (-1718bps MoM) to touch the highest share in the instrument in Jul'24. On the other hand, proprietary traders' share in currency futures plummeted to 57% in Jul'24 from 79.5% in Jun'24 because of reduced trading activity. The share of individuals and foreign investors in the overall segment turnover increased to 11.8% and 10.6% respectively, despite a drop in turnover.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	17.7	6.6	1,110	10.0	3.8	614	3.8	4.4
DIIs	1.6	2.0	(37)	1.8	0.2	161	0.2	0.4
Foreign investors	10.6	5.3	525	6.5	4.0	255	5.1	6.0
Individuals	11.8	7.4	439	14.5	22.9	(832)	20.9	18.2
Prop	55.4	77.6	(2,221)	64.7	61.1	364	62.2	63.5
Others	2.9	1.1	185	2.5	8.1	(563)	7.8	7.6

Source: NSE EPR

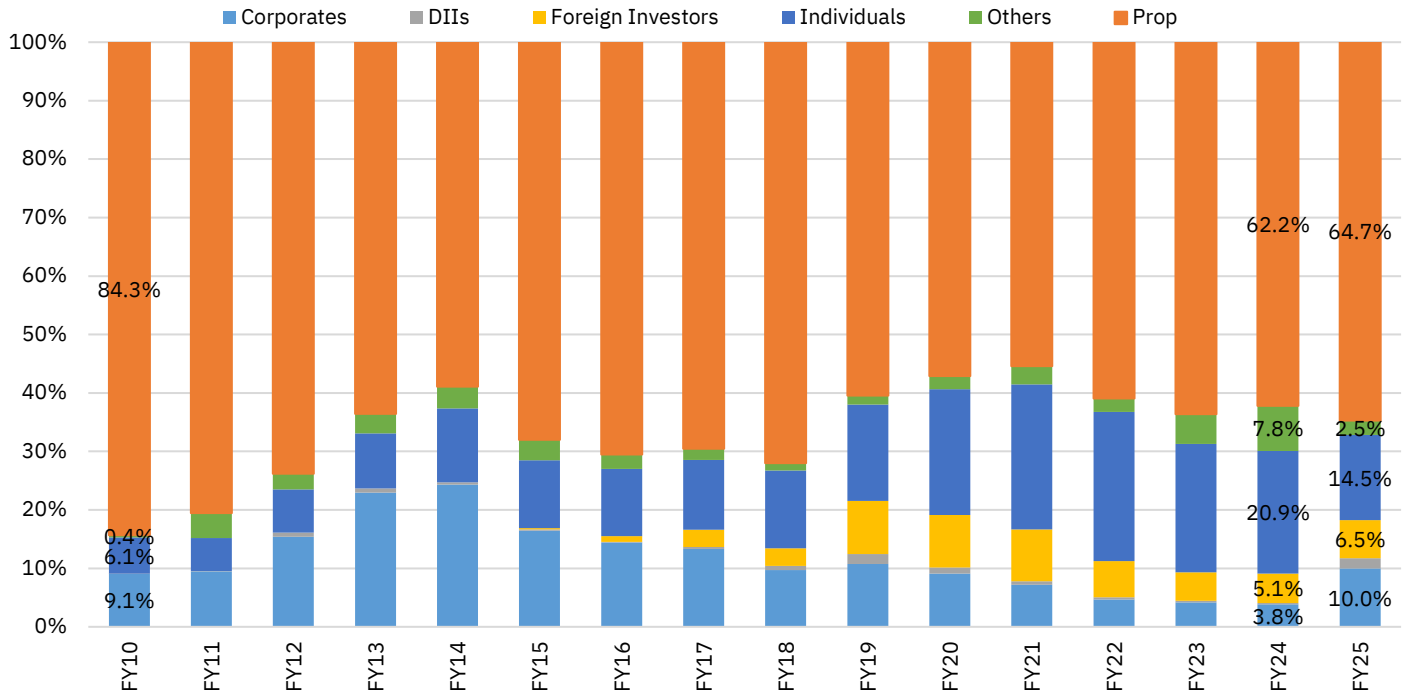
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

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

3. Figures in brackets indicate negative numbers.

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

5. FY25TD is as of Jul'24.

Figure 264: Trends in share of client participation in Currency Derivatives (Notional Turnover) at NSE (%)


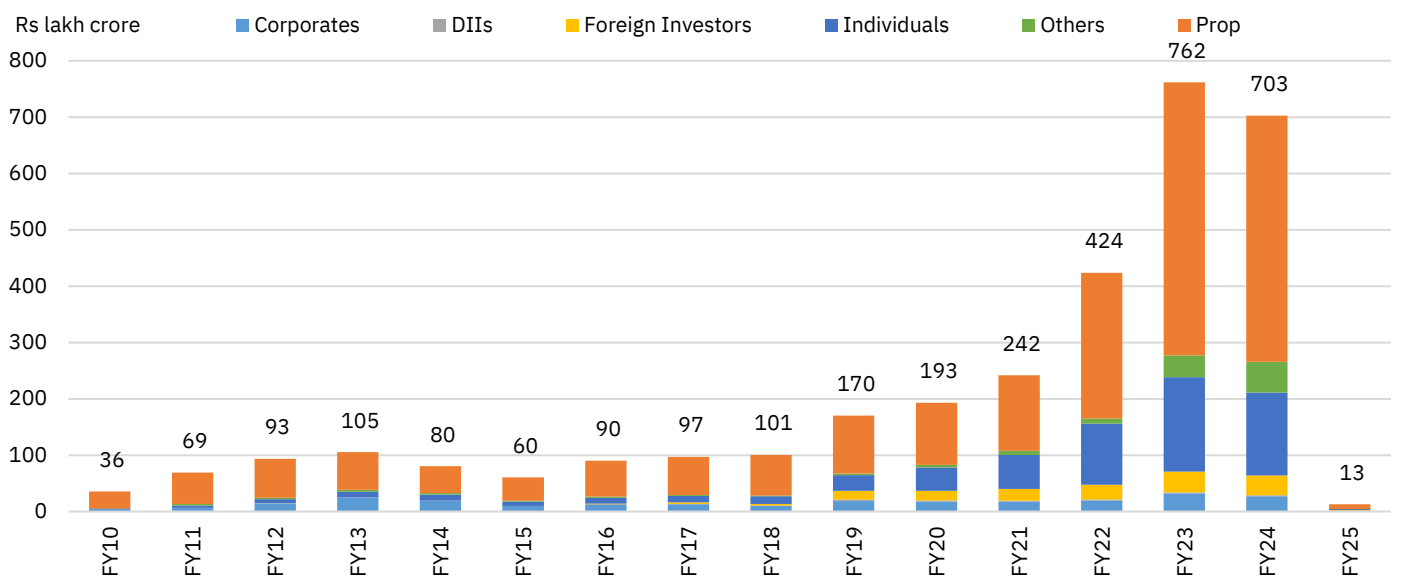
Source: NSE EPR

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 Jul'24.

Figure 265: 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 Jul'24.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	16.6	6.1	1,054	9.7	5.4	423	5.9	7.9
DIIs	1.7	2.1	(37)	2.3	0.8	152	1.0	1.4
Foreign investors	11.0	5.5	554	6.8	8.4	(165)	8.8	9.2
Individuals	10.6	5.8	485	7.5	16.7	(922)	15.2	12.6
Prop	57.0	79.5	(2,249)	71.1	66.1	505	66.6	65.9
Others	3.0	1.1	194	2.6	2.6	7	2.5	2.8

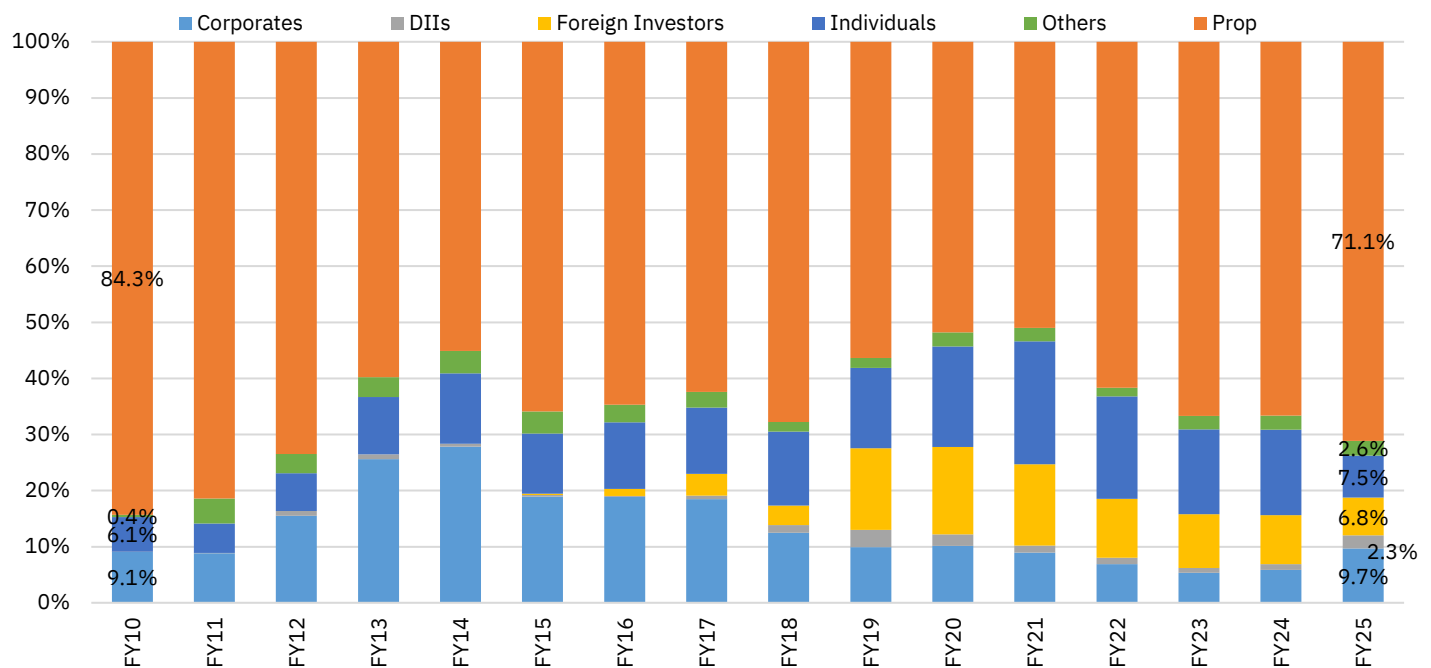
Source: NSE EPR

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

2. Figures in brackets indicate negative numbers. Client categories are based on the information provided by trading members in UCC database.

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

4. FY25TD is as of Jul'24.

Figure 266: Trends in share of client participation in Currency Futures at NSE (%)


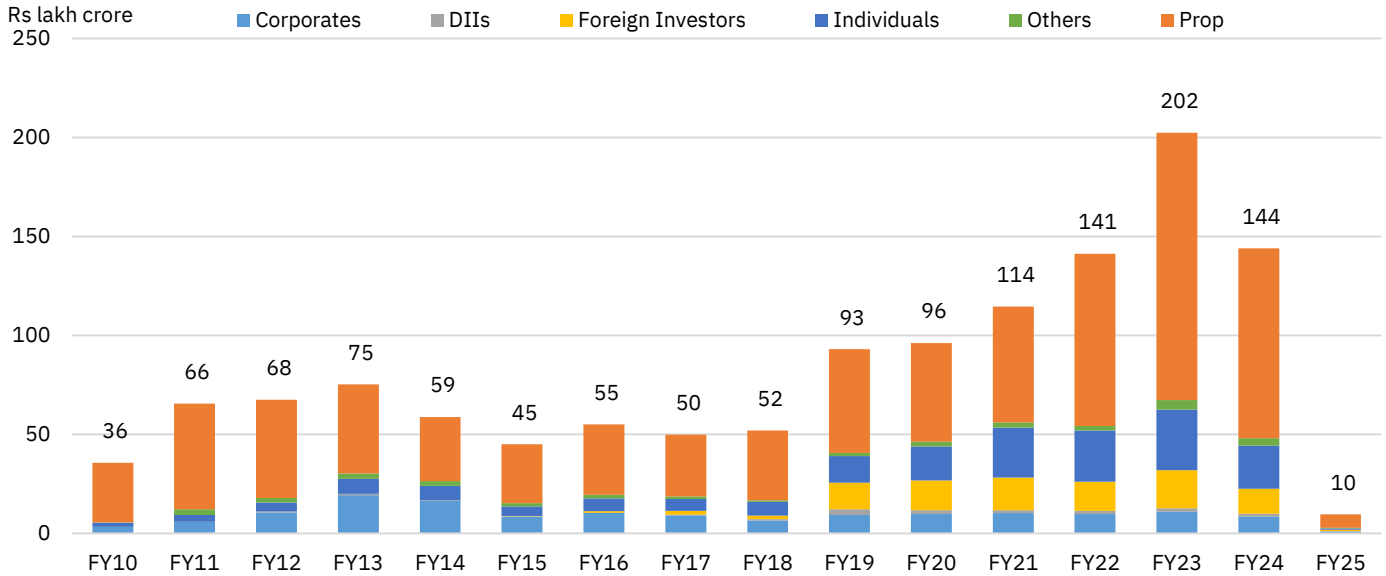
Source: NSE EPR

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 Jul'24.

Figure 267: 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 Jul'24.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	45.9	24.5	2,144	10.4	3.4	696	3.7	4.5
DIIs	0.0	0.0	-	0.2	0.0	19	0.0	0.0
Foreign investors	0.0	0.1	(10)	5.9	3.7	223	4.3	4.9
Individuals	33.8	51.0	(1,718)	36.5	23.0	1,352	22.1	20.9
Prop	19.9	24.2	(427)	46.2	66.0	(1,980)	66.3	66.8
Others	0.4	0.3	10	0.8	3.9	(310)	3.5	3.0

Source: NSE EPR

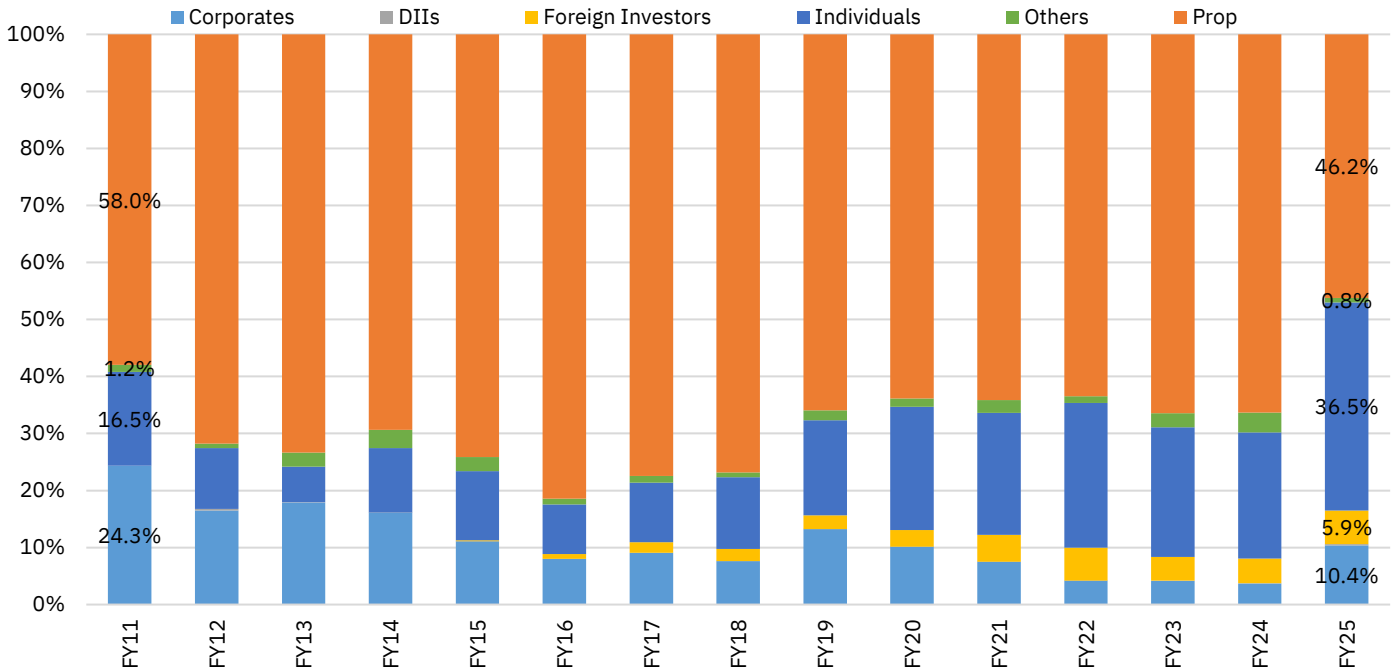
Note: 1. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign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

Figure 268: Trends in share of client participation in Currency Options (Premium Turnover) at NSE (%)


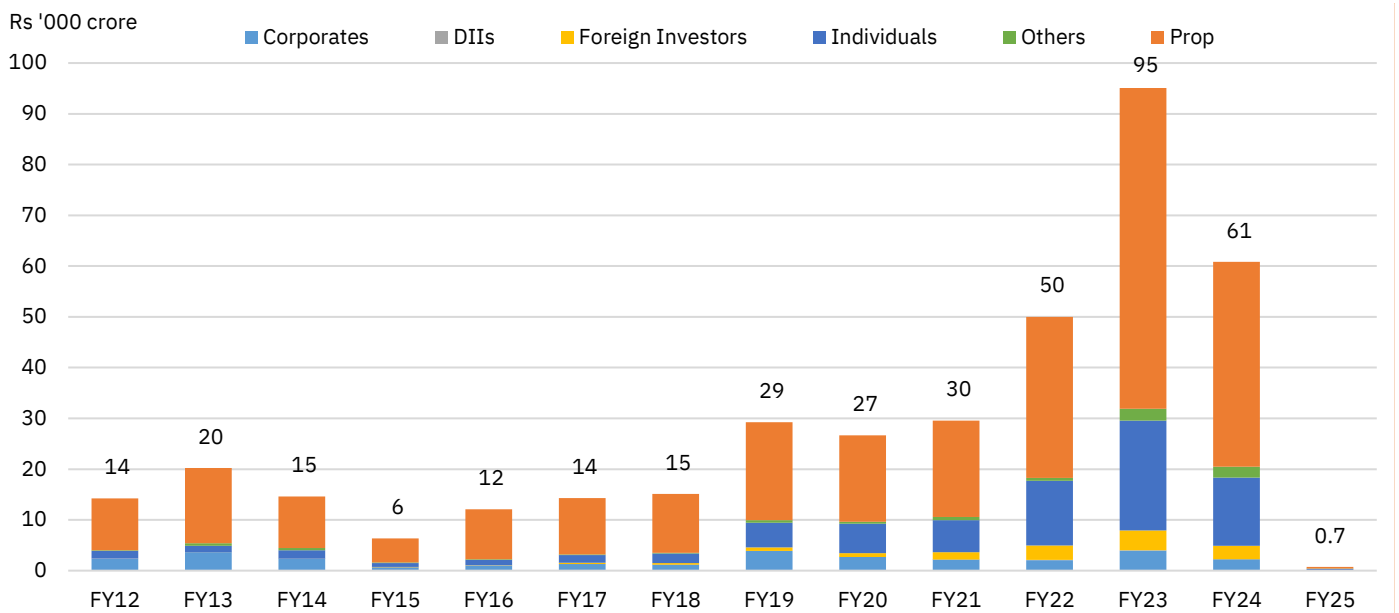
Source: NSE EPR

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 Jul'24.

Figure 269: 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 Jul'24.

Share of individuals expanded in interest rate futures in July: Interest rate futures turnover witnessed substantial changes in the share of client participation in the month of July. Individuals' share in interest rate futures rose to 14.3% (+497bps MoM), while that of proprietary traders fell 548bps to 22.7%. Notwithstanding a marginal MoM reduction in trading activity, corporates continued to be the major players in interest rate futures.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Corporates	61.4	61.4	(8)	64.8	37.8	2,699	44.3	62.1
DII's	0.0	0.0	-	0.0	0.0	0	1.0	0.3
Foreign Investors	0.1	0.1	2	0.1	0.3	(16)	0.2	0.2
Individuals	14.3	9.4	497	14.8	4.2	1,064	7.1	15.1
Prop	22.7	28.2	(548)	19.4	57.6	(3,819)	47.2	21.6
Others	1.5	0.9	57	0.9	0.1	71	0.2	0.7

Source: NSE EPR

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

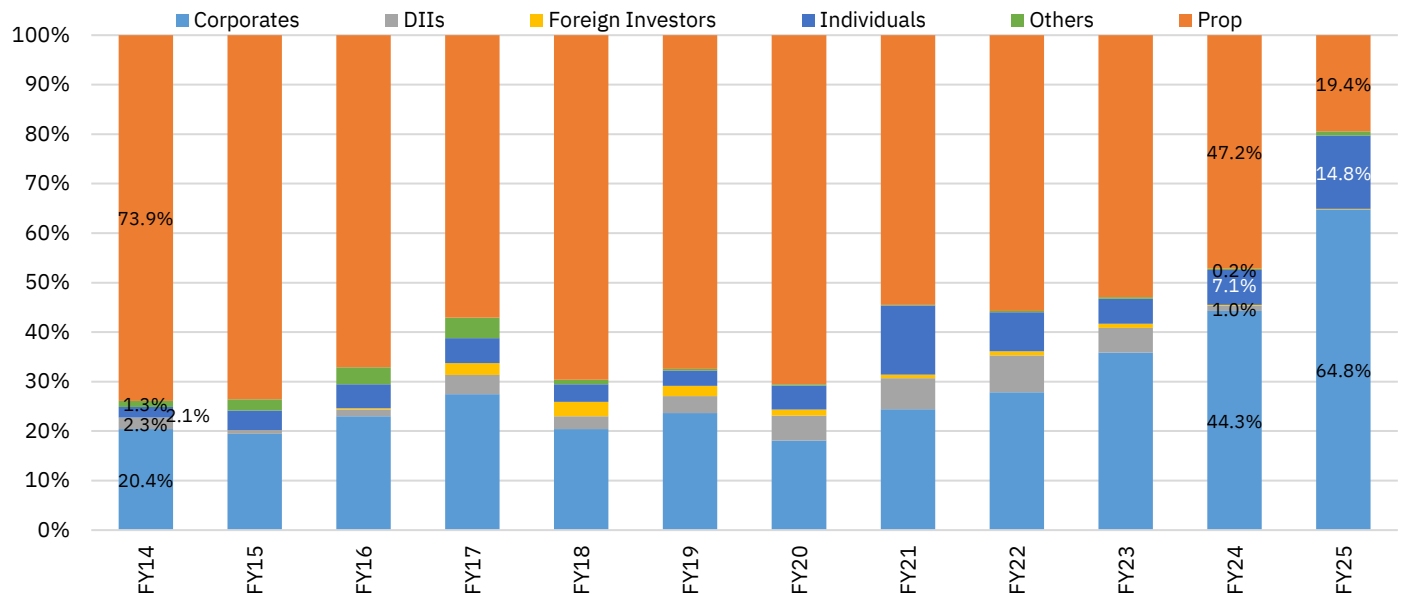
2. Data is categorized as per client category codes as uploaded by trading members in UCC system.

