

Dear Investor,

In October, broader market indices recorded a strong uptrend, marking one of the most uniform rallies in recent months. The Nifty 50 advanced 4.51% to 25,722, reflecting renewed confidence in large-cap stocks amid robust earnings momentum and macroeconomic stability. The Nifty Midcap 150 outperformed with a 4.79% gain, highlighting sustained investor appetite for mid-sized companies benefiting from domestic demand recovery. Broader indices such as the Nifty 500 rose 4.29%, underscoring widespread participation across sectors and market caps. The Nifty Next 50 climbed 2.92%, indicating selective rotation into emerging large caps, while small caps and microcaps gained 3.73% and 3.94%, respectively, showing continued retail and thematic interest though with slightly moderated momentum. The Nifty India FPI 150 also moved higher by 4.82%, signaling strength in globally aligned, high-quality Indian names. Overall, October reflected a healthy, broad-based rally driven by improving fundamentals, balanced sectoral contributions and a steady shift toward growth-oriented midcaps.

Index	Sep-25	Oct-25	1M Change (%)
Nifty 50	24,611	25,722	4.51%
Nifty Next 50	67,845	69,825	2.92%
Nifty 500	22,734	23,710	4.29%
Nifty Midcap 150	21,038	22,046	4.79%
Nifty Smallcap 250	16,692	17,314	3.73%
Nifty Microcap 250	22,885	23,787	3.94%
Nifty India FPI 150	1523	1,596	4.82%

## FII & DII Flows

In October 2025, FIIs continued to exhibit cautious sentiment, recording a net outflow of ₹2,347 crore. While the magnitude of selling was modest compared to the previous month, it reflected lingering global uncertainties and selective profit-booking after a strong market rally. In contrast, Domestic Institutional Investors (DIIs) maintained their bullish stance, posting net inflows of ₹52,794 crore, supported by steady mutual fund contributions and robust retail participation. The strong domestic buying comfortably offset foreign selling pressure, reinforcing market stability and driving indices to new highs. Overall, the trend underscored the deepening influence of domestic capital in sustaining market momentum amid fluctuating global cues.

## IPO Highlights

Two new listings — LG Electronics India Ltd and Jain Resource Recycling Ltd dominated the market buzz, both delivering exceptional listing gains of nearly 48.24% & 31.28% respectively, from their issue prices.

### ***LG Electronics India Ltd***

LG Electronics India, the wholly owned subsidiary of the South Korean electronics giant, delivered an exceptional performance in FY25 with revenues rising 14% YoY to ₹24,366 crore and net profit surging 45% to ₹2,203 crore. The company's strong return ratio, ROCE of ~43% for FY25 highlight its operational efficiency and market leadership across key categories such as refrigerators, washing machines and air conditioners. With a debt-free balance sheet and consistent double-digit growth, LG has cemented its position as a premium consumer brand in India. Its much-awaited IPO saw an overwhelming response from investors and listed at a premium of 48%, underscoring robust market confidence in its fundamentals, brand strength and growth outlook. The stellar debut reinforces LG's standing as a large-cap consumer electronics powerhouse poised to benefit from India's expanding middle-class demand and sustained urban consumption momentum.

### ***Jain Resource Recycling Ltd***

Jain Resource Recycling Ltd, a leading non-ferrous metal recycler, has showcased outstanding growth by tapping into the rising global demand for sustainable metal recovery. The company's Revenue from Operations surged 60.9% YoY to ₹7,125.77 crore in FY25 from ₹4,428.42 crore in FY24, while PAT grew 36.3% YoY to ₹223.29 crore from ₹163.83 crore, underscoring strong operational execution and improved efficiency. Its ₹1,250 crore IPO garnered robust investor participation and listed with an impressive 66.77% premium, reflecting high confidence in the company's fundamentals and growth prospects. With a focus on capacity expansion, debt reduction and sustainability-driven operations, Jain Resource Recycling is strategically positioned to benefit from India's growing circular economy and industrial self-reliance initiatives.

