Opinion | Rs 1.05 Lakh Crore Lost: Inside The Dangerous Rise Of India's Gen Z Stock Traders

Investors under 30 now account for 37.9% of the total investor base in India. But they are also losing money at a much higher rate. Why are they doing it?

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India's investor profile is dynamically shifting to its core demographic dividend: a tech-savvy, enterprising youth population that seems to be taking on more risk in the stock market for higher returns. Reports indicate how the average Indian investor is barely in their early 20s, with half of them being in the under-30 age group.

From being 25% of the total NSE registered investors in FY20, the Gen-Z segment rose to account for 40% of them in FY25. RBI data also confirms this sharp demographic change: the share of sub-30 age investors had jumped from 22.6% in March 2019 to 38.9% by July 2025. The National Stock Exchange's Market Pulse report for June 2026 records that the median age of the Indian investor has fallen from 38 in March 2020 to 33 today.

Investors under 30 now account for 37.9% of the total investor base, up from 23.5% five years ago. They also made up 59% of all new registrations so far this financial year. The country's demat accounts, which stood at roughly 21.3 crore in November 2025, are estimated to have crossed 23 crore by June, and a large share of that growth - just brokerages alone put the figure near three in four new accounts - belongs to investors below 30.

This is not a marginal trend. It is close to becoming the market's centre of gravity.

What merits greater attention beyond this shift is the extent to which India's youth is walking into one of the most information-asymmetric arenas in finance, where the safeguards between risk and return on investment are blurry.

With graduate unemployment at record highs, secure jobs scarce, and asset prices outpacing incomes, equities (and especially derivatives) have become the default "Plan B" for a generation that was otherwise told that education guarantees stability in upward mobility towards higher-income and wealth accumulation.

A Generation Without a Safety Net

It would be tempting - and not entirely wrong - to read this as a story of desperation amongst youth, who are keen to achieve higher income-returns on risk-driven investment. The Periodic Labour Force Survey 2023-24 shows Gen Z unemployment (among those aged 15 to 26) running at 11.9%, against just 2% for millennials.

Among Gen Z graduates specifically, joblessness stands at 29% for men and 36.9% for women. Barely one in five employed Gen Z workers has any social security cover at all. A college degree, which was meant to be a ticket to stability, has for a large section of India's youth become simply a longer wait in a more crowded queue.

It would be too easy to stop here. But desperation alone can not explain why so much of this new money is flowing specifically into equities, and, increasingly, into the riskiest end of equities, rather than into gold or real estate, or simply staying in a bank account, as it did for their parents' generation.

Something else has changed about how young India relates to the market itself.

How a Volatile Market Became The Answer

Part of the answer lies not with young investors but with the system that shaped them. Over the last two decades, India quietly replaced the idea of a guaranteed pension with the market-linked National Pension System, made the Systematic Investment Plan the default answer to savings, and built, through Jan Dhan accounts, Aadhaar-based KYC and UPI, the easiest on-ramp into formal finance anywhere in the world.

This was, by most measures, a successful and necessary reform integrating the state-society compact for better digitisation and adoption of technology. But it also had a side effect, wherein an entire generation grew up being told, correctly, that fixed deposits lose to inflation and that equities are where real wealth is built. They are doing what they were taught to do. The problem is not that they entered the market. It is what happens once they are inside it.

This is where India's specific moment has an interesting trajectory and where the "higher information asymmetry" reasserts at the heart of equity investing itself. Recent research on Indian brokerage apps finds that gamified features such as streaks, badges, leaderboards, and social trading feeds correlate strongly with higher trading frequency and shorter holding periods, and that the effect is sharpest among the youngest and least experienced users. Alongside this has grown the influence of the "finfluencer", an unregulated but highly trusted content maker for many young investors, whose advice on options and small-cap bets travels faster than any SEBI disclosure ever could. None of this has made equity markets genuinely simpler to understand. It has only made them feel that way on a phone screen, which may be more dangerous.

There is also a narrower, very Indian reason for the timing of this shift. Parliament's Promotion and Regulation of Online Gaming Act, 2025, banned real-money fantasy sports and card games outright, shutting down an industry that, by some estimates, had drawn in nearly 45 crore Indians and cost them close to Rs 20,000 crore a year. But the appetite for a fast, skill-flavoured bet did not vanish with the ban. It needed a new legal address, and the options segment of the stock market, open to anyone with a PAN card, was the nearest one standing.

The Price of That Answer

The consequences are plainly visible in SEBI's own data. The regulator's July 2025 study found that 91% of individual traders in the equity derivatives segment lost money in FY25, with net losses widening 41% over the previous year to more than Rs 1.05 lakh crore.

A separate SEBI update showed the share of F&O traders under 30 rising from 31% in FY23 to 43% in FY24, even as more than three-quarters of loss-making traders kept trading after consecutive bad years. A companion study on intraday cash trading found that under-30 investors made up 48% of that segment by FY23 and lost money at a higher rate than the market as a whole.

None of this is solved by telling young Indians to be more patient. It calls for SEBI to regulate app design with the same seriousness it applies to advertising, for financial literacy to reach students before their first trade rather than after their first loss, and for an honest conversation about a job market that has made impatience feel like the more rational choice.

The market, driven by the irrational exuberance of the young, as ever, will keep taking the other side of that bet. The more useful question is why it has become so easy, and so tempting, to place it, and what kind of implications it can have for a young demographic that is already finding it difficult to be directly part of income- or wealth-generating opportunities.

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