

# The Market Compass

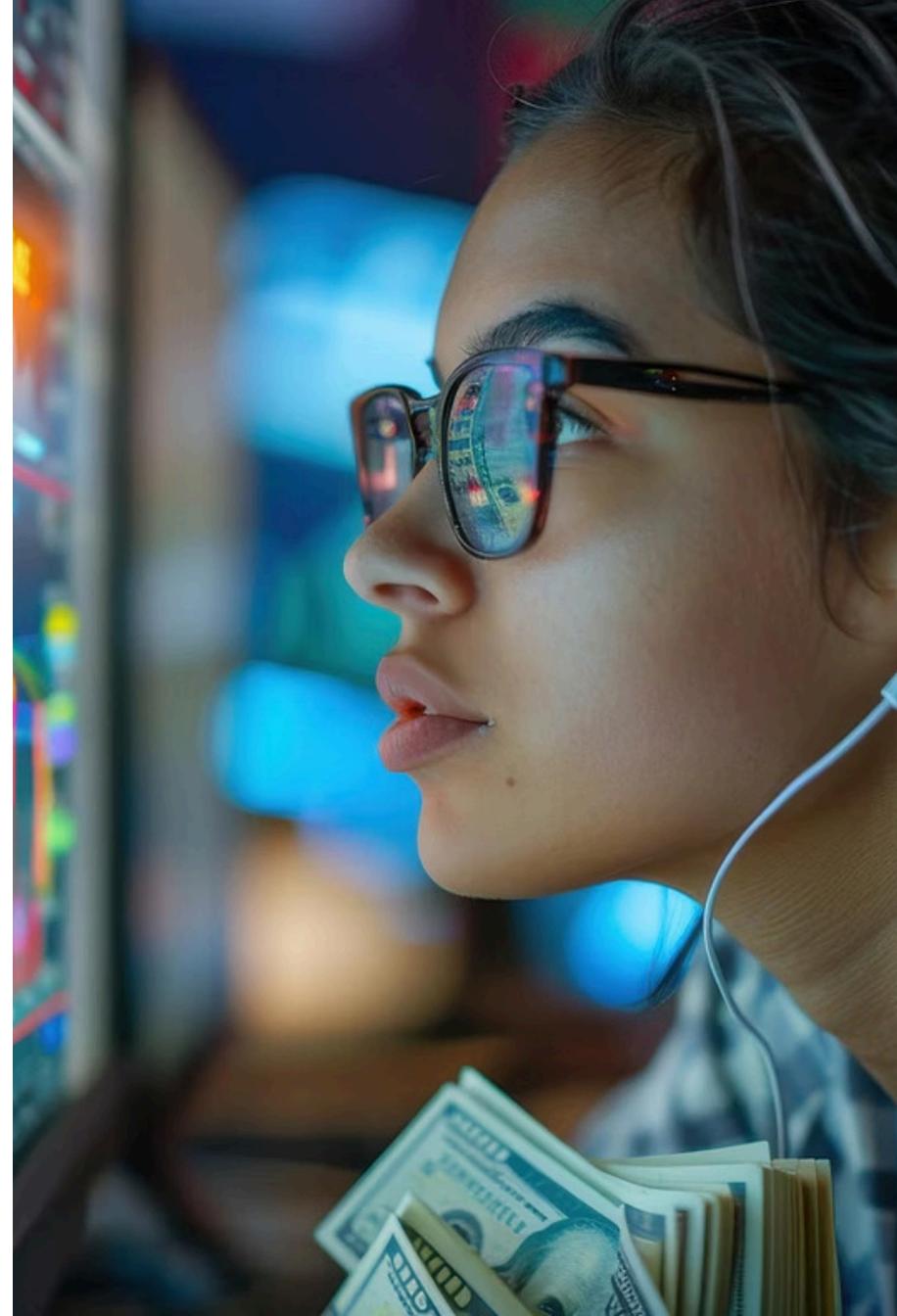
Your Monthly Guide to Financial Markets



Edition: October 2025



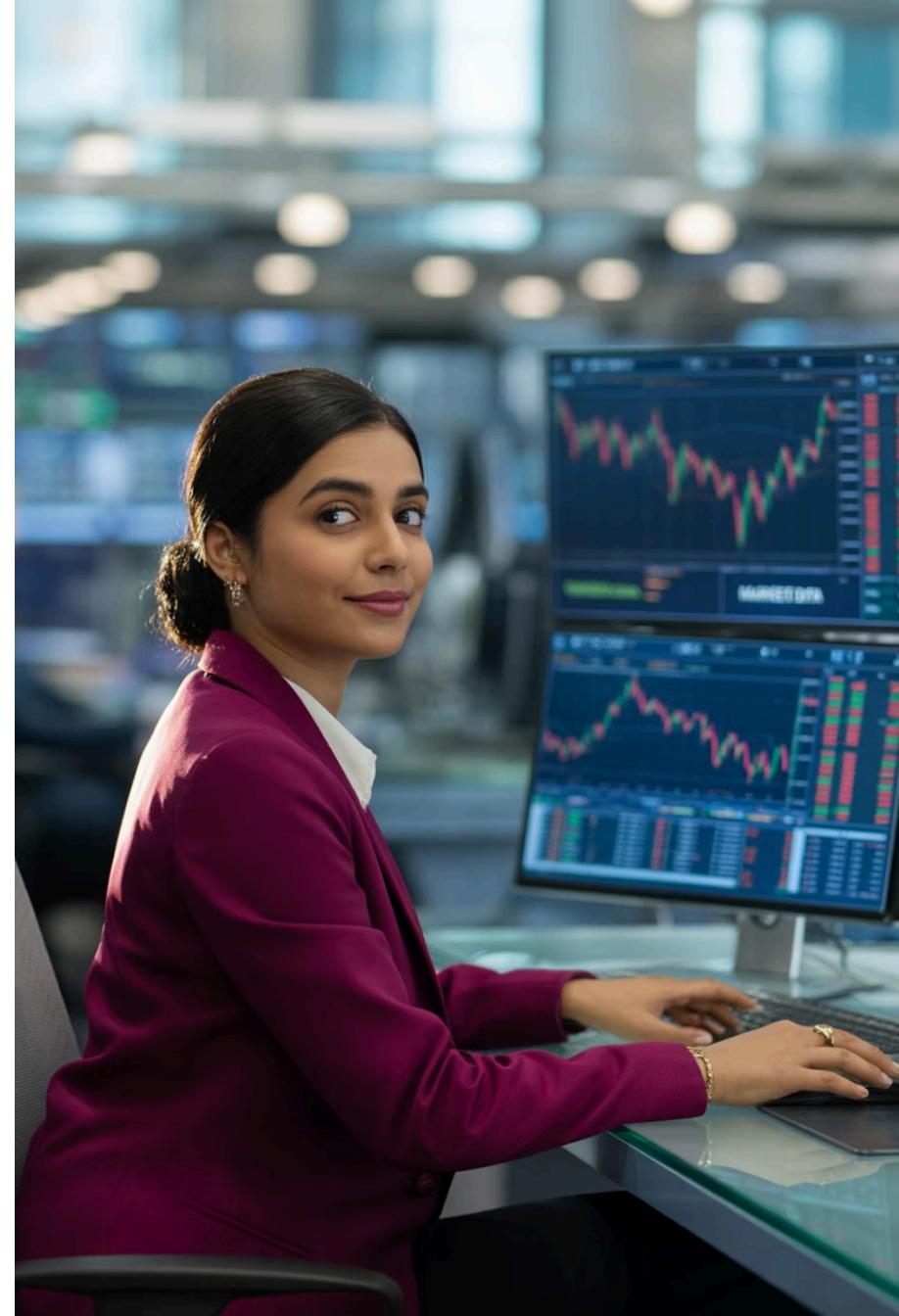
Simplifying markets.  
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## Executive summary

India **entered the festive quarter** with steady demand, calmer global cues, and a resilient currency. September felt positive: autos and staples led as consumers opened their wallets. Crude flirted with 90 dollars but the rupee held firm. Policy stayed supportive with the RBI maintaining rates and sounding confident on growth.

Near term, earnings season and foreign flows will decide whether this rally has legs. ([The Times of India](#))



# The Big Picture: What moved markets in September



## Festive cheer powered the rally

Shopping season began early. Auto and FMCG shares outperformed as families spent more on vehicles and essentials. Indices climbed and sentiment improved as the month progressed. GST collections rose 9.1 percent year on year to ₹1.89 lakh crore, a clean macro signal that consumption and activity remain healthy. ([The Times of India](#))



## Global situation became more stable

The US Federal Reserve kept rates unchanged. Back home, the RBI also paused at a 5.50 percent repo rate and lifted its growth projection to 6.8 percent for FY26 while guiding to softer inflation. Stability in the policy backdrop helped risk appetite. ([Reuters](#))



