Sensex, Nifty hit record highs: Analysts pick sectors to invest in markets

Where to invest in Indian stock market: As Sensex and Nifty indices hit new record highs, analysts decode best sectors to invest in right now

Indian stock markets hit fresh record highs on November 27, 2025

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Sensex, Nifty hit record highs: The long and arduous journey towards fresh record highs got over for Indian stock market investors on Thursday with the benchmark – Sensex and Nifty – indices hitting new all-time highs on November 27, 2025.

The Nifty50 index topped the 26,300-mark for the first time ever, claiming a new record high of 26,310.45 in the intraday trade. The 50-stock NSE benchmark took 288 sessions (since September 27, 2024) to claim a new record high.

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The BSE Sensex, too, hit a new record high of 86,055.86 during the day, surpassing the previous high of 85,978.

Analysts believe the market environment is conducive for investors to begin deploying cash, albeit with a calibrated approach, as the Indian stock markets will continue to see a sustained rally from here, supported by resilient macro fundamentals, improving earnings visibility, and easing global headwinds.

"India remains the fastest growing country globally. With inflation under control, we can expect a pro-easing policy in coming times. Further, expectations for a cut by the US Federal Reserve (US Fed) in its December meeting is also increasing which has led to global equities rejoicing. With long term policies intact, Q2FY26 results faring slightly better than expectations, and growth revival expected in H2FY26, investors can look to deploy fresh cash but in a gradual manner," said Vaqar Javed Khan, senior fundamental analyst at Angel One.

He suggested investors utilise dips to add quality stocks to their portfolio to gain advantage.

Nifty, Sensex at record: Breakout after a long consolidation

The benchmarks indices snapped their 14-month long consolidation phase on Wednesday amid a massive short covering rally led by foreign investors.

The BSE Sensex index skyrocketed 1,023 points (1.21 per cent) and the Nifty50 added 320.5 points (1.24 per cent) yesterday as foreign institutional investors bought stocks in the cash market worth ₹4,778 crore; and Index futures worth ₹790 crore, and Stock futures worth ₹1,779 crore in the NSE derivatives segment.

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According to exchanges' data, FIIs hold 17 per cent of the open positions in index futures on the long-side of trade as of November 26. Besides, they have around 90,700 contracts on the Short-side of trade, which may be covered during the December derivatives series. If executed, the positive momentum in the market could continue in the near-term, analysts believe.

Valuations, while no longer cheap, are not stretched either, analysts added. The Nifty's one-year forward price-to-earnings (P/E) multiple of around 20.5 times is seen as reasonable in the context of a recovering growth cycle and double-digit earnings expansion prospects.

"Considering the strong resurgence in the Indian economy, supported by better-than-expected Q2FY26 earnings, and the Nifty trading at a reasonable one-year forward P/E, we believe the worst is behind us. The current market levels present an attractive opportunity for investors to deploy cash," noted Naveen Vyas, senior vice president, Anand Rathi Global Finance.

The Indian market, he said, appears poised for a strong upward move and is well-positioned to deliver double-digit returns over the next year.

"The breakout from the recent consolidation phase would be aided by expectations of a India–US trade agreement, robust earnings growth outlook of 14–15 per cent for FY27, anticipated Fed rate cut next month, and a visible cooling of FII selling pressure over the last two months," he said.

Where to invest in Indian stock market?

From an investment strategy perspective, Prabhakar Kudva, director and principal officer – Portfolio Management Service at Samvitti Capital, points out that while geopolitical risks persist, the balance of probabilities favours upside.

"We are seeing a distinct comeback in Auto, Auto Ancillaries, and the broader Consumption theme. These sectors look attractive after the recent correction. We, however, anticipate buying interest to return across the board given that corporate earnings remain healthy," he said.

Naveen Vyas of Anand Rathi, meanwhile, prefers Automobiles, Capital Markets, Banking & NBFCs, Healthcare, and IT Services.

"Banks & Financial Services, domestic consumption stocks, and Industrial and Capital goods could do well in the coming months. Private capex, too, is expected to revive in H2FY26 and FY27, hence sectors like Industrial and Capital goods may do well," said Khan of Angel One.

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