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Nov 03, 2026

Market Recap November Edition

Monthly Explorer

Fundamental Technical

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Dear Investor,

◊ October 2026 Market Summary

Indian equity markets remained volatile in October 2026, with persistent foreign investor selling weighing on sentiment, while domestic institutions continued to provide liquidity support. FIIs/FPIs recorded equity outflows of ₹45,161 crore, whereas DIIs extended their buying streak to 40 consecutive months with investments of ₹62,220 crore. Gross GST collections grew 11.8% YoY to ₹2.12 lakh crore, indicating sustained economic activity. The HSBC India Manufacturing PMI strengthened to 57.5 from 55.1, supported by festive demand and higher production. Strong SIP inflows and domestic participation helped cushion markets against elevated crude prices and global uncertainties.

Sectoral Highlights: Sector performance in October 2026 was mixed, with IT (+14.8%), Teck (+14.5%) and Healthcare (+0.2%) leading monthly gains, while Capital Goods (-7.2%), Metals (-6.8%), Consumer Durables (4.9%) and Auto (-3.8%) witnessed sharper corrections. Over the past year, Healthcare (+12.7%) and Metals (+7.5%) remained strong performers, while FMCG (-20.6%), Oil & Gas (-15.1%), Realty (-13.8%) and IT (-12.4%) continued to underperform.

Fund Flow Trends : Domestic institutions continued to provide strong support to Indian equities in October 2026, with DII inflows of ₹62,220 crore offsetting FII outflows of ₹45,161 crore. This extended the DII buying streak to 40 consecutive months, while record SIP collections of ₹33,185 crore reinforced domestic participation. Sustained domestic inflows remain a key cushion against foreign selling and external market uncertainties.

◊ Key Data & Economic Highlights

Equity Mutual Funds: India's mutual fund industry AUM rose to a record ₹88.35 lakh crore in September 2026 from ₹87.08 lakh crore in August. SIP inflows hit an all-time high of ₹33,185 crore, marking the seventh consecutive month above ₹30,000 crore. Active equity fund inflows increased 7.3% MoM to ₹31,480 crore, extending the positive streak to 67 months. Flexi-cap, large & mid-cap, small-cap and mid-cap funds attracted strong inflows, while large-cap funds turned positive. Debt funds witnessed higher net outflows of ₹14,260 crore due to quarter-end liquidity requirements.

GST Revenue: India's gross GST collections rose 11.8% YoY to ₹2.12 lakh crore in October 2026, marking the fourth instance of collections exceeding ₹2 lakh crore in FY27. Net collections increased 14.2% YoY to ₹1.84 lakh crore. Domestic revenue grew 10.8%, supported by pre-festive stocking and higher consumer, hospitality and travel spending, while import GST rose 14.6%, aided by commodity prices and seasonal inventory purchases. Cumulative gross collections for April–October FY27 reached ₹14.58 lakh crore, registering 11.6% YoY growth.

Auto Sales: India's passenger vehicle dispatches hit a record 4.82 lakh units in October 2026, rising 8.6% YoY, driven by festive demand and strong SUV sales. Maruti Suzuki retained market leadership with 1.78 lakh units, while M&M rose 31.2% to 71,635 units, securing the second position. Tata Motors reported PV sales of 64,845 units, with EV sales surging 54.5% to 16,120 units. Hyundai dispatched 55,570 units. Strong rural demand, festive deliveries and SUV preference supported industry growth, despite post-festive inventory moderation.

Inflation & IIP: : India's headline CPI inflation rose to 5.49% in September 2026 from 4.82% in August, driven by food inflation, which climbed to 7.25%. Rural inflation remained higher than urban inflation, while core inflation stayed subdued at 3.5-3.7%. Meanwhile, IIP growth moderated to 5.2% from 8.0%, with manufacturing output easing to 5.8% and electricity generation to 6.4%. Higher food prices may delay RBI rate cuts, while the slowdown in industrial output reflects monsoon-related disruptions and moderation after August's strong growth.

◊ Global Market Update

Global markets remained volatile in October 2026, amid geopolitical uncertainties, elevated energy prices and higher bond yields. The S&P 500 remained broadly stable, while technology stocks continued to draw support from optimism around AI-led growth. Brent crude rose 9.5% during the month and remained above US$100/bbl, reflecting Middle East tensions and supply concerns. The US Federal Reserve raised interest rates by 25 bps to 3.75–4.00%, maintaining a cautious stance amid persistent inflationary pressures. Meanwhile, elevated US 10-year Treasury yields continued to tighten global financial conditions, keeping pressure on emerging-market flows. Going ahead, interest-rate expectations, crude price movements and geopolitical developments will remain key drivers of global market sentiment.