## IPO Highlights

In the month of November, the primary market will have the following offerings:

Name	Industry	Subscription Period	Listing Date	Market Cap	Post-IPO IPO PE
<b>Orkla India Ltd</b>	FMCG	29th Oct - 31st Oct	6th Nov	10,000	32
<b>Studds Accessories Ltd Ltd</b>	Manufacturing	30th Oct - 3rd Nov	7th Nov	2,302	33
<b>Lenskart Solutions Ltd Ltd</b>	Retail & D2C Manufacturing	31st Oct - 4th Nov	10th Nov	69,741	283
<b>Pine Labs Ltd</b>	Payments Infrastructure	NA	NA	NA	NA
<b>Billionbrains Garage Ventures Ltd (Groww )</b>	Stock-Brokerage	4th Nov - 7th Nov	12th Nov	61,736	35
<b>Jayesh Logistics Ltd - SME</b>	Logistics & Supply- Supply-Chain Services	27th Oct - 29th Oct	3rd Nov	106	13
<b>Safecure Services Ltd Ltd - SME</b>	Security Services Services	29th Oct - 31st Oct	6th Nov	102	13
<b>Game Changers Texfab Texfab Ltd - SME</b>	Textile	28th Oct - 30th Oct	4th Nov	183	11
<b>Curis Lifesciences Ltd Ltd - SME</b>	Pharmaceuticals	7th Nov - 11th Nov	14th Nov	103	19
<b>Finbud Financial Services Ltd - SME</b>	NBFC	6th Nov - 10th Nov	13th Nov	270	46
<b>Shreeji Global FMCG FMCG Ltd - SME</b>	FMCG	4th Nov - 7th Nov	12th Nov	284	23

## Economic Updates

### ***Sector in Focus: Financial Services***

SEBI in October 2025 proposed sweeping changes to mutual fund fee structures to improve transparency and investor protection. According to the consultation paper released on October 28, SEBI recommended that brokerage costs, taxes and statutory levies including STT, GST, CTT and stamp duty be excluded from the total expense ratio (TER) and disclosed separately to investors. The regulator also proposed lowering brokerage caps to 2 basis points for cash market trades (from 12 bps) and 1 basis point for derivatives (from 5 bps) to curb hidden execution costs and align investor interests. Further, fund houses engaged in non mutual fund businesses would be required to segregate such operations under separate business units with enhanced trustee and oversight committee monitoring. SEBI said these reforms aim to simplify cost structures, enhance transparency and strengthen governance in India's ₹75.61 lac crore mutual fund industry.

### ***U.S. and Singapore Drive One-Third of India's FDI in FY25***

RBI's 2024–25 census on foreign liabilities and assets, the U.S. and Singapore together accounted for over one-third of India's total FDI, valued at ₹68.76 lakh crore, with respective shares of 20% and 14.3%, followed by Mauritius, the U.K. and the Netherlands. The manufacturing sector attracted the highest share of FDI equity (48.4% by market value), while the services sector ranked second. Out of 45,702 entities surveyed, over 41,500 reported foreign investments, with more than three-fourths being foreign subsidiaries. Outward direct investment (ODI) stood at ₹11.67 lakh crore, led by Singapore (22.2%), the U.S. (15.4%) and the U.K. (12.8%). Notably, ODI grew 17.9%, outpacing FDI growth of 11.1%, narrowing the inward-to-outward investment ratio to 5.9x from 6.3x a year earlier.

