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**CONTENTS**

**CAPITAL MARKET REVIEW**

**REVIEW OF GLOBAL FINANCIAL MARKETS**

**HIGHLIGHTS OF DEVELOPMENTS IN INTERNATIONAL SECURITIES MARKET**

**POLICY DEVELOPMENTS**

**REGULATORY ACTIONS TAKEN BY SEBI**

**TABLES**

**PUBLICATIONS**

**CAPITAL MARKET REVIEW**

1. **Introduction**

Global equity markets rallied in June 2019, led by strong momentum in US (Dow Jones Industrial average and Nasdaq composite index increased by 7.2 per cent and 7.4 per cent respectively). MSCI world index and MSCI Emerging Market Index gained 6.5 per cent and 5.7 per cent respectively.

India’s equity markets remained range bound in June 2019, as market awaited announcements in the first budget of the re-elected BJP government, which is scheduled in the first week of July 2019. Rupee gained by 1 per cent and closed at 69 Rs per USD whereas yield on 10 year government bond yield fell by 15 basis points to 6.88 per cent, as RBI reduced its key policy rates.

As widely expected, in its second bi-monthly monetary policy review on June 6, 2019, RBI cut repo rate and reverse repo rate by 25 basis points to 5.75 per cent and 5.50 per cent respectively, giving much needed liquidity to the market, in the wake of ILFS crisis. RBI also revised downward GDP growth estimates for 2019-20 from 7.2 per cent in April to 7 per cent. The Indian economy has grown by 6.8 per cent in 2018-19 and 7.2 per cent in 2017-18, according to CSO estimates.

After a sharp bounce in April, India’s Index for Industrial Production (IIP) growth slowed down somewhat in May 2019, primarily due to deceleration in manufacturing and mining. The IIP increased by 3.1 per cent YoY in May 2019, compared with 4.3 per cent increase in April 2019.

Retail inflation in India rose to 3.18 per cent in June 2019 compared to 3.05 per cent in May 2019, primarily due to rising food inflation from lower levels. Rural inflation remained low at 0.43 per cent YoY, while urban inflation accelerated to 5.56 per cent YoY. On the positive side, the core inflation – inflation excluding food and fuels - softened slightly to 4.1 per cent YoY from 4.2 per cent in previous month. In a nutshell, the CPI inflation remained well below RBI’s medium term target of 4 to 6 per cent.

India’s merchandise exports growth fell for the first time in nine months in June 2019 while imports contracted first time in four months. The exports growth slowed down to 9.71 per cent in June 2019, while imports declined 9.06 per cent, mainly on account of growing US-China trade war tensions and associated uncertainties. India’s trade deficit narrowed slightly to USD 15.28 billion in June compared to USD 15.36 billion in previous month.

1. **Trends in Resource Mobilisation by Corporates**

During June 2019, the total equity issuance (both public and private issuance) declined by 63.8 per cent to **`**  16,038 crore from **`**  44,329 crore in May 2019, mainly on account of slowdown in the public and rights issues. The corporate sector raised **`**  569 crore through public issuance of equity compared to **`**  25,527 crore raised in the previous month. IPOs raised **`** 547 crore, while FPOs and rights issuance raises **`** 12 crore and **`** 10 crore respectively. The amount raised through private placement of equity (i.e. preferential allotment and QIP route) too declined by 22.1 per cent from **`** 19,851 crore to **`** 15,469 crore.

While equity issuance witnessed some slowdown, the debt issuance by private placement continued its momentum in June 2019. The total debt issuance (both public and private issuance) increased by 11.9 per cent. The debt issuance through private placement increased by 12.6 per cent from **`** 43,577 crore to **`** 49,072 crore in June 2019, while amount raised through public issue of debt fell from **`** 1,048 crore in May 2019 to **`** 852 crore in June 2019.

The private placement of equity and debt constituted 96.5 per cent and 98.3 per cent respectively of total resource mobilised by listed companies though equity and debt instruments respectively.

**Exhibit 1: Funds Mobilisation by Corporates (₹ crore)**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **May-19** | **Jun-19** |
| ***A. Funds Mobilisation through Public Issue (I+II)*** | **25,527** | **1,420** |
| ***I. Equity Public Issue*** | ***24,478*** | ***569*** |
| a. IPOs (i+ii) | 106 | 547 |
| i. Main Board | 0 | 475 |
| ii. SME Platform | 106 | 72 |
| b. FPOs | 0 | 12 |
| c. Equity Right Issue | 24,372 | 10 |
| ***II. Debt Public Issue*** | 1,048 | 852 |
| ***B. Funds Mobilisation through Private Placement*** | ***63,428*** | ***64,541*** |
| 1. QIP/IPP | 0 | 0 |
| 2. Preferential Allotment | 19,851 | 15,469 |
| 3. Private Placement of Debt | 43,577 | 49,072 |
| ***Total Funds Mobilised (A+B)*** | ***88,955*** | ***65,961*** |

**Notes: Current month data are provisional**

**Source: SEBI, NSE, BSE and MSEI**

1. **Trends in the Secondary Market**

**Exhibit 2: Snapshot of Indian Capital Market**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **May-19** | **Jun-19** | **Change during the Month** |
| **Index in Equity Market** |  |  |  |
| Sensex | 39,714 | 39,395 | -0.8 |
| Nifty 50 | 11,923 | 11,789 | -1.1 |
| Nifty 500 | 9,805 | 9,658 | -1.5 |
| BSE 500 | 15,518 | 15,292 | -1.5 |
| Nifty Bank | 31,375 | 31,105 | -0.9 |
| Nifty IT | 16,161 | 15,936 | -1.4 |
| BSE Healthcare | 13,305 | 12,889 | -3.1 |
| BSE FMCG | 11,518 | 11,362 | -1.4 |
| **Market Capitalisation (` crore)** | |  |  |
| BSE | 1,54,38,015 | 1,51,97,087 | -1.6 |
| NSE | 1,52,54,361 | 1,50,31,415 | -1.5 |
| **P/E Ratio** |  |  |  |
| Sensex | 29.0 | 28.5 | -1.9 |
| Nifty 50 | 29.5 | 29.0 | -1.7 |
| **No of Listed Companies** |  |  |  |
| BSE | 5292 | 5301 | 0.2 |
| NSE | 1942 | 1945 | 0.2 |
| **Gross Turnover in Equity Segment (` crore)** | |  |  |
| BSE | 58,172 | 46,958 | -19.3 |
| NSE | 7,88,184 | 5,96,030 | -24.4 |
| **Gross Turnover in Equity Derivatives Segment (` crore)** | | |  |
| BSE | 3 | 2 | -49.7 |
| NSE | 2,55,46,457 | 2,49,65,438 | -2.3 |
| **Gross Turnover in Currency Derivatives Segment (` crore)** | | |  |
| BSE | 6,52,341 | 5,83,043 | -10.6 |
| NSE | 6,83,259 | 5,91,129 | -13.5 |
| MSEI | 1,903 | 2,032 | 6.8 |
| **Gross Turnover in Interest Rate Derivatives Segment (` crore)** | | | |
| BSE | 8,498 | 8395 | -1.2 |
| NSE | 22,662 | 36,063 | 59.1 |

**Source: NSE, BSE and MSEI**

Equity markets in India corrected marginally in June 2019, after a buoyant rally in the past three months. Both Nifty and Sensex index touched all time high of 12,103 and 40,308 respectively on June 3, 2019. For the month of June 2019, both Sensex and Nifty index closed -1.1 per cent and -0.8 per cent respectively.

**Figure 1: Movement of Sensex and Nifty during June 2019**

In line with the movement in the broad-based benchmark indices, the market capitalisation of BSE and NSE too decreased by 1.6 per cent and 1.5 per cent respectively. At the end of June 2019, the total market capitalisation of BSE and NSE stood at **`**  152 lakh crore and **`**  150.3 lakh crore respectively.

The P/E ratios of S&P BSE Sensex and Nifty 50 index were 28.5 and 29 respectively, at the end of June 2019 compared to the reading of 29 and 29.5 respectively a month ago.

**Figure 2: Trends in Average Daily Values of Nifty 50 and NSE Equity Cash Segment Turnover**

**Figure 3: Trends in Average Daily Values of Sensex and BSE Equity Cash Segment Turnover**

In the month of June 2019, most of the major sectoral indices closed negative. Among BSE indices, S&P BSE Small Cap decreased by 4.2 percent, followed by S&P BSE Healthcare (-3.1 per cent), S&P BSE 500 (-1.5 per cent) and S&P BSE FMCG index (-1.4 per cent). On the other hand, S&P BSE Capital Goods index, S&P BSE power index and S&P BSE Metal index grew by 5.8 per cent, 4.2 per cent and 3.3 per cent respectively. In terms of volatility, S&P BSE Metal index was most volatile with daily volatility of 1.4 per cent.

**Figure 4: Performance of BSE Indices during June 2019**

Among select NSE sectoral indices, Nifty Media index declined highest by 7.5 percent during June 2019, followed by Nifty Small 100 index (-5.3 per cent) and Nifty Pharma index (-4.6 per cent). In terms of volatility, Nifty PSU bank index was most volatile with daily volatility of 1.6 per cent.

**Figure 5: Performance of NSE Indices during June 2019**

1. **Trends in Depository Accounts**

At the end of June 2019, there were 187 lakh demat accounts at NSDL and 180 lakh demat accounts at CDSL. Till the end of June 2019, 5,653 listed companies were signed up with NSDL 5,596 listed companies were signed up with CDSL to make their shares available in dematerialised form.

**Trends in Derivatives Segment**

1. **Equity Derivatives**

Among the three exchanges in the equity derivative market ecosystem, viz., NSE, BSE and MSEI, NSE is a dominant leader with a market share of almost 100 per cent. The notional monthly turnover in the equity derivatives segment of NSE decreased by 2.3 per cent from **`**  255.5 lakh crore in May 2019 to **`**  249.7 lakh crore in June 2019. Index options accounted for 90.7 per cent of the total notional turnover in the F&O segment of NSE during the month.

**Figure 6: Trends of Equity Derivatives Segment at NSE (₹ crore)**

The notional turnover of index futures and stock futures decreased by 22.9 per cent and 21.6 per cent respectively during the month. In case of Index options, while notional turnover in index call options decreased by 3 per cent that in index put options increased by 3.6 per cent. Further, notional turnover in stock call options decreased by 19.5 per cent and in stock put options decreased by 9 per cent

In terms of open interest, the open interest of index call options and index put options decreased by 3.8 per cent and 12.3 per cent respectively. The overall open interest, at the end of June 2019, in the equity derivative segment of NSE declined by 3.8 per cent.

In June 2019, the equity derivatives segment turnover of BSE was ₹1.8 crore compared to ₹ 3.4 crore in May 2019.

