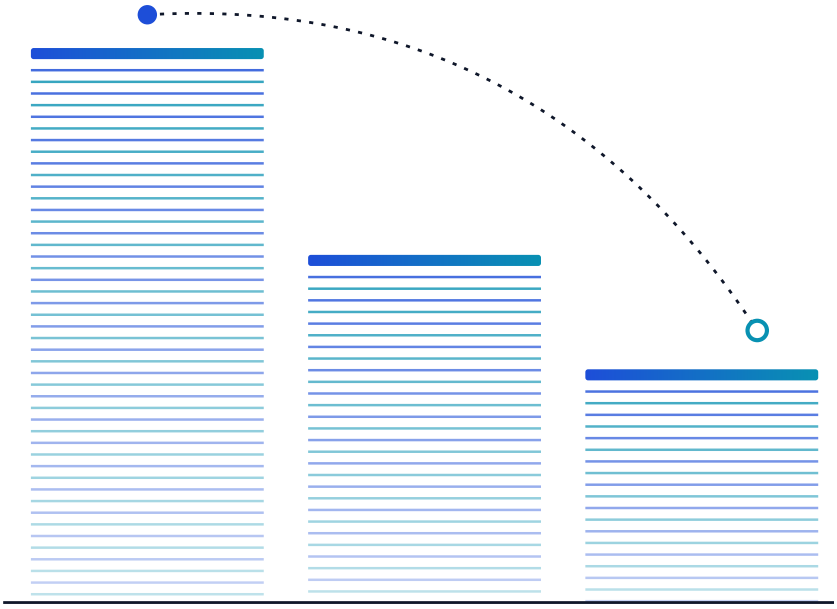
Vatayan Labs
A window into how India moves money

MARKET REGIME NOTE
FLOWS · BREADTH · ROTATION
27 NOVEMBER 2026



WHERE THE MONEY IS GOING, AND WHAT IT HAS LEFT BEHIND

THE INDEX PAUSES, THE FLOWS DON'T

The Nifty snapped a four-week winning run, down 0.7%, but foreign money kept coming: ₹17,630 crore in four sessions, taking November to about ₹1.3 lakh crore. Domestic funds were **net buyers for the week for the first time this month**. Breadth has not followed yet: 148 of 247 industries are underperforming.

NIFTY 50	FII NET, NOVEMBER	KOSPI VS PEAK	SOXX SINCE SEPT	ABOVE 200D EMA
25,607.2	₹1.30 L cr	−46.1%	−32.2%	45.4%
+13.3% since 23 Oct	to 27 Nov · record month	4,915.68 on 27 Nov	to 25 Nov close	46.5% a week ago

THE SHORT VERSION

01 The index rested. The buyers did not.

The Nifty fell 0.7% for the week, its first weekly loss since the October washout, and Friday's 1.1% drop came from banks and metals. Underneath, the flows held: FIIs bought on every session, and domestic institutions were net buyers for the week for the first time in November. Breadth is still the missing piece.

1
WHERE IS THE MONEY FLOWING?

Still in through the front door. FIIs bought ₹17,630 cr in four sessions, net buyers every day, taking November to ₹1,29,579 cr. DIIs net bought ₹6,333 cr after three weeks of selling.

2
WHICH INDEX IS DOING WELL?

Banks, and now pharma. Nifty Private Bank tops StockScans index strength at 93.3. Nifty Pharma scores 90.0 and sits 0.4% from its one-year high. Nifty IT climbed to 76.8 after a 4.6% week.

3
HOW IS KOSPI DOING?

It fell 6.2% on Wednesday to 4,697.51, its lowest close since mid-January, then jumped 4.3% on Friday to 4,915.68 on foreign buying. Up 0.9% on the week, still 46.1% below its June peak.

4
WHAT IS HAPPENING TO SOXX?

Whipsawed. Up about 14% on Monday on Nvidia leadership news, down 8.3% on Tuesday, $127.98 at Wednesday's close. Still about 32% below end-September.