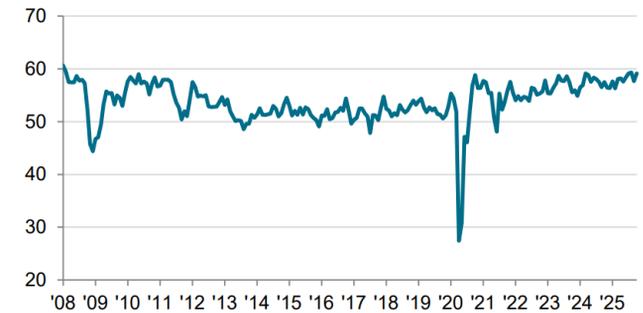
### ***U.S. Government Shutdown Hits Economy***

The 2025 United States federal government shutdown began on October 1, 2025, after Congress failed to pass either a Republican-backed stop gap funding bill or a Democratic alternative that included extensions for health care subsidies. The shutdown quickly became the second longest in U.S history, with over 750,000 federal employees furloughed and many more working without pay. A memo from the White House estimated that the U.S economy could lose up to US \$15 billion per week if the impasse continued, highlighting significant risks to consumer spending and broader economic activity.

## **Manufacturing Momentum Accelerates in October**

India's manufacturing sector strengthened further in October, as PMI rising to 59.2 from 57.7. The upturn was driven by robust domestic demand, faster growth in new orders and output and improved input purchasing supported by softer cost inflation. While export sales increased at the slowest pace in ten months, manufacturers benefited from GST relief, productivity gains and higher capacity utilisation. Output prices remained elevated, as firms passed on costs to consumers. Encouragingly, job creation continued for a twentieth straight month and business sentiment stayed strong on expectations of resilient demand and GST-led momentum ahead.

HSBC India Manufacturing PMI  
sa, >50 = improvement since previous month



Sources: HSBC, S&P Global PMI.

Data were collected 8-27 October 2025.

## **Global Trade**

The United States granted India a six month sanctions waiver to operate Iran's Chabahar Port, enabling New Delhi to boost trade with Afghanistan and Central Asia while bypassing Pakistan. The waiver, confirmed by the Indian foreign ministry, revives India's 10 year development agreement for the port and signals a thaw in U.S - India ties after recent trade tensions. It follows Washington's sanctions on Russian oil majors and India's move to reduce Russian crude imports.

## **Small & Mid-cap Update**

Small-cap focused mutual funds witnessed solid traction in October 2025, registering net inflows of ₹3,476.04 crore, reflecting sustained investor confidence in India's broader market recovery. While inflows moderated slightly from the previous month, the continued momentum highlights investors preference for high growth, domestically driven small cap opportunities. The backdrop of strong liquidity, steady retail SIP participation (inflows of 29,529 crore in Oct 2025, an all-time high) and improving risk sentiment supported allocations to this segment. However, caution that rising input costs and export softness may keep performance sector selective, with stronger prospects seen in consumption, manufacturing and financial services.

## Outlook

Indian equities entered November on strong footing after October's broad rally, with large, mid and small caps advancing on the back of resilient earnings, easing inflation and steady domestic liquidity. Robust DII inflows (₹52,794 crore) and record SIP contributions (₹29,529 crore) continued to anchor markets, even as FPIs turned selective. While equity oriented mutual fund inflows fell 23% in October 2025, nearly 88.2% of net flows were directed toward mid and small cap funds, reflecting confidence in India's domestic growth cycle. Manufacturing momentum remained firm (PMI at 59.2) and stable lending rates.

On the IPO side, Lenskart posted robust results with Q1 FY26 revenue up 24.6% YoY to ₹18,944 million and PAT surging over 34x to ₹1,095 million, reflecting strong operating leverage and margin expansion. For FY25, revenue grew 22.6% to ₹66,525 million, while net profit jumped sixfold to ₹3,898 million, reversing earlier losses. EBITDA margin improved to 12.5% in FY25 and 15.6% in Q1 FY26, highlighting improved efficiency and scale benefits. However, at a lofty P/E of 283x, valuations remain stretched, making sustained earnings growth and margin stability critical to justifying the premium.

Allocations are being made, but investors are clearly becoming more selective, favoring quality names and proven earnings visibility. Valuations remain elevated especially in new age listings but the outlook stays constructive, with leadership expected from mid and small cap segments driven by domestic consumption and manufacturing strength.

## Newsroom

1. <https://www.thehindubusinessline.com/markets/retail-investors-return-to-equity-trading-even-as-high-valuation-concerns-linger/article70255959.ece>