Pharma by Choice: Sector Read for October 2026

Volumes Cool from Sept. Peak, Price Still Leads

November 13, 2026

12.3% IPM MTH Value Growth	=	6.2% *MTH Price Growth*	+	2.5% *MTH Volume Growth*	+	3.6% *MTH New Product Growth*

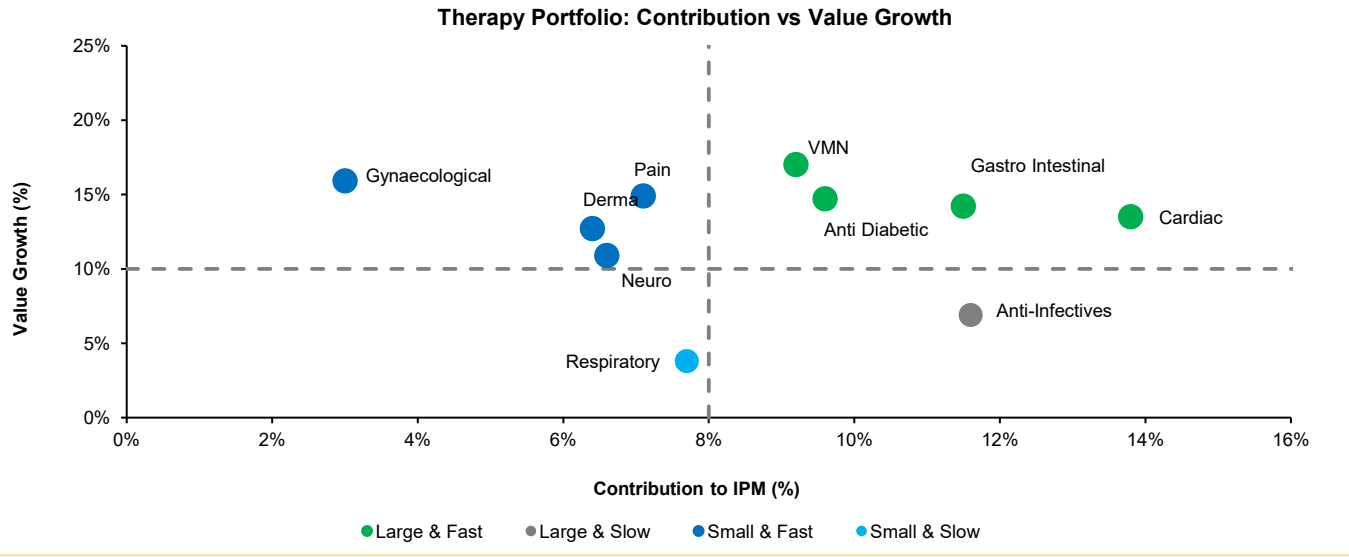
Behind Oct. 26's 12.3% IPM Growth: Volumes Cool from Sept. Peak, Price Still Leads