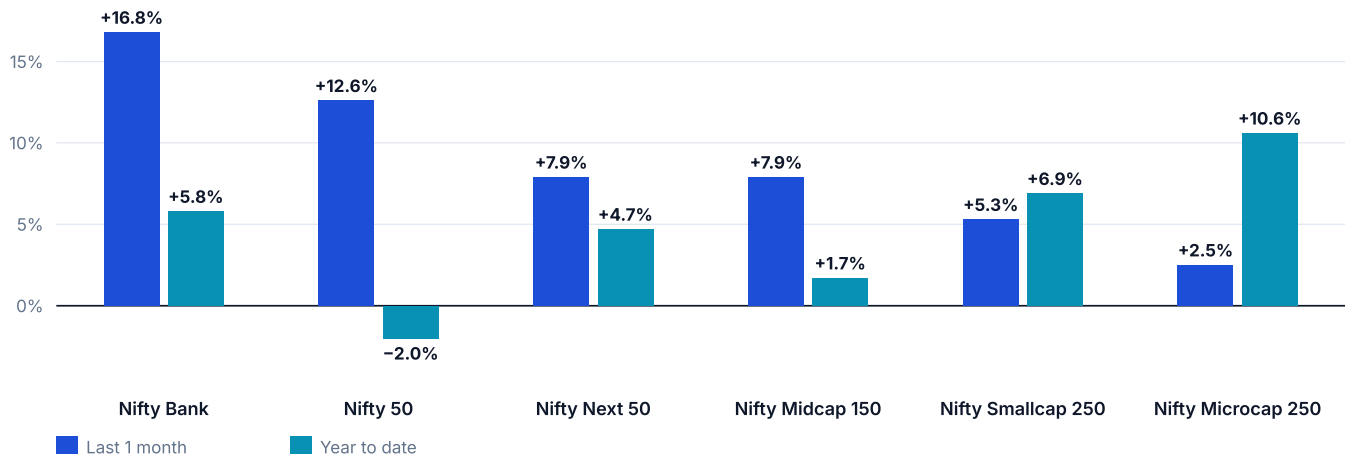
5
SIGNS OF REGIME CHANGE?

In leadership, yes. In participation, still no. 45.4% of stocks sit above their 200-day EMA, and 148 of 247 industries are underperforming, up from 127 a week ago.

6
WHERE ARE WE IN THE RELAY?

Still leg one, with a first stir from the feeder. The one-month return still falls down the cap ladder, from +16.8% for Nifty Bank to +2.5% for the Microcap 250 (Exhibit 1), but DIIs bought this week.

EXHIBIT 1 THE ONE-MONTH LADDER STILL RUNS DOWNHILL; THE YEAR-TO-DATE LADDER RUNS THE OTHER WAY



Price returns to 27 Nov 2026. Source: StockScans.

HOW WE GOT HERE: THE YEAR IN FIVE MOVES

JAN – MAR
26,328 to 22,713
Nifty loses 13.7% on FII selling, an IT rout and an oil shock that takes Brent to $118.

APRIL
95% thrust
Nearly every stock reclaims its 20-day EMA. Foreigners keep selling. The rally fades.

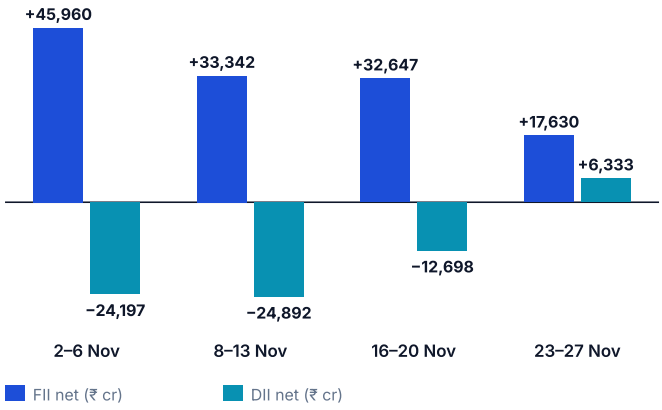
MAY – SEPT
The grind
Small caps hold up on domestic money. FII-heavy large caps go nowhere.