3. Figures in brackets indicate negative numbers.

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

5. FY25TD is as of Jul'24.

Figure 270: Trends in share of client participation in Interest Rate Futures at NSE (%)



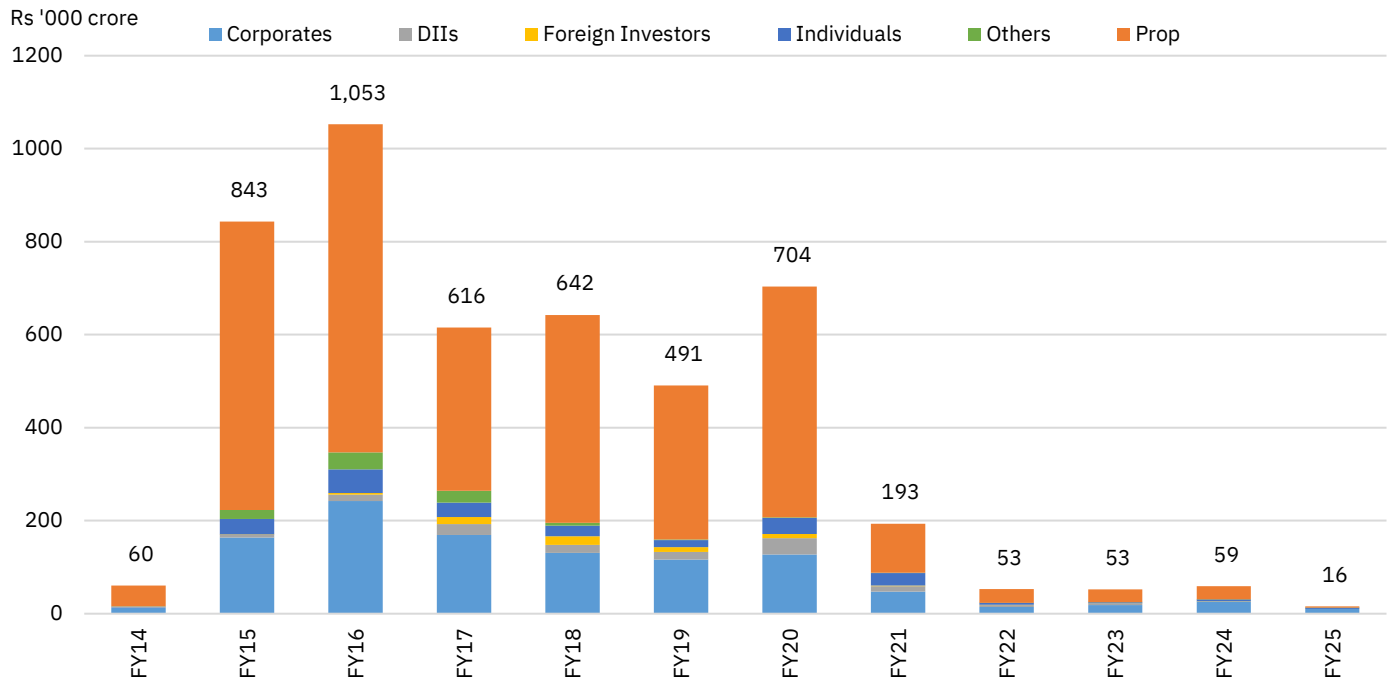
Source: NSE EPR

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 Jul'24.

Figure 271: 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 Jul'24.

Share of proprietary traders expanded in commodity futures but contracted in commodity options (premium turnover): The share of proprietary traders in commodity futures increased to a 4-month high of 88.9% in Jul'24, strengthening their dominant position in the instrument turnover. Additionally, they maintained their dominance in commodity options (premium turnover), despite a reduction in share to 83.7% during the month from a 7-month high of 92.2% in June. Individuals' share in commodity futures' turnover dropped marginally to 10.2%, while that in commodity options (premium turnover) increased by 662bps MoM to 13% - the highest share in 23 months. Barring these two categories, the participation of other categories remained largely unchanged during the month.

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

Client category	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Commodity Futures								
Corporates	0.3	8.8	(851)	2.3	0.4	192	2.6	0.9
DIIIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
DFIs	0.0	0.0	-	0.0	0.2	(17)	0.1	0.0
Foreign investors	0.0	0.0	-	0.0	0.4	(40)	0.2	0.1
Individuals	10.2	11.2	(104)	12.0	12.2	(29)	13.3	10.2
Prop	88.9	79.9	893	84.9	85.5	(55)	82.7	87.4
Others	0.6	0.0	63	0.8	1.3	(52)	1.0	1.4
Commodity Options (Premium Turnover)								
Corporates	0.5	0.4	7	0.3	2.6	(236)	0.9	0.4
DIIIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
DFIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
Foreign investors	0.0	0.2	(17)	0.1	0.0	13	0.0	0.1
Individuals	13.0	6.4	662	9.8	3.9	591	9.2	9.9
Prop	83.7	92.2	(849)	87.8	92.5	(469)	88.7	88.2
Others	2.8	0.8	197	2.0	1.0	102	1.2	1.5
Commodity Derivatives (Notional Turnover)								
Corporates	0.6	0.5	10	0.3	1.7	(142)	0.8	0.4
DIIIs	0.0	0.0	-	0.0	0.0	-	0.0	0.0
DFIs	0.0	0.0	-	0.0	0.1	(9)	0.0	0.0
Foreign investors	0.0	0.1	(10)	0.0	0.2	(17)	0.0	0.0
Individuals	10.1	8.0	212	9.4	7.7	167	10.2	9.7
Prop	88.6	90.2	(169)	88.4	89.1	(69)	88.2	88.4
Others	0.7	1.2	(43)	1.9	1.2	69	0.9	1.5

Source: NSE EPR

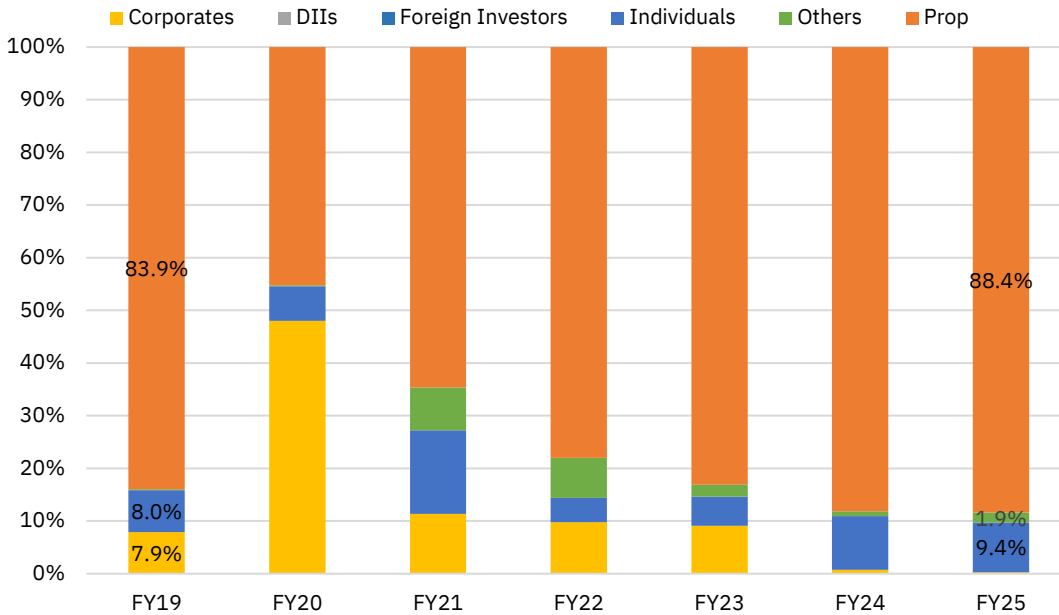
Note: 1. DII – Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign 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 data is as of Jul'24 and FY24TD data is as of Jul'23.

Figure 272: Trends in share of client participation in Commodity Derivatives (Notional Turnover) at NSE (%)


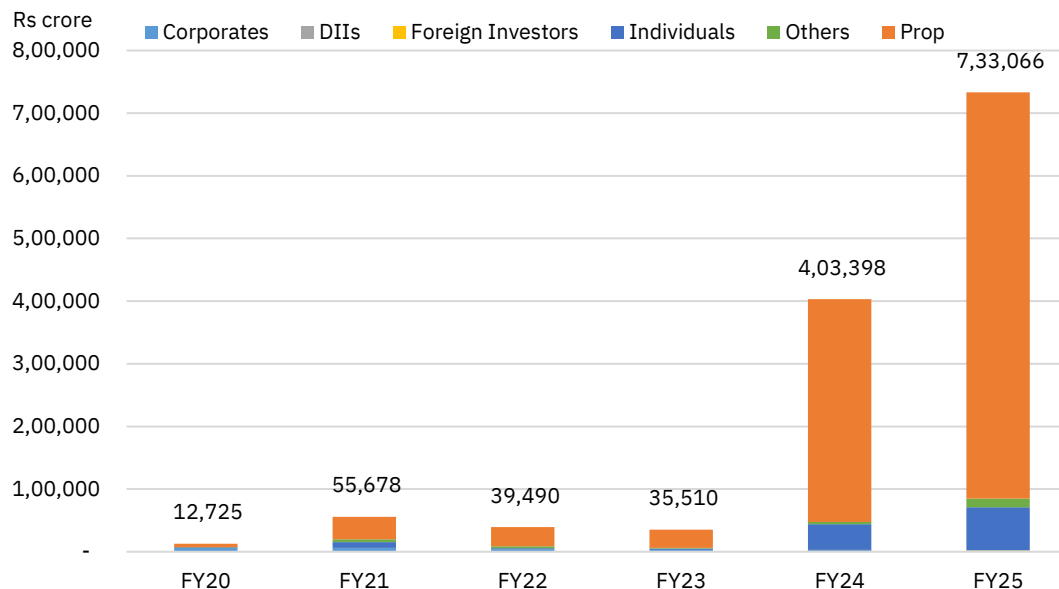
Source: NSE EPR

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 Jul'24.

Figure 273: Trends in client category-wise gross notional turnover in Commodity Derivatives at NSE


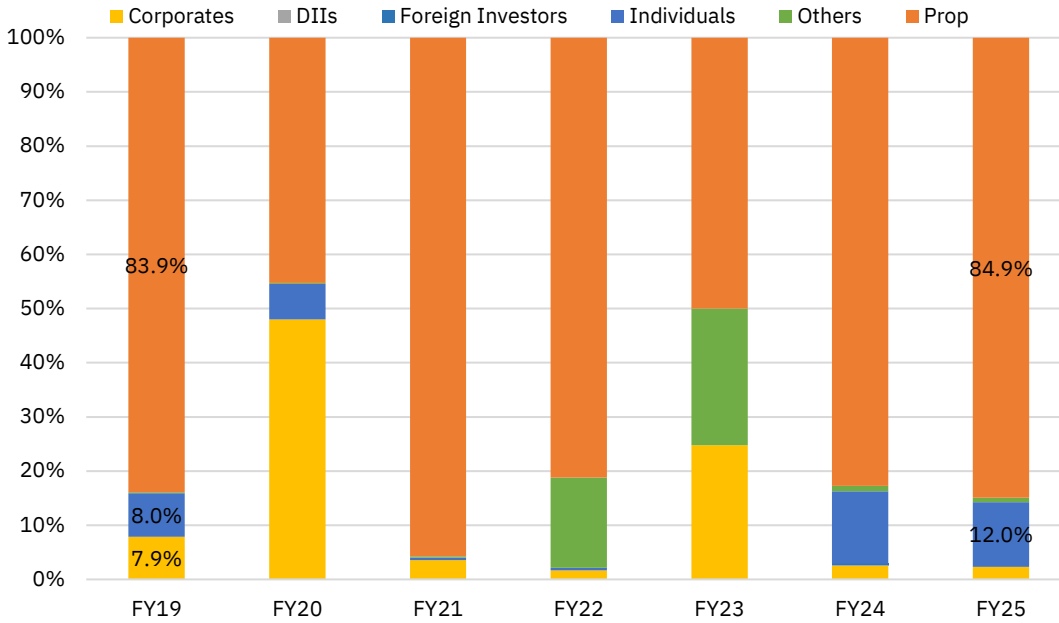
Source: NSE EPR

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 Jul'24.

Figure 274: Trends in share of client participation in Commodity Futures at NSE (%)


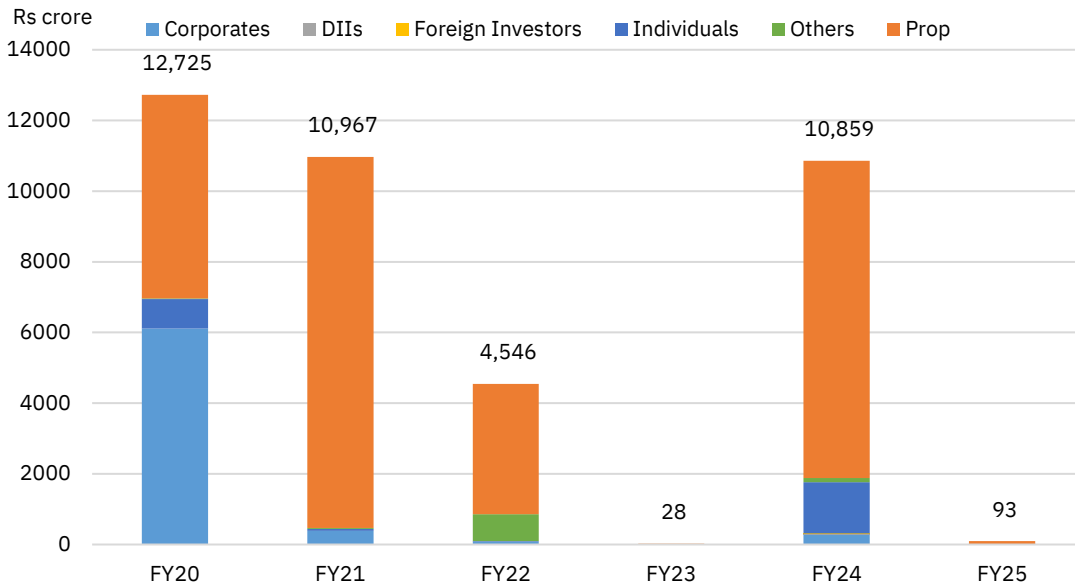
Source: NSE EPR

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 Jul'24.

Figure 275: Trends in client category-wise gross turnover in Commodity Futures at NSE


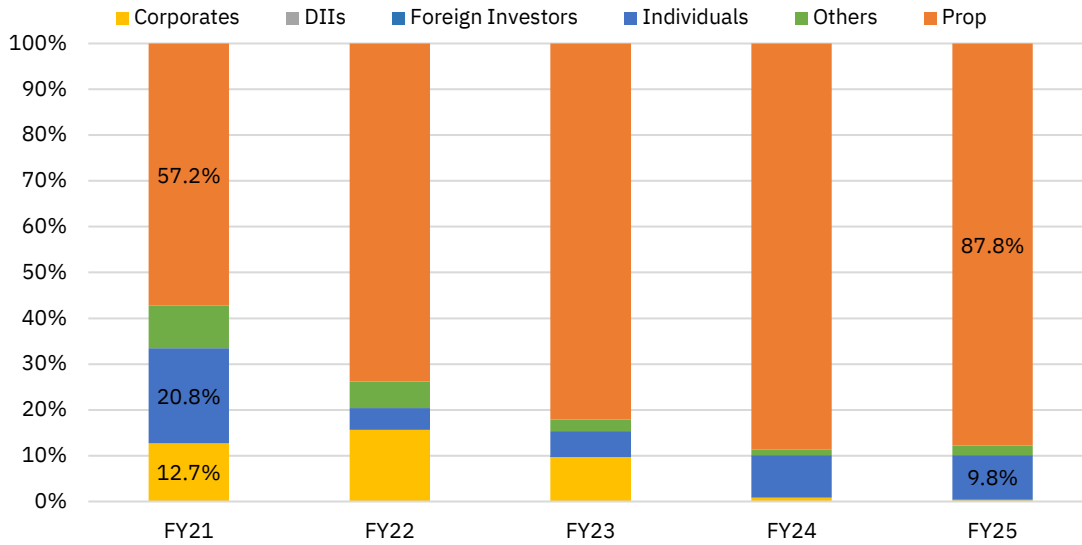
Source: NSE EPR

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 Jul'24.

Figure 276: Trends in share of client participation in Commodity Options (Premium Turnover) at NSE (%)


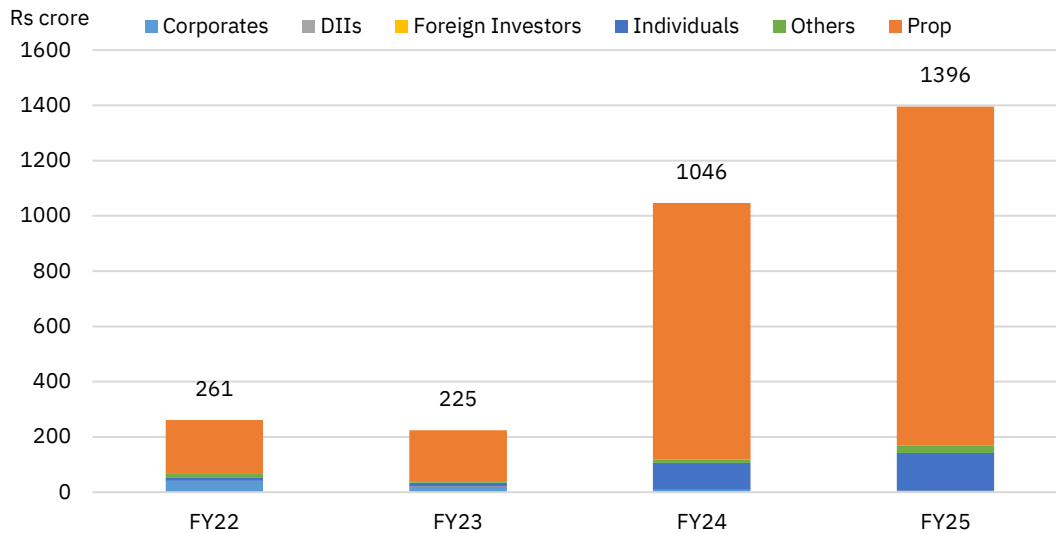
Source: NSE EPR

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 Jul'24.

Figure 277: 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 Jul'24.

Distribution of turnover by modes of trading

Monthly share of mobile trading registered a 3-year high in July: The NSE cash market (CM) segment witnessed a notable increase in the share of mobile trading by 242bps (20.3% in Jun'24 to 22.7% in Jul'24) touching a 38-month high, followed by IBT which increased by 84bps to a 6-month high of 8.5%. It is noteworthy that mobile, IBT and colocation contributed majorly to the rise in the turnover.

Colocation that accounted for 17.2% share of overall turnover in FY14 gradually increased to 28.2% in FY19 and 34.8% in FY22. After a slight moderation in FY23, the share of colocation has risen to a remarkable 35.4% in FY25 till date (Apr'24 to Jul'24). Mobile trading, which was declining for the last three fiscal years, has shown resurgence since the beginning of FY25, increasing 257bps YoY to 21% as compared to the corresponding period in the last fiscal year.

Table 84: Share of different modes of trading in Capital Market segment of NSE (%)

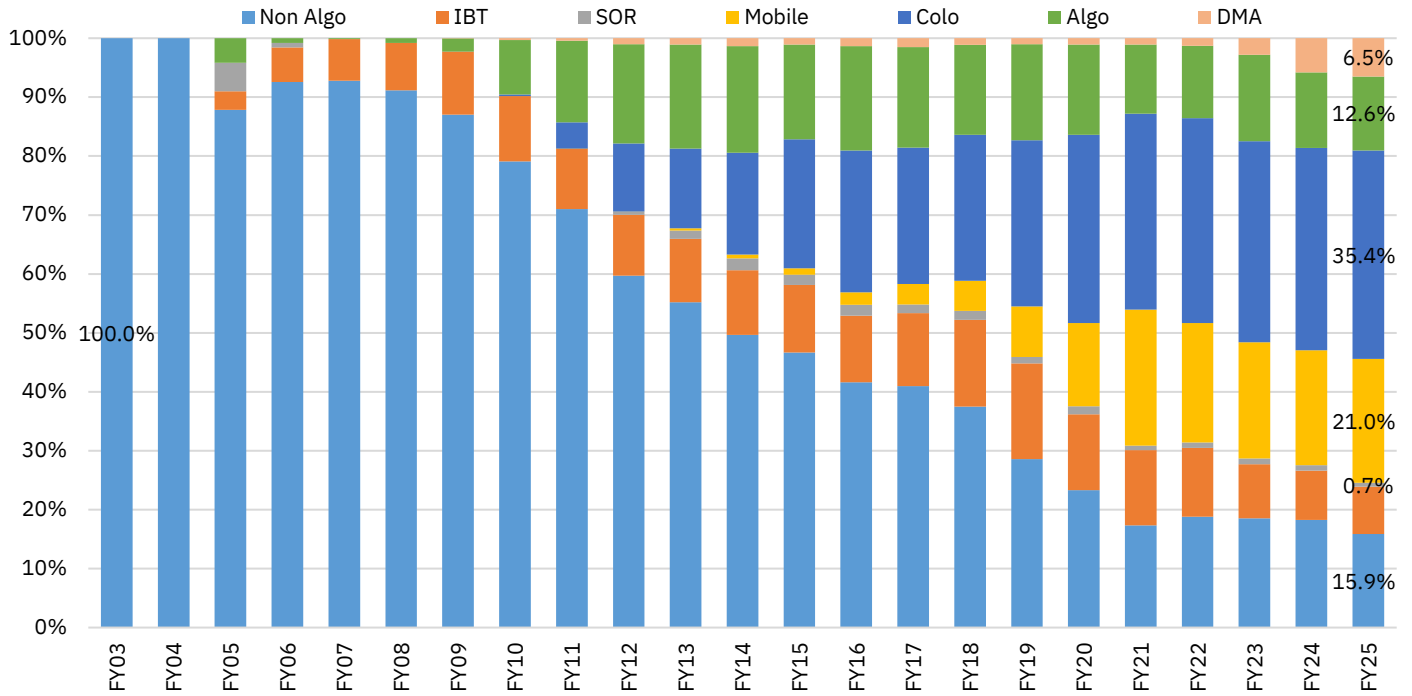
Mode	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	16.2	16.1	4	15.9	19.5	(362)	18.3	16.3
IBT	8.5	7.7	84	8.0	8.4	(38)	8.4	8.1
SOR	0.7	0.6	3	0.7	1.0	(39)	0.9	0.7
Mobile	22.7	20.3	242	21.0	18.5	257	19.5	20.7
Colo	35.1	34.3	81	35.4	33.8	158	34.3	35.5
Algo	10.5	14.6	(412)	12.6	14.1	(157)	12.8	12.4
DMA	6.3	6.3	(2)	6.5	4.7	182	5.8	6.4

Source: NSE EPR

Note: 1. The above figures have been computed on the basis of gross turnover.

2. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access. The above figures are based on gross turnover.

3. FY25TD is as of Jul'24.

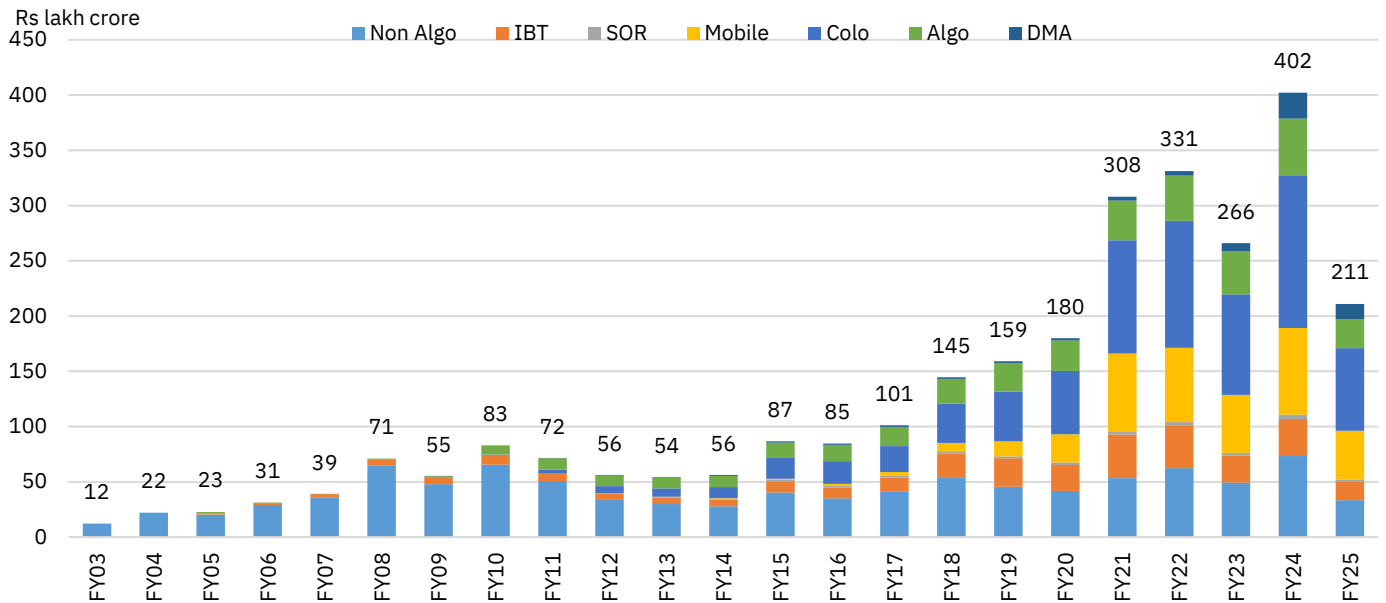
Figure 278: Trends in share of different modes of trading in Capital Market segment at NSE (%)


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 Jul'24.

