

Online payment services and easy-to-use trading apps charging no or low commissions have made market investing extremely accessible to young Indians. (Photo by Indranil Aditya)

#### BIG IN ASIA

## Stocks dominate conversation in India -- for now

Youth pile into options, stocks and mutual funds via low-cost trading apps

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December 20, 2025 06:00 JST

MUMBAI -- Aditya, an 18-year-old college student, got drawn into stock market day trading earlier this year.

But within two months, the 10,000 rupees (\$110) he had saved over the years from odd jobs and gifts from relatives was all but gone. If he had bought stocks or mutual funds, he might have at least held onto the hope their value would rebound. But like many novice Indian investors with limited cash to invest, Aditya had been buying options contracts tied to the Nifty 50 stock index that he often ended up quickly reselling at a loss when the market moved the opposite way of his hunch, averting the risk of his purchase becoming worthless.

His father, a Bollywood actor, was not amused by the wipeout. "He thinks of trading in the stock market as a form of gambling," said Aditya, who did not want to give his family name. With lobbying from his uncle, who also dabbles in the market, Aditya persuaded his dad to let him enroll in part-time classes at a private coaching center in Mumbai called the National Institute of Financial Markets (NIFM).

"I had to fight a lot to convince him that if I learned how to do it right, it wouldn't be a gamble," he said. Smirking, he quoted the Hindi tagline of "Scam 1992," an online video series depicting the rise and fall of a controversial 1990s stockbroker. "Risk *hain toh ishq hain*" -- if there's risk, there's romance.

Popular culture has played a large role in making stock market investing accessible and hip in India. Cricket stars like Sachin Tendulkar appear in advertisements to promote mutual funds. Highway billboards that usually feature new streaming programs or marquee real estate developments last month depicted the cover of the initial public offering [prospectus of online broker Groww](#). Newspapers often come wrapped in stock ads too, while Mumbai, the country's financial capital, is now home to branded metro stations with names like ICICI Prudential Mutual Fund Santacruz. Investment-focused online influencers like Rachana Ranade and Sharan Hegde have each racked up 6 million followers across YouTube and Instagram.



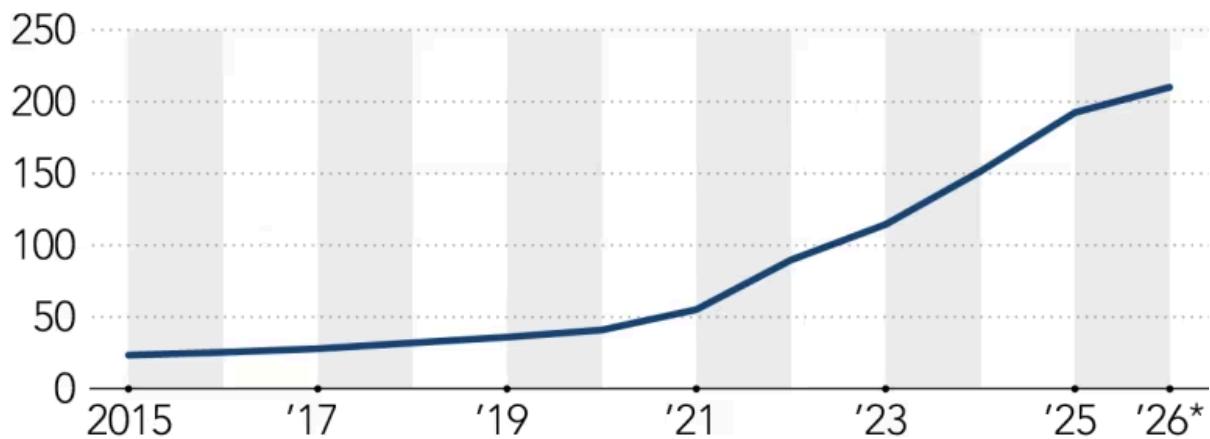
India's fund management industry has successfully promoted systematic investment plans, or SIPs, that commit users to fixed monthly fund purchases. (Photo by Indranil Aditya)