◊ Outlook

Indian equity markets are expected to remain resilient, supported by healthy Q2FY27 earnings growth, strong domestic SIP inflows and robust economic activity. Government capex, GST collections and festive demand continue to support growth, while healthy corporate earnings provide a strong fundamental base. While elevated crude prices of US$102–115/bbl, CPI inflation of 5.49% and persistent FPI outflows pose near-term challenges, the possibility of a tighter RBI policy stance remains a monitorable. Importantly, valuations across several large-cap stocks have corrected to more reasonable levels, improving their risk-reward profile. We remain constructive on the medium-term outlook, with earnings resilience, domestic liquidity and attractive large-cap valuations expected to support market stability and create opportunities for selective accumulation.

Research Team
Religare Broking Limited

MONTHLY WRAP-UP

Indian Indices	Close	1 Month (% change)	1 Year (% change)
SENSEX	74,460	2.7	-11.3
CNX NIFTY	23,053	1.9	-10.4
BSE MIDCAP 150	15,521	-3.9	-5.4
BSE SMLCAP 250	6,557	-6.3	-5.2
NIFTY BANK	54,687	0.1	-5.3

Indian Indices	Close	1 Month (% change)	1 Year (% change)
BSE - PSU	19,037	-2.6	-7.5
Bse Auto	55,965	-3.8	-6.5
Bse Bankex	61,415	-0.5	-5.4
Bse Capital Goods	68,810	-7.2	-2.3
Bse Consumer Durables	55,761	-4.9	-7.9
Bse Fast Moving Consumer Goods	16,410	-2.9	-20.6
Bse Healthcare	50,168	0.2	12.7
Bse Information Technology	30,666	14.8	-12.4
Bse Metal	37,766	-6.8	7.5
Bse Oil & Gas	24,323	-2.3	-15.1
Bse Power	6,872	-4.3	-0.8
Bse Realty	6,346	-4.3	-13.8
Bse Teck	16,177	14.5	-8.1

Close price as on 31 October, 2026

FIIS INVESTMENTS IN INDIAN EQUITIES

Net Investment (Rs Crore)

Months	2022	2023	2024	2025	2026
Jan	(41,346)	(41,465)	(35,978)	(87,375)	(41,435)
Feb	(45,720)	(11,091)	(15,963)	(58,988)	(6,640)
Mar	(43,281)	1,998	3,314	2,014	(1,22,540)
Apr	(40,653)	5,712	(35,692)	2,735	(43,706)
May	(54,292)	27,856	(42,214)	11,773	(55,963)
Jun	(58,112)	27,250	2,037	7,489	(49,028)
July	(6,568)	13,922	5,408	(47,667)	(5,779)
Aug	22,026	(20,621)	(20,339)	(46,903)	(7,532)
Sept	(18,308)	(26,692)	12,612	35,301	(44,013)
Oct	(489)	(29,057)	(1,14,446)	(2,346)	(45,161)
Nov	22,546	7,033	(45,974)	(17,500)	
Dec	(14,231)	31,960	(16,982)	(34,350)	

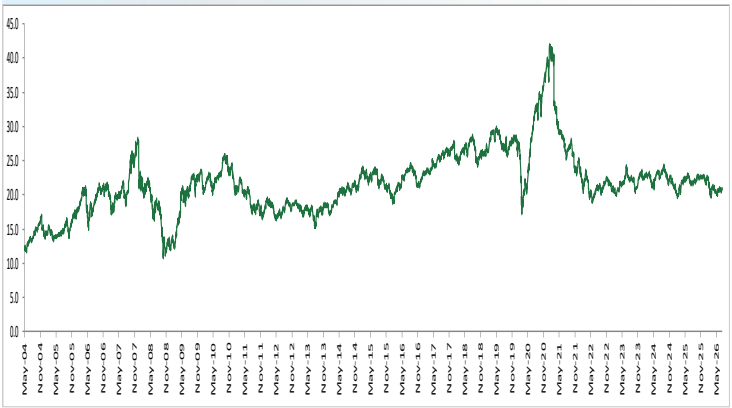
MARKET OVERVIEW

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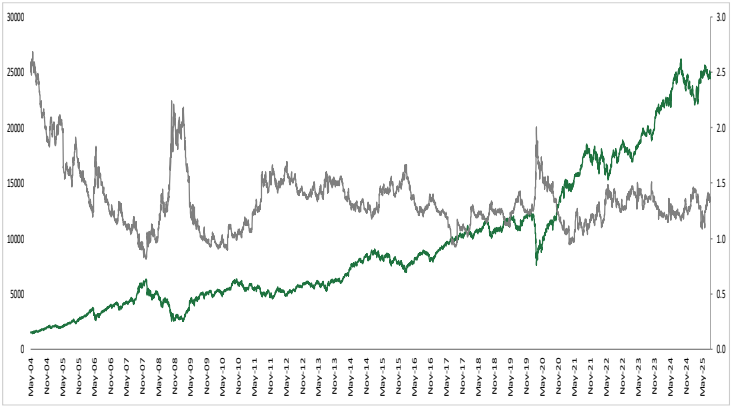
MARKET OUTLOOK

Indian equity markets are expected to remain resilient, supported by healthy Q2FY27 earnings growth, strong domestic SIP inflows and robust economic activity. Government capex, GST collections and festive demand continue to support growth, while healthy corporate earnings provide a strong fundamental base. While elevated crude prices of US$102–115/bbl, CPI inflation of 5.49% and persistent FPI outflows pose near-term challenges, the possibility of a tighter RBI policy stance remains a monitorable. Importantly, valuations across several large-cap stocks have corrected to more reasonable levels, improving their risk-reward profile. We remain constructive on the medium-term outlook, with earnings resilience, domestic liquidity and attractive large-cap valuations expected to support market stability and create opportunities for selective accumulation.