Figure 279: 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 Jul'24.

Colo continues to contribute majorly to the rise in turnover in the equity derivatives:

Colo (+74bps MoM) witnessed its share of overall equity derivatives notional turnover expand in the month of July, contributing 68% to the rise in growth in equity derivatives notional turnover during the month. Over the period of last 12 years, the share of Colo, that is largely used by proprietary trades, recorded a substantial rise from 33.2% in FY14 to 47.6% in FY19 and 61.6% in FY24. It further rose 30bps to 61.9% in FY25 till date (Apr'24 to Jul'24) as compared to full year of last fiscal and remained the dominant contributor in terms of the notional turnover.

Although the share of mobile trading declined 90bps MoM in the month of July, it contributed 10% to the rise in the overall notional turnover. On the other hand, DMA, which contributed 11% to the rise in the overall notional turnover witnessed its share rise by 58 bps MoM. Remarkably, the share of mobile trading has demonstrated substantial growth, rising from a modest 0.5% in FY14 to 4% in FY19 and 17.4% in FY24, however, it declined marginally to 17.2% in FY25 till date (Apr'24 to Jul'24).

The changes in modes of trading over the years reflects diversification in investor trading preferences and increasing reliance on technology, driven by investors' need for convenience, speed and accessibility.

Table 85: Share of different modes of trading in Equity Derivatives segment of NSE (%)

Mode	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	4.5	4.8	(29)	4.7	8.1	(333)	6.4	4.8
IBT	7.8	7.9	(16)	8.0	9.2	(118)	8.6	7.9
Mobile	16.5	17.4	(90)	17.2	17.6	(36)	17.4	17.0
Colo	62.4	61.7	74	61.9	60.2	170	61.6	62.6
Algo	2.2	2.2	2	2.2	0.5	172	1.4	2.2
DMA	6.6	6.0	58	6.0	4.5	145	4.6	5.4

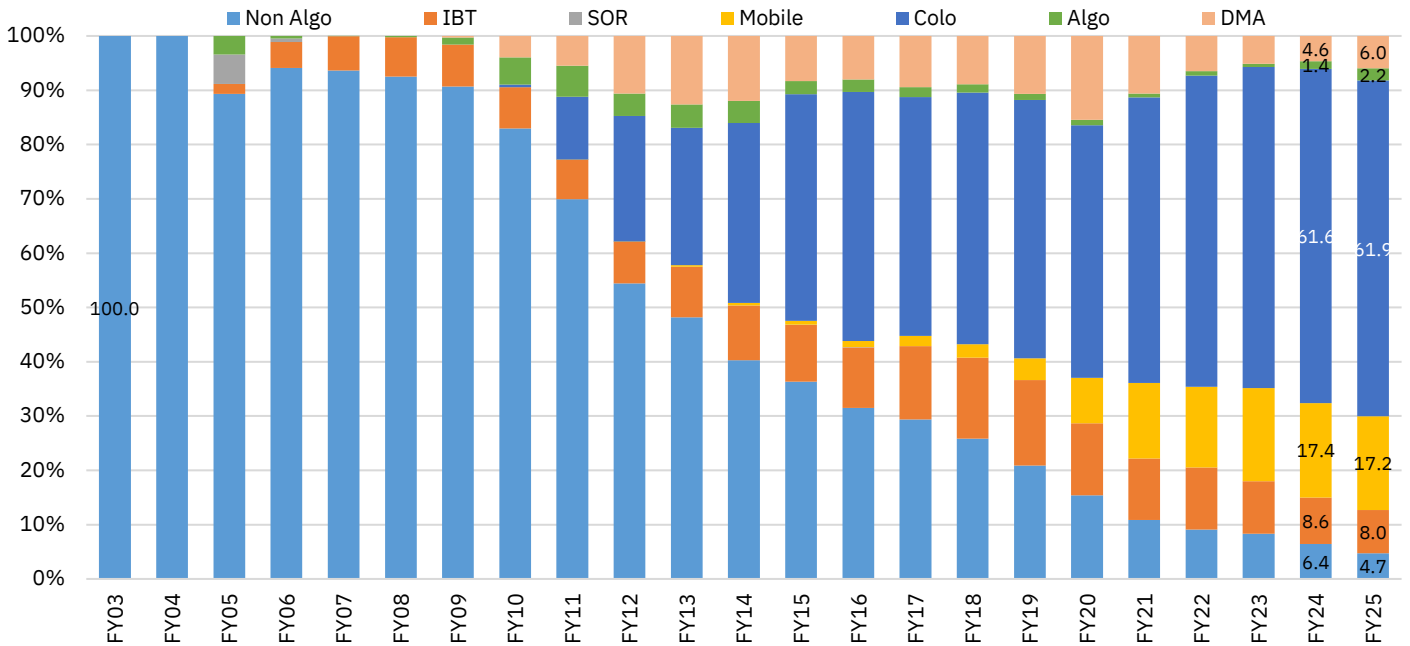
Source: NSE EPR

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed on the basis of gross turnover.

3. Notional turnover considered in the case of futures and options.

4. FY25TD is as of Jul'24.

Figure 280: Trends in share of different modes of trading in Equity Derivatives segment at NSE (%)


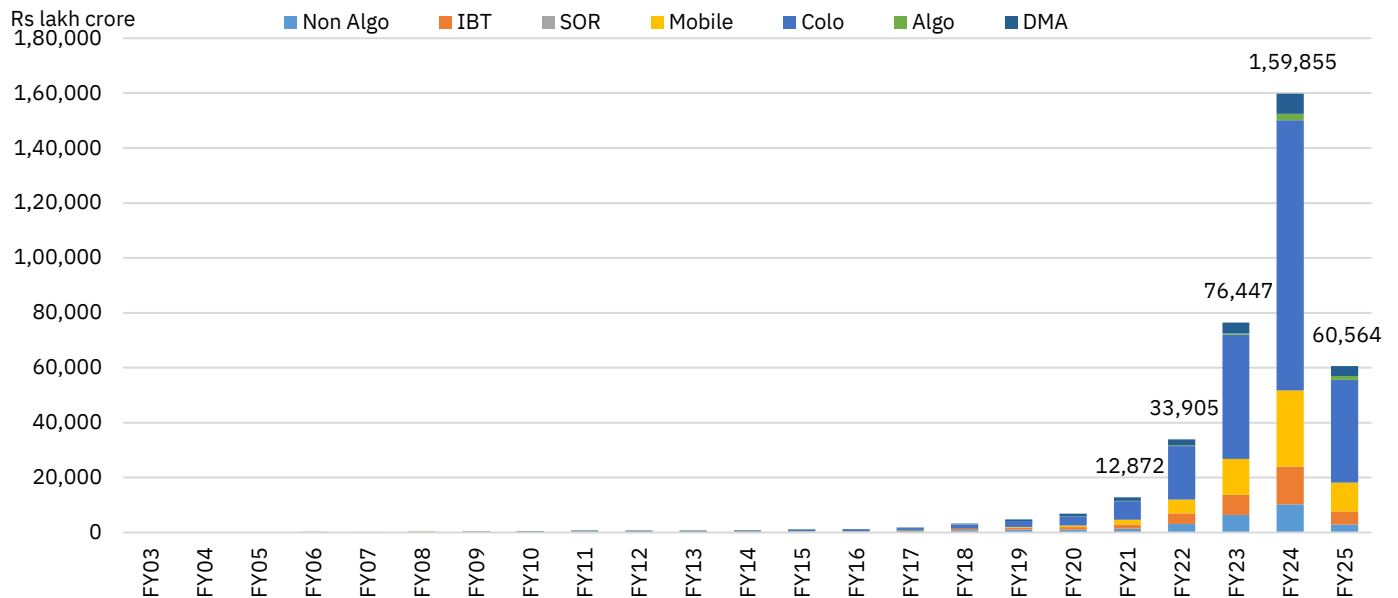
Source: NSE EPR

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 Jul'24.

Figure 281: 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 Jul'24.

Currency derivatives segment has witnessed massive changes in the current fiscal:

The share of trading activity through colo, mobile and IBT has witnessed significant decline in the current fiscal year due to the massive reduction in trading activity in terms of turnover and number of investors' participation post RBI's regulatory guidelines on exchange traded currency derivatives, implemented in May 2024.

Colo turnover declined 98.4% in FY25 till date (Apr'24 to Jul'24) as compared to last year same period, while it contributed 48.5% to the decline in the overall notional turnover in currency derivatives turnover resulting in an over 30pp drop in the share.

Table 86: Share of different modes of trading in Currency Derivatives segment of NSE (%)

Mode	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	73.6	84.7	(1103)	62.0	26.4	3552	26.1	28.9
IBT	6.2	2.9	335	8.9	9.6	(63)	9.3	8.6
Mobile	9.2	6.0	328	8.6	12.6	(392)	11.3	9.6
Colo	5.4	2.6	282	15.1	46.8	(3171)	46.7	45.4
Algo	2.0	1.5	46	0.9	0.3	58	1.3	1.8
DMA	3.5	2.4	110	4.5	4.3	16	5.2	5.7

Source: NSE EPR

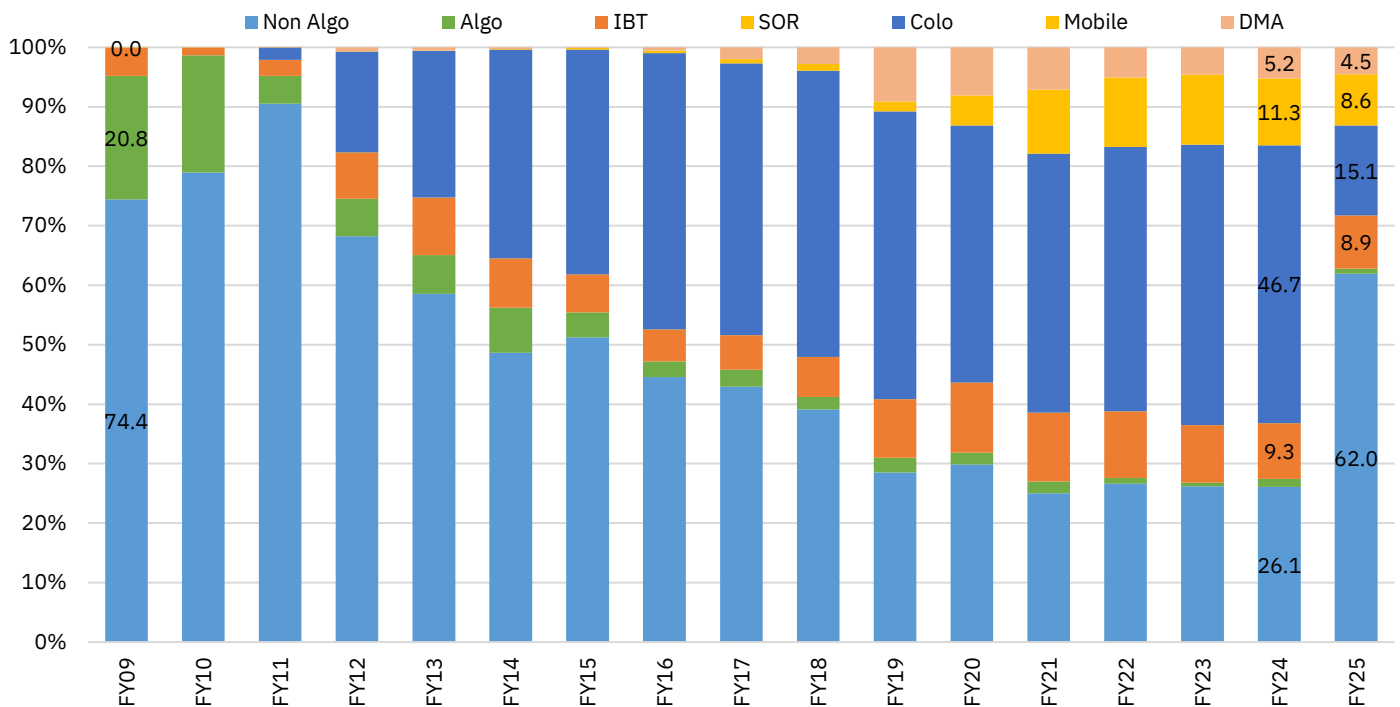
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed on the basis of gross turnover.

3. Notional turnover considered in case of futures and options.

4. FY25TD is as of Jul'24.

Figure 282: Trends in share of different modes of trading in Currency Derivatives segment at NSE (%)



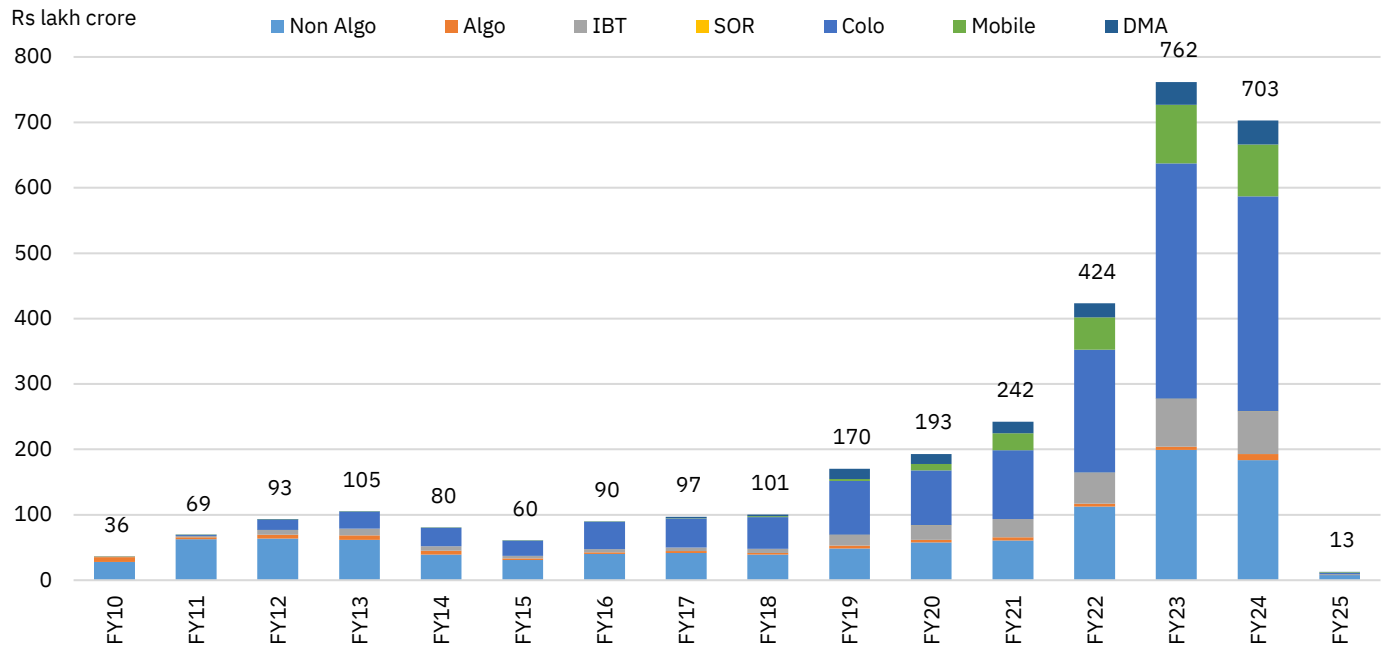
Source: NSE EPR

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed on the basis of gross turnover.

3. Notional turnover considered in case of futures and options.

4. FY25 is as of Jul'24.

Figure 283: 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 Jul'24.

Share of colo trades expanded despite drop in interest rate futures turnover: While interest rate futures turnover declined 20% MoM, colo turnover, that contributed 21% of the turnover in FY25, exhibited 15.8% MoM rise in its monthly turnover resulting in its share expanding by 811bps MoM in the month of July to an all-time high of 26.3%. On the other hand, the share of IBT declined massively by 10pp MoM to 4.5%, contributing over 50% to the drop in IRF turnover. Non-algo and DMA were other major contributors to the MoM decline in IRF turnover in the month of July.

Table 87: Share of different modes of trading in Interest Rate Futures segment of NSE (%)

Mode	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	48.1	45.2	288	43.0	56.4	(1339)	54.3	44.7
IBT	4.5	14.9	(1032)	13.0	12.1	92	13.1	13.7
Mobile	1.0	1.6	(57)	3.2	1.3	193	2.0	3.5
Colo	26.3	18.2	811	20.9	15.4	546	15.8	18.9
Algo	-	-	0	-	-	0	0.0	0.0
DMA	20.1	20.2	(10)	19.9	14.8	509	14.8	19.2

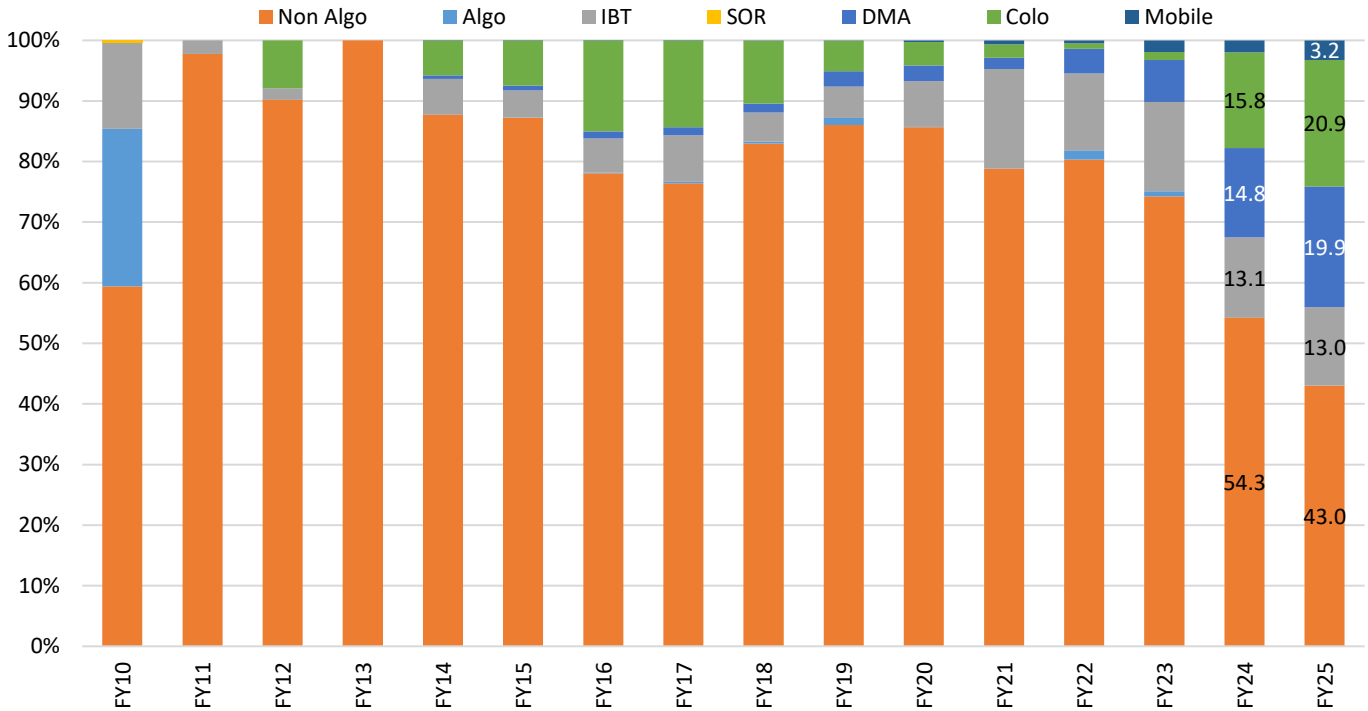
Source: NSE EPR

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed on the basis of gross turnover.

3. Notional turnover considered in case of futures and options.

4. FY25TD is as of Jul'24.

Figure 284: Trends in share of different modes of trading in Interest Rate Futures segment at NSE (%)


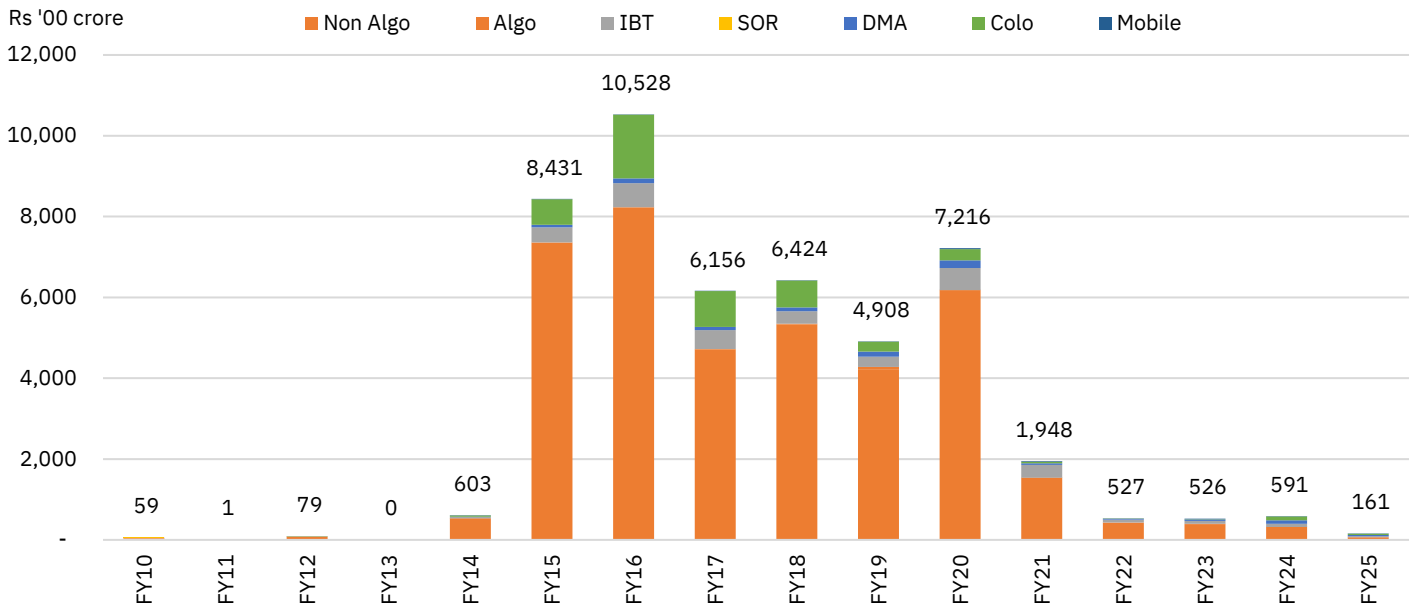
Source: NSE EPR

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 Jul'24.

Figure 285: Trends in mode of trading in terms of gross notional turnover in Interest Rate Futures 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 Jul'24.

Non-algo trading witnessed expansion in the month of July 2024: Non-algo trades' share in the commodity derivatives turnover increased by 99 bps MoM to 63.9% in Jul'24 from 62.9% in Jun'24 and continues to remain the preferred mode of trading, with a majority share in the turnover of the overall segment. Additionally, non-algo contributed 66% to the rise in notional turnover in the month of July. On the other hand, IBT contributed 2% to the rise in notional turnover, which resulted in a rise in its share by 19bps MoM. The increase in the share of Non-Algo and IBT was offset by a decrease in share of Mobile (-27bps MoM), Algo (-80bps MoM) and DMA (-10bps MoM).