**Exhibit 3: Trends in Equity Derivatives Market**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **NSE** | | | **BSE** | | |
| **Jun-19** | **May-19** | **Percentage Change Over Month** | **Jun-19** | **May-19** | **Percentage Change Over Month** |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| **A. Turnover (` crore)** | | | | | | |
| (i) Index Futures | 4,53,616 | 5,88,154 | -22.9 | 0 | 1 | -64.8 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 1,05,68,663 | 1,01,99,786 | 3.6 | 0 | 0 | NA |
| *Call* | 1,20,62,972 | 1,24,29,716 | -3.0 | 0 | 0 | NA |
| (iii) Stock Futures | 10,74,674 | 13,70,551 | -21.6 | 1 | 2 | -42.3 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 2,95,240 | 3,24,608 | -9.0 | 0 | 0 | NA |
| *Call* | 5,10,274 | 6,33,641 | -19.5 | 0 | 0 | NA |
| **Total** | **2,49,65,438** | **2,55,46,457** | **-2.3** | **2** | **3** | **-49.7** |
| **B. No. of Contracts** | | | | | | |
| (i) Index Futures | 60,04,647 | 78,95,357 | -23.9 | 4 | 12 | -66.7 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 15,25,02,324 | 15,07,93,849 | 1.1 | 0 | 0 | NA |
| *Call* | 17,15,31,270 | 17,87,71,371 | -4.0 | 0 | 0 | NA |
| (iii) Stock Futures | 1,90,02,686 | 2,36,60,383 | -19.7 | 16 | 28 | -42.9 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 53,35,151 | 55,75,141 | -4.3 | 0 | 0 | NA |
| *Call* | 86,43,189 | 1,00,48,031 | -14.0 | 0 | 0 | NA |
| **Total** | **36,30,19,267** | **37,67,44,132** | **-3.6** | **20** | **40** | **-50.0** |
| **C. Open Interest in terms of Value ( ` crore)** | | | | | | |
| (i) Index Futures | 28,376 | 28,322 | 0.2 | 0 | 0 | NA |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 60,266 | 68,735 | -12.3 | 0 | 0 | NA |
| *Call* | 53,128 | 55,222 | -3.8 | 0 | 0 | NA |
| (iii) Stock Futures | 1,09,872 | 1,08,548 | 1.2 | 0 | 0 | NA |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 6,300 | 6,612 | -4.7 | 0 | 0 | NA |
| *Call* | 9,535 | 10,732 | -11.2 | 0 | 0 | NA |
| **Total** | **2,67,478** | **2,78,172** | **-3.8** | **0** | **0** | **NA** |
| **D. Open Interest in terms of No of Contracts** | | | | | | |
| (i) Index Futures | 3,46,401 | 3,44,754 | 0.5 | 0 | 0 | NA |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 7,41,211 | 8,26,834 | -10.4 | 0 | 0 | NA |
| *Call* | 6,77,085 | 6,92,027 | -2.2 | 0 | 0 | NA |
| (iii) Stock Futures | 17,52,939 | 18,35,515 | -4.5 | 0 | 0 | NA |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 1,04,016 | 1,12,425 | -7.5 | 0 | 0 | NA |
| *Call* | 1,59,749 | 1,88,534 | -15.3 | 0 | 0 | NA |
| **Total** | **37,81,401** | **40,00,089** | **-5.5** | **0** | **0** | **NA** |

**Source: NSE and BSE**

1. **Currency Derivatives at NSE, BSE and MSEI**

The monthly turnover of currency derivatives in India declined from **`**  13.38 lakh crore to **`**  11.76 lakh crore in June 2019. Trading value of exchange traded contracts on NSE and BSE declined by 13.5 per cent and 10.6 per cent respectively, whereas that on MSEI increased by 6.8 per cent. In terms of market share, both BSE and NSE have equal share (50 per cent each) in currency derivative segment in India.

**Figure 7: Trends of Currency Derivatives at NSE, MSEI and BSE (₹ crore)**

1. **Interest Rate Futures at NSE and BSE**

During June 2019, the monthly turnover of interest rate futures at NSE increased by 59.1 per cent to **`** 36,063 crore from **`** 22,662 crore in May 2019. However, during the same time, the monthly turnover of interest rate futures at BSE decreased by 1.2 per cent to **`** 8,395 crore from **`** 8,498 crore. There was no trading activity in interest rate futures at MSEI during the month under consideration.

**Figure 8: Trends of Interest Rate Futures at NSE and BSE (₹** **crore)**

1. **Trading in Corporate Debt Market**

During June 2019, BSE noted 3,662 trades of corporate debt with a traded value of ₹ 56,679 crore as compared to 4,839 trades of corporate debt with a traded value of ₹ 65,109 crore in May 2019. At NSE, 5,845 trades were noted with a traded value of ₹ 1,14,725 crore in June 2019 as compared to 6,650 trades with a traded value of ₹ 1,29,918 crore in May 2019. Together, the trading in corporate debt at BSE and NSE amounted to **`**  1,71,404 crore during June 2019.

**Figure 9: Trends in Reported Turnover of Corporate Bonds (₹** **crore)**

1. **Trends in Institutional Investment**
2. **Trends in Investment by Mutual Funds**

The mutual fund industry saw a net inflow of **`**  1,09,701 crore in June 2019. While growth/equity oriented schemes and exchange traded funds (ETFs) saw net inflow of **`**  1,07,970 crore and **`**  42,940 crore respectively, income/ debt oriented schemes witnessed net outflow of **`**  48,320 crore.

During June 2019, mutual funds made net investment of **`**  49,803 crore in the Indian securities– secondary market (**`**  6,232 crore in the equity and **`**  43,571 crore in the debt securities).

The net assets under management of all mutual funds decreased by 8.2 per cent to ₹ 23.79 lakh crore at the end of June 2019 from ₹ 25.94 lakh crore at the end of May 2019.

As on June 30, 2019, there were a total of 2,042 mutual fund schemes in the market, of which 1,354 were income / debt oriented schemes, 554 were growth / equity oriented schemes, 78 were ETF schemes, and rest were Hybrid schemes and FoF investing overseas.

**Figure 10: Trends in Mutual Funds Investment (₹ crore)**

1. **Trends in Investment by the Foreign Portfolio Investors (FPIs)**

Foreign portfolio investors (FPIs) were a net buyer for June 2019. FPIs made net investment of **`**  13,111 crore in Indian securities market in June 2019 compared to an investment of **`**  11,370 crore in May 2019. FPIs invested **₹** 2,596 crore in equity securities, **`**  8,319 crore in debt securities and **₹** 2,196 crore in hybrid securities in June 2019.

The assets of the FPIs in India, as reported by the custodians, at the end of June 2019 was ₹ 33,81,730 crore, out of which the notional value of offshore derivative instruments (including ODIs on derivatives) was ₹ 81,092 crore (or 2.4 per cent of total assets of FPIs).

**Figure 11: Trends in FPIs Investment (₹ crore)**

1. **Trends in Portfolio Management Services**

During June 2019, the total AUM of the portfolio management industry increased by 0.5 per cent to ₹ 16.3 lakh crore from ₹ 16.2 lakh crore in May 2019. Of the total AUM of ₹ 16.3 lakh crore at the end of June 2019, AUM of fund managers of EPFO/PFs contributed ₹ 11.9 lakh crore in the total AUM (or 72.7 per cent of total AUM).

In terms of number of clients in PMS industry at the end of June 2019, discretionary services category topped with 1,44,879 clients, followed by non-discretionary category with 7,500 clients and advisory category with 4,102 clients.

1. **Trends in Substantial Acquisition of Shares and Takeovers**

During June 2019, four open offers with offer value of ₹ 5,181 crore was made to the shareholders as against five open offers with offer value of ₹ 249 crore made in May 2019. All the four open offers were for change in control of management.

**Figure 12: Details of Open Offers Made under the SEBI (SAST) Regulations**

1. **Commodities Derivatives Markets**

**A. Market Trends**

During June 2019, MCX Comdex, witnessed a rise of 3.4 per cent (MoM) driven by increase in prices of metal (lead and nickel), bullion and energy (crude oil) segments. In agri segment, cotton, CPO and mentha oil witnessed a declining trend, while, cardamom showed a firm trend. On YoY basis, MCX Comdex decreased by 6.0 per cent, mainly on account of decline in prices of all the constituent commodities except cardamom, gold and zinc over the past year.

During the month, MCX Energy index, increased on account of increase in prices of crude oil (8.5 per cent) which was partially offset by decline in prices of natural gas (6.8 per cent). Witnessing similar trend, the uptrend in MCX metal index was due to increase in futures prices of all the base metals except zinc and aluminium which declined by 3.9 per cent and 0.1 per cent respectively. MCX Agri index recorded marginal fall as futures prices of mentha oil, cotton and CPO declined by 5.0 per cent, 2.6 per cent and 1.6 per cent respectively during the month, which was partially offset by rise in prices of cardamom (22.2 per cent).

NKrishi index decreased by 3.3 per cent (MoM) as 8 out of 10 constituent commodities (guar seed, soybean, chana, turmeric, RM seed, jeera, coriander and castorseed) witnessed a downtrend in futures prices. On YoY basis, the NKrishi index registered a gain of 17.3 per cent at the end of June 2019 on account of increase in prices of all the traded commodities except turmeric, RM seed, refined soy oil and jeera. Monthly trends in MCX Comdex and NKrishi Index are presented in Table 65.

**Figure 13: Movement of Commodity Derivatives Market Indices**

**Source: MCX and NCDEX**

During June 2019, daily volatility in MCX Comdex and NKrishi indices was recorded at 0.6 and 0.7 per cent respectively. The daily volatility and price variation over the previous month for benchmark commodity indices are shown in the Figure 14 below:

**Figure 14: Variation (point-to-point) and daily volatility of commodity indices in June 2019 (per cent)**

**Source: MCX and NCDEX**

**B. Turnover**

During June 2019, the aggregate turnover of all commodity exchanges decreased by 9.1 per cent to ₹6,39,066 crore as turnover at all the exchanges decreased significantly during the month. The agricultural segment contributed 8.0 per cent to the total turnover, while non-agricultural segment accounted for 92.0 per cent.

The total turnover (futures & options) at MCX decreased by 8.1 per cent to ₹5,91,520 crore during June 2019. The turnover at futures segment decreased by 8.0 per cent as except bullion, volumes and value traded of other three segments viz. metal, energy and agri. declined during the month. The notional turnover of options contracts traded at MCX declined by 13.3 per cent during the month as turnover at metal, energy and bullion segment declined by 30.9 per cent, 16.5 per cent and 10.1 per cent, respectively. The options contracts contributed 2.5 per cent to the total turnover at MCX.

During the month, the total turnover (futures & options contracts) at NCDEX decreased by 17.2 per cent to ₹40,097 crore, due to decline in volumes and traded value of all the traded commodities. Turnover in options segment at NCDEX decreased from ₹1.5 crore in May 2019 to ₹0.7 crore in June 2019. Out of the five permitted commodities, trading took place only in guarseed options contracts during the month.

In June 2019, commodity futures turnover at ICEX, BSE and NSE decreased by 45.3 per cent, 22.2 per cent and 1.9 per cent respectively. The decline in turnover at ICEX was driven by lower trading volumes in diamond futures contract, while at BSE the turnover fell down due to fall in trading volumes in Gold, Silver, Cotton and Guar seed futures.

Futures trading in turmeric commenced at BSE on 28th June, 2019 and recorded a total turnover of ₹36 crore. Similarly, futures trading was also launched at BSE in silver kg. and silver mini contracts on 13th June, 2019 , which together recorded a total turnover of ₹0.04 crore during the month.

The turnover of agricultural and non-agricultural commodities at exchanges is shown in Figures 15, 16 and the details are given in Tables 66 to 70.

**Figure 15: Trends in turnover of agricultural commodity derivatives (₹crore)**

**Source: MCX, NCDEX, BSE & ICEX**

**Figure 16: Trends in turnover of non-agricultural commodity derivatives - futures and options**

**Source: MCX, ICEX, BSE & NSE**

The following chart provides a snapshot of the percentage gain/loss in futures prices in near month contracts of the commodities traded at the exchanges.

**Figure 17: Movement of Near Month futures prices (M-o-M) for commodities traded on domestic exchanges during June 2019 (per cent)**

**Source: MCX, NCDEX, ICEX, BSE and NSE**

**OVERVIEW OF THE GLOBAL FINANCIAL MARKETS**

During the second quarter of 2019, the global activity has been slowing down compared to the previous quarter. The ongoing trade war between the largest and the second largest economies of the world has affected the general investor confidence. The gross domestic product (GDP) of the USA grew by 3.2 per cent (quarter-on-quarter, annualised) in first quarter of 2019, (revised down from 3.2 per cent estimated earlier). The first quarter GDP growth for the Eurozone was confirmed at 0.4 per cent Q-o-Q. The British economy has been suffering over the uncertainty of the Brexit. Although GDP grew by 0.5 per cent in the first quarter, the Office for National Statistics (ONS) revealed that the economy actually shrank by 0.4 per cent in April, primarily due to sharp fall in car production related to Brexit uncertainty. The Japanese economy on the other hand recorded a surprising increase in the growth rate. During the first quarter, the economy grew by 0.5 per cent QoQ, beating the market expectation of a 0.1 per cent contraction.

Economic activity slowed in major emerging market economies (EMEs). India has lost its spot as the world's fastest-growing major economy after it grew at 5.8 per cent in the first quarter of 2019. In the previous quarter, the economy grew at 6.6 per cent. The ongoing trade war with the USA has dented growth of the Chinese economy. China's economy in the second quarter of 2019 grew at 6.2 per cent Y-o-Y, its slowest pace since the early 1990s. Both Brazil and Russia recorded slowdown. During the first quarter of 2019, the Brazilian economy grew by 0.5 per cent YoY. Russia’s economic growth also remained muted (at 0.5 per cent YoY). The South African GDP contracted by 3.2 per cent during the first quarter.

Crude oil prices remained volatile, reflecting evolving demand-supply conditions underpinned by the production stance of the OPEC plus, rising shale output, weakening global demand and geo-political concerns.

As regards the Indian economy, the real GDP growth for 2018-19 has been 6.8 per cent. The quarterly GDP growth for the first quarter of 2019 has been 5.8 per cent. The Economic Survey 2018-19, shows that India will face a challenge on the fiscal front following an economic slowdown which impacts tax returns, amid rising state expenditure on the farm sector. However, the investment rate was expected to pick up following improvements in consumer demand and bank lending. The growth in the economy is expected to pick up in 2019 as macroeconomic conditions continue to be stable. The government report said the accommodative monetary policy of the central bank could help decrease real lending rates and push investments.