Millions of Indians have been swept up in the excitement and taken the plunge into the market. With a boost from apps like Groww and Zerodha, digital custodial accounts for stocks and other securities have more than quintupled since 2020 to reach 210.1 million as of October. Mutual fund balances, especially for equity funds, have swelled too, with industry assets under management reaching 80.8 trillion rupees as of Nov. 30, up from 30 trillion rupees five years ago. And over the first nine months of 2025, half of the 84.2 billion derivatives contracts traded via exchanges worldwide -- including the options Aditya bought -- changed hands via Mumbai's two stock markets.

All the activity has turned ordinary individual investors into a powerful force reshaping India's markets. Already, inflows of cash from local retail investors -- whether directly into shares or into equity mutual funds -- have offset moves by foreign investors to pull funds out of India to redeploy elsewhere, helping to stabilize the domestic market and reduce the volatile impact of global sentiment shifts. The move into stocks has also been a **boon for young Indian companies** seeking to raise funds for investment and expansion.

## Growth in India's digital-based securities accounts

(Total "dematerialized" accounts of National Securities Depository and Central Depository Services, in millions; as of March of each year)

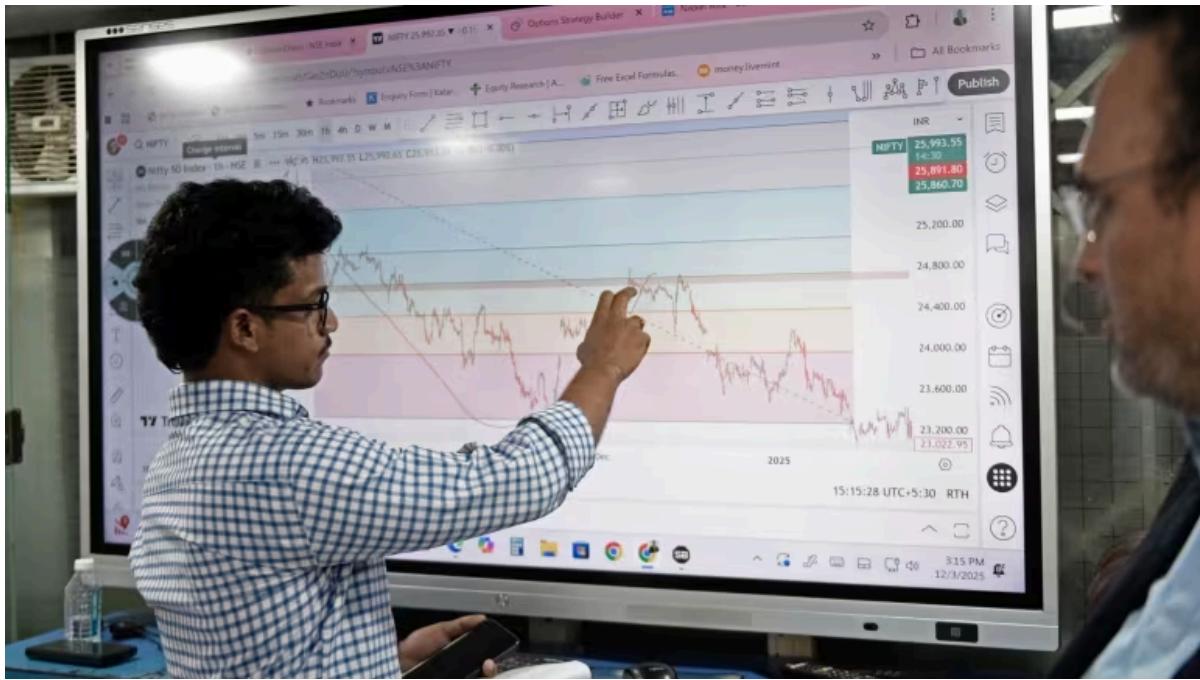


\*As of October 2025

Source: National Securities Depository, Central Depository Services

Yet some market observers are not yet convinced the cultural shift is permanent. Even though the Bombay Stock Exchange (BSE) has the longest history of any Asian bourse, many Indians remain wary of the share market, preferring to park savings in property, gold or bank deposits. Crucially, most new investors have only experienced a rising share market and might be spooked by a bearish turn.