23 OCTOBER
The washout
Brent above $117, rupee near 95, RBI at 5.50%. Only 8.3% of stocks above the 20-day EMA.

NOVEMBER
The flip
Crude breaks. US midterms set off an AI rout. Money leaves Taiwan and Korea for India.

02 Where the money is flowing

EXHIBIT 2 FOUR WEEKS OF FII BUYING; THE FIRST WEEK OF DII BUYING



NSE provisional cash-market data, daily figures summed from press reports (24 Nov was a market holiday). November to 27th: FII +₹1,29,579 cr, DII −₹55,454 cr.

The size. November stands at ₹1,29,579 crore with one session left, almost twice the previous record of ₹66,135 crore (December 2023). The pace has slowed: ₹17,630 crore this week against ₹45,960 crore in the first.

The context. Foreigners sold about ₹6.32 lakh crore between July 2025 and October 2026, so about a fifth has come back. On our arithmetic FIIs are still net sellers of roughly ₹1.5–1.6 lakh crore for 2026.

The door they used. When money arrives this fast it goes where the liquidity is, and in India that means banks. The door is still cheap: Bank Nifty trades at 14.0x earnings and 1.91x book, in the bottom tenth of its ten-year range.

The other side. Domestic institutions sold ₹61,787 crore in the first three weeks, then net bought ₹6,333 crore this week, buying on Wednesday and Thursday. One week is not a trend, but it is the signpost section 06 watches.

EXHIBIT 3 WHICH INDEX IS DOING WELL: THE STOCKSCANS SCOREBOARD

INDEX	STRENGTH SCORE (0–100)	1 MONTH	3 MONTHS	YTD	FROM HIGH*
Nifty Private Bank	93.3	+16.2	+11.4	+7.7	−2.3
Nifty Bank	91.3	+16.8	+9.6	+5.8	−2.5
Nifty Financial Services	91.3	+16.6	+7.8	+2.6	−1.8
Nifty Pharma	90.0	+10.3	+7.9	+27.5	−0.4
Nifty 50	88.7	+12.6	+6.3	−2.0	−2.7
Nifty PSU Bank	87.0	+16.8	+10.5	+11.2	−3.9
Nifty Auto	81.0	+11.3	−2.4	0.0	−4.9
Nifty IT	76.8	+1.8	+8.4	−13.5	−28.8
Nifty FMCG	69.3	+14.1	+4.6	−11.3	−11.5
Nifty Smallcap 250	58.2	+5.3	−3.3	+6.9	−4.3
Nifty Midcap 150	—	+7.9	−3.6	+1.7	−3.8
Nifty India Defence	23.3	+4.9	−5.6	+19.4	−7.5
Nifty Metal	5.8	+0.6	−11.5	+6.4	−13.4

Returns in %, price only, to 27 Nov 2026. Strength score blends EMA trend, relative strength and 52-week position; 70+ is "outperforming", 30 or below is "underperforming". StockScans publishes no strength score for Midcap 150. *One-year high for sector indices, three-year high for Nifty 50, Midcap 150, Smallcap 250 and IT. Source: StockScans Market Scans.