Table 88: Share of different modes of trading in Commodity Derivatives segment of NSE (%)

Mode	Jul-24	Jun-24	MoM change (bps)	FY25TD	FY24TD	YoY Change (bps)	FY24	CY24TD
Non Algo	63.9	62.9	99	71.1	40.1	3104	65.8	70.3
IBT	1.2	1.0	19	1.2	2.7	(157)	1.0	1.0
Mobile	1.1	1.4	(27)	0.8	0.0	82	0.1	0.6
Algo	33.7	34.5	(80)	26.9	57.2	(3030)	33.2	28.1
DMA	-	0.1	(10)	0.0	0.0	1	0.0	0.0

Source: NSE EPR

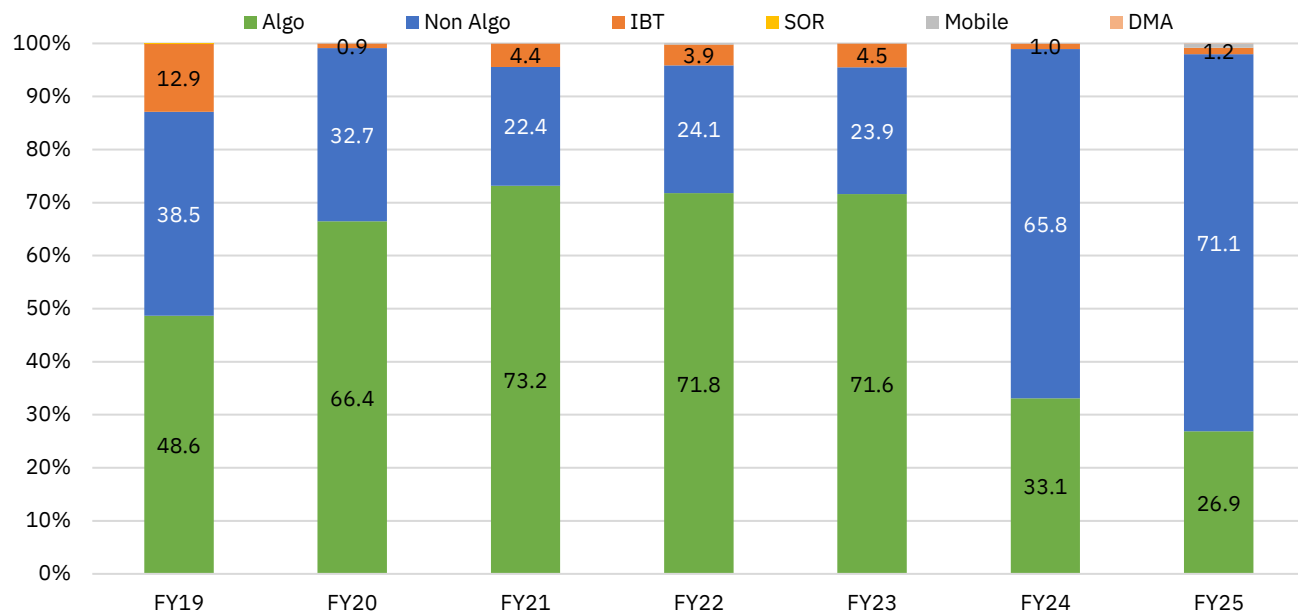
Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

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 as of Jul'24.

Figure 286: Trends in share of different modes of trading in Commodity Derivatives segment at NSE (%)



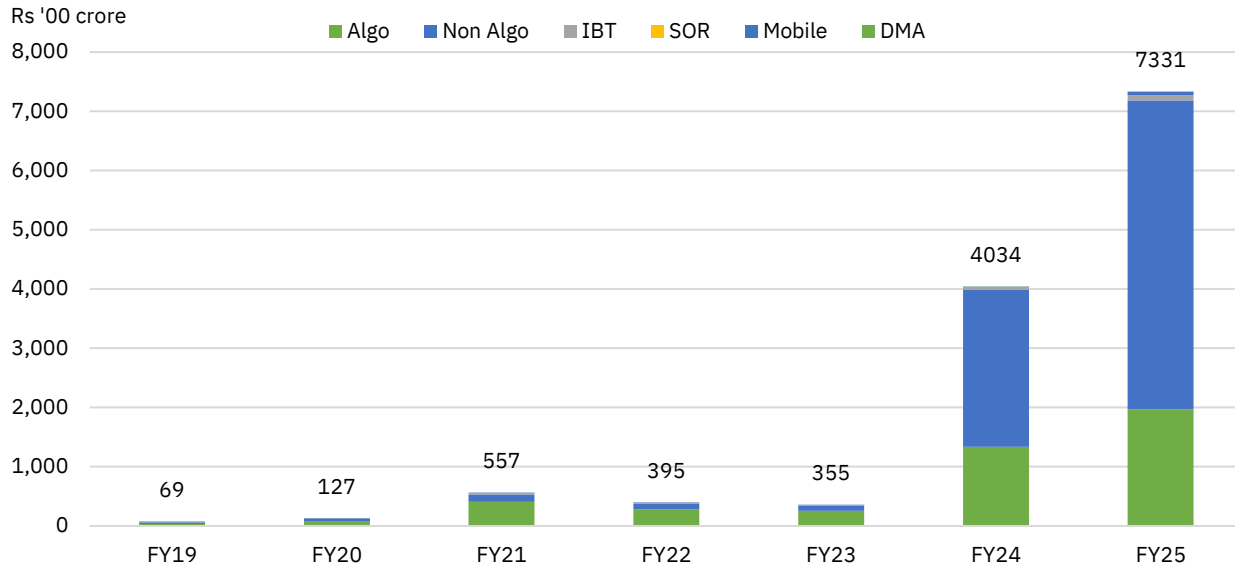
Source: NSE EPR

Note: 1. IBT- Internet-based Trades, SOR – Smart Order Routing, Colo – Colocation, DMA – Direct Market Access.

2. The above figures have been computed on the basis of gross turnover.

3. Notional turnover considered in case of futures and options.

4. FY25TD is as of Jul'24.

Figure 287: 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.

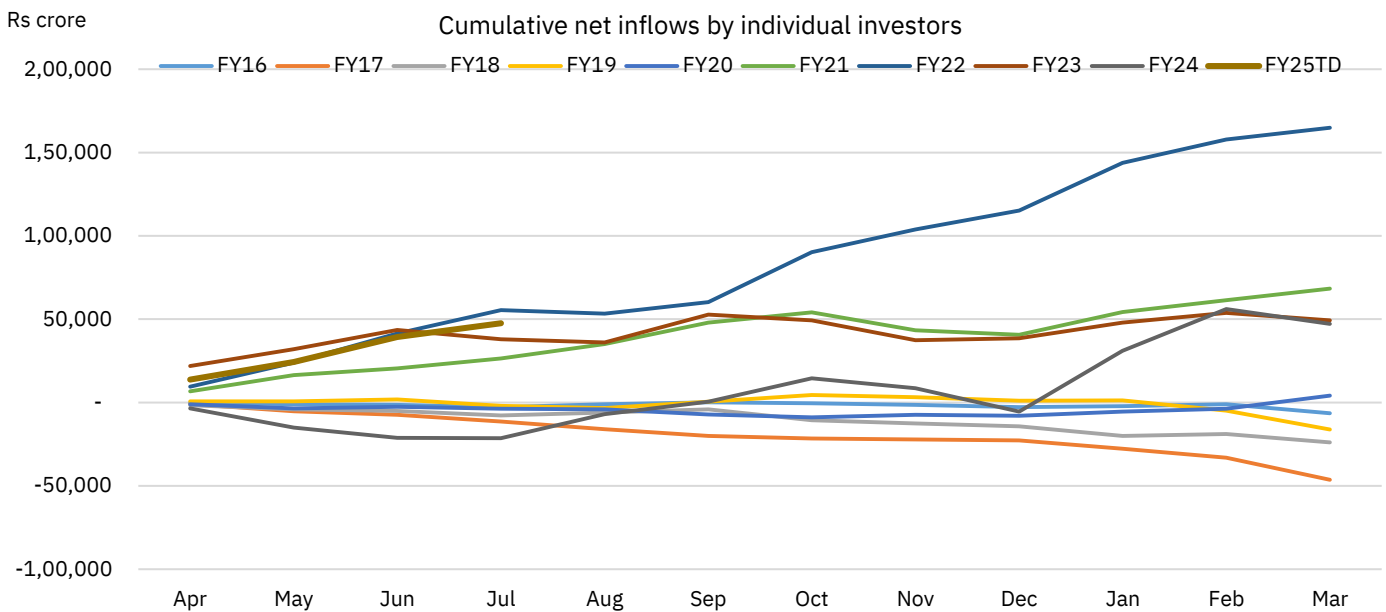
2. The above figures have been computed on the basis of gross turnover.

3. FY25TD data is as of Jul'24.

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

Inflows by individuals remained positive in the first four months in FY25: Net inflows by individual investors rose consistently for four consecutive months in FY25 from Rs 13,770 crore in April 2024 to Rs 47,585 crore in July 2024. Total inflows in the first four months have already reached close to that in each of the previous two financial years. The positive sentiment of individual investors in the current FY can be attributed to the strong economic momentum and continued penetration of equity investing culture among investors. Notably, individual investors have been strong buyers of Indian equities for the fifth year in a row now, taking the total net investments between FY21 and FY25TD (As of July 31st, 2024) to Rs 3.8 lakh crore.

Figure 288: Overall net inflows of individual investors in NSE's CM segment in last ten fiscal years



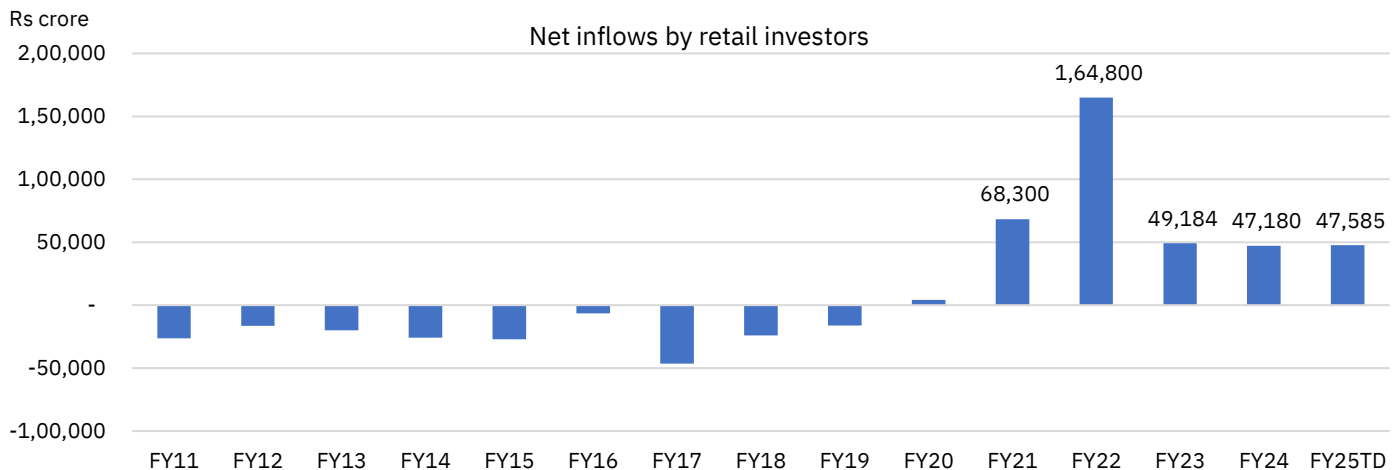
Source: NSE EPR

Note:

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

2. FY25TD data is as of Jul'24.

Figure 289: Annual trend of net inflows of individual investors in NSE's CM segment



Source: NSE EPR

Note:

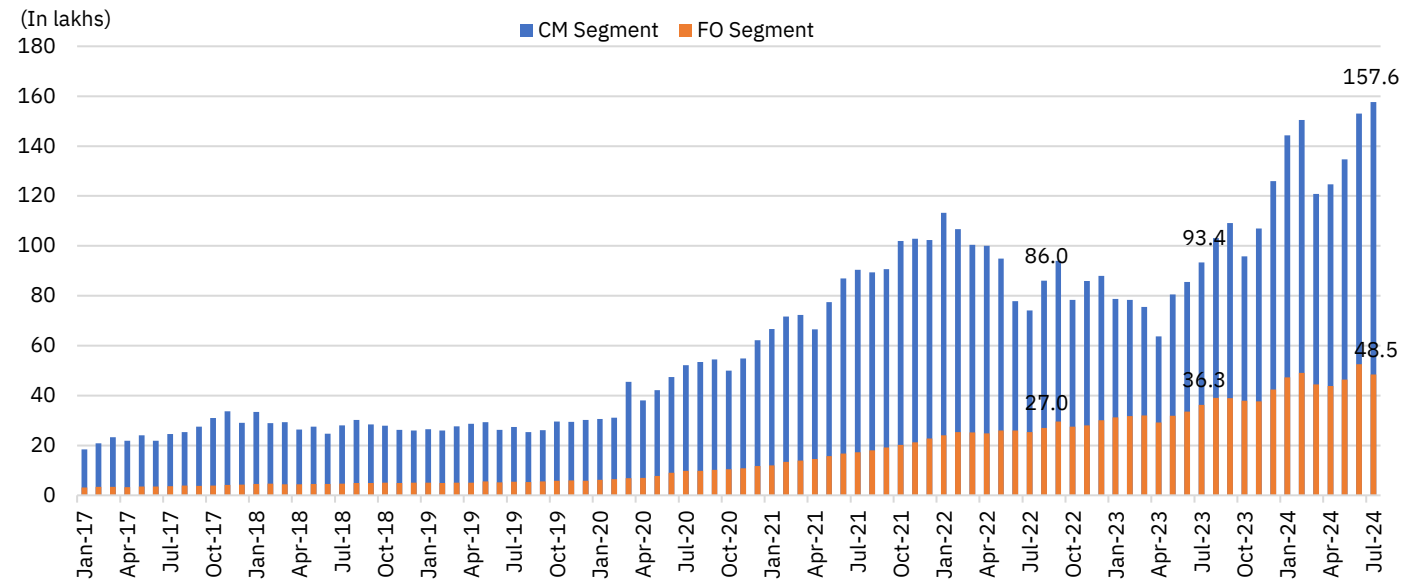
1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.

2. FY25TD data is as of Jul'24.

Record number of individual investors traded in CM segments in July: Individual investors who traded at least once in a month in the NSE’s cash market segment registered a record in Jul’24, increasing 3% MoM to 1.58 crore (+68.8% YoY) in the CM segment, surpassing the previous peak of 1.51 crore in Feb’24. Consequently, 2.45 crore individuals participated at least once in the first four months of current FY (As on July 31st, 2023) – 20% short of the overall count of individual investors (3.07 crore) in full year FY24. While CM segment witnessed record participation, the equity derivatives segment witnessed a decline in the individual investor participation on MoM basis by 7.8% to 48.5 lakh in Jul’24 (vs. 52.6 lakh in Jun’24). However, the number of investors that traded in July remained higher than the average monthly number of investors in the equity derivatives segment for current FY.

In FY25 till date, approximately 53.5 lakh or 70% individual investors who traded in equity derivatives, also traded in the CM segment, a slight decrease from FY24, where 80% of equity derivatives individual investors also engaged in trading in CM segment.

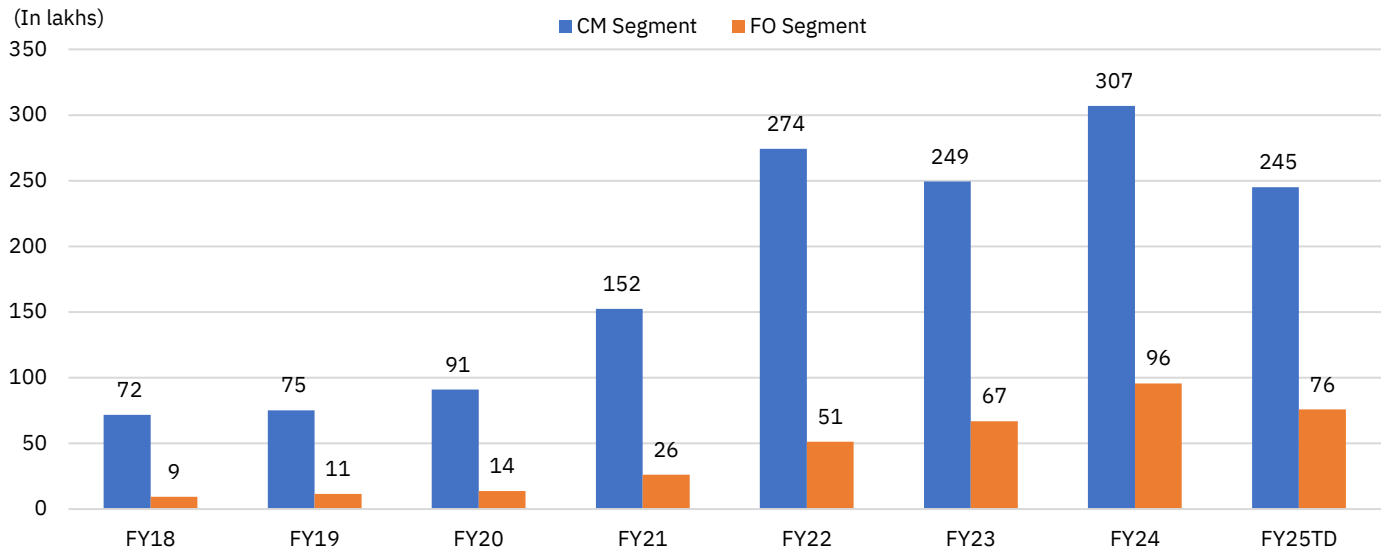
Figure 290: Monthly trend of individual investors participation in NSE cash and equity derivative segments



Source: NSE EPR

Note:

1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
2. The chart above gives the count of individual investors who traded at least once in the month.

Figure 291: Annual trends of individual investors participation in NSE cash and equity derivative segments


Source: NSE EPR

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

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

3. FY25TD data is as of Jul'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 Combined
FY18	71.6	9.3	63.4	1.1	8.3
FY19	75.2	11.5	65.2	1.4	10.0
FY20	91.0	13.8	78.8	1.6	12.2
FY21	152.1	26.2	128.2	2.3	24.0
FY22	274.2	51.4	228.4	5.6	45.8
FY23	249.3	67.0	194.7	12.3	54.6
FY24	307.0	95.7	230.2	18.9	76.8
FY25TD	244.9	75.8	191.5	22.4	53.5

Source: NSE EPR.

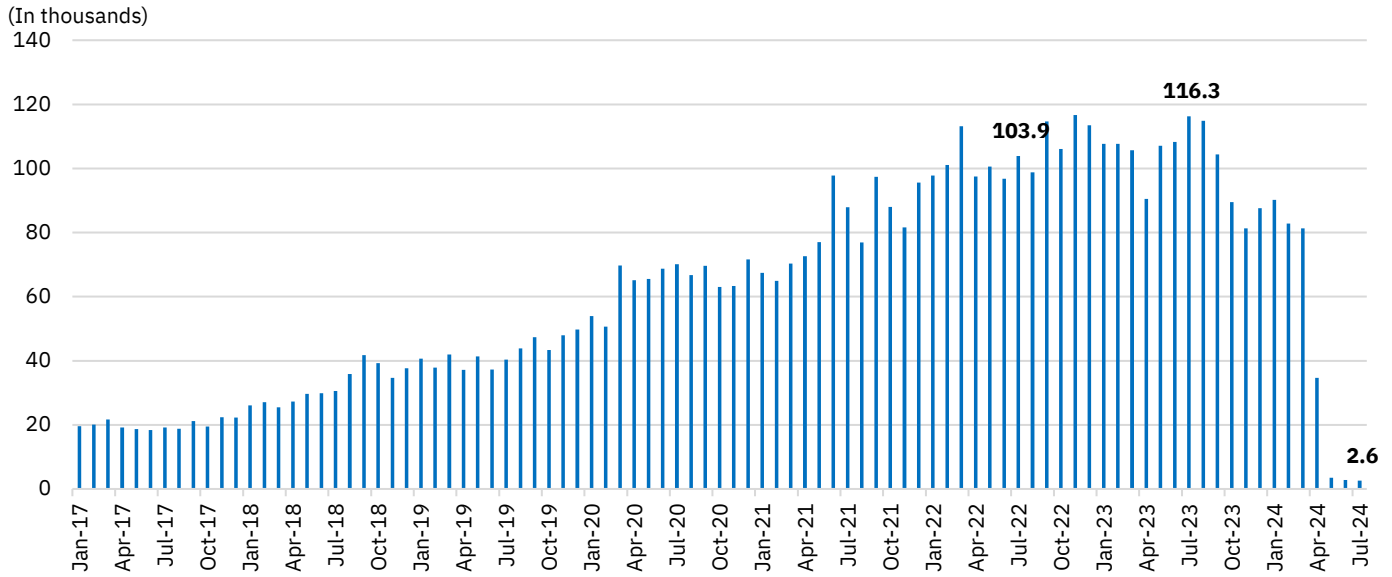
Notes:

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

2. FY25TD data is as of Jul'24.

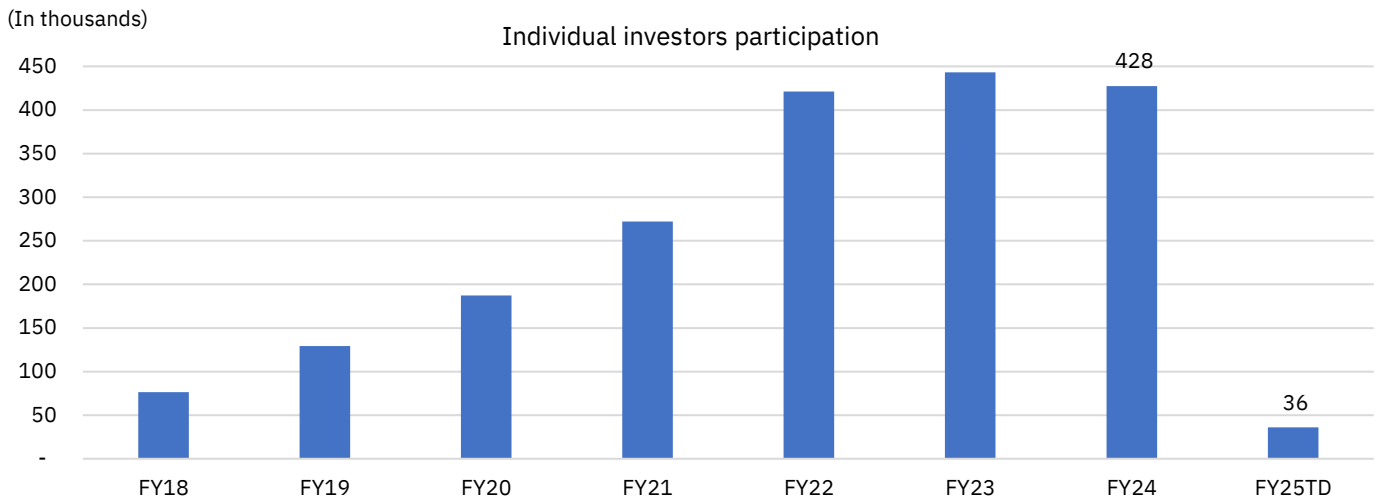
Individual investors' participation in the CD segment registered an all-time low:

Individuals' participation in NSE's exchange-traded currency derivatives witnessed a considerable drop, plummeting to 2,581 investors (-8% MoM) in the month of July. The average monthly individual investors' participation in FY25 (As on July 31st, 2024) declined 88.7% as compared to the average monthly participation in the previous financial year. This consistent decline in trading activity in the currency derivatives segment since Apr'24 can be attributed to the implementation of an RBI circular in April 2024 mandating requirement of an underlying exposure to trade in exchange-traded currency derivatives.

Figure 292: 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 293: Annual trend of individual investors participation in currency derivative segments of NSE


Source: NSE EPR

Note: 1. Individual investors include individual domestic investors, NRIs, sole proprietorship firms and HUFs.
 2. The chart above provides the count of investors who traded at least once during the year.
 3. FY25 data is as of Jul'24.