Indeed, there are signs India's retail investment boom may have started to cool. As of Dec. 10, retail investors' direct holdings of stocks were down 760.9 billion rupees for the year. Among IPOs held this year, the average retail oversubscription level -- a measure of shares ordered in proportion to shares allocated for sale -- is 24.7, a big drop from the 34.2 ratio recorded for full-year 2024. And while the National Stock Exchange of India and the BSE remain the world's busiest derivatives exchanges, total volumes traded through September across the two bourses were down by almost two-thirds from 2024 levels.



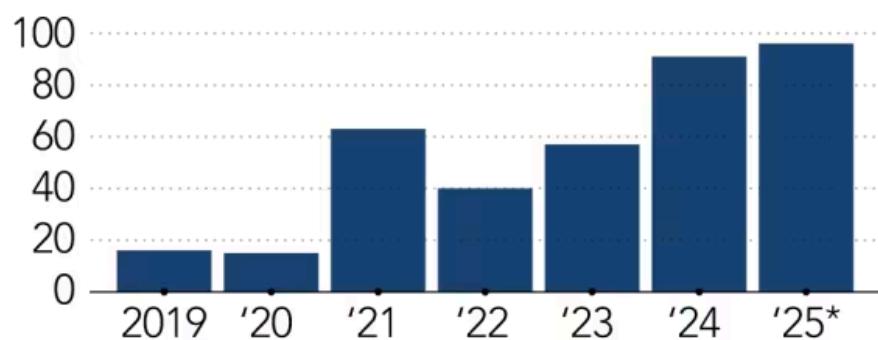
Most students at Mumbai's National Institute of Financial Markets were in their teens when India's big bull run began in 2020. (Photo by Indranil Aditya)

Aditya, though, remains a believer. He is focusing more on his daytime NIFM classes than his evening college courses, as he is confident that the former will bring him more financial security than a bachelor's degree in commerce.

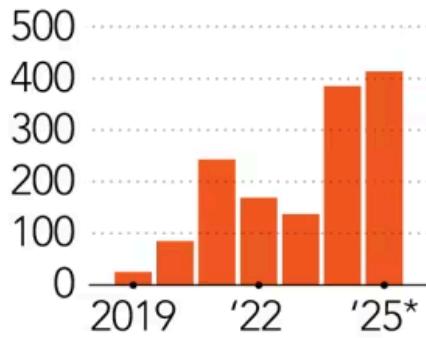
"I have an uncle who used to prepare bills and manage the finances of a small business, and he had that job for years," Aditya said. "This year, he got fired as they moved on to AI devices and cut down the finance team. I don't want this fate."

## Retail investors ride India's IPO boom

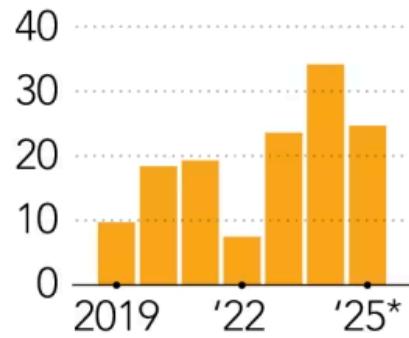
Number of IPOs



Value of shares allotted to retail investors  
(In billions of rupees)



Ratio of shares ordered to shares available



\*Through Dec. 10  
Source: Prime Database Group

Aditya's classmate Aashi Jain is not even bothering with college. She is taking a longer NIFM program that will enable her to sit for a certification exam that would qualify her for entry-level brokerage trading roles.