**Equity Markets:**

Uncertainties surrounding US-China trade negotiations and Brexit have affected the investment sentiments across the globe. Indices in developed markets gained in June 2019, despite a steep fall in May due to concerns over the US-China trade war. Stock markets were supported by increasingly accommodative central banks. In the US the S&P 500 set a new record high. Investors were broadly cheered by continued dovishness from the Federal Reserve and indications of progress in trade tensions by the end of June. In the Eurozone, indices advanced in June following a sharp drop in May. Sentiment towards trade-exposed areas of the market such as semiconductors and car makers ebbed and flowed over the quarter as trade tensions persisted. The lack of any further escalation in the trade wars in June helped the market to recover after May’s pull-back. In the UK the stock market performed well, although many of the market’s domestically-focused sectors underperformed amid renewed Brexit and political uncertainty. The Japanese market on the other hand did not perform at par with its developed counterparts. The continued escalation of trade issues have affected Japanese exports. The negative factors exacerbated the reaction to a slowdown in corporate earnings growth.

Equity markets in most EMEs have lost steam due to the waning risk appetite on rising geo-political uncertainties and weakening global trade prospects. Emerging markets exhibited a more or less upward trend following weak performance in May 2019. The business sentiment was affected by the US-China trade tensions that were rekindled in May. However, hopes for a resumption of talks post the G20 summit in June, and rising expectations that the US Fed will cut interest rates, proved supportive in June. The MSCI Emerging Markets Index gained but underperformed the MSCI World. The Indian securities market also recorded uptick gained during the month. Russia also performed better than the average country in the index. Meanwhile, the Russian central bank cut interest rates by 25 basis points (bps) to 7.25 per cent in June, and signalled potential for further easing this year. By contrast, China underperformed, impacted by global trade uncertainty.

Among the developed market indices, the Nasdaq Composite index of the US increased by 7.4 per cent at the end of June 2019 from its previous month’s closing, followed by Dow Jones Industrial Average (7.2 per cent), Straits Times Index of Singapore (6.5 per cent) and CAC 40 index of France (6.4 per cent). As regards major emerging economies, the Russian Traded Index gained by 6.2 per cent at the end of June 2019 over its previous month’s closing, followed by JSE Africa All Shares (4.6 per cent) and Ibovespa index of Brazil (4.1 per cent). On the other hand, Nifty 50 of India fell by 1.1 per cent followed by the S&P BSE Sensex (0.8 per cent).

**Table A2: Performance of Stock Indices**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Name of the Index** | **Closing Value as on** | **Closing Value before** | | | | **Annualised Volatility (%)** | **P/E Ratio** |
| **June 30, 2019** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRICS Nations** | | | | | | | | |
| Brazil | BRAZIL IBOVESPA INDEX | 100967.2 | 97030.3 | 95414.6 | 87887.3 | 72762.5 | 19.4 | 18.3 |
| Russia | RUSSIAN TRADED INDEX | 2044.5 | 1925.3 | 1758.9 | 1561.5 | 1670.3 | 16.7 | 5.7 |
| India | Nifty 50 | 11788.9 | 11922.8 | 11623.9 | 10862.6 | 10714.3 | 12.0 | 29.0 |
| India | S&P BSE SENSEX INDEX | 39394.6 | 39714.2 | 38672.9 | 36068.3 | 35423.5 | 12.0 | 28.5 |
| China | SHANGHAI SE COMPOSITE | 2978.9 | 2898.7 | 3090.8 | 2493.9 | 2847.4 | 21.5 | 14.4 |
| South Africa | FTSE/JSE AFRICA ALL SHR | 58203.8 | 55650.4 | 56462.6 | 52736.9 | 57611.0 | 12.2 | 17.7 |
| **Developed Markets** | | | | | | | | |
| USA | NASDAQ COMPOSITE INDEX | 8006.2 | 7453.1 | 7729.3 | 6635.3 | 7510.3 | 16.2 | 31.8 |
| USA | DOW JONES INDUS. AVG | 26600.0 | 24815.0 | 25928.7 | 23327.5 | 24271.4 | 12.4 | 17.0 |
| France | CAC 40 INDEX | 5539.0 | 5207.6 | 5350.5 | 4730.7 | 5323.5 | 12.6 | 18.6 |
| Germany | DAX INDEX | 12398.8 | 11726.8 | 11526.0 | 10559.0 | 12306.0 | 13.9 | 16.4 |
| UK | FTSE 100 INDEX | 7425.6 | 7161.7 | 7279.2 | 6728.1 | 7636.9 | 10.6 | 17.6 |
| Hong Kong | HANG SENG INDEX | 28542.6 | 26901.1 | 29051.4 | 25845.7 | 28955.1 | 15.1 | 11.2 |
| South Korea | KOSPI INDEX | 2130.6 | 2041.7 | 2140.7 | 2041.0 | 2326.1 | 11.9 | 18.1 |
| Japan | NIKKEI 225 | 21275.9 | 20601.2 | 21205.8 | 20014.8 | 22304.5 | 14.2 | 20.1 |
| Singapore | Straits Times Index STI | 3321.6 | 3117.8 | 3212.9 | 3068.8 | 3268.7 | 10.0 | 13.5 |
| Taiwan | TAIWAN TAIEX INDEX | 10730.8 | 10498.5 | 10641.0 | 9727.4 | 10836.9 | 10.7 | 15.5 |

**Source:** Bloomberg, BSE and NSE

**Chart 1: Stock Market Trend in Select Developed Markets**

**Source:** Bloomberg

**Note:** All indices have been indexed with base as January 01, 2019

**Chart 2: Stock Market Trend in Select Emerging Markets**

**Source:** Bloomberg

**Note:** All indices have been indexed with base as January 01, 2019.

**Fund Mobilisation by Issuance of Equity and Bond:**

As per the data available from World Federation of Exchanges, during May 2019, US$ 46.9 billion (of which US$ 44.4 billion through issuance of bonds and US$ 2.5 billion through issuance of equity) was raised through LSE Group, followed by Korea Exchange (US$ 41.4 billion) and Deutsche Boerse AG (US$ 45.5 billion). As regards BRICS nations, US$ 25.3 billion was mobilized through Moscow Exchange followed by National Stock Exchange of India (US$ 13.3 billion) and Shenzhen Stock Exchange (US$ 6.4 billion) (Table A3).

**Table A3: Fund Mobilisation by Issuance of Equity and Bond in Major Exchanges**

(US$ Million)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Country** | **Exchange** | **Apr-19** | | | **May-19** | | |
|  | **Equity** | **Bond** | **Total** | **Equity** | **Bond** | **Total** |
| Developed Markets | USA | Nasdaq - US | 2,703 | NA | 2,703 | 3,131 | NA | 3,131 |
| USA | NYSE | 7,403 | NA | 7,403 | - | NA | - |
| UK | LSE Group | 8,562 | 52,436 | 60,997 | 2,464 | 44,383 | 46,847 |
| France | Euronext | 5,155 | NA | 5,155 | 2,940 | NA | 2,940 |
| Germany | Deutsche Boerse AG | - | 25,867 | 25,867 | 60 | 30,201 | 30,261 |
| Spain | BME Spanish Exchanges | 413 | 24,785 | 25,198 | 896 | 26,141 | 27,038 |
| Japan | Japan Exchange Group | 4,137 | 11,096 | 15,233 | - | NA | - |
| Singapore | Singapore Exchange | 155 | 45,303 | 45,458 | 1,069 | 9,614 | 10,683 |
| Australia | ASX Australian Securities Exchange | 2,048 | NA | 2,048 | 2,406 | NA | 2,406 |
| Hong Kong | Hong Kong Exchanges and Clearing | 5,834 | 17,586 | 23,420 | 1,922 | 13,196 | 15,118 |
| Korea | Korea Exchange | 7 | 47,361 | 47,367 | 62 | 41,376 | 41,438 |
| BRICS | Brazil | B3 - Brasil Bolsa Balcão | 281 | - | 281 | - | - | - |
| Russia | Moscow Exchange | NA | 28,433 | 28,433 | NA | 25,270 | 25,270 |
| India | BSE India Limited | 444 | 6,262 | 6,706 | 34 | 3,460 | 3,494 |
| India | National Stock Exchange of India Limited | 1,193 | 21,425 | 22,618 | 10,102 | 3,161 | 13,263 |
| China | Shanghai Stock Exchange | 3,807 | NA | 3,807 | 3,406 | NA | 3,406 |
| China | Shenzhen Stock Exchange | 2,770 | 5,835 | 8,604 | 3,932 | 2,456 | 6,387 |
| South Africa | Johannesburg Stock Exchange | 331 | 7,465 | 7,796 | 183 | 4,503 | 4,686 |

**Note:** Fund mobilisation data for equities are (i) excluding investment funds and (ii) including Alternative and SME Markets except the following exceptions:

1. Australian Securities Exchange: including investment funds
2. BME: Including investment companies listed (open-end investment companies).
3. Bolsa de Valores de Lima: Includes 26 foreign companies with shares negotiated under a special modality
4. Euronext: includes Belgium, England, France, Netherlands and Portugal
5. Korea Exchange: including Kosdaq market data
6. LSE Group: includes London Stock Exchange and Borsa Italiana
7. Nasdaq Nordic Exchanges include Copenhagen, Helsinki, Iceland, Stockholm, Tallinn, Riga and Vilnius Stock Exchanges
8. NSE India: including “Emerge” market data
9. Singapore Exchange: market capitalization includes domestic listings and a substantial number of foreign listings, defined as companies whose principal place of business is outside of Singapore. Inactive secondary foreign listings are excluded.

For Funds mobilised through issuance of bonds, due to different reporting rules & calculation methods, turnover figures are not entirely comparable. The sale & purchase of a share are counted as one transaction

NA = Not Available

**Source:** World Federation of Exchanges

**Market Capitalisation of Major Exchanges:**

Market capitalisation of the major economies exhibited mostly downward trend across the world during May 2019. Among developed nations, market cap of the Hong Kong Exchanges and Clearing fell by 9.6 per cent followed by Korea Exchange (9.3 per cent) and the NASDAQ of the US (7.7 per cent). Among BRICS nations, market capitalisation of Moscow Exchange grew by 1.7 per cent, followed by National Stock Exchange of India (1.6 per cent) and BSE India Limited (1.4 per cent).

**Table A4: Domestic Market Capitalisation of Major Exchanges**

(US$ Billion)

|  |  |  |
| --- | --- | --- |
| **Exchange** | **Apr-19** | **May-19** |
| Nasdaq - US | 11,769,584 | 10,860,571 |
| NYSE | 22,477,385 | NA |
| LSE Group | 4,037,920 | 3,758,940 |
| Euronext | 4,437,440 | 4,129,455 |
| Deutsche Boerse AG | 1,989,342 | 1,872,218 |
| BME Spanish Exchanges | 790,149 | 746,559 |
| Japan Exchange Group | 5,668,412 | 5,443,576 |
| Singapore Exchange | 733,266 | 691,007 |
| Hong Kong Exchanges and Clearing | 4,378,037 | 3,957,756 |
| Korea Exchange | 1,478,480 | 1,341,237 |
| ASX Australian Securities Exchange | 1,408,545 | 1,400,177 |
| B3 - Brasil Bolsa Balcão | 979,051 | 981,186 |
| Moscow Exchange | 659,560 | 670,582 |
| BSE India Limited | 2,185,547 | 2,215,951 |
| National Stock Exchange of India Limited | 2,157,630 | 2,192,188 |
| Shanghai Stock Exchange | 5,230,942 | 4,610,014 |
| Shenzhen Stock Exchange | 3,398,314 | 2,963,714 |
| Johannesburg Stock Exchange | 982,564 | 898,993 |

**Notes:**

1. Euronext: includes Belgium, England, France, Netherlands and Portugal
2. Johannesburg Stock Exchange: figures include the market capitalization of all listed companies, but exclude listed warrants, convertibles and investment funds
3. Korea Exchange: including Kosdaq market data
4. LSE Group: includes London Stock Exchange and Borsa Italiana
5. NSE India: including “Emerge” market data
6. Singapore Exchange: market capitalization includes domestic listings and a substantial number of foreign listings, defined as companies whose principal place of business is outside of Singapore.