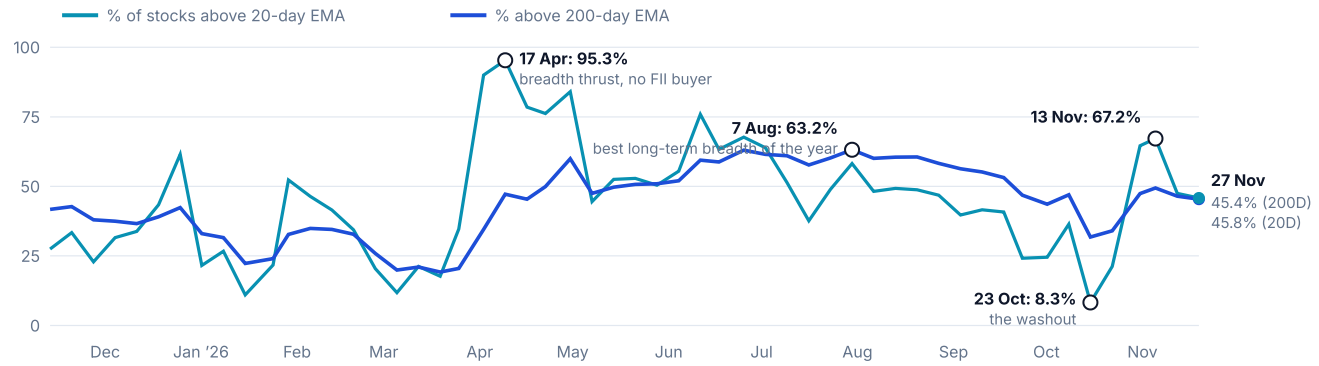
WHAT THE BREAKOUT SCAN SHOWS

StockScans' Short Term Breakout scan shows 111 names, down from 126 a week ago. The top of the list is still the FII shopping list (Reliance, HDFC Bank, SBI, HUL, Maruti, Axis Bank), with one new arrival near the top: TCS, after Nifty IT's 4.6% week. Twelve banks and eight pharma companies sit in the top hundred; autos fell to five. Many are still down over one year (HDFC Bank −15.1%, TCS −18.0%, ITC −24.6%, HUL −13.6%).

03 A narrow door: what breadth is saying

ABOVE 20-DAY EMA	ABOVE 200-DAY EMA	NEAR 52-WEEK HIGH	NEAR 52-WEEK LOW
45.8%	**45.4%**	**132**	**130**
47.5% a week ago · 8.3% on 23 Oct	46.5% a week ago · 31.8% on 23 Oct	137 a week ago · 52 on 23 Oct	115 a week ago · 483 on 23 Oct

EXHIBIT 4 TWO THRUSTS IN ONE YEAR, AND NEITHER HAS YET LIFTED LONG-TERM BREADTH ABOVE THE JULY–AUGUST LEVEL



Universe: about 1,612 NSE/BSE stocks above ₹1,000 cr market cap. Weekly readings (last session of each week), 21 Nov 2025 to 27 Nov 2026. Source: StockScans Market Breadth.

The good news. Friday was the broadest up day in weeks: 112 stocks rose 4% or more and only 20 fell 4%, even as the Nifty lost 1.1%. Stocks near 52-week lows fell from 168 on Wednesday to 130.

The catch. Over the week every breadth measure still slipped: above the 20-day EMA from 47.5% to 45.8%, above the 200-day from 46.5% to 45.4%, near 52-week highs from 137 to 132. Underperforming industries rose to 148 of 247. The broad market had one good day, not a good week.

> **April had the breadth without the foreign buyer. November has the foreign buyer without the breadth.**

April's thrust took 95.3% of stocks above the 20-day EMA, yet six months later the Nifty was lower. Breadth alone did not make a new market. The open question is whether flow alone can. Friday was a small hint: the index fell and the crowd rose.