Proportion of individual investors under 30 years has been increasing steadily: The proportion of individual investors under 30 years old has been steadily increasing, with their share in the registered investor base growing from 22.6% as of FY19 to 39.9% as of FY25 (as on July 31st, 2024). This trend highlights a growing interest in equity markets among young investors. During the same period, the share of investors aged 30-39 has remained relatively stable, while the share of those over 40 has declined. Consequently, the median/mean investor age have dropped from 38/41 years in FY18 to 32/36 years as of July 31st, 2024

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	Jul'24
Less than 30 years	22.9	22.6	23.5	29.4	37.5	38.5	40.0	39.9
30-39 years	31.0	31.1	31.2	30.4	28.9	29.2	29.1	29.3
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	7.2

Source: NSE EPR

Note: Only individuals and sole proprietorship firms have been considered in the above table.

2. FY25 is as on July 31st, 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	Jul'24
Median	38.0	38.0	38.0	36.0	33.0	33.0	32.0	32.0
Mean	41.2	41.3	41.1	39.2	36.8	36.4	36.8	35.8

Source: NSE EPR

Note: 1. Only individuals and sole proprietorship firms have been considered in the above table.

2. FY25 is as on July 31st, 2024

Distribution of trading activity by turnover

Nearly 2/3rd of investors accounted for just 0.4% of the CM segment turnover: In July 2024, 63.2% of the 158 lakh investors who traded at least once during the month traded less than a total of Rs 1 lakh but contributed to a mere 0.4% of overall turnover. This is slightly lower than the 64.1% of such investors in the previous month, even as the contribution to total turnover was steady at 0.4%. About a quarter traded between Rs 1 lakh and Rs 10 lakh in the entire month, contributing 2.2% of the turnover during the month. These categories collectively made up a substantial 88.2% of the traded investors during the month but contributed only 2.6% of the total turnover. Notably, only 36k of the 158 lakh investors or 0.2% traded more than Rs 10 crore but accounted for a significant 75.5% of the total turnover.

Trading activity in the turnover range above Rs 10 crore was predominantly led by proprietary traders, who accounted for 38.7% of the turnover, while foreign investors and domestic institutional investors held 15.4% and 14.7% share respectively of the turnover. Individual investors held 18.7% of the turnover in the above Rs 10 crore turnover range, while maintaining over 96% turnover in all other turnover ranges.

Table 92: Distribution of turnover by range in cash market for all investors

Turnover range	May-24		Jun-24		Jul-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	649	41.3	735	47.0	719	0.02%	46.9	29.7%
Rs 10,000-Rs 1 lakh	9,225	48.2	10,206	51.4	10,362	0.3%	53.0	33.6%
Rs 1 lakh - Rs 10 lakh	53,796	31.8	65,146	38.0	68,181	2.2%	39.4	24.9%
Rs 10 lakh - Rs 1 cr	1,68,432	11.1	2,10,598	13.9	2,31,666	7.6%	15.1	9.6%
Rs 1 cr – Rs 10 cr	3,20,549	2.3	3,83,317	2.8	4,39,555	14.4%	3.2	2.0%
>Rs 10 cr	19,15,290	0.3	22,35,224	0.3	23,11,093	75.5%	0.36	0.2%
Total	24,67,941	135.0	29,05,226	153.5	30,61,577	100.0%	158.0	100.0%

Source: NSE EPR

Notes

1. Turnover ranges are based on gross turnover.
2. Investors categorisations are based on gross turnover i.e. buy traded value + sell traded value
3. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2

Table 93: Category-wise share in turnover across different turnover ranges in NSE's cash market in July 2024

Turnover range	Turnover (Rs cr)	Share in turnover (%)	Client category-wise turnover share (%)					
			Corporates	DIIs	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	719	0.02%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	10,362	0.3%	0.0%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 1 lakh - Rs 10 lakh	68,181	2.2%	0.1%	0.1%	0.0%	99.7%	0.0%	0.1%
Rs 10lakh - Rs 1 cr	2,31,666	7.6%	0.5%	0.2%	0.0%	99.0%	0.0%	0.3%
Rs 1 cr - Rs 10 cr	4,39,555	14.4%	1.7%	0.2%	0.2%	96.9%	0.1%	0.9%
> Rs 10cr	23,11,093	75.5%	6.5%	14.7%	15.4%	18.7%	38.7%	5.8%
Total	30,61,577	100%	5.2%	11.2%	11.6%	38.1%	29.3%	4.6%

Source: NSE EPR

Notes

1. Turnover ranges are based on gross turnover.

2. Data has been provided for single side i.e. (Buy traded value + sell traded value)/2

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

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

Turnover remained highly concentrated in equity options : In July 2024, around 45.7% of the 47.4 lakh investors, who traded at least once during the month, traded less than a total of Rs 1 lakh in premium turnover, but contributed to just 0.2% of the total premium turnover for equity options. Approximately 31.6% of investors traded between Rs 1 lakh and Rs 10 lakh, accounting for 1.9% of the premium turnover. These two categories together comprised 77.3% of investors who traded at least once last month but had a meagre 2.1% share in the total premium turnover. Conversely, only 4.1% of investors traded a premium turnover exceeding Rs 1 crore, yet they contributed a substantial 88.6% of the total premium turnover for the month. Notably, the number of investors who traded premium turnover of above Rs 10 crore dropped 9.5% MoM to 11,358 in July 2024, contributing 73.2% of the turnover in July 2024 as compared to 74.1% during previous month.

In line with the cash segment, the highest turnover range in equity options premium turnover (Rs 10 crore and above) was predominantly driven by proprietary traders, who accounted for 67.7% of the premium turnover during the month, an increase from 67.1% in the previous month. They were followed by foreign investors, individuals, and corporates, who held 12.2%, 9.8%, and 6.4% respectively for the range. Participation from domestic institutional investors in the equity options segment remained negligible.

Table 94: Distribution of turnover by range in equity options market for all investors

Turnover range	May-24		Jun-24		Jul-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	146	9.0	167	9.8	151	0.0%	9.5	19.9%
Rs 10,000-Rs 1 lakh	2,470	11.7	2,904	13.9	2,569	0.2%	12.2	25.7%
Rs 1 lakh - Rs 10 lakh	27,456	14.4	31,285	16.4	28,731	1.9%	15.0	31.6%
Rs 10 lakh - Rs 1 cr	1,35,107	8.5	1,49,666	9.4	1,40,253	9.3%	8.8	18.6%
Rs 1 cr – 10 cr	2,32,410	1.8	2,49,743	2.0	2,32,494	15.4%	1.8	3.9%
>Rs 10 cr	10,73,812	0.1	12,43,913	0.1	11,05,876	73.2%	0.11	0.2%
Total	14,71,401	45.5	16,77,678	51.6	15,10,073	100%	47.4	100%

Source: NSE EPR

Notes

1. Turnover ranges are based on gross premium turnover.
2. Investors categorisations are based on gross premium turnover i.e. buy premium turnover + sell premium value
3. Data has been provided for single side i.e. (Buy premium turnover + sell premium turnover)/2

Table 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	DII's	Foreign investors	Individuals	Prop	Others
<= Rs 10,000	151	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Rs 10,000 - Rs 1 lakh	2,569	0.2%	0.1%	0.0%	0.0%	99.9%	0.0%	0.0%
Rs 1 lakh - Rs 10 lakh	28,731	1.9%	0.1%	0.0%	0.0%	99.8%	0.0%	0.1%
Rs 10lakh - Rs 1 cr	1,40,253	9.3%	0.2%	0.0%	0.0%	99.6%	0.0%	0.2%
Rs 1 cr - Rs 10 cr	2,32,494	15.4%	0.9%	0.0%	0.0%	98.3%	0.1%	0.6%
> Rs 10cr	11,05,876	73.2%	6.4%	0.1%	12.2%	9.8%	67.7%	3.8%
Total	15,10,073	100%	4.8%	0.1%	8.9%	33.6%	49.6%	2.9%

Source: NSE EPR

Notes

1. Turnover ranges are based on gross premium turnover.
2. Data has been provided for single side premium turnover i.e. (Buy premium turnover + sell premium turnover)/2
3. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.
4. Data is categorized as per client category codes as uploaded by trading members in UCC system.

Top investors dominated equity futures, contributing 93.8% turnover despite marginal moderation in investors participation:

Approximately 48.2% of the 3.6 lakh investors, who traded at least once last month in the equity futures segment, traded less than Rs 1 crore in the entire month, contributing just 0.7% of the total turnover. Another 41.6% of investors, traded between Rs 1 crore and Rs 10 crore, accounted for 5.5% of the overall turnover in the segment. Combined, these groups contributed a modest 6.2% of the total turnover. Investors who traded above Rs 10 crore contributed 93.8% of the overall turnover, despite their numbers slightly declining to 37,247 during the month.

Consistent with trends in the equity cash and equity options segments, the top turnover range was dominated by proprietary traders, who accounted for 37.8% of the total turnover in July 2024. Foreign investors followed, holding a 25.7% share of the turnover in top range. Individual investors contributed 14.1% of the turnover in the above Rs 10 crore range, while their share in all other turnover ranges exceeded 97%. Domestic institutional investors held 7.9%, and corporates held a 9% share of the turnover in the top range of the equity futures segment during the month.

Table 96: Distribution of turnover by range in equity futures market for all investors

Turnover range	May-24		Jun-24		Jul-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	514	0.1	512	0.1	503	0.0%	0.1	3.9%
Rs 10 lakh - Rs 1 cr	31,300	1.5	33,988	1.7	33,278	0.7%	1.6	44.2%
Rs 1 cr - 10 cr	2,25,663	1.3	2,57,190	1.5	2,55,461	5.5%	1.5	41.6%
>Rs 10 cr	40,13,605	0.3	43,54,183	0.4	43,67,593	93.8%	0.37	10.3%
Total	42,71,082	3.4	46,45,873	3.7	46,56,835	100%	3.6	100%

Source: NSE EPR.

Notes

1. Turnover ranges are based on gross turnover.
2. Investors categorisations are based on gross turnover i.e. buy turnover + sell value
3. Data has been provided for single side i.e. (Buy turnover + sell turnover)/2

Table 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	503	0.0%	0.4%	0.0%	0.0%	99.2%	0.0%	0.3%
Rs 10 lakh - Rs 1 cr	33,278	0.7%	0.6%	0.0%	0.0%	98.9%	0.0%	0.4%
Rs 1 cr - Rs 10 cr	2,55,461	5.5%	1.3%	0.0%	0.0%	97.8%	0.1%	0.8%
> Rs 10 cr	43,67,593	93.8%	9.0%	7.9%	25.7%	14.1%	37.8%	5.5%
Total	46,56,835	100.0%	8.5%	7.4%	24.1%	19.3%	35.5%	5.2%

Source: NSE EPR

Notes

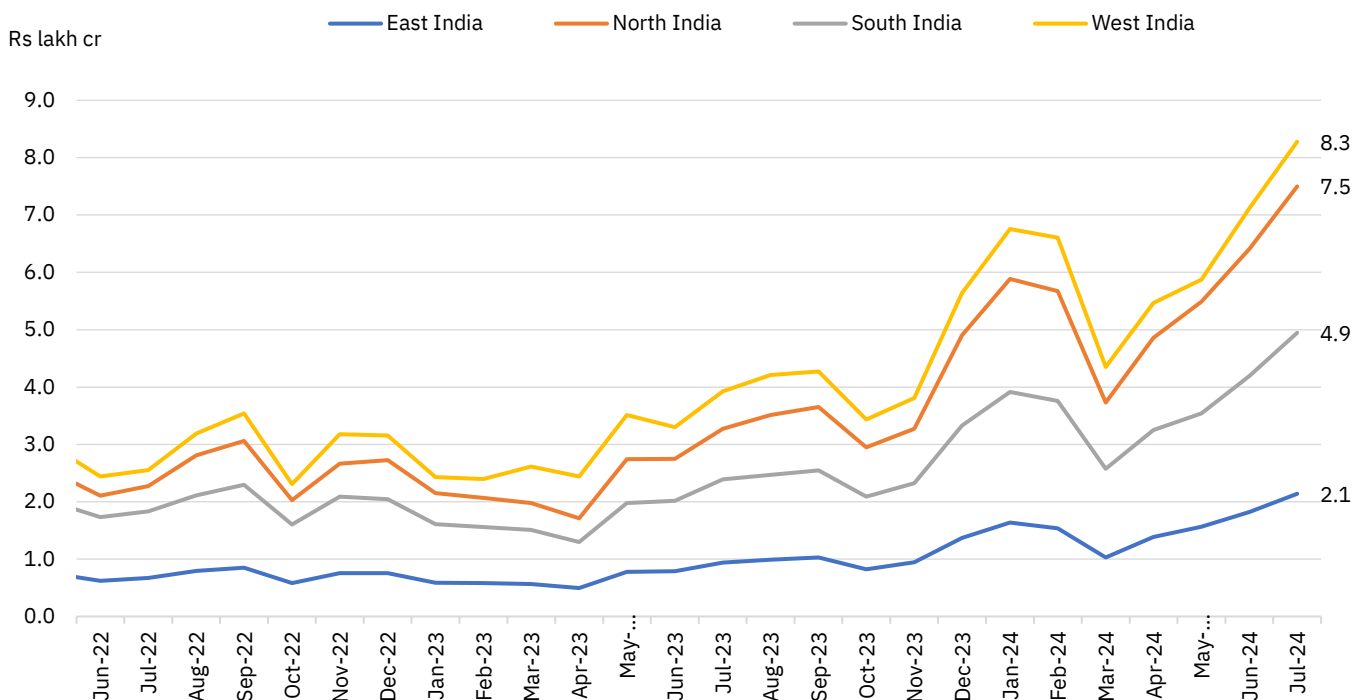
1. Turnover ranges are based on gross turnover.
2. Data has been provided for single side turnover i.e. (Buy turnover + sell turnover)/2
3. DIIs include Banks, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors include Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate includes Public & Private Companies / Bodies Corporate; Individuals include Individual / Proprietorship firms, HUF and NRI; Others include Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop include PRO Trades.
4. Data is categorized as per client category codes as uploaded by trading members in UCC system

Spatial distribution of individual investor activity in the cash market

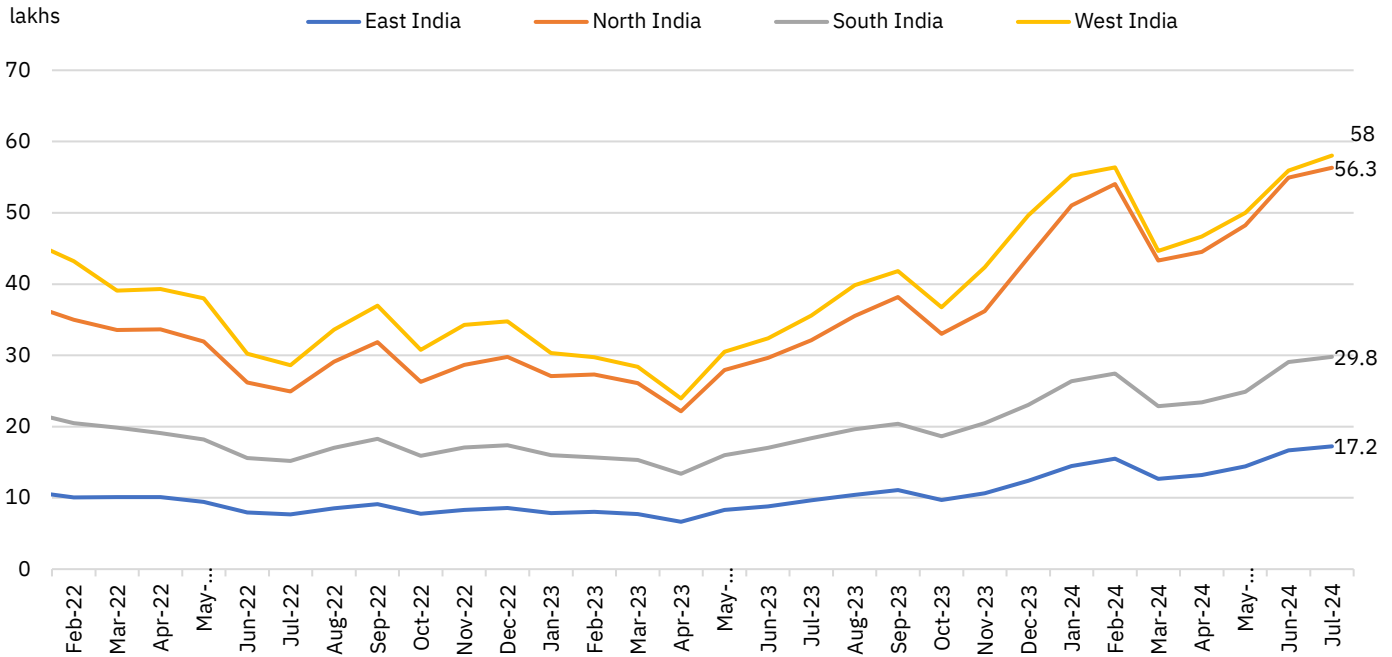
Individual investors' turnover on a rising trend for the fourth month in a row: The total turnover of individual investors has been experiencing a significant increase since March 2024 across all regions in the country. Total turnover within the individual segment increased by 17% MoM to reach Rs 23.2 lakh crore in July 2024. Since March 2024, total individual turnover in the cash market has almost doubled. Turnover in the Southern region saw the highest MoM growth, increasing by 17.9% followed by 17.4%, 17% and 16.3% growth in the Eastern, Northern and Western regions respectively.

...accompanied with an increase in participation: The number of individual investors which traded at least once in last month increased across regions in July, marking the fourth increase in a row after a broad-based fall in Mar'24. This individual investor base rose by 3% MoM to reach 1.61 crore in July'24. Region-wise, the Western and Northern India saw an increase of 3.7% MoM to 58 lakh and 2.5% MoM to 56.3 lakh, respectively. Eastern and Southern regions, saw an increase of 3.3% and 2.5% to 17.2 lakh and 29.8 lakh, respectively.

Figure 294: 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 295: 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 Share in individuals' turnover remained broadly steady...: The distributional pattern of turnover has remained broadly unchanged across all regions. The share of Western and Northern India in overall individual investors' turnover saw a marginal dip, standing at 35.7% (-22bps) and 32.3% (-2bps), respectively, while the share of Eastern and Southern region experienced a marginal rise to 9.2% (+3bps) and 21.4% (+17bps), respectively. West India and North India continue to lead with maximum share in turnover of over 30% each.

...And so is the individuals' participation: The distributional pattern of individuals over the past one month has witnessed a negligible shift. The Western region's share in individual investors who traded at least once in the month of July inched up by 24 bps MoM to 35.5% in July 2024, while the Northern region saw a dip of 18bps MoM to 34.4% in the same month. Notably, the gap between the two regions has widened a little in the last month, but in the last two years it has significantly reduced. The southern and eastern regions have had their shares remain broadly steady at around 18% and 10% respectively, for the last two years.

Figure 296: Region-wise share of individual investors' turnover in cash market (%)

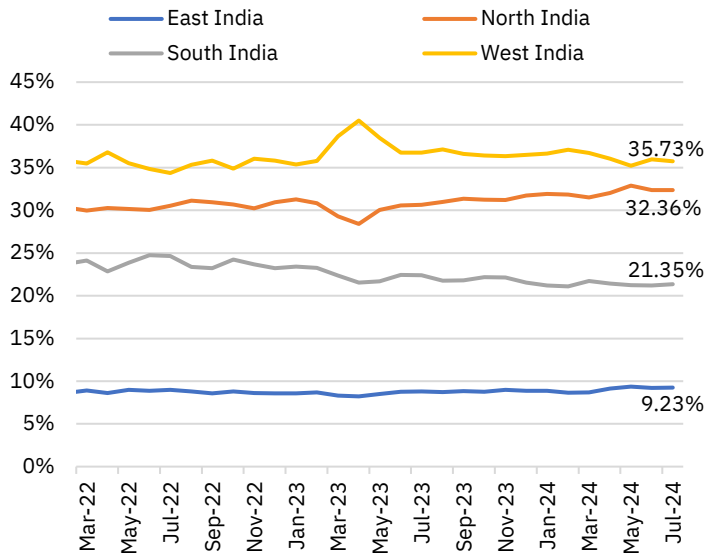
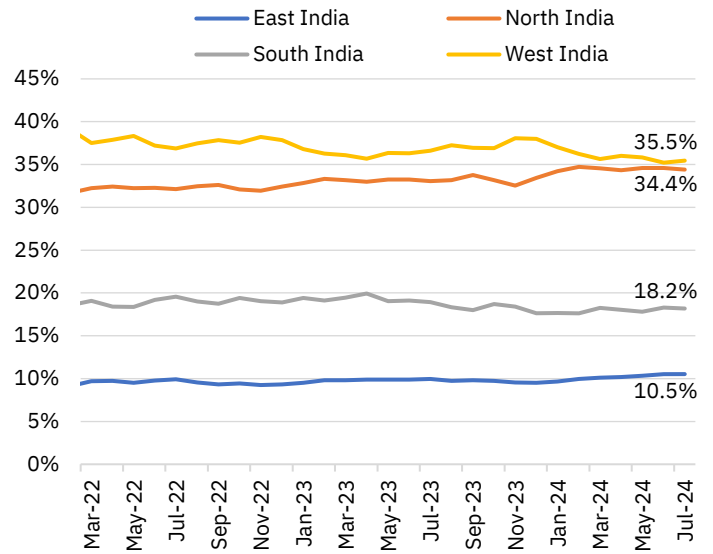


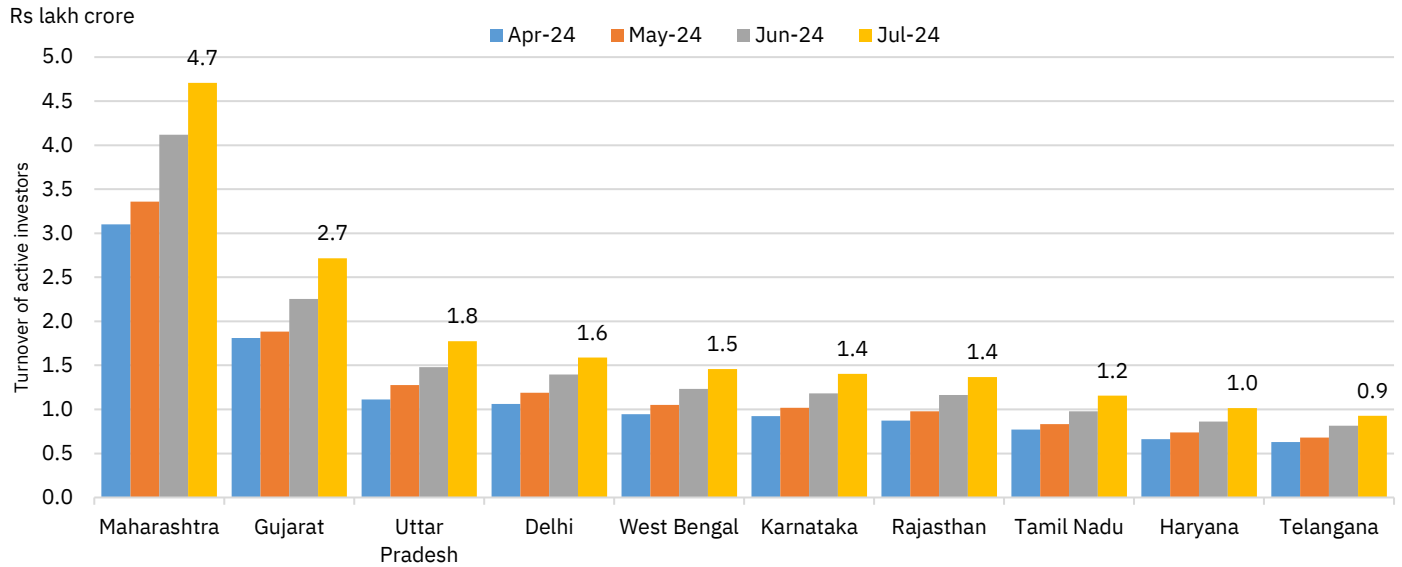
Figure 297: Region-wise share of individual investors traded in cash market (%)



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

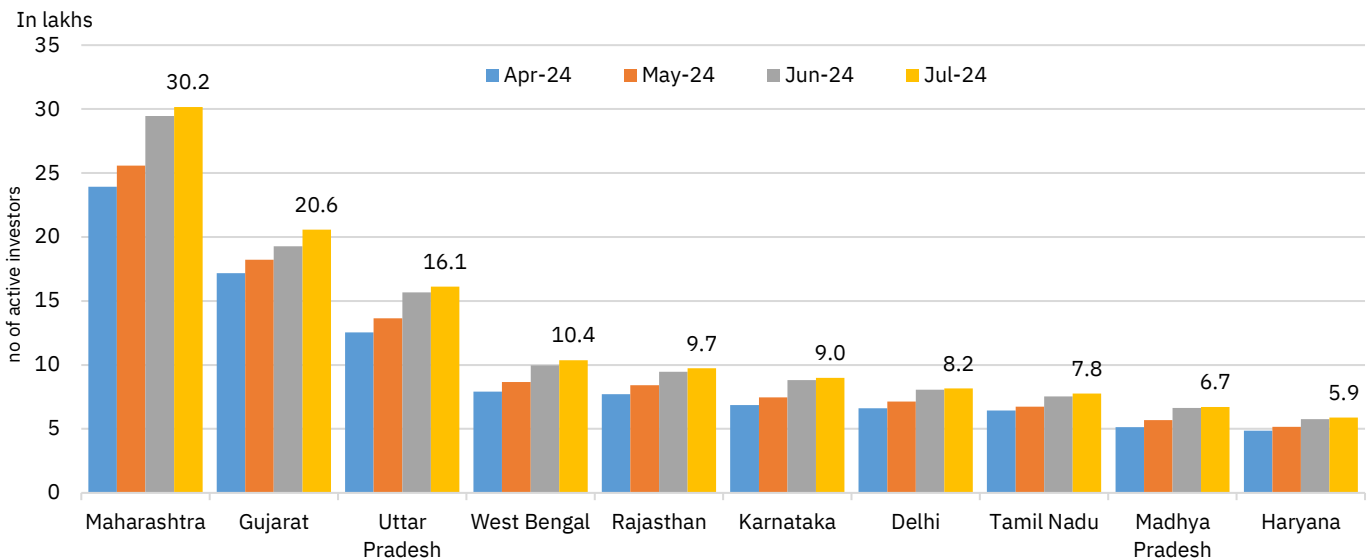
Turnover of individuals from the top 10 states surged in Jul'24: The individual segment's turnover saw a continued increase in the top 10 states, with their total turnover in these states rising by 17% MoM to Rs 18 lakh crore. The top 10 states contributed 78% of total turnover in the CM segment. Maharashtra, Gujarat, and Uttar Pradesh held on to their positions as the top three states in terms of total individual turnover, with turnover of Rs 4.7 lakh crore, Rs 2.7 lakh crore and 1.8 lakh crore respectively. Notably, Uttar Pradesh surpassed Delhi in March in terms of total individuals' turnover in Mar'24 and has maintained its position since then.