**Source:** World Federation of Exchanges

**Equity Derivatives:**

As per the latest data available from the World Federation of Exchanges, during May 2019 the following performance was recorded in equity derivatives markets across the globe (Table A5 and A6):

**Single Stock Options:**

* Amongst exchanges in the Americas, Nasdaq - US recorded trading of 61.6 million contracts, followed by BM&FBOVESPA (57.9 million contracts) and Chicago Board Options Exchange (28.2 million contracts).
* Amongst exchanges in the Europe - Africa - Middle East, Tehran Stock Exchange recorded trading of 18.5 million contracts, followed by EUREX (15.5 million contracts) and Euronext (5.5 million contracts).
* Amongst exchanges in the Asia Pacific, the National Stock Exchange of India recorded trading of 15.6 million contracts, followed by Hong Kong Exchanges and Clearing (11.5 million contracts) and Australian Securities Exchange (6.6 million contracts).

**Single Stock Futures:**

* Amongst exchanges in the Americas, Bourse de Montreal recorded trading of 0.3 million contracts, followed by Bolsa de Valores de Colombia (9.1 thousand contracts) and MexDer (2.7 thousand contracts).
* Amongst exchanges in the Europe - Africa - Middle East, EUREX recorded trading of 30.0 million contracts, followed by Moscow Exchange (21.3 million contracts) and Borsa Istanbul (13.8 million contracts).
* Amongst exchanges in the Asia Pacific, Korea Exchange recorded trading of 64.0 million contracts, followed by National Stock Exchange of India (23.7 million contracts) and Thailand Futures Exchange (2.8 million contracts).

**Index Options:**

* Amongst exchanges in the Americas, CME Group recorded trading of 17.8 million contracts, followed by BM&FBOVESPA (4.6 million contracts) and Nasdaq of the US (0.2 million contracts).
* Amongst exchanges in the Europe - Africa - Middle East, EUREX recorded trading of 36.2 million contracts, followed by Tel-Aviv Stock Exchange (2.3 million contracts) and Euronext (1.7 million contracts).
* Amongst exchanges in the Asia Pacific, National Stock Exchange of India recorded trading of 329.6 million contracts, followed by Korea Exchange (59.3 million contracts) and TAIFEX (19.4 million contracts).

**Index Futures:**

* Amongst exchanges in the Americas, BM&FBOVESPA recorded trading of 145.9 million contracts, followed by CME Group (75.3 million contracts) and Bourse de Montreal (0.5 million contracts).
* Amongst exchanges in the Europe - Africa - Middle East, EUREX recorded trading of 38.4 million contracts, followed by Moscow Exchange (8.7 million contracts) and Borsa Istanbul (4.8 million contracts).
* Amongst exchanges in the Asia Pacific, Japan Exchange Group recorded trading of 28.4 million contracts, followed by Singapore Exchange (19.1 million contracts) and Hong Kong Exchanges and Clearing (11.6 million contracts).

**Currency Derivatives:**

As per the latest data available from the World Federation of Exchanges, during May 2019, exchanges across the world showed the following trend in trading of currency derivatives (Table A7):

**Currency Options:**

* Amongst exchanges in the Americas, CME Group recorded trading of 1.2 million contracts, followed by MexDer (3.0 thousand contracts) and ICE Futures US (1.0 thousand contracts).
* Amongst exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 1.4 million contracts, followed by Tel-Aviv Stock Exchange (0.7 million contracts) and Borsa Istanbul (0.1 million contracts).
* Amongst exchanges in the Asia Pacific, BSE India Limited recorded trading of 57.9 million contracts, followed by National Stock Exchange of India (46.6 million contracts) and TAIFEX (15.0 thousand contracts).

**Currency Futures:**

* Amongst exchanges in the Americas, CME Group recorded trading of 16.8 million contracts, followed by MexDer (0.4 million contracts) and ICE Futures US (0.3 million contracts).
* Amongst exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 31.4 million contracts, followed by Borsa Istanbul (7.7 million contracts) and Dubai Gold & Commodity Exchange (1.6 million contracts).
* Amongst exchanges in the Asia Pacific, National Stock Exchange of India recorded trading of 50.1 million contracts, followed by BSE India Limited (35.3 million contracts) and Korea Exchange (9.6 million contracts).

**Interest Rate Derivatives:**

As per the latest data available from the World Federation of Exchanges, during May 2019, exchanges across the world showed the following trend in trading of interest rate derivatives (Table A8):

**Interest Rate Options:**

* Among exchanges in the Americas, CME Group recorded trading of 74.3 million contracts followed by Bourse de Montreal (0.1 million contracts).
* Among exchanges in the Europe, Africa and Middle East, EUREX recorded trading of 4.9 million contracts followed by Nasdaq Nordic Exchanges (0.6 million contracts) and Johannesburg Stock Exchange (0.2 million contracts).
* Among exchanges in the Asia Pacific, Australian Securities Exchange recorded trading of 0.2 million contracts, followed by Japan Exchange Group (35.3 thousands contracts).

**Interest Rate Futures:**

* Among exchanges in the Americas, CME Group recorded trading of 229.8 million contracts, followed by Bourse de Montreal (7.5 million contracts) and MexDer (39.5 thousand contracts).
* Among exchanges in the Europe - Africa - Middle East, EUREX recorded trading of 45.7 million contracts, followed by Nasdaq Nordic Exchanges (4.6 million contracts) and Johannesburg Stock Exchange (0.4 million contracts).
* Among exchanges in the Asia Pacific, Australian Securities Exchange recorded trading of 13.3 million contracts, followed by Korea Exchange (2.9 million contracts) and National Stock Exchange (1.1 million contracts).

**Commodity Derivatives:**

As per the latest data available from the World Federation of Exchanges, during May 2019, exchanges across the world showed the following trend in trading of commodity derivatives (Table A9):

**Commodity Options:**

* Among exchanges in the Americas, CME Group recorded trading of 17.2 million contracts, followed by ICE Futures US (1.3 million contracts).
* Among exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 0.6 million contracts, followed by London Metal Exchange (0.5 million contracts) and EUREX (0.2 million contracts).
* Among exchanges in the Asia – Pacific, Dalian Commodity Exchange recorded trading of 2.0 million contracts, followed by Zhengzhou Commodity Exchange (0.8 million contracts) and Singapore Exchange (0.6 million contracts).

**Commodity Futures:**

* Among exchanges in the Americas, CME Group recorded trading of 92.9 million contracts, followed by ICE Futures US (6.7 million contracts).
* Among exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 51.0 million contracts, followed by London Metal exchange (14.6 million contracts) and Borsa Istanbul (4.4 million contracts).
* Among exchanges in the Asia – Pacific, Dalian Commodity Exchange recorded trading of 120.6 million contracts, followed by Zhengzhou Commodity Exchange (99.4 million contracts) and Shanghai Futures Exchange (98.8 million contracts).
* **Table A5: Stock Options and Stock Futures Traded in Major Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **May 2019** | | | | | |
| **Stock options** | | | **Single stock futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | | | | | | |
| BATS Global Markets - US | 30,384,835 | NA | NA | NA | NA | NA |
| BM&FBOVESPA | 57,932,246 | 39,329 | 13,971,400 | - | - | - |
| Bolsa de Comercio de Buenos Aires | 2,198,360 | - | - | - | - | - |
| Bolsa de Valores de Colombia | - | - | - | 9,059 | 11 | 24,326 |
| Bourse de Montreal | 2,474,190 | NA | NA | 277,270 | NA | NA |
| International Securities Exchange | 28,235,388 | NA | NA | NA | NA | NA |
| MexDer | 163,100 | 17 | 201,790 | 2,650 | 1 | 2,409 |
| Miami International Securities Exchange | 8,674,404 | NA | NA | NA | NA | NA |
| Nasdaq - US | 61,614,551 | NA | NA | NA | NA | NA |
| **Total region** | **191,677,074** |  |  | **288,979** |  |  |
| **Asia - Pacific** | | | | | | |
| Australian Securities Exchange | 6,601,097 | 13,724 | 8,080,690 | 110,137 | 238 | 672,606 |
| BSE India Limited | - | NA | NA | 40 | 0 | 7 |
| Hong Kong Exchanges and Clearing | 11,468,731 | 36,107 | 9,300,290 | 101,635 | 414 | 20,482 |
| Japan Exchange Group | 20,408 | NA | 127,550 | NA | NA | NA |
| Korea Exchange | 1,821,332 | NA | 532,851 | 64,551,839 | 29,212 | 4,556,220 |
| National Stock Exchange of India | 15,623,172 | 2,728 | 300,959 | 23,660,383 | 196,960 | 1,835,520 |
| TAIFEX | 23,066 | 53 | 9,313 | 1,922,271 | 15,942 | 126,955 |
| Thailand Futures Exchange | NA | NA | NA | 2,801,173 | NA | 2,258,710 |
| **Total region** | **35,557,806** |  |  | **93,147,478** |  |  |
| **Europe - Africa - Middle East** | | | | | | |
| Athens Derivatives Exchange | 1,943 | 1 | 1,554 | 994,359 | 210 | 361,671 |
| BME Spanish Exchanges | 1,191,965 | 1,347 | 7,673,420 | 872,500 | 506 | 1,885,670 |
| Borsa Istanbul | 243,850 | 19 | 390,991 | 13,754,462 | 1,800 | 1,113,870 |
| Budapest Stock Exchange | - | - | - | 15,390 | 94 | 6,742 |
| Dubai Gold & Commodities Exchange | NA | NA | NA | 226,753 | 404 | 563 |
| EUREX | 15,472,861 | 71,194 | 62,683,000 | 29,971,812 | 113,163 | 15,705,800 |
| Euronext | 5,481,773 | 20,558 | 15,947,500 | 318,377 | 1,344 | 246,133 |
| Johannesburg Stock Exchange | - | - | - | - | - | - |
| Moscow Exchange | 163,375 | 51 | 237,560 | 21,264,996 | 6,625 | 2,381,150 |
| Nasdaq Nordic Exchanges | 1,498,461 | 2,041 | 3,454,400 | 264,739 | 552 | 333,627 |
| Oslo Bors | 179,623 | 250 | 276,156 | 67,588 | 68 | 89,812 |
| Tehran Stock Exchange | 18,478,461 | 2 | NA | NA | NA | NA |
| Tel-Aviv Stock Exchange | 100,659 | 357 | 56,007 | NA | NA | NA |
| Warsaw Stock Exchange | - | - | - | 119,716 | 231 | 29,691 |
| **Total region** | **42,812,971** |  |  | **67,870,692** |  |  |
| **Total** | **270,047,851** |  |  | **161,307,149** |  |  |