EXHIBIT 5 INDUSTRY STRENGTH: WHAT IS BEING BOUGHT, AND WHAT WAS LEFT BEHIND

LEADERS	SCORE	1M CHANGE	LOST MOST STRENGTH	SCORE	1M CHANGE
Animal and Poultry Feed	96.5	+79.2	Gems and Jewellery	13.5	−54.2
Exchanges	93.3	+86.0	Engineering Light General	9.5	−38.8
NBFC Others	90.7	+82.2	Telecom Cables	8.8	−35.3
Home Textiles	90.0	+80.5	Oil Drilling and Exploration	9.5	−31.5
Wealth Management	87.3	+75.3	Dyes and Pigments	15.0	−29.3
Hospitals	87.3	+83.3	Shipping	12.0	−24.7
Industrial Gas	87.3	+56.0	DI and SAW Pipes	9.5	−23.2
Dairy Products	86.5	+53.5	Organic Chemicals	16.3	−22.7

Of 247 industries: 42 outperforming, 38 accumulating, 19 consolidating, 148 underperforming. Industries with 4+ companies. Leaders: highest score. Right column: underperforming industries with the largest 1M fall in score points. Source: StockScans, 27 Nov 2026.

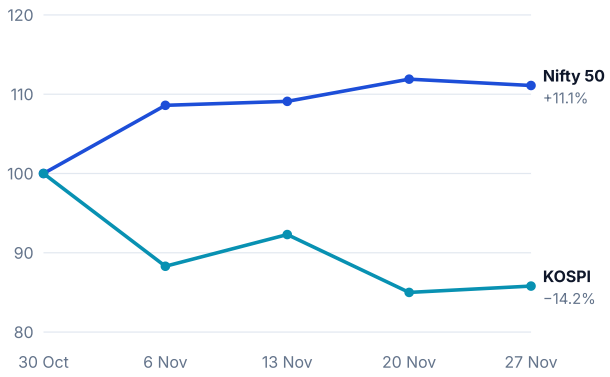
Read the two columns together. The left is still domestic demand and financial plumbing: exchanges, wealth managers, NBFCs, hospitals, dairy. The right has shifted from last week's AI-adjacent names toward jewellery, chemicals, dyes, oil drilling and shipping, with telecom cables still on the list. The weakness is spreading into commodities and exporters rather than narrowing.

THE OTHER SIDE OF THE TRADE

04 KOSPI and SOXX: a bounce on the other side

Chips whipsawed on Nvidia news: the Philadelphia Semiconductor Index rose 14% on Monday and gave back 8% on Tuesday. KOSPI hit its lowest close since mid-January on Wednesday, then jumped 4.3% on Friday on foreign buying and talk of a market stabilisation fund. India's Nifty fell 1.1% the same day.

EXHIBIT 6 THE SCISSORS



Weekly closes, 30 Oct 2026 = 100. KOSPI 30 Oct close derived from the reported 11.71% weekly fall. Sources: StockScans; Korea Exchange via Seoul Economic Daily.

EXHIBIT 7 SOXX: A 14% RALLY, THEN MOST OF IT GIVEN BACK



iShares Semiconductor ETF closes. 23 Nov derived from the reported 8.27% fall to $128.62 on 24 Nov. US closed 26 Nov (Thanksgiving); 27 Nov half-day close not confirmed. Sources: Motley Fool, 24/7 Wall St.

	NIFTY 50	KOSPI	SOXX
Latest close	25,607.2 (27 Nov)	4,915.68 (27 Nov)	$127.98 (25 Nov)
This week	−0.7%	+0.9%	+3.7% to 25 Nov
Last session	−1.1%	+4.34%	−0.5%
From peak	−2.7% (3-yr high)	−46.1% (9,114.55, 22 Jun)	−41.4% (52-wk high $218.41)
Foreign flow this week	FII +₹17,630 cr	−1.95 tn won Wed; +1.13 tn won Fri	not available

KOSPI

KOSPI fell 6.16% on Wednesday to 4,697.51 as foreigners sold 1.95 trillion won. Friday reversed it: +4.34% to 4,915.68 and KOSDAQ +8.1%, with foreigners net buyers of 1.13 trillion won while retail investors sold 1.77 trillion. Korean brokerages had flagged 4,800 as the line to hold; the index closed the week back above it.

SOXX

SOXX rallied about 14% on Monday, fell 8.27% on Tuesday to $128.62 as Micron dropped about 11%, and closed Wednesday at $127.98. US markets were shut on Thursday and traded a half session on Friday, whose close we could not confirm. The ETF is still about 32% below its end-September level.