...accompanied by a rise in the number of investors who traded at least once in the month: Following a decline in Mar'24, the count of individuals who traded at least once has been on a steady rise, increasing by 3.1% MoM (against the rise of 13.1% MoM witnessed last month) to 1.24 crore for the top 10 states in Jul'24. Maharashtra upheld its lead, with these investors rising 2.4% MoM to 30.2 lakh. Following closely, Gujarat saw 20.6 lakh (+6.7% MoM) investors trading at least once during the month. Additionally, the investor counts of Uttar Pradesh (+2.8% MoM), West Bengal (3.9% MoM) and Rajasthan (2.9% MoM), increased to 16.1 lakh, 10.4 lakh and 9.7 lakh investors respectively.

Figure 298: 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 299: 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.

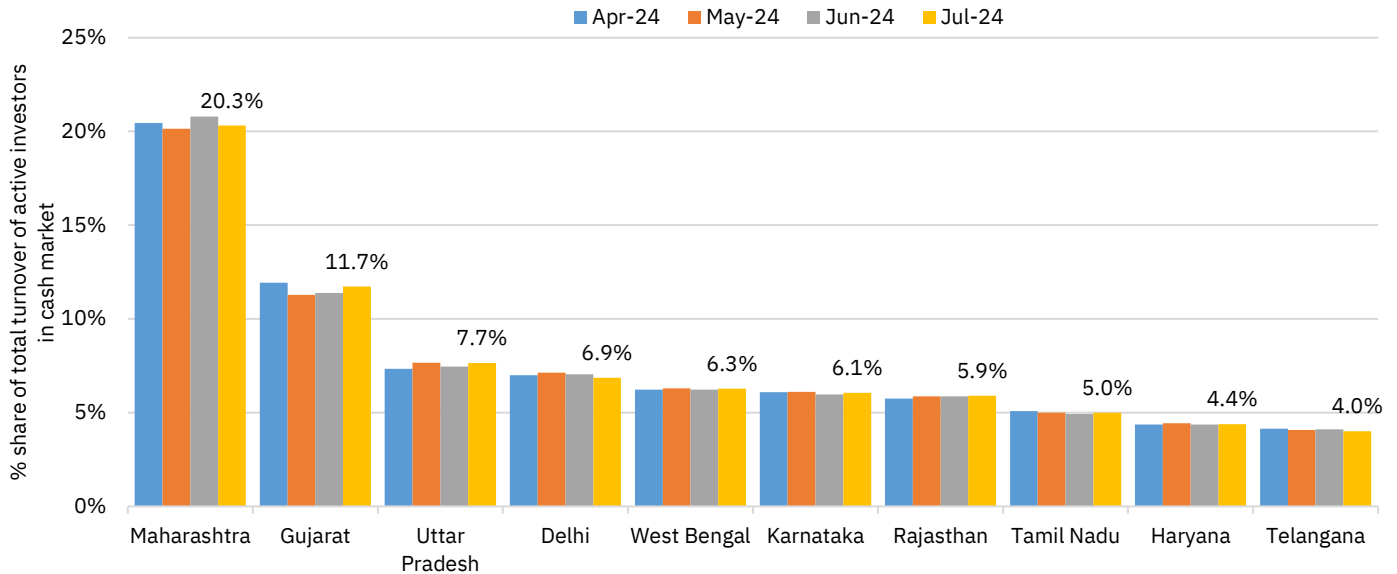
Contribution of top 10 states in individuals' turnover remained broadly unchanged in Jul'24:

The share of total turnover and volume of individual investors in the cash segment continues to be concentrated in a handful of states. The top 10 states collectively accounted for 78.2% of the total turnover in Jul'24, a marginal increase from the previous month. The contribution of Maharashtra (-47bps MoM) experienced a marginal fall, while Gujarat (+34bps MoM) experienced saw a marginal uptick. Uttar Pradesh was the third-largest state, albeit with a marginal uptick of 19bps.

...followed by a consistent up trend in investor base share: The contribution of the top 10 states rose marginally to 76% in Jul'24. Maharashtra's share fell by 11bps MoM to 18.4% in July, while Gujarat's share rose by 43bps to 12.6%. Uttar Pradesh, West Bengal,

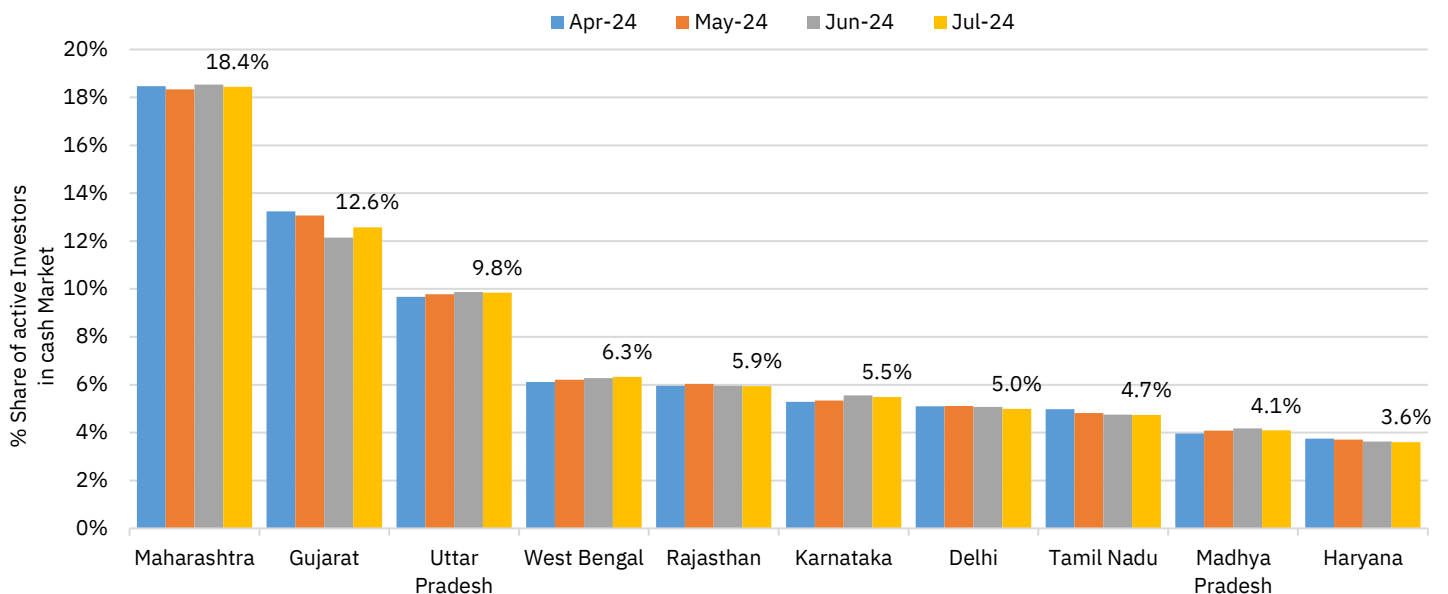
and Rajasthan maintained their positions at the third, fourth and fifth positions with shares of 9.8% (-2bps MoM), 6.3% (+5bps MoM), and 5.9% (-1bps MoM) respectively.

Figure 300: 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 301: Share of the top 10 states based on number of individual investors traded in the cash market

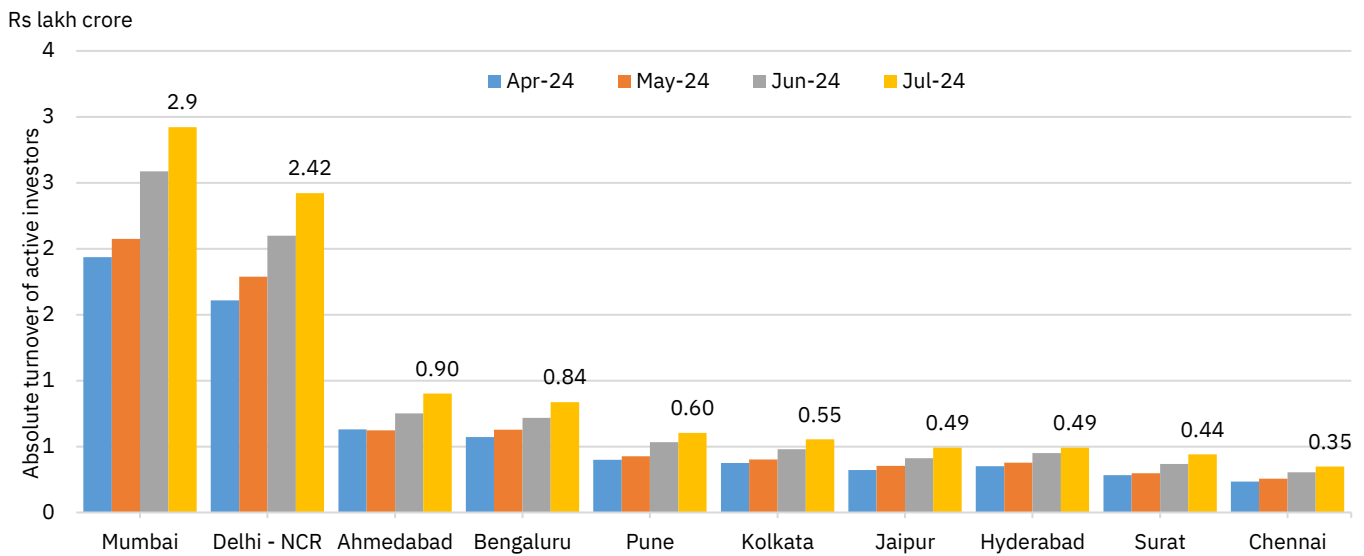


Source: NSE EPR. Note: Individual investors include Individual / Proprietorship firms and HUF. The top ten states are chosen based on last month's data.

Individuals' turnover in the top 10 districts continued to grow in Jul'24....: Individual investors' turnover in the top 10 districts (by turnover) continued to grow, with a substantial growth of 15% MoM to Rs 10 lakh crore in July 2024. Mumbai and Delhi held their positions as the top two districts, with a turnover of Rs 2.9 lakh crore (+12.9% MoM) and Rs 2.4 lakh crore (+15.4% MoM) respectively. Among other top five districts, the turnover in Ahmedabad (+20% MoM), Bengaluru (16.7% MoM) and Pune (13.5% MoM) witnessed notable upswings in individual investors' turnover, increasing to Rs 90,000 crore, 84,000 crore and Rs 60,000 crore respectively in the month of July.

...accompanied by a higher number of investors who traded during the month: After a drop in Mar'24, the number of individual investors which traded at least once in the last month registered a marginal increase across the top 10 districts, with a total rise of 2.2% MoM to 49.3 lakh in the month of July. Mumbai continued to lead, with a 1.6% MoM rise to 12.8 lakh investors, while Delhi - NCR retained the second spot with 12.3 lakh active investors during the month (+0.9% MoM). Ahmedabad, who stood at the third position, recorded an increase of 5.2% MoM to 4.8 lakh investors. Hyderabad experienced the highest growth across the top 10 districts, registering an increase of 10.5% MoM to 1.9 lakh investors who traded last month.

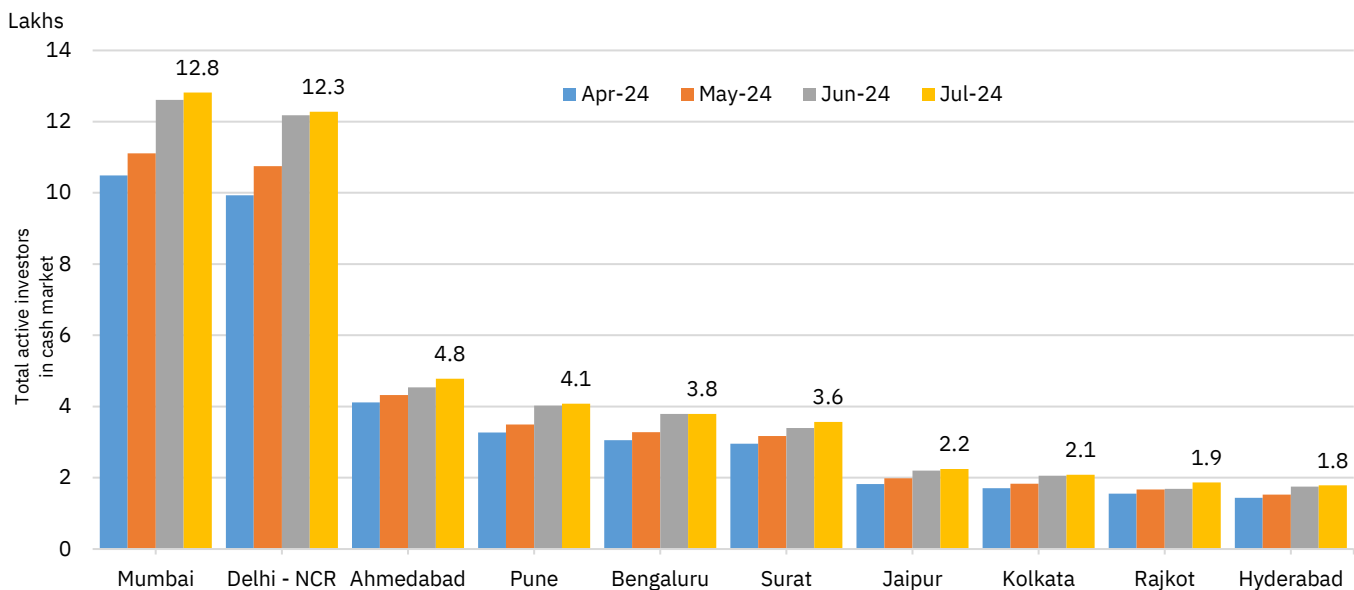
Figure 302: Top 10 districts based on cash turnover of individual investors



Source: NSE EPR

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

Figure 303: Top 10 districts based on individual investors traded in the cash market



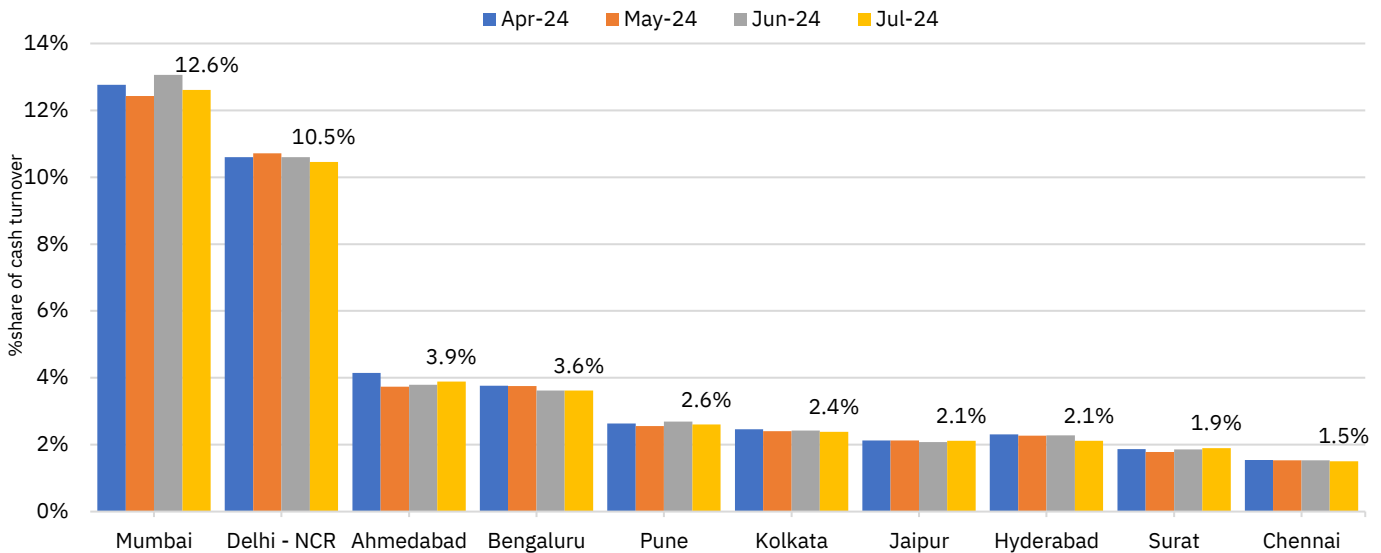
Source: NSE EPR

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

Share of top 10 districts in individual turnover fell marginally in Jul'24: The total turnover of individual investors continues to be concentrated in a few districts. However, the contribution of the top 10 districts to the total cash market turnover of individuals experienced a marginal fall to 43.21% in July'24 from 43.95% in Jun'24. The share of Mumbai and Delhi fell by 45bps and 15 bps to 12.6% and 10.5% respectively in July. Ahmedabad (+9bps MoM) reclaimed third place with a share of 3.9%.

...along with a marginal fall in the share of individuals who traded at least once in the last month: The contribution of the top 10 districts continued to fall in the month of July to 30.1%, compared to 32.2% in Mar'24. The share of Mumbai declined to 7.8%, down from 7.9% in Jun'24. Delhi – NCR also witnessed a marginal fall to 7.5% from 7.7% in Jun'24. While Ahmedabad experienced a rise in its share to 2.9% (+6bps).

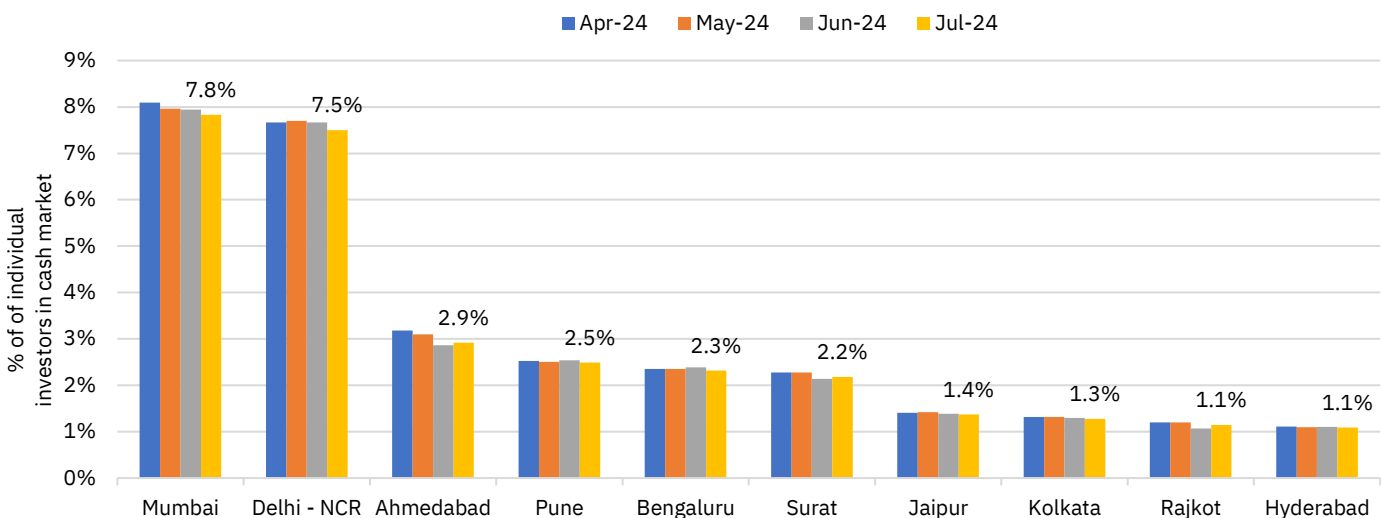
Figure 304: Share of the top 10 districts based on individual turnover in the cash market



Source: NSE EPR

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

Figure 305: Share of the top 10 districts based on individual investors traded in the cash market



Source: NSE EPR

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

Turnover of top-10 traded companies during the month

The turnover of the top 10 traded scrips increased 22.3% MoM to Rs 4.8 lakh crore in Jul'24, higher than 5.4% MoM rise in overall turnover in NSE cash market segment. Additionally, the share of these top 10 scrips turnover increased 218bps MoM to 15.7% during the month as compared to these scrips turnover last month.

HDFC Bank remained the highest traded scrip in the segment with an 18.2% MoM rise in turnover. The turnover in Hindustan Aeronautics Limited declined 31.3% MoM while its ranking slipped to 7th position during the month while four scrips namely, Rail Vikas Nigam Limited, Indian Railway Finance Corporate Limited, Indian Renewable Energy Development Agency Limited and Infosys Limited became part of top 10 during the month, with a MoM rise of 198%, 157.8%, 252.6% and 26.1% respectively. Six out of ten scrips recorded an increase in turnover, of which three scrips recorded MoM rise of over 100%.

Table 98: Top 10 companies of NSE CM segment in July 2024

Securities (Rs Cr)	Jul-24	Jun-24	%Change
HDFC Bank Limited	87,100	73,704	18.2
Rail Vikas Nigam Limited	74,524	25,012	198.0
Mazagon Dock Shipbuilders Limited	49,813	38,864	28.2
Indian Railway Finance Corporation Limited	49,156	19,082	157.6
Indian Renewable Energy Development Agency Limited	44,065	12,499	252.6
ICICI Bank Limited	41,372	50,926	(18.8)
Hindustan Aeronautics Limited	36,008	52,402	(31.3)
Reliance Industries Limited	35,542	46,959	(24.3)
Infosys Limited	33,456	26,539	26.1
State Bank of India	30,367	47,479	(36.0)
Top 10 scrips turnover	481,402	393,465	22.3
Total turnover	3,061,577	2,905,226	5.4
% share of Top 10 scrips	15.7	13.5	2.18

Source: NSE EPR. Figures in brackets indicate negative numbers.