**NA:** Not Available

**Source:** World Federation of Exchanges

**Table A6: Index Options and Index Futures Traded in Major Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **May 2019** | | | | | |
| **Stock index options** | | | **Stock index futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | | | | | | |
| BATS Global Markets - US | 49,434 | NA | NA | NA | NA | NA |
| BM&FBOVESPA | 4,552,977 | 26,886 | 444,665 | 145,871,618 | 764,915 | - |
| Bolsa de Comercio de Buenos Aires | - | - | - | 76,721 | 59,645 | - |
| Bolsa de Valores de Colombia | NA | NA | NA | 415 | 5 | 398 |
| Bourse de Montreal | 13,126 | NA | NA | 503,333 | NA | NA |
| CME Group | 17,782,894 | 2,892,420 | 4,734,180 | 75,344,505 | 9,293,810 | 4,334,190 |
| ICE Futures US | NA | NA | NA | NA | 180,129 | 1,764,430 |
| International Securities Exchange | 124,170 | NA | NA | NA | NA | NA |
| MexDer | 376 | 8 | 1,992 | 46,054 | 993 | 42,102 |
| Miami International Securities Exchange | 429 | NA | NA | NA | NA | NA |
| Nasdaq - US | 170,325 | NA | NA | NA | NA | NA |
| **Total region** | **22,693,731** |  |  | **221,842,646** |  |  |
| **Asia - Pacific** | | | | | | |
| Australian Securities Exchange | 1,019,973 | 44,084 | 957,198 | 1,084,274 | 117,663 | 413,228 |
| BSE India Limited | - | NA | NA | 8 | 0 | NA |
| Bursa Malaysia Derivatives | 1,510 | 0 | 427 | 212,272 | 4,054 | 26,174 |
| China Financial Futures Exchange | NA | NA | NA | 5,938,834 | 860,028 | 295,364 |
| Hong Kong Exchanges and Clearing | 3,787,509 | 361,993 | 3,271,030 | 11,559,566 | 1,215,880 | 643,379 |
| Japan Exchange Group | 2,502,807 | NA | 2,166,200 | 28,424,733 | 1,062,670 | 1,993,130 |
| Korea Exchange | 59,285,759 | 3,532,490 | 3,859,980 | 9,608,817 | 385,816 | 750,823 |
| National Stock Exchange of India | 329,565,220 | 11,320 | 1,518,860 | 7,895,357 | 84,523 | 344,754 |
| Singapore Exchange | 928,643 | NA | 1,977,600 | 19,086,307 | NA | 2,353,180 |
| TAIFEX | 19,384,998 | 325,495 | 812,720 | 8,642,326 | 363,791 | 155,636 |
| Thailand Futures Exchange | 149,777 | NA | 75,708 | 3,575,529 | NA | 335,437 |
| **Total region** | **416,626,196** |  |  | **96,028,023** |  |  |
| **Europe - Africa - Middle East** | | | | | | |
| Athens Derivatives Exchange | 7,846 | 35 | 2,232 | 54,078 | 234 | 8,020 |
| BME Spanish Exchanges | 308,023 | 3,145 | 1,082,960 | 669,089 | 54,003 | 137,936 |
| Borsa Istanbul | 18,364 | 37 | 22,860 | 4,834,251 | 9,277 | 402,253 |
| Budapest Stock Exchange | - | - | - | 46,951 | 65 | 13,755 |
| EUREX | 36,236,081 | 1,374,170 | 53,262,200 | 38,360,856 | 2,071,020 | 11,129,800 |
| Euronext | 1,703,009 | 103,434 | 874,357 | 3,832,493 | 280,655 | 812,501 |
| Johannesburg Stock Exchange | - | - | - | - | - | - |
| Moscow Exchange | 1,527,316 | 3,706 | 556,256 | 8,693,913 | 20,078 | 443,048 |
| Nasdaq Nordic Exchanges | 698,731 | 11,674 | 716,754 | 3,807,519 | 63,536 | 623,213 |
| Oslo Bors | 59,961 | 549 | 92,537 | 240,677 | 2,196 | 46,337 |
| Tehran Stock Exchange | NA | NA | NA | 496 | 1 | NA |
| Tel-Aviv Stock Exchange | 2,312,916 | 99,873 | 146,585 | NA | NA | NA |
| Warsaw Stock Exchange | 24,370 | 140 | 14,576 | 329,882 | 3,770 | 51,029 |
| **Total region** | **42,896,617** |  |  | **60,870,205** |  |  |
| **Total** | **482,216,544** |  |  | **378,740,874** |  |  |

**NA:** Not Available

**Source:** World Federation of Exchanges

**Table A7: Currency Options and Futures Traded in Major Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **May 2019** | | | | | |
| **Currency options** | | | **Currency futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | | | | | | |
| BM&FBOVESPA | - | - | - | - | - | - |
| Bolsa de Comercio de Buenos Aires | - | - | - | - | - | - |
| Bolsa de Valores de Colombia | 226 | 0 | 675 | 58,472 | 2,481 | 5,230 |
| CME Group | 1,208,924 | 136,375 | 687,313 | 16,883,421 | 1,569,669 | 1,928,341 |
| ICE Futures US | 1,038 | 101 | 2,447 | 339,119 | 28,742 | 94,237 |
| MexDer | 2,981 | 30 | 6,951 | 423,047 | 4,159 | 414,848 |
| **Total region** | **1,213,169** |  |  | **17,704,059** |  |  |
| **Asia - Pacific** | | | | | | |
| BSE India Limited | 57,935,877 | 58,277 | 138,344 | 35,294,048 | 35,470 | 419,281 |
| Hong Kong Exchanges and Clearing | 2,257 | 224 | 4,230 | 215,547 | 21,058 | 34,502 |
| Korea Exchange | NA | NA | NA | 9,568,346 | 95,271 | 776,513 |
| National Stock Exchange of India | 46,586,465 | 46,920 | 1,239,019 | 50,089,498 | 50,985 | 2,169,928 |
| Singapore Exchange | NA | NA | - | 1,846,816 | NA | 119,446 |
| TAIFEX | 14,990 | 393 | 4,096 | 123,519 | 3,296 | 9,737 |
| Thailand Futures Exchange | NA | NA | NA | 46,841 | NA | 22,451 |
| **Total region** | **104,539,589** |  |  | **97,184,615** |  |  |
| **Europe - Africa - Middle East** | | | | | | |
| Borsa Istanbul | 143,172 | 149 | 83,601 | 7,705,227 | 8,208 | 3,379,432 |
| Budapest Stock Exchange | 7,450 | 8 | 15,700 | 316,190 | 340 | 637,953 |
| Dubai Gold & Commodities Exchange | 4,124 | 0 | 689 | 1,573,849 | 9,001 | 403,287 |
| Johannesburg Stock Exchange | - | - | - | - | - | - |
| Moscow Exchange | 1,386,718 | 1,396 | 1,608,902 | 31,363,973 | 31,744 | 3,137,260 |
| Tel-Aviv Stock Exchange | 660,920 | 6,598 | 438,332 | NA | NA | NA |
| **Total region** | **2,202,384** |  |  | **40,959,239** |  |  |
| **Total** | **107,955,142** |  |  | **155,847,913** |  |  |

**NA:** Not Available

**Source:** World Federation of Exchanges

**Table A8: Interest Rate Options and Futures Traded in Major Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **May 2019** | | | | | |
| **Interest rate options** | | | **Interest rate futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | | | | | | |
| BM&FBOVESPA | - | - | - | - | - | - |
| Bolsa de Valores de Colombia | NA | NA | NA | 11,757 | 966 | 8,627 |
| Bourse de Montreal | 121,402 | NA | NA | 7,509,206 | NA | NA |
| CME Group | 74,343,222 | 14,291,600 | 71,252,900 | 229,844,224 | 39,287,500 | 31,356,400 |
| MexDer | NA | NA | NA | 39,500 | 214 | 71,709 |
| **Total region** | **74,464,624** |  |  | **237,404,687** |  |  |
| **Asia - Pacific** | | | | | | |
| Australian Securities Exchange | 163,445 | 11,317 | 44,015 | 13,325,302 | 4,758,870 | 4,950,740 |
| BSE India Limited | NA | NA | NA | 433,988 | 1,221 | 60,668 |
| China Financial Futures Exchange | NA | NA | NA | 932,681 | 132,771 | 73,110 |
| Hong Kong Exchanges and Clearing | NA | NA | NA | 12 | 2 | 117 |
| Japan Exchange Group | 35,295 | NA | 5,239 | 608,629 | NA | 121,422 |
| Korea Exchange | NA | NA | NA | 2,893,287 | 287,611 | 543,495 |
| National Stock Exchange of India | NA | NA | NA | 1,145,026 | 3,257 | 140,085 |
| Singapore Exchange | NA | NA | NA | 19,899 | NA | 22,100 |
| **Total region** | **198,740** |  |  | **19,358,824** |  |  |
| **Europe - Africa - Middle East** | | | | | | |
| EUREX | 4,895,085 | 833,250 | 1,756,590 | 45,691,832 | 7,391,750 | 6,771,780 |
| Johannesburg Stock Exchange | 157,005 | 1,016 | 114,402 | 434,695 | 3,072 | 771,638 |
| Moscow Exchange | NA | NA | NA | 22,353 | 4 | 75,982 |
| Nasdaq Nordic Exchanges | 600,977 | 63,191 | - | 4,623,035 | 486,099 | 1,389,460 |
| Warsaw Stock Exchange | - | - | - | - | - | 101 |
| **Total region** | **5,653,067** |  |  | **50,771,915** |  |  |
| **Total** | **80,316,431** |  |  | **307,535,426** |  |  |

**NA:** Not Available

**Source:** World Federation of Exchanges

**Table A9: Commodity Options and Futures Traded in Major Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **May 2019** | | | | | |
| **Commodities options** | | | **Commodities futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | | | | | | |
| BM&FBOVESPA | - | - | - | - | - | - |
| Bolsa de Valores de Colombia | NA | NA | NA | 76 | 0 | 204 |
| CME Group | 17,181,367 | 704,665 | 11,631,500 | 92,947,586 | 4,993,240 | 17,025,500 |
| ICE Futures US | 1,259,679 | 30,145 | 1,227,640 | 6,664,479 | 136,660 | 2,064,980 |
| **Total region** | **18,441,046** |  |  | **99,612,141** |  |  |
| **Asia - Pacific** | | | | | | |
| Australian Securities Exchange | 8,107 | 1,011 | 32,537 | 47,245 | 2,871 | 85,164 |
| Bursa Malaysia Derivatives | 2,950 | NA | 6,200 | 804,623 | 9,887 | 222,235 |
| Dalian Commodity Exchange | 2,012,344 | 139 | 414,510 | 120,648,063 | 899,026 | 6,153,340 |
| Hong Kong Exchanges and Clearing | NA | NA | NA | 53,443 | 2,163 | 2,237 |
| Indonesia Commodity and Derivatives Exchange | NA | NA | NA | 12,310 | NA | 151 |
| Multi Commodity Exchange of India | 204,341 | 2,423 | 13,122 | 26,160,447 | 90,076 | 366,531 |
| NZX Limited | 5,441 | 18 | 11,294 | 24,723 | 126 | 50,393 |
| Shanghai Futures Exchange | NA | NA | NA | 98,804,010 | 931,960 | 5,013,230 |
| Singapore Exchange | 579,211 | NA | 1,171,110 | 1,648,571 | NA | 817,614 |
| TAIFEX | 4,101 | 31 | 2,653 | 18,824 | 280 | 1,606 |
| Thailand Futures Exchange | NA | NA | NA | 583,627 | NA | 52,560 |
| Zhengzhou Commodity Exchange | 792,196 | 132 | 227,028 | 99,370,637 | 583,706 | 4,326,360 |
| **Total region** | **3,608,691** |  |  | **348,176,523** |  |  |
| **Europe - Africa - Middle East** | | | | | | |
| Borsa Istanbul | NA | NA | NA | 4,366,413 | 610 | 677,150 |
| Dubai Gold & Commodities Exchange | NA | NA | NA | 22,450 | 297 | 1,706 |
| EUREX | 209,800 | 878 | 1,396,350 | 379,033 | 16,717 | 1,436,180 |
| Euronext | 122,620 | 1,325 | 202,162 | 1,153,972 | 12,816 | 384,607 |
| Johannesburg Stock Exchange | 27,633 | 27 | 60,710 | 294,983 | 4,710 | 110,059 |
| London Metal Exchange | 484,883 | 35,594 | 370,459 | 14,574,740 | 1,105,530 | 2,128,030 |
| LSE Group | NA | NA | NA | 50 | 1 | 109 |
| Moscow Exchange | 596,073 | 411 | 198,336 | 51,985,420 | 36,119 | 1,180,160 |
| **Total region** | **1,441,009** |  |  | **72,777,061** |  |  |
| **Total** | **23,490,746** |  |  | **520,565,725** |  |  |

NA: Not Available

**Source: World Federation of Exchanges**

**Debt Market:**

There has been clear signals that central banks would keep monetary policy loose. There is also a possibility of US rate cuts. At their meetings in mid-June, comments from the Fed and ECB confirmed the growing dovishness among policymakers, with both clearing the way for further policy measures if needed. Government bond yields fell markedly as prices rose. The 10-year US Treasury yield at the end of June 2019 fell by around 12 basis points (bps) from its previous month’s value. Yield of the German Bund also decreased by more than 12 bps. The UK 10-year yield fell by about 5 bps.

Among the emerging markets bond yields fell substantially for Brazil 10-year bonds by 100 bps. In India, the yields on 10-year government bonds fell by 15 bps buoyed by the prospect that the central bank will effect deeper rate cuts to bolster growth amid low inflation.

**Chart 3: Movement of 10 year Government Bond Yields in Developed Nations**

**Source:** Bloomberg

**Chart 4: Movement of 10 year Government Bond Yields in BRIC Nations**

**Source:** Bloomberg

As of April 2019, China and Japan accounted for 17.3 per cent and 16.5 per cent of total foreign holding of US Treasury Securities. India accounted for 2.4 per cent of total foreign holding of US Treasury Securities (Table A9).