Why this matters for India. This was the first week of the 'choosing India or fleeing AI' test. Chips bounced and Korea bounced, and FIIs still bought India on every session. But Friday, the day Korea saw 1.13 trillion won of foreign buying, was also the smallest FII day of the week in India (₹1,634 cr). Watch whether that gap widens.

THE SCORECARD

05 Is this a regime change?

A regime change is not a big rally. It is a change in who is buying, what leads, and how many stocks take part.

EXHIBIT 8 TEN SIGNALS, SCORED

4 in place · 4 mixed · 2 not yet

SIGNAL	READING	VERDICT
A new marginal buyer	FIIs bought ₹1,29,579 cr in November to the 27th, net buyers in every session. Prior record ₹66,135 cr (Dec 2023).	IN PLACE
Breadth thrust off a washout	8.3% to 64.6% of stocks above the 20-day EMA in two weeks; 52-week lows 483 to 55.	IN PLACE
Leadership rotation	Private Bank, Bank Nifty and Financial Services top the index table. Last cycle's leaders sit at the bottom: Nifty Metal 5.8, BSE Power 16.2, India Defence 23.3.	IN PLACE
Valuation cushion	Nifty at 21.1x, 17th percentile of ten years (median 23.2x). Bank Nifty at 14.0x, 9th percentile.	IN PLACE
Macro relief	Brent from $117+ to about $92. But the RBI hiked to 5.50% and a Fed hike is being priced (as of 20 Nov).	MIXED
The domestic bid	DIIs net bought ₹6,333 cr this week after three weeks of selling. November is still −₹55,454 cr.	MIXED
Durability of the flow	FIIs kept buying through a chip bounce and a Korea rally, but Friday's ₹1,634 cr was the smallest day of the month. Still net sellers of about ₹1.5–1.6 lakh cr for 2026.	MIXED
Long-term breadth	45.4% above the 200-day EMA, down from 46.5% a week ago. It was 63.2% on 7 August.	NOT YET
Industry participation	148 of 247 industries underperforming, up from 127; only 42 outperforming.	NOT YET
Confirmation last week	Nifty −0.7% and breadth slipped (above 20-day EMA 47.5% to 45.8%). But Friday saw 112 stocks up 4%+ against 20 down while the Nifty fell 1.1%.	MIXED

Sources: StockScans (breadth, strength, valuation); NSE provisional flows; press reports for crude, rates and annual flow totals. Rule-based verdicts are listed in config/static.json; flow and macro verdicts are our judgement.

Leadership has changed regime. The market has not yet. Four signals in place, four mixed, two missing.

THE CASE THAT IT IS REAL

Bull markets in India have usually started like this: a foreign bid in large-cap financials at below-average valuations, a washout low behind it, and almost nobody else invited yet. Narrow breadth at the start is normal. Breadth confirms last, not first. This week domestic funds turned buyers too, and private banks score 93 while metals score 6.

THE CASE THAT IT IS A CATCH-UP TRADE

Small caps did not have a bear market this year. Microcaps are up 10.6% in 2026 and the Nifty is down 2.0%. So November may simply be the laggard closing the gap: FII-owned large caps mean-reverting after a long stretch of selling. Underperforming industries rising to 148 fits that reading.

WHAT WOULD SETTLE IT

- Stocks above the 200-day EMA back over 60%. Today it is 45.4%.
- More industries outperforming than underperforming on StockScans. Today it is 42 against 148.
- FII buying that survives a week when chips bounce. This week was a partial pass: buying held, but slowed to ₹1,634 cr on Friday.
- DIIs keep buying (they did this week) and the Midcap 150 clears its three-year high, now 3.8% away.

THE RELAY

06 Large to mid to small: how the baton travels

Think of a relay race where the runners are sorted by size. The first runner is always the large cap, because the money that starts a bull market is too big to fit anywhere else. Each handoff happens only once the next runner believes the race is real.

LEG 1 · WE ARE HERE

Large caps

FIIs buy index heavyweights, mostly financials. Breadth is thin. Domestic funds sell. Mid and small caps lag.

LEG 2

The catch-up

Next 50 and large midcaps follow: second-line banks, autos, consumer. Long-term breadth pushes past 60%.

LEG 3

Broadening

Domestic flows chase returns into mid and small-cap funds. New highs run into the hundreds.

LEG 4

Froth

Microcaps, SME listings and weak balance sheets lead. Quality lags. Nobody notices the baton has dropped.

EXHIBIT 9 A LARGE-CAP-ONLY YEAR HAS BEEN FOLLOWED BY A BROAD ONE

YEAR	LARGE	MID	SMALL	PHASE
2019	+12.0	−0.3	−9.5	Large caps only
2020	+14.9	+24.4	+21.5	Handoff begins
2021	+24.1	+46.8	+59.3	Broadening
2022	+4.3	+3.0	−13.8	Large caps only
2023	+20.0	+43.7	+55.6	Broadening
2024	+8.8	+23.8	+23.9	Late broadening
2025	+10.5	+5.4	−5.6	Large caps only
2026 YTD	**−2.0**	**+1.7**	**+6.9**	**Upside down**

Calendar-year price returns, %. 2019–2025: Nifty 50, Nifty Midcap 150, Nifty Smallcap 100 (Wright Research). Current year YTD: Nifty 50, Midcap 150, Smallcap 250 (StockScans). Phase labels are ours.

THREE PAST HANDOFFS

2013–14. FIIs returned in September 2013 and the Sensex was at a record by early November. Midcaps joined only in 2014, when small caps returned 55% against the Nifty's 31%.

2020–21. A then-record FPI month in November 2020 took the Nifty to new highs. Small caps did the heavy lifting in 2021: +59% against +24%.

2023. FPIs turned buyers in March–May, the Nifty made a new high by end-June, and small caps finished the year +56% against +20%.

The lag from large-cap breakout to small-cap takeover has been roughly one to two quarters. Sequencing is from our own market history, not a data pull.

WHY THIS HANDOFF MAY BE SLOWER

The next runner is not rested. In 2013, 2020 and 2023 small caps had been left for dead before the baton arrived. This time they led all year. The Smallcap 250 trades at 32.0x earnings, above its own median, while the Nifty at 21.1x is well below its. That is a 52% premium.

The feeder is stirring. Mid and small caps run on domestic flows. DIIs were net buyers of ₹6,333 crore this week after three weeks of selling, but they are still ₹55,454 crore out for November, and a heavy IPO calendar competes for the same rupees.

Sector beats size. Lenders and pharma are strong at every size: Nifty Pharma and MidSmall Healthcare both score 90.0. Capital goods, power and metals are weak at every size. The baton may pass through sectors before it passes down the cap curve.

WATCHLIST FOR THE HANDOFF

SIGNPOST	NOW	HANDOFF
Above 200-day EMA	**45.4%**	60%+
Stocks near 52-week high	**132**	300+
Industries out vs under	**42 / 148**	out > under
Midcap 150 vs 3-year high	**−3.8%**	new high
DII weekly flow	**+₹6,333 cr**	net buying ✓
Smallcap / Nifty P/E	**1.52x**	narrowing

Handoff levels are our rules of thumb, set off this year's own highs.

SOURCES StockScans (breadth, strength, index profiles, returns, scans; 27 Nov 2026; valuations as of 26 Nov). Flows: NSE provisional data via Finostat, Alphave, QuantsApp, Marketcalls and AIR News. Korea: Seoul Economic Daily, SBS, Businesskorea. Chips: The Motley Fool, 24/7 Wall St, Meridian. Crude and rates (grey-tagged) carried from the 22 Nov note. Flow totals differ by source; we use NSE provisional numbers. Educational commentary, not investment advice.