

SECTORAL REPORT

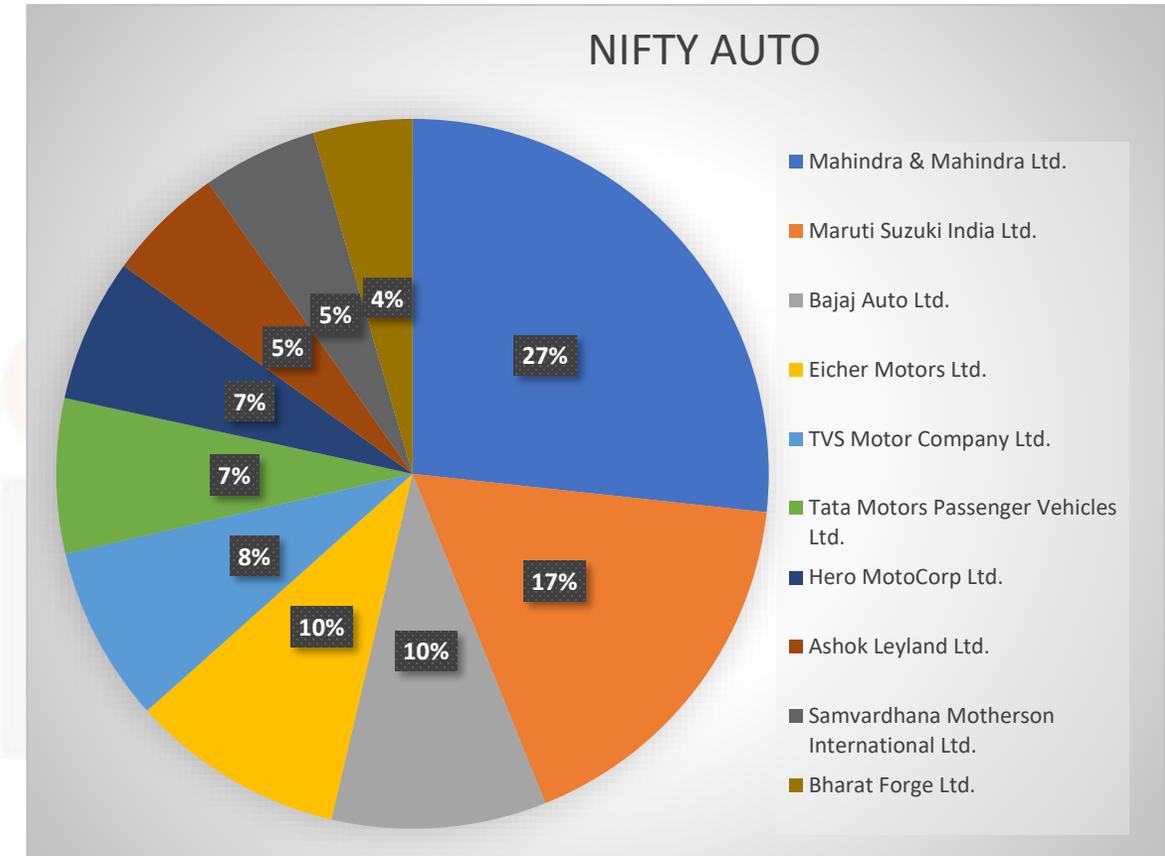
AUTO



AUTO SECTOR.

The Indian automobile industry has long been a reliable barometer of economic performance, given its critical role in both macroeconomic expansion and technological advancement. Within the sector, the two-wheeler segment dominates in terms of volume, driven by a growing middle class, a predominantly young population, and rising demand from rural markets. Demand for commercial vehicles has also strengthened, supported by the expansion of logistics and passenger transportation services. Market growth is expected to be shaped by emerging trends such as vehicle electrification, particularly in three-wheelers and small passenger cars.

India has also established itself as a prominent auto exporter with strong growth prospects in the near future. Automobile exports rose 19% in FY25 to over 5.3 million units, led by robust demand for passenger vehicles, two-wheelers, and commercial vehicles in global markets. Complementing this momentum, government initiatives such as the Automotive Mission Plan 2026, the scrappage policy, and the production-linked incentive (PLI) scheme are expected to position India as a global leader in both the two-wheeler and four-wheeler markets.



Market Size.

India enjoys a strong position in the global heavy vehicles market as the largest tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world. The total production of Passenger Vehicles*, Three Wheelers, Two Wheelers, and Quadricycle in October 2025 was ~2.8 million units. Two-wheelers and passenger vehicles dominate the domestic Indian auto market. Two-wheelers and passenger cars accounted for 77.87% and 15.60% of market shares, respectively, In FY26 (April-September 2025) Passenger car sales are dominated by small and mid-sized cars.

The electric vehicle (EV) market in India is emerging as a significant growth driver. India achieved a milestone with the sale of 1,00,000 EVs in CY24, up from 82,688 units in CY23. A study by CEEW Centre for Energy Finance identified a US\$ 206 billion opportunity in the Indian EV sector by 2030, requiring an estimated US\$ 180 billion investment in vehicle manufacturing and charging infrastructure. Supporting this outlook, NITI Aayog and the Rocky Mountain Institute (RMI) project India's EV finance industry to reach US\$ 50 billion (Rs. 3.7 lakh crore) by 2030. Meanwhile, the India Energy Storage Alliance estimates the EV market will grow at a CAGR of 36% between 2018 and 2026, with the EV battery market expected to expand at a CAGR of 30% during the same period.

TECHNICAL OVERVIEW NIFTY AUTO – 28,158.85 (MONTHLY CHART)

- The AUTO Index witnessed a strong move during the month of February and was one of the few indices that managed to outperform the benchmark Nifty.
- On the daily chart, the index is holding its bullish structure as it is forming higher low formation. It managed to close above the horizontal resistance level. The index continues to trade above 20 MEMA which indicates continuation of bullish momentum.
- **To extend its upward trajectory, a decisive and sustained breakout above 28,250 will be crucial, as it could further strengthen bullish sentiment. On the downside, 27,630 will act as the immediate and key support level; a breach below this may invite increased selling pressure.**



SECTOR REPORT PERFORMANCE

DATE	MONTHLY SECTOR	PERFORMANCE
01/02/25	NIFTY DEFENCE	DOWN BY 0.70% IN THE MONTH OF FEB
01/01/25	NIFTY BANK	UP BY 0.05% IN THE MONTH OF JAN
01/12/25	NIFTY AUTO	UP BY 1.49% IN THE MONTH OF DEC
03/11/25	NIFTY FINANCE	UP BY 2.77% IN THE MONTH OF NOV
01/10/25	NIFTY PSUBANK	UP BY 8.74% IN THE MONTH OF OCT
01/09/25	NIFTY CONSUMTION	UP BY 0.03% IN THE MONTH OF SEP
01/08/25	NIFTY FMCG	UP BY 0.59% IN THE MONTH OF AUGUST
01/07/25	NIFTY FINANCE	TRADE NOT INITIATED
02/06/25	NIFTY PSUBANK	UP BY 3.25% IN THE MONTH OF JUNE
02/05/25	NIFTY AUTO	UP BY 4.56% IN THE MONTH OF MAY

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