**Table A9: Major Foreign Holders of US Treasury Securities (US$ billion)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country\Month** | **2018** | | | | | | **2019** | | | |
| **Jul** | **Aug** | **Sep** | **Oct.** | **Nov.** | **Dec.** | **Jan.** | **Feb.** | **Mar.** | **Apr.** |
| China, Mainland | 1171 | 1165.1 | 1151.4 | 1138.9 | 1121.4 | 1123.6 | 1126.7 | 1130.9 | 1120.5 | 1113 |
| Japan | 1035.5 | 1029.9 | 1028 | 1018.5 | 1036.6 | 1042.3 | 1070.2 | 1072.4 | 1078.1 | 1064 |
| Brazil | 299.7 | 317.8 | 317 | 313.9 | 311.4 | 303.2 | 305.1 | 307.7 | 311.7 | 306.7 |
| United Kingdom | 271.7 | 272.6 | 276.3 | 263.9 | 258.9 | 271.8 | 273.6 | 283.8 | 317.1 | 300.8 |
| Ireland | 300.2 | 311.6 | 290.4 | 287.3 | 279.6 | 280 | 270.2 | 274.1 | 277.6 | 269.7 |
| Switzerland | 233.1 | 232 | 226.9 | 225.2 | 227.5 | 234.9 | 230.9 | 225.9 | 226.4 | 226.9 |
| Luxembourg | 221.5 | 224 | 227.2 | 225.4 | 225.7 | 229.2 | 224.9 | 226.8 | 230.2 | 223.7 |
| Cayman Islands | 198.1 | 197.7 | 200.4 | 208.3 | 207.6 | 211.9 | 209.4 | 210.1 | 219.5 | 217.2 |
| Hong Kong | 194.4 | 193.2 | 192.3 | 185 | 189.2 | 196.2 | 200.8 | 202.4 | 207.6 | 205.9 |
| Belgium | 154.5 | 154.3 | 164.7 | 169.7 | 173 | 185.8 | 192.1 | 182 | 186.6 | 179.8 |
| Saudi Arabia | 166.8 | 169.5 | 176.1 | 171.3 | 169.9 | 171.6 | 162.6 | 167 | 170 | 176.6 |
| Taiwan | 164.2 | 163.2 | 166.5 | 162.4 | 155.4 | 157.3 | 168.3 | 164.9 | 168.8 | 171.1 |
| **India** | **142.6** | **140.6** | **144** | **138.2** | **138.5** | **141.3** | **144.9** | **144.3** | **152** | **155.3** |
| Singapore | 127.6 | 129.9 | 134.5 | 133 | 128.8 | 121.1 | 128.1 | 130.6 | 138.8 | 139.3 |
| France | 111 | 113.6 | 97.7 | 109.4 | 131.6 | 110.9 | 112.6 | 115.9 | 109.6 | 124.5 |
| Korea | 109.1 | 110.2 | 110.8 | 111.1 | 110.2 | 114.9 | 117.3 | 115.5 | 119.9 | 115.1 |
| Canada | 96.1 | 96.2 | 94.1 | 101.9 | 106.3 | 110.1 | 113.8 | 112.2 | 99.7 | 102.1 |
| Norway | 61.1 | 66.7 | 63.6 | 61.3 | 47.3 | 84.9 | 90.8 | 97.1 | 99.5 | 97.1 |
| Thailand | 63 | 63.3 | 66.1 | 65.3 | 64.9 | 72 | 83.7 | 90.9 | 84.4 | 82.2 |
| Germany | 71 | 73.3 | 68.3 | 77.5 | 77.7 | 69.8 | 78 | 81.1 | 78.1 | 72.8 |
| Bermuda | 64.4 | 65.5 | 64.5 | 62.6 | 64.3 | 65.5 | 66.1 | 66.6 | 68.1 | 66.4 |
| U A E | 59.7 | 59 | 60 | 57.7 | 56.3 | 56.8 | 56 | 54.5 | 55.6 | 55.7 |
| Mexico | 39.8 | 40.7 | 39.3 | 41.5 | 45.7 | 46.9 | 41.2 | 40.5 | 44.7 | 47.7 |
| Sweden | 44.7 | 44.6 | 44.6 | 43.4 | 44.5 | 43.8 | 43.4 | 48.3 | 47.9 | 46.5 |
| Netherlands | 45.1 | 43.4 | 43 | 43 | 42.8 | 43.7 | 43 | 42.9 | 44.5 | 45 |
| Italy | 38.4 | 37.3 | 39.6 | 39.6 | 40.4 | 40.3 | 41.2 | 42.1 | 44 | 43.7 |
| Spain | 36.2 | 37.5 | 37.3 | 35.3 | 34.9 | 34.7 | 36.6 | 37.7 | 40.9 | 41 |
| Kuwait | 42.9 | 43.5 | 43.8 | 44.1 | 43.9 | 41.3 | 40.8 | 42.3 | 40.2 | 40.2 |
| Australia | 39.2 | 38.4 | 36.8 | 38.9 | 41.3 | 39.7 | 42.6 | 41.8 | 39.3 | 39.1 |
| Poland | 40.6 | 39.9 | 40.1 | 40 | 40.2 | 39.6 | 33.8 | 32.8 | 33.9 | 37.2 |
| Israel | 29.7 | 30.5 | 31.2 | 30.8 | 29 | 29.1 | 30.1 | 35.4 | 34.8 | 36.2 |
| Iraq | 28.3 | 29.8 | 29.4 | 31.1 | 32.1 | 34.6 | 34 | 34.7 | 36.2 | 35.4 |
| All Other | 553.5 | 543.9 | 520.2 | 524.8 | 523.2 | 516.3 | 524.6 | 529.8 | 547 | 555.5 |
| **Grand Total** | **6254.4** | **6278.6** | **6225.9** | **6200.3** | **6199.9** | **6264.9** | **6337.2** | **6385.1** | **6473.4** | **6433.3** |

**Note:**

1. The data in this table are collected primarily from U.S.-based custodians and broker-dealers. Since U.S. securities held in overseas custody accounts may not be attributed to the actual owners, the data may not provide a precise accounting of individual country ownership of Treasury securities
2. Estimated foreign holdings of U.S. Treasury marketable and non-marketable bills, bonds, and notes reported under the Treasury International Capital (TIC) reporting system are based on monthly data on holdings of Treasury bonds and notes as reported on TIC Form SLT, Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents and on TIC Form BL2, Report of Customers' U.S. Dollar Liabilities to Foreign Residents.

**Source:** Department of the Treasury/Federal Reserve Board

**Currency Market:**

During May 2019, the value of major currencies against US dollar (USD) appreciated. The USD lost 1.7 per cent at the end of June 2019 against basket of major currencies as compared to the end value previous month (as reflected by the US Dollar Index). The pound, yen and euro appreciated by 0.5 per cent, 0.6 per cent and 1.7 per cent respectively against US dollar.

Currencies of the BRICS countries appreciated during the month of June 2019. The Rupee appreciated by 1.0 per cent, the renminbi by 0.6 per cent, the real by 2.3 per cent and the Russian rouble by 3.3 per cent during the month.

**Chart 5: Movement of the Major Currencies against US$**

**Note:** All currencies have been normalised keeping December 31, 2018 as base.

**Source:** Bloomberg

**Chart 6: Movement of the US Dollar Index and MSCI EM Currency Index**

**Note:**

1. All currencies have been normalised keeping December 31, 2018 as base.
2. The U.S. Dollar Index is an index of the value of the United States dollar relative to a basket of foreign currencies. The Index goes up when the U.S. dollar gains value compared to other currencies. The index is maintained and published by Intercontinental Exchange. It is a weighted geometric mean of the dollar's value relative to following select currencies: Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona, Swiss franc.
3. The MSCI Emerging Markets (EM) Currency Index tracks the performance of twenty-five emerging-market currencies relative to the US Dollar.

**Source:** Bloomberg

**HIGHLIGHTS OF DEVELOPMENTS IN INTERNATIONAL SECURITIES MARKET**

1. **SEC Adopts Rules and Interpretations to Enhance Protections and Preserve Choice for Retail Investors in Their Relationships with Financial Professionals**

The Securities and Exchange Commission voted to adopt a package of rulemakings and interpretations designed to enhance the quality and transparency of retail investors’ relationships with investment advisers and broker-dealers, bringing the legal requirements and mandated disclosures in line with reasonable investor expectations, while preserving access (in terms of choice and cost) to a variety of investment services and products.  Specifically, these actions include new Regulation Best Interest, the new Form CRS Relationship Summary, and two separate interpretations under the Investment Advisers Act of 1940.

Individually and collectively, these actions are designed to enhance and clarify the standards of conduct applicable to broker-dealers and investment advisers, help retail investors better understand and compare the services offered and make an informed choice of the relationship best suited to their needs and circumstances, and foster greater consistency in the level of protections provided by each regime, particularly at the point in time that a recommendation is made.

Under Regulation Best Interest, broker-dealers will be required to act in the best interest of a retail customer when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer.  Regulation Best Interest will enhance the broker-dealer standard of conduct beyond existing suitability obligations and make it clear that a broker-dealer may not put its financial interests ahead of the interests of a retail customer when making recommendations.

The Form CRS Relationship Summary will require registered investment advisers and broker-dealers to provide retail investors with simple, easy-to-understand information about the nature of their relationship with their financial professional.  While facilitating layered disclosure, the format of the relationship summary allows for comparability among the two different types of firms in a way that is distinct from other required disclosures.  Form CRS will also include a link to a dedicated page on the Commission’s investor education website, Investor.gov, which offers educational information about broker-dealers and investment advisers, and other materials.

The Commission also issued an interpretation to reaffirm and, in some cases, clarify the Commission’s views of the fiduciary duty that investment advisers owe to their clients under the Advisers Act.  The interpretation reflects how the Commission and its staff have applied and enforced the law in this area, and inspected for compliance, for decades.  By highlighting principles relevant to the fiduciary duty, investment advisers and their clients will have greater clarity about advisers’ legal obligations.

Finally, the Commission issued an interpretation of the “solely incidental” prong of the broker-dealer exclusion under the Advisers Act, which is intended to more clearly delineate when a broker-dealer’s performance of advisory activities causes it to become an investment adviser within the meaning of the Advisers Act.  This interpretation confirms and clarifies the Commission’s position, and illustrates the application in practice in connection with exercising investment discretion over customer accounts and account monitoring.

Source: <https://www.sec.gov/news/press-release/2019-89>

1. **IOSCO examines liquidity in corporate bond markets under stressed conditions**

The Board of the International Organization of Securities Commissions published a report that examines the factors affecting liquidity in secondary corporate bond markets under stressed conditions. The report, prepared by IOSCO´s Committee on Emerging Risks, examines how liquidity in secondary corporate bond markets tends to evolve when those markets experience stress. The report seeks to increase understanding of how stressed conditions may affect both bond and other financial markets and the financial system more broadly. The findings are drawn from a review of the literature on liquidity in corporate bond markets under normal and stressed conditions, an examination of past episodes of stress in corporate bond markets and discussions with a broad range of industry stakeholders. The report notes that changes in the structure of secondary corporate bond markets have altered the way that liquidity is provided in these markets. These changes result from such things as post crisis regulations that have reduced the capacity of intermediaries to provide liquidity in secondary corporate bond markets; greater risk aversion on the part of intermediaries; the gradual introduction of electronic trading; and significant growth in the size of these markets resulting from central banks’ quantitative easing policies and low rates of return on other financial assets.

Source: <https://www.iosco.org/news/pdf/IOSCONEWS537.pdf>

1. **IOSCO urges authorities to use existing standards to address cyber risk**

The Board of the International Organization of Securities Commissions (IOSCO) issued a final report that provides an overview of three internationally recognized cyber standards and frameworks used by IOSCO members. It also identifies potential gaps in the application of these standards and seeks to promote sound cyber practices across the IOSCO membership.

The report examines how IOSCO member jurisdictions apply three internationally recognized cyber standards which are termed the Core Standards in the report. These standards consist of the CPMIIOSCO Guidance on cyber Resilience for Financial Market Infrastructures; the National Institute of Standards and Technology Framework for improving Critical Infrastructure Cyber security; and the International Organization for Standardization 27000 series standards. The report does not propose new cyber standards or guidance. By highlighting the application of the Core Standards by some IOSCO members, the CTF hopes more members will review their own cyber standards against the practices of the Core Standards and, where relevant, use the Core Standards as a model to further enhance their cyber regimes. Finally, the report sets out a series of questions that firms and regulators may use to promote awareness of cyber good practices or to guide them as they review their own practices.

Source: <https://www.iosco.org/news/pdf/IOSCONEWS536.pdf>

1. **FCA publishes final rules on Buy Now Pay Later products**

The measures are designed to reduce the harm experienced by some consumers who buy products using BNPL credit offers. There are a range of firms who offer BNPL as part of their credit offers; these include catalogue credit, store cards and retailers who offer finance at the point of sale (this can be in-store or online).

BNPL offers tend to provide a promotional period, typically up to 12 months, during which consumers do not have to make payments and are not charged interest. However, if the consumer does not repay the entire amount within this period, then interest will usually be charged from the date of purchase. Consumers who repay part but not all of the amount owed are still charged backdated interest on that part. Typically, over a third of consumers do not repay within the offer period, incurring interest charged from the date of purchase.

