Boom to gloom: India middle-class jitters amid trillion-dollar market rout

Two years ago, on his bank adviser's suggestion, Rajesh Kumar pulled out his savings - fixed deposits included - and shifted to mutual funds, stocks and bonds

With India's stock market booming, Mr Kumar, a Bihar-based engineer, joined millions investing in publicly traded companies. Six years ago, only one in 14 Indian households channelled their savings into the stock market - now, it's one in five.But the tide has turned.For six months, India's markets have slid as foreign investors pulled out, valuations remained high, earnings weakened and global capital shifted to China - wiping out $900bn in investor value since their September peak. While the decline began before US President Donald Trump's tariff announcements, they have now become a bigger drag as more details emerge.

India's benchmark Nifty 50 share index, which tracks the country's top 50 publicly traded companies, is on its longest losing streak in 29 years, declining for five straight months. This is a significant slump in one of the world's fastest-growing markets. Stock brokers are reporting that their activity has dropped by a third."For more than six months now, my investments have been in the red. This is the worst experience in the last decade that I have been invested in stock market," Mr Kumar says.Mr Kumar, 55, now keeps little money in the bank, having shifted most of his savings to the stock market. With his son's 1.8 million-rupee ($20,650; £16,150) private medical college fee due in July, he worries about selling investments at a loss to cover it. "Once the market recovers, I'm thinking of moving some money back to the bank," he says.

His anxieties reflect those of millions of middle-class Indians who have poured into the stock market from cities big and small - part of a financial revolution.The go-to investment route is Systematic Investment Plans (SIPs), where funds collect fixed monthly contributions. The number of Indians investing through SIPs has soared past 100 million, nearly trebling from 34 million five years ago. Many first-time investors, lured by the promise of high returns, enter with limited risk awareness - often influenced by a wave of social media