Nifty PE Movement



Nifty Dividend Yield Chart



MONTHLY OUTLOOK

The Month That Was:-

Nifty gained 432.65 points in the month of October, 2026.

Below is a summary of Top Nifty Gainers & Losers:

Top Nifty Gainers Oct. 2026

Scrip Name	*Close Price* (Rs.)	% Change
TCS	2,502.60	22.04
INFY	1,185.00	19.20
TECHM	1,790.80	17.51
HCLTECH	1,428.10	16.11
TRENT	3,017.30	15.09

Top Nifty Losers Oct. 2026

Scrip Name	*Close Price* (Rs.)	% Change
SHRIRAMFIN	823.15	-16.24
ADANIENT	2,579.40	-11.16
NESTLEIND	1,167.00	-10.92
TATASTEEL	167.60	-9.06
COALINDIA	389.00	-8.47

Closing of last trading day of the month.

- Breadth was negative in October 2026, with 22 Nifty stocks closing in the green versus 28 stocks in the red.
- Relative comparison showed IT, Pharma, Media emerged as the top-performing sectors, while Metal, Energy, Realty, Auto underperformed in October 2026.

Sector Relative Performance



* All the sectors have been compared with Nifty & the zero line represent Nifty. The movement of the sector vis-a-vis Nifty whether they outperform or underperform is shown in the above chart. It shows which sectors have attracted inflows and also the sectors from where money has exited.

Outlook for Nifty 50 (23,053.10)*

Support 23,200/22,800/22,400
Resistance 23,900/24,200, 24,400



- The Nifty took a breather following the sharp correction in September, trading within a broader range of 22,200–23,200 to eventually close at 23,053.10, gaining nearly 2%.
- Among the sectors, IT clearly emerged as the standout outperformer, gaining over 17%, followed by modest gains in pharma and media. On the other hand, metal index emerged as the weakest performer amid a decline in metal prices, followed by energy, realty and auto, which lost around 4–5%.
- In the previous report, we highlighted Nifty's proximity to its major support zone, indicating the possibility of a near-term breather. The index subsequently held its 200-WEMA and witnessed consolidation of nearly 1,000 points above this crucial support, providing some stability to the price structure. However, the broader trend continues to remain fragile, with the 23,500–23,600 zone acting as a key near-term hurdle. A decisive breakout above this range could lend strength to the ongoing recovery and pave the way for further upside. On the downside, the 22,900–22,800 zone will now serve as an immediate support area, and holding above it will be crucial to sustain the recovery. Given the prevailing market conditions, traders should remain selective, utilise rebounds cautiously, avoid excessive leverage and adhere to disciplined risk management.

Outlook for Bank Nifty (54,686.95)*

Support 54,500/53,800/52,700
Resistance 56,300/57,000/58,000



- The banking index lagged the benchmark, struggling to gain meaningful traction amid overhead resistance, and eventually closed nearly flat at 54,686.95.
- Mixed trends were observed among the major banking constituents, with Kotak Bank, Union Bank, PNB and Federal Bank outperforming, while Yes Bank, AU Bank and IDFC First Bank witnessed sharp declines.
- Amid mixed performance among the major banking constituents, the index continues to struggle for a meaningful recovery, with every rebound facing selling pressure near its overhead resistance zone. The 55,200 level will act as an immediate hurdle, while the broader near-term outlook is likely to remain subdued as long as the index trades below 56,000. A decisive move above this level would be required to revive positive momentum. On the downside, 53,800 will act as immediate support, followed by the 52,700 zone. In the prevailing scenario, participants should maintain a cautious stance and adopt a selective approach, focusing on banking stocks exhibiting sustained price strength and relative outperformance.

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		Tick Appropriate	
		Yes	No
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2.	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of the research report or date of the public appearance?		No
3.	I/we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of the public appearance?		No
4.	I/we have received any compensation from the subject company in the past twelve months?		No
5.	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
6.	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
7.	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
8.	I/we have served as an officer, director or employee of the subject company?		No
9.	I/we have been engaged in market making activity for the subject company?		No

2014 is/are as under:

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Nature of Interest [If answer to f (a) above conflicts is Yes .....]

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to

S. No.	Name of RA	Signature of RA	Serial Question of question which the signing RA needs to make a separate declaration	Answer	Answer

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