Note: The scrip-wise turnover data for the previous month is based on the current month's top 10 scrips.

The top 10 scrips in stock futures held 23.3% share of the overall turnover while its turnover rose 1.1% MoM to Rs 8.9 lakh crore in July 2024, lower than MoM rise in overall turnover for the segment. HDFC Bank remained the top traded scrip in stock futures and recorded a rise of 13.5% MoM to Rs 2.1 lakh crore. Five of the top 10 companies recorded a MoM expansion in the turnover. It is noteworthy that three scrips, namely Infosys Limited, Kotak Mahindra Bank and TCS Limited became part of the top 10 traded scrips during the month.

Table 99: Top 10 companies of stock futures in July 2024

Securities (Rs Cr)	Jul-24	Jun-24	%Change
HDFC Bank Limited	212,892	187,635	13.5
ICICI Bank Limited	109,678	115,184	(4.8)
State Bank of India	89,488	103,365	(13.4)
Reliance Industries Limited	87,754	106,964	(18.0)
Infosys Limited	74,575	54,881	35.9
Axis Bank Limited	72,202	60,824	18.7
Kotak Mahindra Bank Limited	64,953	55,344	17.4
Hindustan Aeronautics Limited	62,047	87,207	(28.9)
Tata Motors Limited	59,594	65,239	(8.7)
Tata Consultancy Services Limited	57,808	44,891	28.8
Top 10 scrips turnover	890,991	881,533	1.1
Total Turnover	38,31,730	36,62,528	4.6
% share of Top 10 scrips	23.3%	24.1%	(0.8)

Source: NSE EPR. Figures in brackets indicate negative numbers.

Note: The scrip-wise turnover data for the previous month is based on the current month's top 10 scrips.

The premium turnover of top 10 companies in stock options exhibited 4.6% MoM rise to Rs 50,030 crore in July 2024, higher than overall turnover rise of 3.4% for the segment. HDFC Bank Limited became the top traded scrip in stock options with 30% MoM surge to Rs 7,729 crore premium turnover while Hindustan Aeronautics Limited slipped to 5th position during the month. Maruti Suzuki India Ltd, TCS Ltd and Infosys Ltd became part of the top 10 traded scrips while their premium turnover registered over 100% MoM rise in July 2024.

Table 100: Top 10 companies (based on premium turnover) of stock options in July 2024

Securities (Rs Cr)	Jul-24	Jun-24	%Change
HDFC Bank Limited	7,729	5,944	30.0
Reliance Industries Limited	5,762	6,579	(12.4)
REC Limited	5,168	4,637	11.4
Maruti Suzuki India Limited	5,082	2,172	134.0
Hindustan Aeronautics Limited	4,821	9,055	(46.8)
Tata Motors Limited	4,563	3,983	14.6
State Bank of India	4,507	7,042	(36.0)
Tata Consultancy Services Limited	4,456	2,083	113.9
Infosys Limited	4,213	2,011	109.5
Bharat Electronics Limited	3,729	4,320	(13.7)
Top 10 scrips premium turnover	50,030	47,825	4.6
Total premium turnover	1,97,877	1,91,370	3.4
% share of Top 10 scrips	25.3%	25.0%	0.29

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

NSE CM and derivatives market recorded single day highest turnover within the first four months of FY25: NSE capital markets saw record-breaking activity on June 4th, 2024, during the general election results day, with the highest single-day turnover of Rs 2,71,245 crore, 2.1 times the average daily turnover (ADT) of FY25 till date (Apr'24 to Jul'24). The number of trades also surged to an all-time high of 8.85 crore on the same day. The turnover for index derivatives and stock options reached their highest single-day turnovers on the same day as well.

However, the highest number of trades in the equity derivatives segment occurred on June 19th, 2024. Additionally, on July 23rd, 2024, stock futures as well hit the highest single day turnover of Rs 3,98,161 crore which was 2.3 times higher than the ADT recorded in FY25 till date (Apr'24 to Jul'24).

Table 101: Segment-wise record turnover till August 10th, 2024

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

Source: NSE EPR

Note: Premium turnover has been considered for options contracts.

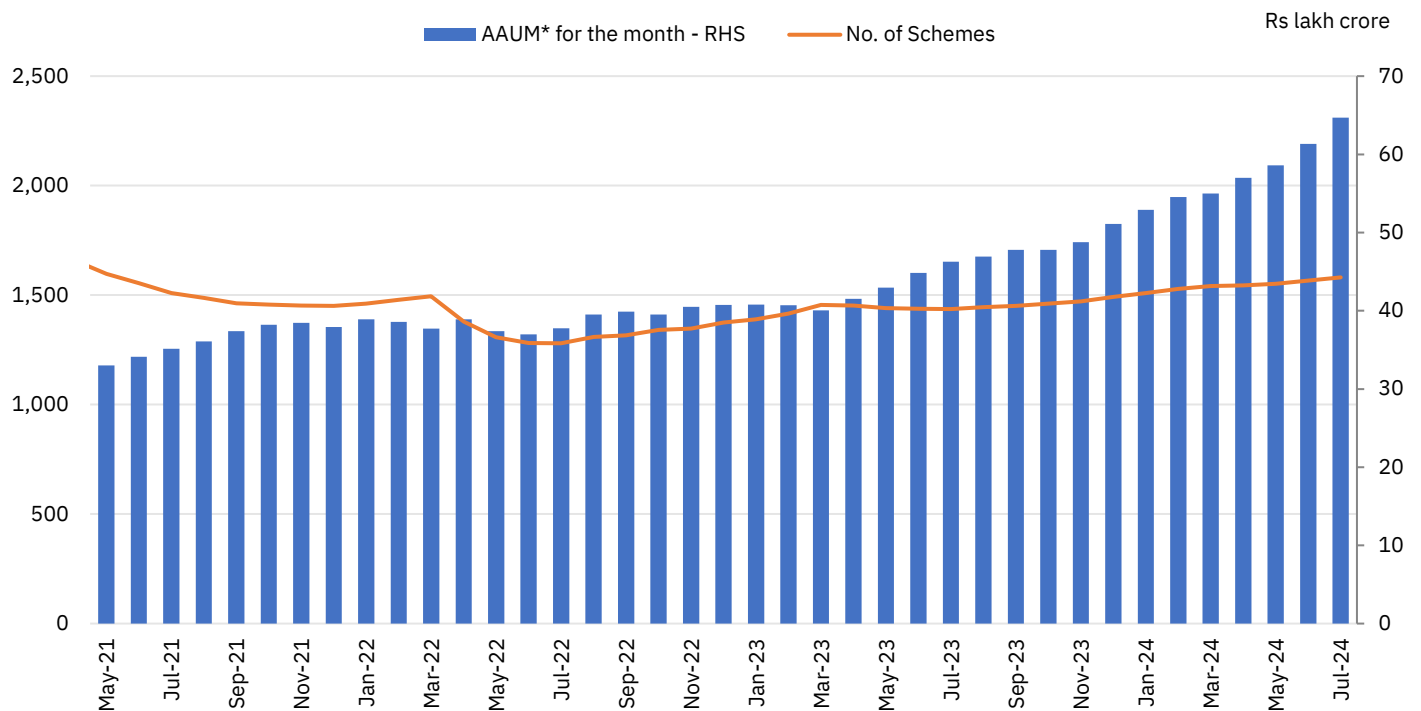
Investment through mutual funds in India

Mutual funds' asset under management (AUM) stood close to Rs 65 lakh crore mark in Jul'24:

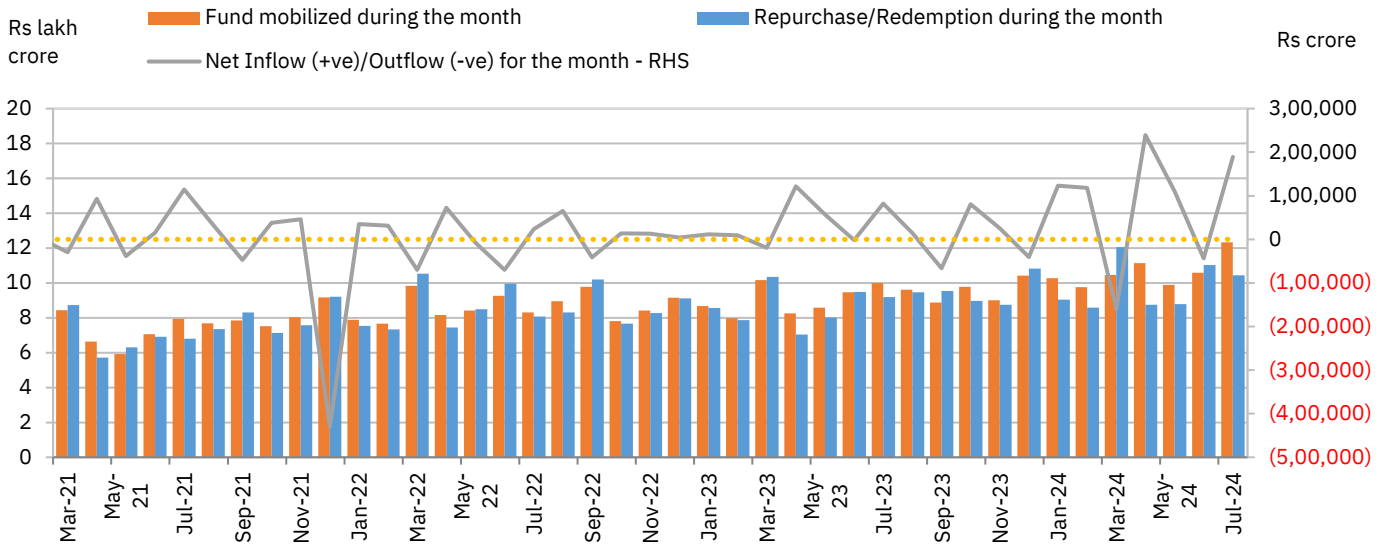
The overall AUM of Indian mutual funds saw an increase of 5.5% MoM to Rs 64.7 lakh crore in July. On a YoY basis, the AUM was up by 40% and is 162% higher from the post-pandemic lows. The month of June saw a net outflow of Rs 43,637 crore followed by a net inflow of Rs 1.9 lakh crore in Jul'24, with the latter benefiting from lower redemptions and higher fund mobilization. The month gone by saw a 5.3% MoM fall in redemptions while funds mobilized increased by a strong 16.5% MoM. Net SIP inflows into mutual funds touched a fresh record high of Rs 23,332 crores in July, up 9.7% on a MoM basis. The SIP AUM stood at Rs 13.1 lakh crore and is now nearly one-fifth of the overall industry AUM.

The AUM of close-ended schemes increased marginally to Rs 26,334 crore in July and contributed only 0.4% to the total mutual fund AUM. Of the total number of schemes, 1,467 were open-ended schemes, 102 were close-ended and the rest 12 were interval schemes.

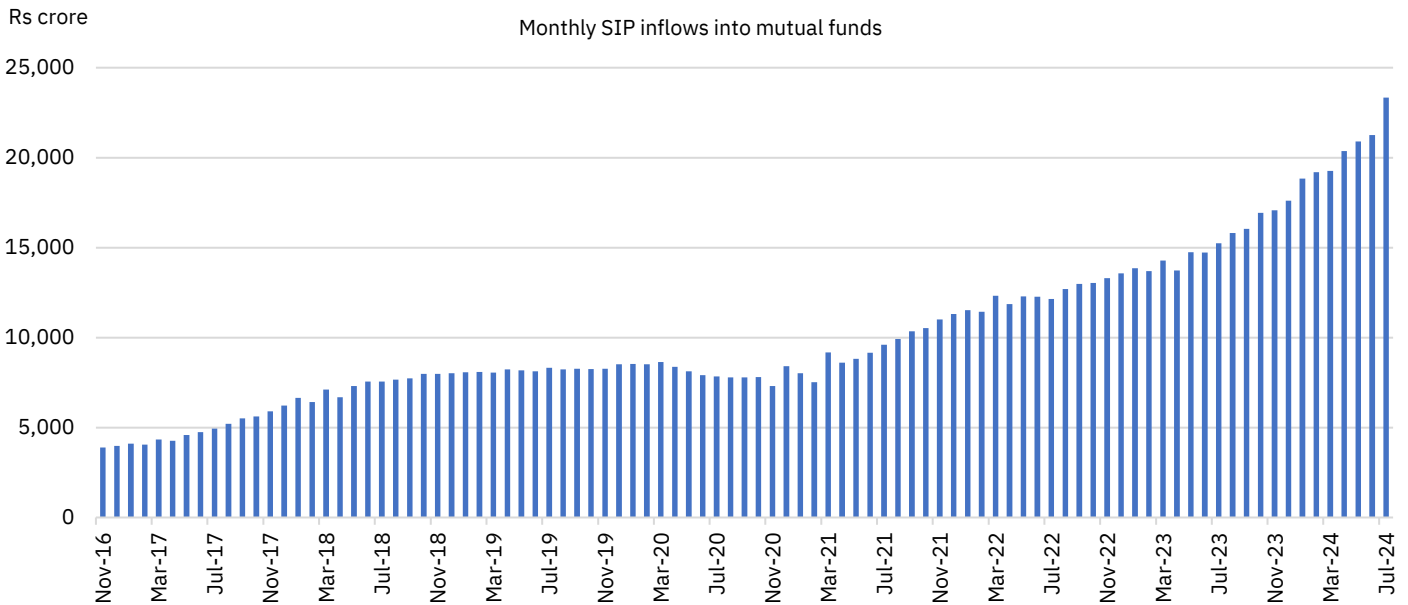
Figure 306: Monthly trend of total MF schemes and average AUM



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

Figure 307: Monthly trend of total investment through mutual funds


Source: AMFI, NSE EPR.

Figure 308: Monthly trend of total investment through mutual funds


Source: AMFI, NSE EPR

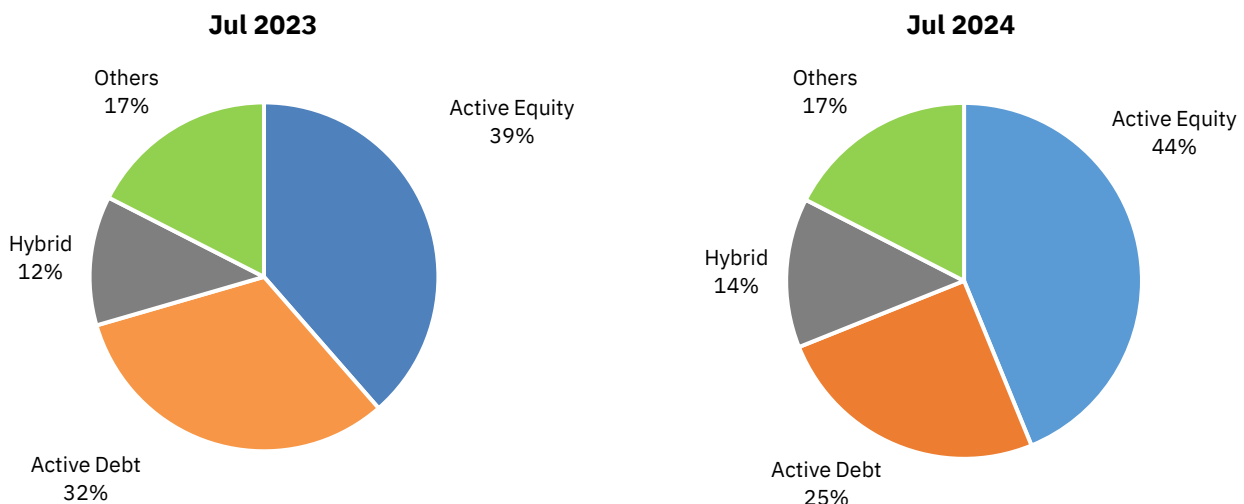
A significant portion of the mutual fund AUM is actively managed: Out of the overall industry AUM of Rs 64.7 lakh crore as of Jul'24, nearly Rs 53.4 lakh crore or 83% is actively managed. Within the pure equity AUM of Rs 36.5 lakh crore (+6.3% MoM), passive equity funds comprised Rs 7.9 lakh crore (+6.3% MoM), of which ETFs accounted for an 82% share. The balance of Rs 28.5 lakh crore was in active equity funds (+6.2% MoM). The total debt AUM stood at Rs 18.3 lakh crore as of July-end (+4.6% MoM, 28.3% of the overall AUM), out of which only 11.6% or Rs 2.1 lakh crore (+2.2% MoM), was managed passively, with the balance Rs 16.2 lakh crore (+5% MoM) being actively managed. The AUM of hybrid funds stood at Rs 8.7 lakh crore (+4.6% MoM) in July, with its share decreasing marginally to 13.5% in Jul'24 from 13.6% in the previous month.

Table 102: Monthly trend of average AUM of mutual funds across categories

Rs crore	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	% share
Total MF AUM	54,52,487	55,00,728	57,01,359	58,59,951	61,33,227	64,70,664	100.0
Equity	29,33,269	29,79,946	31,03,415	32,08,739	34,31,691	36,46,416	56.4
Active	22,95,989	23,24,502	24,25,708	25,10,895	26,87,142	28,54,590	44.1
Passive	6,37,281	6,55,445	6,77,707	6,97,845	7,44,548	7,91,826	12.2
Index funds	96,121	1,00,528	1,07,214	1,14,345	1,25,731	1,39,127	2.2
Domestic	91,899	96,164	1,02,865	1,09,846	1,21,036	1,34,267	2.1
International	4,222	4,364	4,349	4,499	4,695	4,860	0.1
ETFs	5,41,159	5,54,917	5,70,493	5,83,500	6,18,818	6,52,699	10.1
Domestic	5,30,478	5,43,953	5,59,677	5,72,249	6,07,133	6,40,658	9.9
International	10,682	10,964	10,816	11,251	11,685	12,041	0.2
Debt	16,81,748	16,63,502	17,08,477	17,30,387	17,48,162	18,29,390	28.3
Active	14,79,320	14,59,503	15,03,887	15,24,429	15,40,597	16,17,213	25.0
Passive	2,02,428	2,03,999	2,04,590	2,05,958	2,07,566	2,12,177	3.3
Index funds	1,08,213	1,08,174	1,07,602	1,08,789	1,09,098	1,09,584	1.7
ETFs	94,215	95,825	96,987	97,169	98,468	1,02,593	1.6
Hybrid	7,33,273	7,49,653	7,77,148	8,05,619	8,33,978	8,71,986	13.5
Others*	1,04,196	1,07,626	1,12,319	1,15,205	1,19,396	1,22,873	1.9

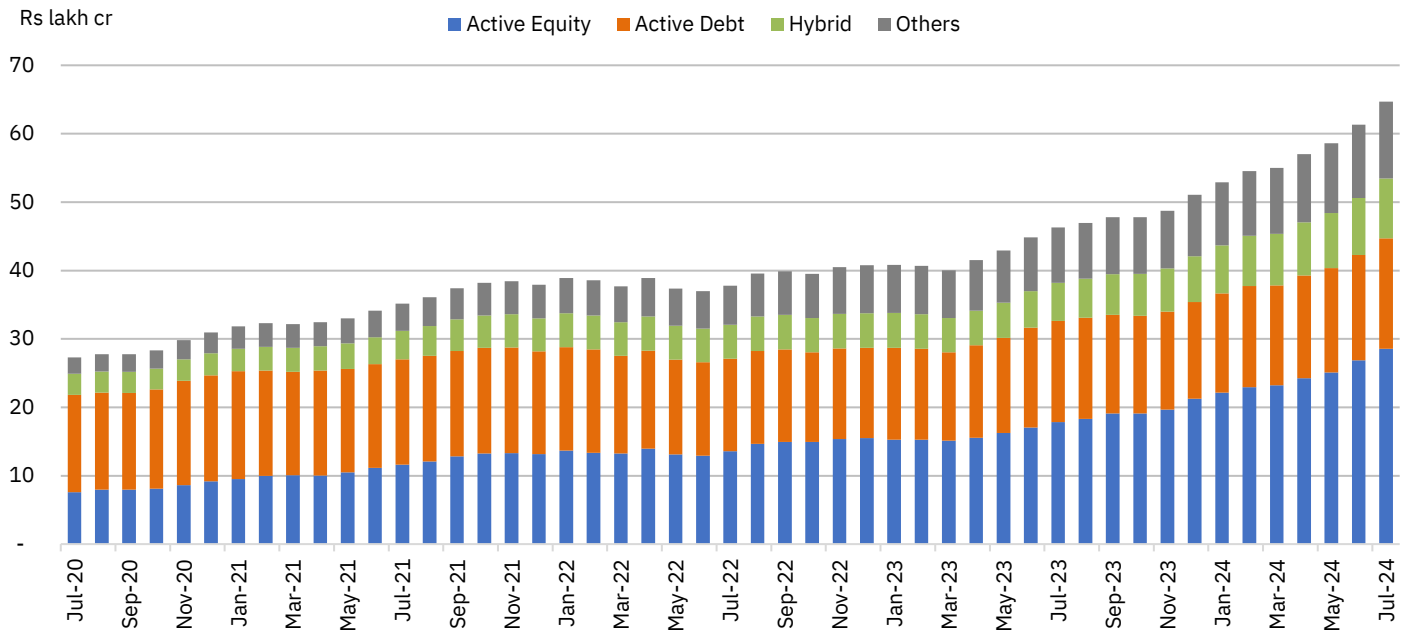
Source: AMIF, NSE EPR. *Others include Gold and silver ETFs, other ETFs and index funds, solution-oriented schemes, interval schemes, FoFs investing overseas in active and passive funds.

Growth is primarily led by active equity schemes: The active equity AUM rose 6.2% MoM/60% YoY to Rs 28.5 lakh crore, higher than a 5.5% MoM increase in the overall industry's AUM. A large part of this is attributed to robust inflows into equity mutual funds through SIPs as mentioned above. The share of active equity funds in the overall AUM rose further to 44.1% in Jul'24 from 38.6% in the year-ago period. The AUM of active debt-oriented schemes also increased by 5% MoM (+9.5% YoY, +24.6% since Mar'20) to Rs 16.2 lakh crore in Jul'24. Despite the increase in AUM, the share of debt funds dropped marginally for the 13th month in a row to 25% in Jul'24 as compared to 25.1% in the previous month. On a YoY basis, the share dropped 758bps from 32.6% in Jul'23. This significant decline in share of active debt AUM can be attributed to the removal of indexation benefits introduced in 2023.

Figure 309: Share of overall mutual fund AUM across asset classes


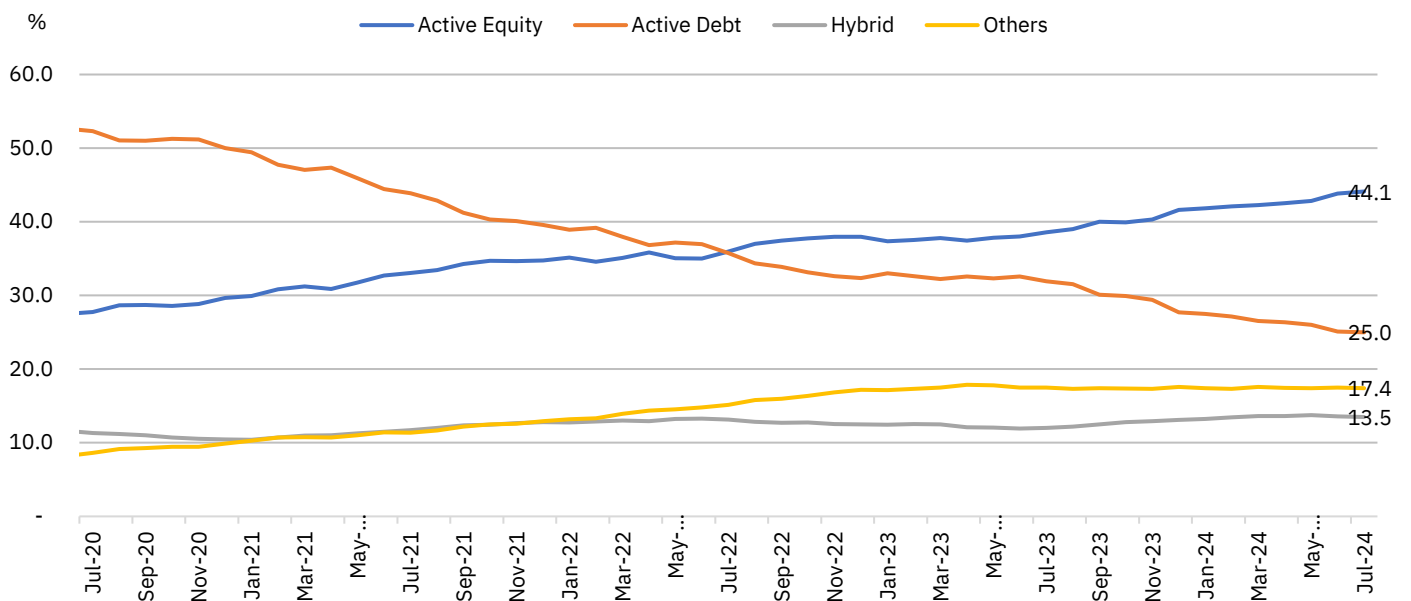
Source: CMIE Economic Outlook, AMFI, NSE EPR

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 310: Category-wise AUM split*


Source: CMIE Economic Outlook, AMFI, NSE EPR

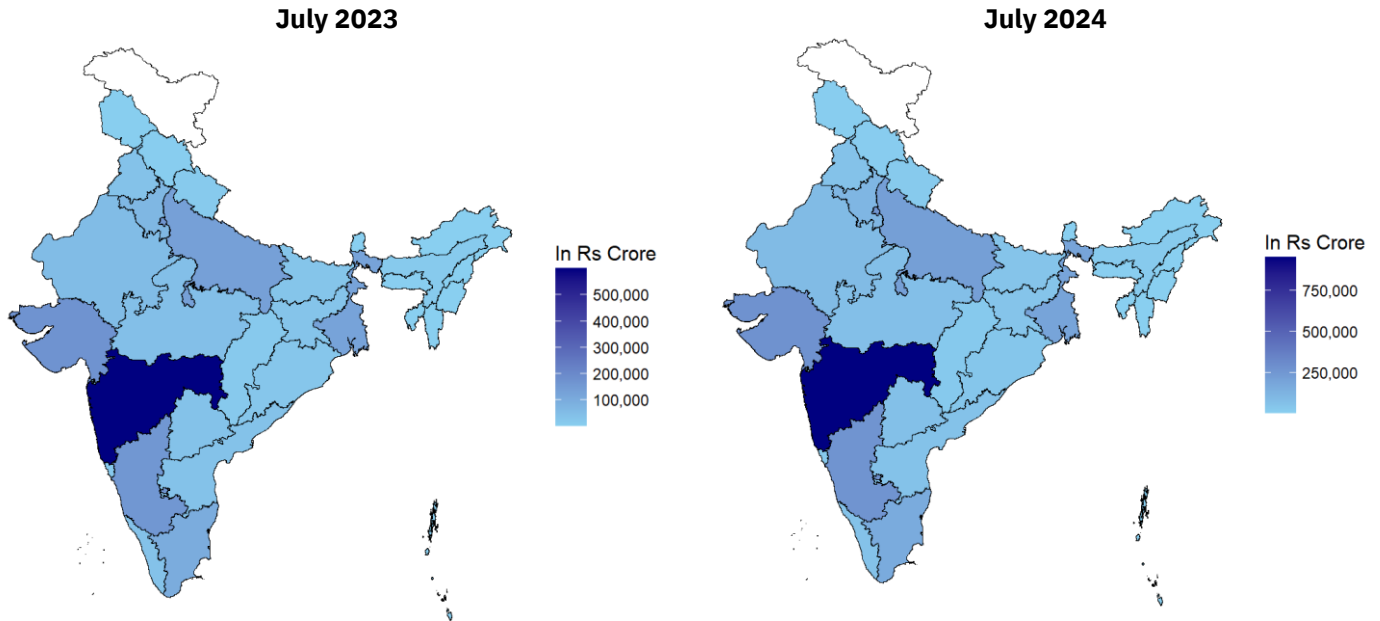
* Others include all passive funds (Index funds and ETFs), solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

Figure 311: Category-wise share in MF AUM*


Source: CMIE Economic Outlook, AMFI, NSE EPR

*Others include all passive funds (Index funds and ETFs), solution-oriented schemes, interval schemes, fund of funds investing overseas in active and passive funds.

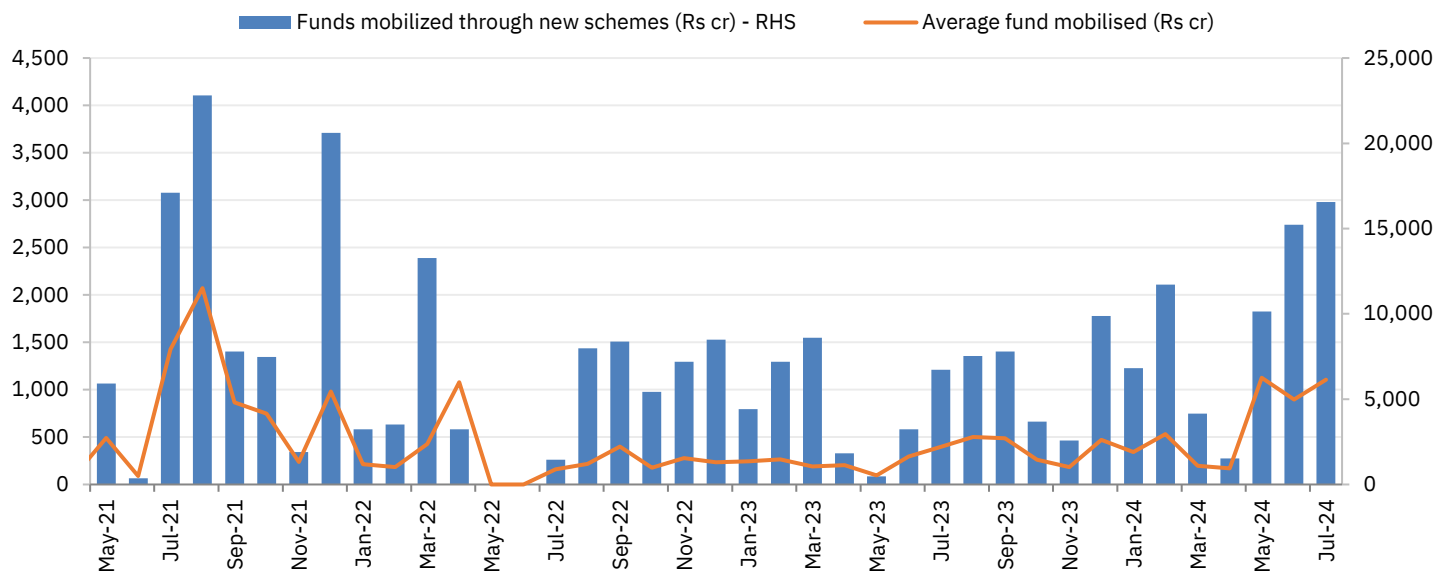
Equity AUM continued to remain concentrated in a few states: Maharashtra and Gujarat together accounted for 37% of the overall equity mutual fund AUM in Jul'24, 10bps lower than the previous month. Among the top five states, Maharashtra (-10bps, 28.7%), Gujarat (-1bps, 8.3%), Karnataka (-2bps, 8.1%) and Delhi (-1bps, 7.8%) saw a fall in share while Uttar Pradesh (+2bps, 6.5%) recorded an increase in share of equity AUM. The remaining states contributed less than 5% each to the overall equity AUM of the mutual fund industry.

Figure 312: State-wise distribution of Equity schemes AUM in Jul'23 and Jul'24


Source: NSE EPR

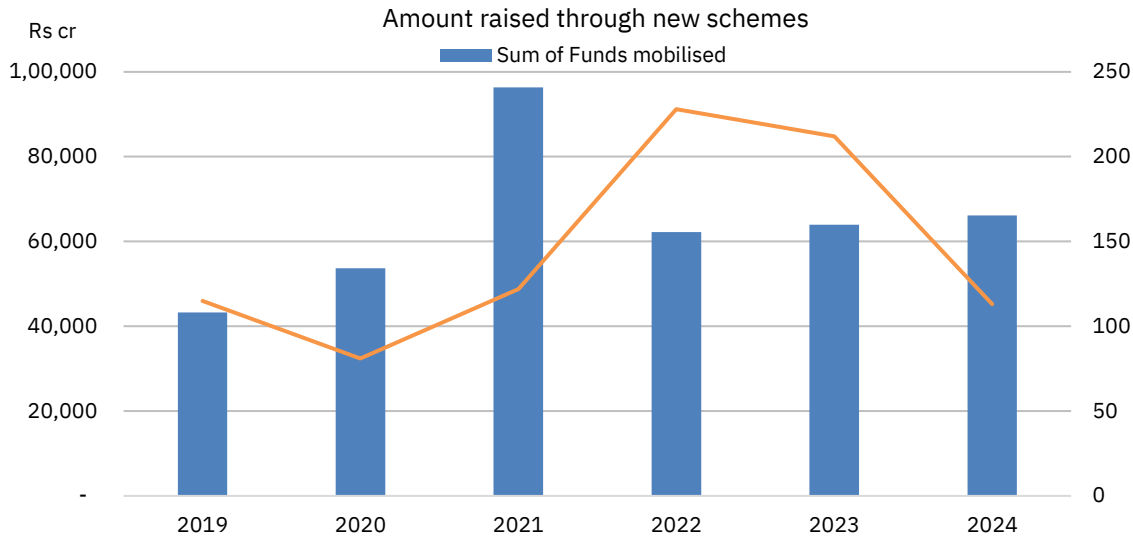
 Note: The maps are created using the state-level shapefile (<https://github.com/AnujTiwari/India-State-and-Country-Shapefile-Updated-Jan-2020>)

Fund mobilization through new schemes continued to increase in Jul'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 July, the number of new schemes stood at 15, a marginal fall from the previous month, with the total fund mobilization of Rs 16,565 crore as compared to the fund mobilization of Rs 15,227 crore in the previous month. This led to per scheme mobilization rising from Rs 896 crore in Jun'24 to Rs 1,104 crore in Jul'24. In the first four months of FY25, total fund mobilization stood at Rs 43,464 crore, up 254% on a YoY basis, with fund mobilization per scheme rising by a steep 142% from that in FY24 to Rs 869 crore.

Figure 313: Monthly trend of total investment through new schemes


Source: AMFI, NSE EPR.

Figure 314: Annual trend of fund mobilization through new schemes*



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

Policy developments

India

Key policy measures by the SEBI during July³³

<p>July 1st, 2024</p>	<p>Charges levied by Market Infrastructure Institutions- true to label</p> <p>This circular addresses concerns about the transparency and fairness of charge structures implemented by Market Infrastructure Institutions (MIIs) such as stock exchanges, clearing corporations, and depositories. The circular highlights that current volume-based slab-wise charge structures can lead to discrepancies between the charges collected from clients by members and the charges paid by members to MIIs. This can result in misleading disclosures to clients and an uneven playing field among members.</p> <p>To rectify these issues, SEBI mandates that MIIs redesign their charge structures to ensure they are uniform, transparent, and "true to label." This means the charges imposed on clients must match what is received by the MIIs, and the charge structures should be consistent across all members rather than based on transaction volume. MIIs are required to implement these changes by October 1, 2024, and to update their systems, amend relevant regulations, and report the progress of these changes to SEBI.</p>
<p>July 3rd, 2024</p>	<p>Reduction in denomination of debt securities and non-convertible redeemable preference shares</p> <p>This circular introduces changes to the denomination requirements for debt securities and non-convertible redeemable preference shares. It permits the issuance of these securities on a private placement basis at a reduced face value of Rs. 10,000, down from the previous minimum of Rs. 1 lakh. This change aims to attract more non-institutional investors and enhance market liquidity. Additionally, the circular outlines conditions for credit enhancements and requires Merchant Bankers for such issuances. Amendments also include the deletion of previous clauses setting higher minimum face values and updating trading lot requirements to match the new denominations. These provisions apply to all new private placements listed from the circular's effective date.</p>
<p>July 4th, 2024</p>	<p>Measures to instil confidence in securities market - Brokers' institutional mechanism for prevention and detection of fraud or market abuse</p> <p>The circular mandates stockbrokers to establish robust mechanisms for preventing and detecting fraud and market abuse. According to Chapter IVA of the Stockbrokers (Amendment) Regulations, 2024, brokers must implement surveillance systems, internal controls, and whistleblower policies. The standards for these mechanisms will be developed by the Broker's Industry Standards Forum in consultation with SEBI.</p> <p>The implementation will be staggered based on the number of active Unique Client Codes (UCCs): brokers with over 50,000 UCCs must comply by January 1, 2025; those with 2,001 to 50,000 UCCs by April 1, 2025; and brokers with up to 2,000 UCCs by April 1, 2026. Qualified Stockbrokers (QSBs) must implement the changes by August 1, 2024. Stock exchanges are tasked with informing brokers, updating relevant regulations, and reporting implementation progress to SEBI.</p>

³³ For more details, please visit <http://www.sebi.gov.in>.

<p>July 19th, 2024</p>	<p>Enabling Credit Rating Agencies (CRAs) to undertake rating activities under IFSCA</p> <p>This circular allows Credit Rating Agencies (CRAs) to perform rating activities within the International Financial Services Centre - Gujarat International Finance Tech-city (IFSC-GIFT City) under the guidelines of the International Financial Services Centres Authority (IFSCA). The IFSCA is now included in the list of financial sector regulators for CRAs, as specified in the updated Master Circular.</p> <p>CRAs operating in the IFSC will be regulated by IFSCA, which will handle any issues, complaints, enforcement actions, and information disclosures related to these CRAs. This change is effective immediately and aims to streamline regulatory oversight for CRAs in the IFSC.</p>
<p>July 19th, 2024</p>	<p>Enabling ESG Rating Providers (ERPs) to undertake ESG rating activities under IFSCA</p> <p>This circular expands the scope for ESG Rating Providers (ERPs) by permitting them to conduct ESG rating activities within the International Financial Services Centre - Gujarat International Finance Tech-city (IFSC-GIFT City). This addition to the Master Circular for ERPs allows IFSCA to oversee these activities.</p> <p>Under this provision, IFSCA will handle any issues, complaints, and enforcement related to ESG ratings conducted by SEBI-registered ERPs in the IFSC. This circular is effective immediately and aims to ensure proper regulatory oversight and streamlined operations for ERPs operating in this financial hub.</p>

Annual macro snapshot

	FY18	FY19	FY20	FY21	FY22	FY23	FY24*	FY25#
National income								
GDP (Current) (Rs lakh crore)	170.9	189.0	201.0	198.5	236.0	269.5	295.36	326.4
GDP (Current) Growth (%)	11.0	10.6	6.4	-1.2	18.9	14.2	9.6	10.5
GDP (Constant) Growth (%)	6.8	6.5	3.9	-5.8	9.7	7.0	8.2	
GVA (Constant) Growth (%)	6.2	5.8	3.9	-4.2	8.8	7.0	7.6	
Agriculture growth (%)	6.6	2.1	6.2	4.0	4.6	4.7	1.4	
Industry growth (%)	5.9	5.3	-1.4	-0.4	12.2	2.1	9.5	
Services growth (%)	6.3	7.2	6.4	-8.4	9.2	10.0	7.6	
Per Capita GDP (Curr) (Rs)	1,31,743	1,44,620	1,52,504	1,48,586	1,72,422	1,94,879	2,11,725	
Prices								
CPI Inflation (%)	3.6	3.4	4.8	6.2	5.5	6.7	5.4	
Food & beverages (%)	2.2	0.7	6.0	7.3	4.2	6.7	7.0	
Core inflation (%)	4.5	5.8	4.0	5.3	6.1	6.3	4.4	
WPI Inflation (%)	2.9	4.3	1.7	1.3	13.0	9.4	(0.7)	
Primary articles (%)	1.4	2.7	6.8	1.7	10.3	10.0	3.5	
Fuel & power (%)	8.2	11.5	-1.8	-8.0	32.5	28.1	(4.6)	
Manuf. prods (%)	2.8	3.7	0.3	2.8	11.1	5.6	(1.7)	
Money, banking & interest rates								
Money supply (M3) growth (%)	9.2	10.5	8.9	12.2	8.8	9.0	11.2	
Aggregate deposit growth (%)	6.2	10.0	7.9	11.4	8.9	9.6	13.5	
Bank credit growth (%)	10.0	13.3	6.1	5.6	8.6	15.0	20.2	
Non-food credit growth (%)	10.2	13.4	6.1	5.5	8.7	15.4	20.2	
Cash Reserve Ratio (% eop)	4.0	4.0	4.0	3.0	4.0	4.5	4.5	
Bank Rate (% eop)	6.25	6.50	4.65	4.25	4.25	6.75	6.75	
Public Finance								
GOI rev. receipts growth (%)	4.4	8.2	8.5	-3.0	32.8	9.8	13.6	14.7
Gross tax receipts growth (%)	11.8	8.4	-3.4	0.9	33.7	12.7	13.5	10.8
GOI Expenditure growth (%)	8.4	8.1	16.0	30.7	8.1	10.5	6.1	8.5
Subsidies growth (%)	-4.4	-0.7	17.7	189.0	-33.5	14.7	-22.1	-2.8
Interest expense growth (%)	10.0	10.2	5.1	11.1	18.5	15.3	14.6	9.3
External transactions								
Exports growth (%)	10.1	8.8	-5.2	-7.1	45.1	6.7	-3.0	
POL exports growth (%)	18.8	24.5	-11.6	-37.6	162.8	43.9	-13.5	
Non-POL exports (%)	9.0	6.6	-4.1	-2.5	33.7	-0.4	-0.1	
Imports growth (%)	21.2	10.5	-7.8	-17.1	56.2	16.3	-5.7	
Non-POL imports growth (%)	20.1	4.6	-7.9	-9.6	45.4	12.1	-2.0	
POL imports growth (%)	25.0	29.9	-7.5	-36.9	96.7	29.1	-14.2	
Net FDI (US\$bn)	30.3	30.7	43.0	44.0	38.6	28.0	9.8	
Net FII (US\$bn)	22.1	-2.4	1.4	36.1	-16.8	-5.2	44.1	
Trade Balance: RBI – (US\$bn)	-160.0	-180.3	-157.5	-102.2	-189.5	-265.3	-242.1	
Current Acc. Balance (US\$bn)	-48.7	-57.2	-24.6	24.0	-38.8	-67.1	-23.3	
Forex Reserves (US\$bn)	424.4	411.9	475.6	579.3	617.6	578.4	645.6	
Exchange rate (USDINR)	64.5	69.9	70.9	74.2	74.5	80.4	83.4	

Source: CMIE Economic Outlook, NSE; *FY24 public finance data and national income data is as per PE; #FY25 public finance data and national income data are budget estimates.

Our reports on the economy and markets since January 2022

Sr. No.	Date	Report
1	10-Aug-24	India Ownership Tracker Q1FY25
2	08-Aug-24	Macro Review: RBI Monetary Policy
3	31-Aug-24	Market Pulse July 2024: Citius, Altius, Fortius!
4	23-Jul-24	Union Budget 2024-25: Roadmap to Viksit Bharat
5	17-Jul-24	EY-NSE The Cost of Capital Survey 2024
6	28-Jun-24	Market Pulse June 2024: The last mile on the inflation path
7	28-Jun-24	Q4FY24 Corporate Earnings Review
8	25-Jun-24	Macro Review: Q4FY24 Balance of Payments
9	07-Jun-24	Macro Review: RBI Monetary Policy
10	01-Jun-24	Macro Review: Q4FY24 India GDP
11	29-May-24	Market Pulse May 2024: US\$5trn and beyond
12	22-May-24	India Ownership Tracker Q4FY24
13	26-Apr-24	Market Pulse April 2024: Markets and macro in the year that was
14	05-Apr-24	Macro Review: RBI Monetary Policy
15	26-Mar-24	Market Pulse March 2024: Indian investors cross the 9-crore mark
16	24-Mar-24	India Ownership Tracker Q3FY24
17	01-Mar-24	Macro Review: Q3FY24 India GDP
18	27-Feb-24	Market Pulse February 2024: On a high: Markets, investors, flows, and Generative AI
19	12-Feb-24	Macro Review: RBI Monetary Policy
20	01-Feb-24	Macro Review: Union Budget FY2024-25
21	26-Jan-24	Market Pulse January 2024: January effect...as January goes, so does the year?
22	22-Dec-23	Market Pulse Nov-Dec 2023: Hope smiles from the threshold of the year
23	15-Dec-23	India Ownership Tracker Q2FY24
24	08-Dec-23	Macro Review: RBI Monetary Policy
25	01-Dec-23	Macro Review: Q2FY24 India GDP
26	30-Nov-23	Q2FY24 Corporate Earnings Review
27	30-Oct-23	Market Pulse October 2023: Israel-Palestine redux, and the need for cooperation
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29	05-Oct-23	State of states: Will major states push capex in FY24
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32	01-Sep-23	Macro Review: Q1 FY24 India GDP
33	10-Aug-23	Macro Review: RBI Monetary Policy
34	27-Jun-23	India Ownership Tracker December 2022

35	18-Jul-23	Market Pulse July 2023: A monthly review of Indian economy and markets
36	15-Jul-23	Q4FY23 Corporate Earnings Review
37	28-Jun-23	Macro Review: Q4FY23 Balance of Payments
38	27-Jun-23	India Ownership Tracker December 2022
39	13-Jun-23	Market Pulse June 2023: A monthly review of Indian economy and markets
40	08-Jun-23	Macro Review: RBI Monetary Policy
41	01-Jun-23	Macro Review: Q4FY23 India GDP
42	12-May-23	Market Pulse May 2023: A monthly review of Indian economy and markets
43	12-Apr-23	Market Pulse Apr-May 2023: A monthly review of Indian economy and markets
44	06-Apr-23	Macro Review: RBI Monetary Policy
45	29-Mar-23	India Ownership Tracker December 2022
46	24-Feb-23	Market Pulse February 2023: A monthly review of Indian economy and markets
47	08-Feb-23	Macro Review: RBI Monetary Policy
48	01-Feb-23	Macro Review: Union Budget FY2023-24
49	25-Jan-23	Market Pulse January 2023: A monthly review of Indian economy and markets
50	23-Dec-22	Market Pulse Nov-Dec 2022: A monthly review of Indian economy and markets
51	07-Dec-22	Macro Review: RBI Monetary Policy
52	05-Dec-22	Q2FY23 Corporate Earnings Review
53	30-Nov-22	Macro Review: Q2FY23 India GDP
54	21-Oct-22	Market Pulse October 2022: A monthly review of Indian economy and markets
55	30-Sep-22	Macro Review: RBI Monetary Policy
56	28-Sep-22	Market Pulse September 2022: A monthly review of Indian economy and markets
57	22-Sep-22	India Ownership Tracker June 2022
58	26-Aug-22	Market Pulse August 2022: A monthly review of Indian economy and markets
59	25-Aug-22	Q1FY23 Corporate Earnings Review
60	05-Aug-22	Macro Review: RBI Monetary Policy
61	28-Jul-22	Market Pulse July 2022: A monthly review of Indian economy and markets
62	29-Jun-22	Market Pulse June 2022: A monthly review of Indian economy and markets
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65	24-Jun-22	Macro Review: Q4FY22 Balance of Payments
66	08-Jun-22	Macro Review: RBI Monetary Policy
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68	01-Jun-22	Corporate Governance: ESG scores of NIFTY 50 companies
69	01-Jun-22	Macro Review: Q4FY22 India GDP
70	24-May-22	Market Pulse May 2022: A monthly review of Indian economy and markets

71	05-May-22	Macro Review: RBI Monetary Policy
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73	11-Apr-22	India Ownership Tracker December 2021
74	08-Apr-22	Macro Review: RBI Monetary Policy
75	03-Apr-22	Macro Review: Q3FY22 Balance of Payments
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79	24-Feb-22	Q3FY22 Corporate_Earnings Review
80	18-Feb-22	Quarterly Briefing: Related Party Transactions: Implications for Investor Protection
81	10-Feb-22	Macro Review: RBI Monetary Policy
82	01-Feb-22	Union Budget FY2022-23
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84	03-Jan-22	Macro Review: Q2FY22 Balance of Payments

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