The proposals confirmed mean:

* Firms cannot charge backdated interest on amounts of money that have been repaid by the consumer during the BNPL offer period.
* Firms have to provide better information to consumers about BNPL offers. The information should be more balanced and appropriately reflect the risks as well as the benefits of the product.
* Firms must give prompts to consumers, to remind them when the offer period is about to end, so that consumers are more likely to repay the credit before they incur interest.

Source: <https://www.fca.org.uk/news/press-releases/fca-publishes-final-rules-buy-now-pay-later-products>

1. **Federal Reserve issues FOMC statement**

Information received since the Federal Open Market Committee met in May indicates that the labor market remains strong and that economic activity is rising at a moderate rate. Job gains have been solid, on average, in recent months, and the unemployment rate has remained low. Although growth of household spending appears to have picked up from earlier in the year, indicators of business fixed investment have been soft. On a 12-month basis, overall inflation and inflation for items other than food and energy are running below 2 percent. Market-based measures of inflation compensation have declined; survey-based measures of longer-term inflation expectations are little changed.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. In support of these goals, the Committee decided to maintain the target range for the federal funds rate at 2-1/4 to 2-1/2 percent. The Committee continues to view sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective as the most likely outcomes, but uncertainties about this outlook have increased. In light of these uncertainties and muted inflation pressures, the Committee will closely monitor the implications of incoming information for the economic outlook and will act as appropriate to sustain the expansion, with a strong labor market and inflation near its symmetric 2 percent objective.

In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michelle W. Bowman; Lael Brainard; Richard H. Clarida; Charles L. Evans; Esther L. George; Randal K. Quarles; and Eric S. Rosengren. Voting against the action was James Bullard, who preferred at this meeting to lower the target range for the federal funds rate by 25 basis points.

Source: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20190619a.htm>

**POLICY DEVELOPMENTS**

1. **Guidelines for Enhanced Disclosures by Credit Rating Agencies (CRAs)**

In order to further strengthen the disclosures made by CRAs and enhance the rating standards, SEBI prescribed the disclosures criteria viz. Computation of Cumulative Default Rates (CDR), Introducing Probability of Default (PD) benchmarks for CRAs, Rating symbol for Instruments having explicit Credit Enhancement feature, Disclosure of rating sensitivities in press release, Disclosure on liquidity indicators and Tracking deviations in bond spreads.

*Source: SEBI/ HO/ MIRSD/ DOS3/ CIR/ P/ 2019/ 70 June 13, 2019*

1. **Design of Commodity Indices and Product Design for Futures on Commodity Indices**

In the Union Budget Speech for the year 2016-17, the Hon’ble Finance Minister had announced that “new derivatives products will be developed by SEBI in the Commodity Derivatives Market”. In this regard, the Commodity Derivatives Advisory Committee (CDAC) of SEBI had inter-alia recommended introduction of options, derivatives on commodity indices and at later stage products such as weather and freight derivatives. SEBI has already permitted commodity options in Indian commodity derivatives markets. Based on the above recommendation of CAD and comments received on SEBI consultation paper dated January 16, 2019 on design of commodity indices and product design for futures on commodity indices, it has now been decided to permit recognized stock exchanges with commodity derivative segment to introduce futures on commodity indices.

*Source: SEBI/HO/CDMRD/DNPMP/CIR/P/2019/71June18, 2019*

1. **Factors for assuring confidentiality in a settlement application filed under Chapter IX of the SEBI (Settlement Proceedings) Regulations, 2018**

A person who may have committed a violation of securities laws, other than those detailed in Tables VII to IX of Schedule II of the SEBI (Settlement Proceedings) Regulations, 2018, may make full disclosure of such violation and also provide substantial assistance in examination/investigation/inspection/inquiry/audit/any other proceedings (hereinafter referred to as “examination proceedings”) that is initiated/is ongoing/yet to be initiated by the Board, against any person in respect of violation of the securities laws for the purpose of seeking grant of confidentiality and reduced settlement charges. SEBI issued guidelines in order to assure confidentiality to an applicant who provides assistance in in examination/investigation/inspection/inquiry/audit/any other proceedings ,the Board may assess the information/assistance/co-operation rendered during such examination proceedings.

*Source: SEBI/HO/EFD2/CSD/CIR/P/2019/0000000072 June18, 2019*

1. **Handling of Clients’ Securities by Trading Members/Clearing Members**
2. In order to protect clients’ funds and securities, The Securities Contracts (Regulation) Act, 1956 and Securities and Exchange Board of India (Stock-Brokers) Regulations, 1992 specifies that the stock broker shall segregate securities or moneys of the client or clients or shall not use the securities or moneys of a client or clients for self or for any other client.

*Source: CIR/HO/MIRSD/DOP/CIR/P/2019/75 June 20, 2019*

1. **Credit of Penalty for short-collection/non-collection of Margins on Commodity Derivatives Segments to Core SGF**

As per Regulation 32 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018 (SECC Regulations) “*Penalties levied by recognised stock exchange or recognised clearing corporation shall be credited to its Investor Protection Fund or the Fund as specified in regulation 37, as the case may be”.* It has been noted that while a few Clearing Corporations (CCs)/Exchanges are crediting the aforementioned penalties to Core SGF, others are crediting the same to IPF. In this regard, in order to bring uniformity and make it compliant with the aforesaid provisions of the SECC Regulations, it is hereby clarified that all penalties levied on short-collection/non-collection of Margins as prescribed by SEBI Circular dated September 07, 2016 shall be credited to Core SGF only.

*Source: SEBI/HO/CDMRD/DRMP/CIR/P/2019/73 June 20, 2019*

1. **Streamlining the Process of Public Issue of Equity Shares and convertibles- Implementation of Phase II of Unified Payments Interface with Application Supported by Blocked Amount**

This refers to SEBI circular No. SEBI /HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, vide which SEBI had introduced the use of Unified Payments Interface (UPI) as a payment mechanism with Application Supported by Block Amount (ASBA) for applications in public issues by retail individual investors through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants), with effect from January 1, 2019. Implementation of the same was to be carried out in a phased manner to ensure gradual transition to UPI with ASBA. The timeline for implementation of Phase I completed on June 30, 2019. The Phase II of the aforesaid Circular dated November 01, 2018, shall Become effective from July 1, 2019. In Phase II, the existing timeline of T+6 days will continue, for a period of 3 months or floating of 5 main board public issues, whichever is later. The implementation of Phase III shall continue unchanged as per the aforesaid Circular from the date of completion of Phase II, as above.

*Source: SEBI/HO/CFD/DIL2/CIR/P/2019/76June 28, 2019*

*Disclaimer: The summary has been prepared for the convenience of readers. In case of any ambiguity please refer to the original circular.*