## Oil was volatile but the rupee stayed steady

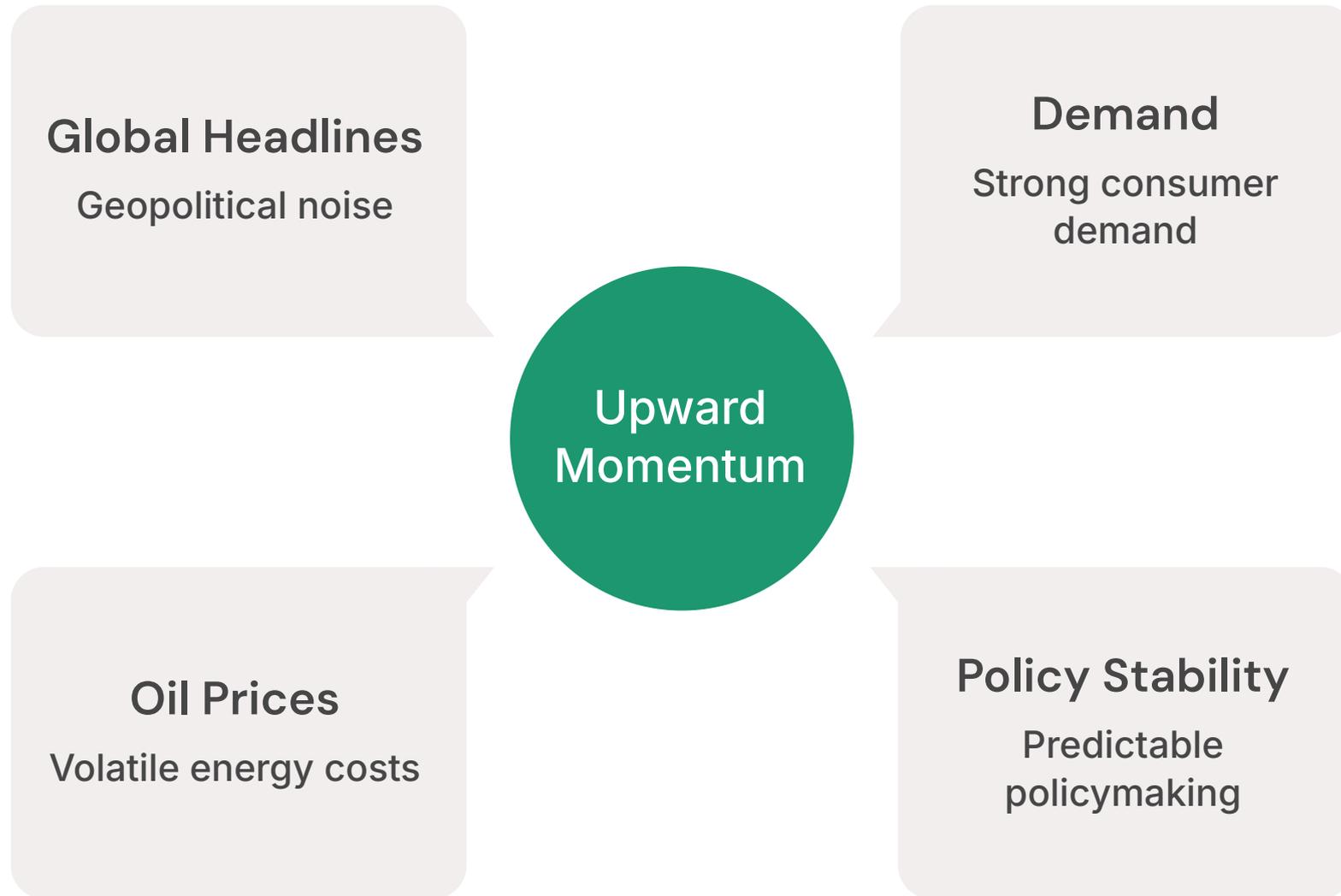
Brent crossed 90 dollars at points, a classic headwind for an importer like India. The currency held near recent ranges, so there was no panic in equities.



## Flows were mixed

Foreign portfolio investors remained cautious, recording a net equity outflow in September. Domestic institutions continued to buy, cushioning volatility. ([Business Standard](#))

# Net result



# Market dashboard — the month in numbers

1

## Nifty 50 Growth

Up roughly 3 to 4 percent in September and above 25,000 at peak. Sensex higher by a similar range and above 82,000 at peak. (Directionally consistent with daily closes; see index history.) ([Yahoo Finance](#))

2

## FII Outflow

FII net equity flow in September: about ₹7,945 crore outflow DII flow: positive through the month, offsetting part of FII selling (Exact DII tally varies by source reporting schedule.) ([Business Standard](#))

3

## Nifty P/E Ratio

Nifty P/E around 21.8 times at September 30. This is a little above the long-term zone near 20 times, so the market is not cheap and will ask companies to deliver on guidance. ([Trendlyne.com](#))

**Top sector performers** FMCG, Auto, Capital Goods led on festival demand and ongoing capex recovery.

**Bottom three** IT, Realty, Pharma lagged amid global tech headwinds, rate sensitivity and mixed pharma prints.

# Sector spotlight — green energy and EV

## Why now

Policy push, fast EV adoption and mega renewable projects are arriving together. This combination is powerful for multi-year growth.



## What is happening

- India sold more than two million EVs in calendar 2024, about 7.7 percent of total auto sales. Two- and three-wheelers lead adoption. ([EVreporter](#))
- After FAME-II ended, the government ran a short Electric Mobility Promotion Scheme in April to July 2024 with a ₹500 crore outlay focused on e-2W and e-3W. This kept momentum alive while a longer framework is considered. ([Ministry of Heavy Industries](#))
- Renewables are scaling at record pace. Adani Green keeps adding capacity at the Khavda park in Kutch. Operational renewable capacity is about 16.6 GW after fresh commissioning reported on October 1, 2025. ([Saur Energy](#))
- Corporate action supports clarity. Tata Motors' demerger is effective with a record date of October 14, creating simpler structures for investors to value PV and CV businesses. ([The Economic Times](#))
- Local batteries are coming. Exide's Bengaluru cell plant targets 6 GWh in phase one and aims to commercialise by FY26 end, reducing import dependence over time. ([Autocar Pro](#))

1

### Where money may be made

- EV makers and their ecosystem if bookings and model launches stay strong
- Renewable developers with visible commissioning pipelines and long PPAs
- Battery and supply chain companies that hit capex and trial milestones on time

2

### Main risks to respect

- Rich valuations leave little room for disappointment
- Policy can be stop-start in the near term
- Higher oil or a weaker rupee can raise costs
- Large projects must execute on time and connect to the grid smoothly

# The knowledge corner — promoter holding



## Simple idea

Promoter holding tells you how much of the company the founders and the promoter group still own. More ownership often means better alignment with minority investors, but high pledging is a red flag.



## How to read it

Sixty to seventy-five percent with low or zero pledge is usually healthy, though free float can be tight. Thirty-five to sixty percent is common; focus on cash flows and governance. Under twenty percent can still work if institutions are strong and management quality is high. Watch the trend in stake and in pledging each quarter.



## Bottom line

Use promoter holding with pledge data, earnings quality and balance sheet checks. It is a trust signal, not a stand-alone buy or sell trigger.



# Promoter holding



# Actionable takeaways and the road ahead



## For cautious investors

Keep SIPs running in large-cap or flexi-cap funds. Hold some money in short-duration or liquid debt for safety and opportunities. Do not chase sharp movers. Add quality on dips.



## For balanced investors

Use corrections to add leaders in Capital Goods and Auto. Prefer well-capitalised large banks with steady ROA and ROE. Enter in stages rather than lump sums.



## For adventurous investors

Treat Green Energy and EV as a satellite allocation. Diversify across developers, OEMs and battery supply chain. Cap single ideas at three to five percent. Review positions after results and pledge updates.



## What to watch in October 2025

### Company results (Q2)

Margins and guidance will set the tone. For autos and staples, watch volume, pricing and input costs. For IT, watch deal momentum and commentary on the US. Banks need to show stable credit costs and steady deposit growth.

### FII flows

If global volatility cools, foreign money can return. If US data re-heats inflation fears, risk-off can persist. September saw continued foreign outflows, so the base is cautious. ([Reuters](#))

### Oil prices

Sustained moves above 90 dollars can pressure margins and consumers.

### Rupee movement

A sharp weakening could unsettle foreign flows. A stable rupee keeps the path smoother.

### IPO season

A busy primary market can both absorb liquidity and energise sentiment. Good listings help breadth.

### Policy signals

RBI's pause and upgraded growth outlook create a supportive backdrop into the quarter, but the minutes and inflation print will matter for rate expectations. ([The Times of India](#))



## Appendix: quick valuation lens

Nifty P/E near 21.8 times at month end is a bit above the long-term zone around 20. This is not extreme, but it means earnings delivery and guidance will drive returns from here. ([Trendlyne.com](https://www.trendlyne.com))

# Disclaimer and contact

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## Sources for key September numbers

- [The Times of India](#)
- [The Economic Times](#)
- [The Times of India](#)
- [Reuters](#)
- [Reuters](#)
- [Reuters](#)
- [The Economic Times](#)

**Additional references used in this edition** FPI outflow in September 2025 and YTD context. ([Business Standard](#)) Nifty 50 daily history and September peaks. ([Yahoo Finance](#)) Nifty P/E on Sept 30, 2025 and long-term context. ([Trendlyne.com](#)) EV sales in 2024. ([EVreporter](#)) EMPS 2024 scheme details and outlay. ([Ministry of Heavy Industries](#)) Adani Green capacity and Khavda commissioning. ([Saur Energy](#)) Tata Motors demerger record date and effect. ([The Economic Times](#)) Exide gigafactory timeline. ([Autocar Pro](#))



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# Thank you



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