Vismaya Wadgaonkar, 23, is taking short courses in options and stock trading at NIFM. She recently quit a job as a mall store sales manager to launch a business selling packaged lentil mixes with her mother and plans to invest the proceeds into the market.

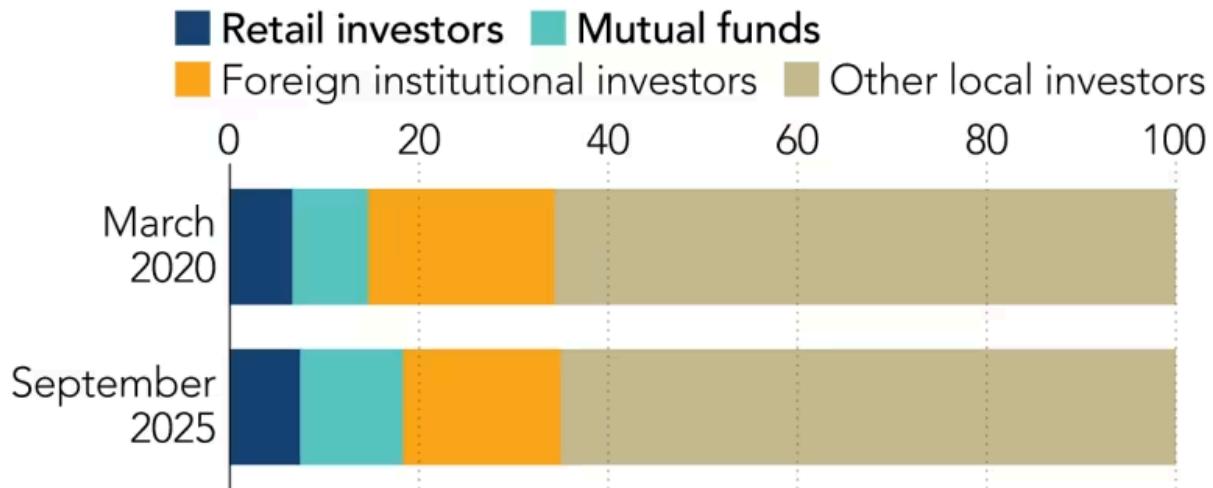


Indian regulators are concerned that too many young people are investing without an appreciation of market risks. (Photo by Indranil Aditya)

Vismaya, Aashi and Aditya were all in their teens when India's big bull run began in 2020, a rally that has seen the country's primary stock indexes more than double. Over the same period, they have seen older peers struggle with stagnant corporate salaries, rising living costs and the disruptions of COVID and artificial intelligence. As with Aditya's father, none of their parents played the market.

For young people, the arrival of online payments and simple-to-use trading apps like Groww that charge no or low commissions has made market investing extremely accessible.

## Ownership of Indian stocks (Percentage across all companies listed on the National Stock Exchange)



Source: Prime Infobase

As of Nov. 30, Groww had 7 million active users while rival Zerodha had 12 million. Founded in 2010, Zerodha has seen the average age of its users tumble lower, according to Mohit Mehra, the app operator's vice president for primary markets and payments.

The rush into options and other derivatives via apps has raised alarms with the Securities and Exchange Board of India. Noting that 91% of options buyers lost money in the fiscal year that ended in March, the regulator this year set limits on individual net positions and gross intraday exposure. In July, it banned [American market-making company Jane Street](#) from the domestic derivatives market over alleged manipulative trading, declaring that it would seize 48.4 billion rupees of "unlawful gains."