**Regulatory Actions taken by SEBI**

* SEBI, vide order dated June 4, 2019, imposed a penalty of **`**  5,00,000 (Rupees Five Lakh only) on Mr. Ajay Kumar Garg in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 10, 2019, imposed a penalty of **`** 7,80,000 (Rupees Seven Lakh Eighty Thousand Only) on Shiv Parvati Leasing Private Ltd. in the matter of dealing in illiquid stock options at BSE for violation of regulations 3(a), (b), (c) & (d), 4(1) and 4(2)(a) of the SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 10, 2019, imposed a penalty of **`** 10,30,000/- (Rupees Ten Lakh Thirty Thousand only) on Shri Radha Krishna Ispat Private Ltd in the matter of dealing in illiquid stock options at BSE for violation of regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) of the SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 11, 2019, imposed a penalty of **`** 25,00,000/- (Rupees Twenty Five Lakh only) on Shree Siddhivinayak Realtors and Securities in the matter of dealing in illiquid stock options at BSE for violation of regulations 3(a), (b), (c) &(d), 4(1) and 4(2)(a) of the SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 13, 2019, imposed a penalty of **`** 19,50,000/- (Rupees Nineteen Lakh Fifty Thousand only) on Rector Investments Private Limited in the matter of dealing in illiquid stock options at BSE for violation of regulations 3(a), (b), (c) &(d), 4(1) and 4(2)(a) of the SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 14, 2019, imposed a penalty of **`** 5,00,000/- (Rupees Five Lakh only) on Royal Fincomm Private Limited in the matter of dealing in illiquid stock options at BSE for violation of regulations 3(a), (b), (c) &(d), 4(1) and 4(2)(a) of the SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 14, 2019, imposed a penalty of **`** 10,60,000/- (Rupees Ten Lakh Sixty Thousand only) on Shri Satya Narain Tulsian in the matter of dealing in illiquid stock options at BSE for violation of regulations 3(a), (b), (c) &(d), 4(1) and 4(2)(a) of the SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 14, 2019, imposed a penalty of **`** 15,60,000/- ( Rupees Fifteen Lakh Sixty Thousand only) on Shri Raju Mukund Vanarase in the matter of dealing in illiquid stock options at BSE for violation of regulations 3(a), (b), (c) &(d), 4(1) and 4(2)(a) of the SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 14, 2019, imposed a penalty of **`** 7,00,000/- (Rupees Seven Lakh only) on A One Steel And Alloys Private Limited in the matter of dealing in illiquid stock options at BSE for violation of regulations 3(a), (b), (c) &(d), 4(1) and 4(2)(a) of the SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 14, 2019, imposed a penalty of **`** 9,00,000/- (Rupees Nine Lakh only) on A One Steels India Private Limited in the matter of dealing in illiquid stock options at BSE for violation of regulations 3(a), (b), (c) &(d), 4(1) and 4(2)(a) of the SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 17, 2019, imposed a penalty of ₹12,00,000 (Rupees Twelve Lakh only) on New Delhi Television Limited for violation of Regulation 7(3) and Regulation 8(3) of the SEBI (SAST) Regulation, 1997 read with Regulations 35(2) of the SEBI (SAST) Regulation, 2011.
* SEBI, vide order dated June 17, 2019, imposed a penalty of ₹8,60,000 (Rupees Eight Lakh Sixty Thousand only) on Mr. Anilkumar Ramnirajan Kejriwal in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 18, 2019, imposed a penalty of ₹ 7, 20,000 (Rupees Seven Lakh Twenty Thousand only) on Shree Waris Piya Steel Company Private Ltd in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 18, 2019, imposed a penalty of ₹3,00,000 (Rupees Three Lakh only) on Shakti Hotels Pvt. Ltd in the matter of Prism Medico and Pharmacy Ltd for making delayed disclosures to the company and BSE under Regulations 13(1), 13(3) read with 13(5) of SEBI (PIT) Regulations and under Regulations 29(1), 29(2) read with 29(3) of SAST Regulations for its transactions dated July 07, 2014, July 08, 2014 and September 25, 2014.
* SEBI, vide order dated June 18, 2019, imposed a penalty of ₹5,00,000 (Rupees Five Lakh only) on ENPAR Fortune Private Limited (previously known as Fortune Investments and Finance India Private Limited) in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 19, 2019, imposed a penalty of ₹5,00,000 (Rupees Five Lakh only) Flyhigh Exports Private Limited in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 19, 2019, imposed a penalty of ₹5,00,000 (Rupees Five Lakh only) on Mr. Anuj Katta in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 19, 2019, imposed a penalty of ₹6,20,000 (Rupees Six Lakh Twenty Thousand only) on Arham Share Consultants Private Limited in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 19, 2019, imposed a penalty of ₹5,00,000 (Rupees Five Lakh only) on Som Distilleries and Breweries Limited in the matter of failure to disclose the dispute with MPSIDC/winding up order/ court orders to the Exchanges for violation of Clause 36(5) of erstwhile Equity Listing Agreement, Regulation 30(1), 30(2), 30(3), 30(4) and 30(7) of the LODR Regulations and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015.
* SEBI, vide order dated June 19, 2019, imposed a penalty of ₹5,00,000 (Rupees Five Lakh only) on Sun Star Securities in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b) and (c) and (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 19, 2019, imposed a penalty of ₹5,00,000 (Rupees Five Lakh only) on Mr. Sourabh H. Bora in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 19, 2019, imposed a penalty of ₹4,00,000 (Rupees Four Lakh only) on Ganapathy Gita in the matter of Edserve Softsystems Limited for violation of clause 4.2 of the Model Code of Conduct specified in Part A of Schedule I read with regulation 12(1) of SEBI (PIT) Regulations, 1992 read with regulation 12(2) of SEBI (PIT) Regulations, 2015 and Regulation 31(2) of SEBI (SAST) Regulations, 2011.
* SEBI, vide order dated June 19, 2019, imposed a penalty of ₹3,00,000 (Rupees Three Lakh only) on Giridharan S in the matter of Edserve Softsystems Limited for violation of Regulation 31(2) of SEBI (SAST) Regulations, 2011.
* SEBI, vide order dated June 19, 2019, imposed a penalty of ₹5,00,000 (Rupees Five Lakh only) on Mr. Anand R. Mundhra in the matter of dealing in illiquid stock options at BSE for violation of Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 24, 2019, imposed a penalty of ₹ 4,00,000 (Rupees Four Lakh only) on M/s. Anjana Arun Karwa in the matter of Shree Shaleen Textiles Limited for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 24, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Sandip Kiritbhai Patel HUF in the matter of Trading in Illiquid Stock Options on BSE for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 24, 2019, imposed a penalty of ₹ 6,00,000 (Rupees Six Lakh only) on Mr. Jayeshkumar Narottamdas Gandhi, Ms. Bharati Jayesh Gandhi and Mr. Deval Jayesh Gandhi in the matter of Shree Shaleen Textiles Limited for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 24, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Superior Industrial Enterprise Ltd in the matter of Superior Industrial Enterprise Ltd for violation of the provisions of Regulation 13 (6) PIT Regulations and under Section 23-I of SCRA and Section 23H of SCRA for violation of the provision of Clause 35(1)(a) and (b) of the Listing Agreement read with Section 21 of SCRA.
* SEBI, vide order dated June 24, 2019, imposed a penalty of ₹ 1,00,000 (Rupees One Lakh only) on Momi’s Trust in the matter of Aarti Drugs Limited for violation of Regulation 19(1)(e) of SEBI Regulations, 1998 read with Regulation 29 of SEBI Regulations, 2018
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 6,00,000 (Rupees Six Lakh only) on Kamsco Industries Private Ltd.in the matter of In the matter of United Breweries (Holdings) Ltd. for violation of Regulation 29 (1) and 29 (2) read with Regulation 29 (3) of SEBI Regulation, 2011 and Regulation 13 (4A) read with Regulation 13 (5) of SEBI Regulations, 1992 read with Regulation 12(2) of the SEBI Regulations, 2015
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 5, 00,000 (Rupees Five Lakh only) on M/s Kelvin FIncap Limited (formerly known as Dahyabhai Sons Limited) in the matter of Trading in Kelvin Fincap Limited for violation of the provisions of Regulation 53A of DP Regulation.
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Shri Parasram Holding Private Ltd in the matter of Trading in Illiquid Stock Options on BSE for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 11,00,000 (Rupees Eleven Lakh only) on seven entities in the matter of Finalysis Credit & Guarantee Company Limited for violation of the provisions of SEBI Regulations, 2011, SEBI Regulations, 1992 and the provision of PIT Regulations, 1992 and Securities Contracts (Regulations) Act, 1956
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Shivam Securities Private Ltd in the matter of Trading in Illiquid Stock Options on BSE for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 4,00,000 (Rupees Four Lakh only) on Shyam Rathi HUF in the matter of Shree Shaleen Textiles Limited for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 2,00,000 (Rupees Two Lakh only) on Nishith M Shah HUF in the matter of Shree Shaleen Textiles Limited for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 1,00,000 (Rupees One Lakh only) on Aarti Drugs Limited in the matter of Aarti Drugs Limited for violation of Regulation 19(1)(e) of SEBI Regulations, 1998 read with Regulation 29 of SEBI Regulations, 2018
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 9,00,000 (Rupees Nine Lakh only) on Vipul Vasantlal Shah in the matter of Safal Herbs Ltd for his failure to make the necessary disclosures under Regulations 13(3) &13(4A) read with Regulation 13(5) of PIT Regulations and Regulation 29(2) read with Regulation29(3) as well as Regulation 30(2) read with Regulation 30(3)of SAST Regulations
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 13,00,000 (Rupees Thirteen Lakh only) Shri Yogesh Kela, Shri Prakash Nandalal Kela and Shri Umesh Kela in the matter of M/s Glory Polyfilms Ltd for violation of regulations 7(1A) and 8A(3) of SAST Regulations and regulation 13(4) of PIT Regulations and Clause 4.2 Part A of the Model Code of Conduct for Prevention of Insider Trading for Listed Companies as specified in Schedule I of regulation 12(1) of PIT Regulations and regulations 4(2)(f) of the PFUTP Regulations
* SEBI, vide order dated June 25, 2019, imposed a penalty of ₹ 16,00,000 (Rupees Sixteen Lakh only) on Kalpesh Mahedrabhai Patel and Binitaben Kalpesh Patel in the matter of Kemrock Industries and Exports Limited for violation of Regulation 13(4) and 13(4A) of PIT Regulations, 1992 , Regulations 31(1), 31(2) read with 31(3) of SAST Regulations, 2011, clause 3.2 of the model code of conduct for prevention of insider trading mentioned in Part A of Schedule I prescribed under Regulation 12(1) read with 12(3) of the PIT Regulations, 1992, Clause 3.3 of the model code of conduct for prevention of insider trading mentioned in Part A of Schedule I prescribed under Regulation 12(1) read with 12(3) of the PIT Regulations, 1992 and Clause 4.2 of the model code of conduct for prevention of insider trading mentioned in Part A of Schedule I prescribed under Regulation 12(1) read with 12(3) of the PIT Regulations, 1992
* SEBI, vide order dated June 26, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Hollyfield Traders Private Limited in the matter of Dealing in Illiquid options on the BSE for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 26, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Jaideep Halwasiya in the matter of Dealing in Illiquid options on the BSE for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 26, 2019, imposed a penalty of ₹ 9,00,000 (Rupees Nine Lakh only) on Hotel Polo Towers Private Limited in the matter of Dealing in Illiquid options on the BSE for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 26, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Affluence Commodities Private Limited in the matter of misused of the clients funds with credit balance for purposes other than those mentioned in the 1993 Circular
* SEBI, vide order dated June 26, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Sagar Constructions in the matter of Trading in Illiquid Stock Options on BSE for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 26, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Femina Stock Management Company Limited in the matter of its dealings in illiquid stock options at the BSE Limited for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 26, 2019, imposed a penalty of ₹ 6,00,000 (Rupees Six Lakh only) on Mallya Private Limited in the matter of In the matter of United Breweries (Holdings) Ltd for violation of Regulation 29(1) and 29(2) read with Regulation 29(3) of SEBI Regulation, 2011 and Regulation 13(4A) read with Regulation 13(5) of SEBI Regulations,1992 read with Regulation 12(2) of the SEBI Regulations, 2015
* SEBI, vide order dated June 26, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on GKS Technology Park Private Limited in the matter of its dealings in illiquid stock options at the BSE Limited for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 27, 2019, imposed a penalty of ₹ 6,00,000 (Rupees Six Lakh only) on Pharma Trading Co. Pvt. Ltd. in the matter of In the matter of United Breweries (Holdings) Ltd for violation of Regulation 29(1) and 29(2) read with Regulation 29(3) of SEBI Regulation, 2011 and Regulation 13(4A) read with Regulation 13(5) of SEBI Regulations,1992 read with Regulation 12(2) of the SEBI Regulations, 2015
* SEBI, vide order dated June 27, 2019, imposed a penalty of ₹ 11,80,000 (Rupees Eleven Lakh Eighty Thousand only) SPFL Securities Limited in the matter of dealings in Illiquid Stock Options at BSE for violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of SEBI (PFUTP) Regulations, 2003
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on T Lakshminarayanan in the matter of Andhra Petrochemicals Ltd., for violation of Regulation 29 (1) read with Regulation 29 (3) of SEBI (SAST) Regulations, 2011, under Section 15 A (b) of SEBI Act
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 10,00,000 (Rupees Ten Lakh only) on Leelaben Sureshchandra Kachadia in the matter of dealing in Illiquid Stock Options at the BSE for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 10,00,000 (Rupees Ten Lakh only) on M/s Laxmi Rolling & Strips Private Limited in the matter of dealing in Illiquid Stock Options at the BSE for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 15,00,000 (Rupees Fifteen Lakh only) on Mahakaleshwar Mines & Metals Private Limited in the matter of dealing in Illiquid Stock Options at the BSE for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 15,00,000 (Rupees Fifteen Lakh only) on Castex Technologies Limited & Metalyst Forgings Limited in the matter of Castex Technologies Limited for violation of Regulation 35(1) (a) and (b)of Listing Agreement read with Section 21 of SCRA and Regulation 31(1) read with Regulation 31(3) of SAST Regulation
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 12,00,000 (Rupees Twelve Lakh only) on Goel Fintrade Private Limited, Kedco Processors Pvt Ltd and Chandrakant Tibrawalla in the matter of Trading in the scrip of Elpro International Ltd for violation of Regulations 4(1) and 4(2)(a) of the PFUTP Regulations and Regulation 7(1) of the SAST Regulations
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 7,60,000 (Rupees Seven Lakh Sixty Thousand only) on South Delhi Promotors Limited in the matter of dealing in Illiquid Stock Options at the BSE for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 15,00,000 (Rupees Fifteen Lakh only) on Vishvas Projects Limited (Formerly known as Mefcom Agro Industries Ltd) in the matter of Mefcom Agro Industries Ltd. for violation of provisions of Clause 36 and 40B of listing agreement read with Sec 21 of SCRA Act, 1956
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Deora Finance Pvt Ltd in the matter of dealing in illiquid stock options at BSE for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 15,50,000 (Rupees Fifteen Lakh Fifty Thousand only) on Bajrang Steel and Alloys Limited in the matter of dealing in illiquid stock options at BSE for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 5,00,000 (Rupees Five Lakh only) on Deepak Sarda in the matter of dealing in illiquid stock options at BSE for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 3,00,000 (Rupees Three Lakh only) on Gem Investment and Trading Private Limited in the matter of In the matter of United Breweries (Holdings) Ltd for violation of SEBI (PIT) Regulations, 1992, SEBI (PIT) Regulations, 2015 and SEBI (SAST) Regulation, 2011
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 10, 00,000 (Rupees Ten Lakh only) on Aroma Enterprises (India) Limited in the matter of Aroma Enterprises (India) Limited for violation of provisions of regulations7 (3) and 8(3) of SAST Regulations, 1997and Clause 35 of the Listing Agreement.
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 1, 00,000 (Rupees One Lakh only) on McNally Bharat Engineering Company Limited for violation of for failure to disclose under Regulation 7(1A) and 8(3) of SAST, 1997 and Regulation 29(2) of SAST 2011
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 5, 00,000 (Rupees Five Lakh only) on P.N. Vijay Financial Services Pvt. Ltd. for violation of Regulation 13, Schedule V read with Regulations 14 and 14 (1) (a), 14 (3) (a) and 16 (1) (a) of the PMS Regulations and SEBI Circular No. Cir/IMD/DF/13/2010 dated October 05, 2010 during the Inspection Period
* SEBI, vide order dated June 28, 2019, imposed a penalty of ₹ 29, 00,000 (Rupees Twenty Nine Lakh only) on Jitendra Kumar Pratihast, Johar Pal Singh, JMD Telefilms Industries Limited, Kailash Prasad Purohit and Jagdish Prasad Purohit In the matter of JMD Telefilms Industries Ltd (Now JMD Ventures Limited) for violation of Regulations 3(a),(b), (c) and (d) and 4(1), (2) (a) (b) and (e) & (g) of SEBI (PFUTP) Regulations, 2003.
* SEBI, vide order dated June 3, 2019, issued directions in respect of Mr. Abhey Ram Dahiya and Mr. Amardeep Singh Dahiya in the matter of Polo Hotels Limited for violating the provisions of Regulation 10 of the SEBI (SAST) Regulations, 1997 read with Regulation 32(1) of the SEBI (SAST) Regulations, 2011.
* SEBI, vide order dated June 4, 2019, restrained 19 entities in the matter of Ram Minerals and Chemicals Limited from accessing the securities market and further prohibiting them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of four years for violating the Regulations 3(a),(b), (c), (d) and Regulations 4(1), 4(2) (a), (e) of SEBI (PFUTP) Regulations,2003.
* SEBI, vide order dated June 4, 2019, restrained and prohibited Mr. Ajay Suresh Kilachand, in the matter of Synthetic and Chemicals Limited, from accessing the securities market and from buying, selling or dealing in securities, directly or indirectly, for a period of two years from September 9, 2017 for failure to obtain SEBI Complaints Redress System (SCORES) authentication within the time period specified in various SEBI circulars and non-redressal of investor grievances.
* SEBI, vide order dated June 14, 2019, restrained RRPR Holdings Pvt. Ltd., Mr. Prannoy Roy and Ms. