

The professionals are selling India. Lynch saw that as the amateur's opening

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Maxim: *"You can beat the market by ignoring the herd."* — Peter Lynch, *Beating the Street* (1993)

Big investors move together because their jobs depend on it. A patient individual has no benchmark to hug and no quarter to survive, and that freedom is worth more than most people realise.

The crowd is not usually wrong about the facts. It is wrong about how long they will matter.

Foreign portfolio investors sold ₹47,417 crore of Indian shares in the first twelve days of October alone, after ₹35,861 crore in September, [Angel One reported](#) this week. The reasons on the list were familiar: high US bond yields, oil near \$100, a weak rupee and a global rush into artificial-intelligence stocks elsewhere in Asia.

Peter Lynch thought moments like this were where amateurs earned their keep. In his Golden Rules he observed that the market had come to be dominated by a herd of professional investors, and that, contrary to popular belief, this made it easier for the individual. The question is why the herd moves the way it does, and what an ordinary investor can do differently.

A market with no AI story

In August, Bank of America's monthly survey of fund managers found India was the least-preferred market in Asia, with a net 32% of panellists underweight. The main reason they gave was the "absence of clear AI exposure", [Business Today reported](#). Taiwan and Korea, full of chipmakers, had risen about 54% that year while the Nifty had fallen; India's own earnings had broadly held up, and the underweight reflected relative returns more than anything in Indian companies, [The Week noted](#).

The herd also moves in both directions, quickly. Foreign investors bought a net ₹22,615 crore of Indian shares in February, sold ₹1,17,775 crore in March, and were buyers again in July, on NSDL data [compiled by Outlook Money](#). Those swings are not verdicts on Indian companies changing month by month. They are portfolios being rebalanced against benchmarks, themes and redemptions thousands of miles away.

Meanwhile, the companies kept working. Nifty profits grew 18% in the April–June quarter, the fastest in ten quarters, [a Motilal Oswal report found](#), and analysts expect stronger growth for July–September. None of this means the selling is over or that prices must rise. It means the crowd's reasons and the businesses' results have parted company, which is exactly the gap Lynch described.

Why the professionals herd

Fund managers are not foolish. They are constrained. Most are judged every quarter against a benchmark, and the career risk of being wrong alone is far greater than the risk of being wrong with everyone else. So they cluster.

India's own data shows the result. One study found that the average large-cap fund had an active share of about 42% against the Nifty 100 over four years, meaning most of a typical portfolio simply mirrored the index, [PrimeInvestor reported](#). And over the five years to June 2026, about 85% of Indian large-cap funds trailed their benchmark, according to the [SPIVA India mid-year 2026 scorecard](#) from S&P Dow Jones Indices. Charging active fees for largely passive portfolios is a hard way to win.

The amateur has the opposite freedom. Nobody will fire you for owning something unfashionable for three years. You do not have to sell when a global fund faces redemptions in another country. You can wait.

But be honest about your own handicap. Individual investors have a herd of their own, built from WhatsApp forwards and market headlines, and they lag their funds too. An Axis Mutual Fund study found that over two decades to 2022, investors who came in as lump sums earned about 13.8% a year against their funds' 19.1%, [Cafemutual reported](#). Ignoring the professional herd helps only if you also ignore the amateur one.

Using the gap

Ignoring the herd does not mean betting against it. It means deciding on your own reasons and your own timetable. Three habits help.

First, judge businesses, not flows. When the headlines are about foreign selling, look instead at what is happening to the profits, debt and cash flows of what you own or want to own. If those are intact and the price has fallen because a global fund needed to raise cash, the fall is information about the seller, not about the company.

Second, keep your own clock. The professional's horizon is the next quarterly review. Yours can be ten years. That is why a monthly SIP, left alone, quietly does what many institutions cannot: it keeps buying when prices are unpopular. Domestic SIPs hit a record ₹32,490 crore in September, [Angel One reported](#), even as foreign money left.

Third, if you choose active funds, choose genuinely active ones. A large-cap fund that mostly mirrors the index, at active fees, gives you the herd at a higher price; a low-cost index fund gives you the same herd more cheaply. Pay for a manager only if the portfolio actually looks different.

If you do one thing: The next time a headline tells you who is selling Indian shares, ask one question before acting: has anything changed in the businesses I own? If the answer is no, let the seller's problem stay the seller's problem.

Lynch's advantage was never a better forecast of what the crowd would do next. It was the freedom to ignore it while doing the homework the crowd had no time for. Every individual investor already has that freedom. Most simply forget to use it.

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