- **Growth Moderates, Volumes Pause:** Oct '26 IPM ***growth eased to 12.2% (***from 13.5% in Sep '26). Volume growth slowed down to 1.6% (from 3.4%). On quarterly basis, momentum remained stable, with Qtr Oct '26 growth at 12.3% versus 8.3% in Qtr Oct '25, leaving the base supportive.
- **Price Still Does the Heavy Lifting:** Price growth ***increased to 6.2% in Qtr Oct '26 (***from 5.9% in Qtr Jul '26), accounting for half of IPM growth. New-product growth eased to 3.6% (from 3.9% in same period). The volume recovery since Qtr Jan' 26 remains intact, although the ***latest monthly moderation suggests it is not yet broad-based***.
- **Chronic and Specialty Lead, Acute Stays Soft:** Oncology grew 18.7% in Oct '26, followed by vitamins at 17.0% and blood-related therapies at 16.3%. Cardiac grew 13.5%, while anti-diabetic growth was 14.7% *(Exhibit 1)*. A winter-season recovery is not yet visible; November data will be an important monitorable.
- **GLP-1 Anchors the Anti-diabetic Mix:** ***Mounjaro retained its #1 position*** on both, MAT and MTH, rankings *(Exhibit 3)*, with MAT sales of INR 1,544 Cr, up 229.4%. It contributed ~4% of IPM MAT incremental sales, and accounted for ~6% of anti-diabetic MAT sales. Mixtard declined 8.3% on a MAT basis and slipped to #23 on the MTH ranking. We view this as a ***mix shift within diabetes rather*** than evidence of broad-based demand expansion.
- **Leaders Grow in-line, Mid-caps Outpace:** ***SUNP retained its #1 position with an 8.5% share*** *(Exhibit 2)*, although its MTH growth of 12.1% was marginally below IPM growth of 12.2%. ZYDUSLIF (18.1%), GNP (18.5%), MANKIND (16.4%) and TRP (15.8%) outgrew the market. CIPLA (10.4%), LPC (10.3%) and ALKEM (10.0%) lagged behind.
- **Q2FY27 Overall Performance and View:** ***Q2FY27 was mixed across our coverage universe***. Revenue growth remained healthy, but margin continued to face pressure. Most companies contended with the US LOEs or pricing erosion, alongside higher R&D investment to strengthen pipelines. ***Portfolio strategies also continued to shift towards chronic and specialty therapies***. Domestic demand remained relatively steady. Rolling-quarter IPM growth held at 12.2–12.3% in Qtr Oct '26. Volume contributed 2.5 points to 12.3% growth, compared with 0.2 points to 7.7% a year ago. ***Price continues to account for around half of growth*** further reinforcing our view of mix shift towards specialty. ***India is cushioning the top line, but margin recovery remains dependent on execution of launches***.
- ***Our Read for Oct '26:*** IPM value growth of 12.2% alongside volume growth of 1.6% implies that the September volume spike did not repeat, while acute therapies remained weak. We view ***October as a normalisation after September's stronger print***, rather than a break in the broader trend. The low base, growth near 12% and chronic-led mix remain supportive. Sustained volume growth above 2% would provide greater confidence in the recovery.
- ***Conviction Intact, but Watch Volume Follows-through:*** We ***remain positive on SUNP and GRAN***. SUNP's scale and #1 IPM position support our thesis, although monthly growth broadly in line with the market leaves limited room for volume underperformance. GRAN retains its #3 position by value in the US controlled-substances market and continues to scale up its complex generics and peptides businesses.

- **Click to read:** *Sector Read for Sep'26; SUNP Q2FY27 Result Update, GRAN Q2FY27 Result Update*

Pharma Sector Report

Exhibit 1: Chronic Therapies Dominate Domestic Market Performance (MTH October 2026)



Source: Pharmarack, Choice Institutional Equities

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MAT: Moving Annual Total
MTH: Month

Exhibit 2: Leading Pharma Companies Continue to Drive Market Growth

Corporate	MAT October'26			MTH October'26		
	Rank	Contribution to IPM %	Value Growth %	Rank	Contribution to IPM %	Value Growth %
Sun Pharma	1	8.9%	14.6%	1	8.9%	11.9%
Abbott	2	6.2%	10.5%	2	6.3%	14.1%
Cipla	3	5.7%	10.6%	3	5.8%	10.0%
Mankind	4	5.4%	13.2%	4	5.6%	17.2%
Torrent	5	5.2%	15.5%	5	5.1%	15.1%
Intas	6	4.1%	15.3%	6	4.1%	14.6%
Alkem	7	3.9%	11.0%	7	4.1%	10.7%
Lupin	8	3.6%	12.7%	8	3.5%	10.2%
Dr. Reddys	9	3.2%	12.6%	10	3.1%	12.1%
Zydus	10	3.1%	16.1%	9	3.2%	18.8%

Source: Pharmarack, Choice Institutional Equities

Exhibit 3: Flagship Brands Continue to Anchor Growth

Corporate	Brand	Therapy	MAT October'26		
			Sales (INR Cr)	Rank	Value Growth %
Eli Lilly	Mounjaro	Anti-diabetic	1,544	1	229.4%
GSK	Augmentin	Anti-infectives	984	2	13.9%
USV	Glycomet GP	Anti-diabetic	979	3	14.9%
Cipla	Foracort	Respiratory	914	4	12.9%
Alkem	Pan	Gastro Intestinal	887	5	9.2%
IPCA	Zerodol SP	Pain / Analgesics	854	6	29.9%
Alkem	Clavam	Anti-infectives	740	7	7.0%
Himalaya	Liv.52	Gastro Intestinal	733	8	(3.9)%
Abbott	Mixtard	Anti-diabetic	724	9	(8.3)%
Alkem	Pan D	Gastro Intestinal	719	10	4.3%

Source: Pharmarack, Choice Institutional Equities

MAT: Moving Annual Total
MTH: Month

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SELL	The security is expected to show downside of 5% or more over the next 12 months
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BUY	The security is expected to generate upside of 20% or more over the next 12 months
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