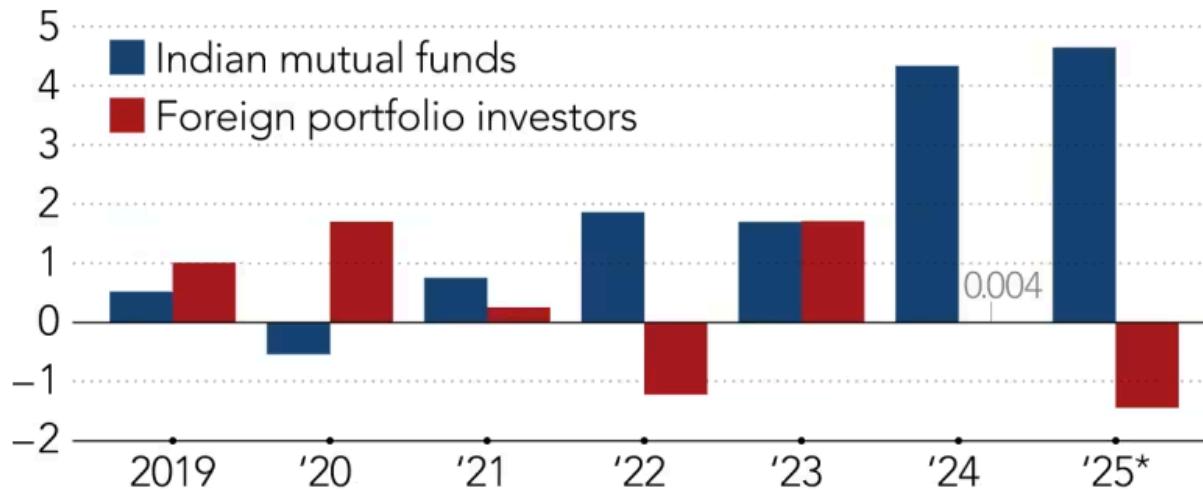
In Mumbai, fund marketing has become so pervasive that metro stations are now sponsored by asset management companies. (Photo by Indranil Aditya)

SEBI has also moved to set boundaries on the messaging of social media influencers, barring them earlier this year from including live stock prices in their videos and forbidding their collaboration with registered financial professionals. Earlier this month, the regulator impounded more than 6 billion rupees from an influencer said to be "providing unregistered investment advisory ... under the guise of stock market education."

The Association of Mutual Funds in India, meanwhile, has been active both in providing public education about the markets and promoting fund investing. Its ad campaigns have played a significant role in popularizing accounts called systematic investment plans under which people automatically deposit a fixed amount into designated investment funds.

## Net annual investment into Indian stocks

(In trillions of rupees)



\*Through Nov. 28

Source: Prime Database Group

As of last month, about 94 million of these accounts were active, according to the association. The group's most notable ad campaign, which usually featured two people discussing the benefits of fund investing, carried the slogan "*Mutual funds sahi hai*," or mutual funds are right, which has been incorporated into Mumbai metro station name Mutual Funds Sahi Hai Andheri.

"*Sahi hai* can work at various levels," said Hanoz Mogrelia, creative head at advertising agency BelieveTrinity and executive creative director of the team that created the AMFI campaign. "It could be a question: *Sahi hai?* It could be a realization: *Sahi hai!* It could also be an affirmation."

Whether the market is always right is another question. Local asset manager Aequitas Investments stopped putting new funds into Indian stocks two years ago due to "sky-high valuations," shifting its focus to gold funds and foreign share markets like China and Europe.

Shail Pillay, Aequitas' business development manager and assistant vice president, is among those concerned about whether the local market could soon peak and turn downward. "Historically, in fact, in my father's generation, we've seen people who have lost a lot of money in the stock markets and then have basically never returned," he said.

The turnoff potential is high in India since small investors will have little recourse if they have to take big losses, according to Pranav Haldea, managing director of market information service Prime Database. "The only word of caution I have is that these young investors have not seen a steep decline in the market or a continuous bearish period, which the markets have experienced in the past."

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