Jio Platforms IPO shows Indian markets can absorb mega issues without hurting liquidity: Prime Database

Alpha Desk

The record-breaking response to the Jio Platforms initial public offering (IPO) demonstrates the growing depth of India's capital markets and the ability of domestic investors to absorb large public issues without impacting secondary market liquidity, Pranav Haldea, Managing Director of Prime Database Group, said.

Haldea said the strong subscription for the country's biggest IPO reinforces confidence in India's primary market and could help make 2026 another record year for equity fundraising. He added that the increasing participation of domestic mutual funds has reduced the market's dependence on foreign institutional investors (FPIs), providing support for large offerings.

Calling the IPO a milestone for the market, Haldea said, "This shows the absorption capacity and the depth of the Indian capital market." He added that the oversubscription of such a large issue within minutes indicates that for good quality paper at attractive valuations, there will always be enough liquidity available in our capital market.

According to Haldea, the Jio Platforms offering follows another year of large IPOs and reflects the continued strength of India's fundraising environment.

"As far as the year itself is concerned... with Jio IPO, I think we are looking at yet another all-time high calendar year of 2026," he said.

Haldea said heavily oversubscribed IPOs have historically generated gains on debut and expects a similar outcome for Jio Platforms.

"Typically you would find that heavily oversubscribed IPOs do provide listing pop," he said. "In this case as well... I would expect good listing day gains for investors."

He also rejected concerns that mega IPOs drain liquidity from the broader market. Citing previous examples, Haldea said both primary and secondary markets have performed well even during periods of heavy fundraising.

He added that past mega issues have coincided with gains in broader equity indices.

Haldea also highlighted a structural shift in India's IPO market, saying domestic mutual funds now play a much larger role in funding large public issues.

"The dependence on FPIs has reduced over the years," he said. "Because of the continuing flows through SIPs into domestic mutual funds, domestic mutual funds have become major investors and are able to provide sufficient liquidity for a lot of these large IPOs to sail through."

Jio Platforms IPO marks new milestone for India's primary market, says Prime Database MD

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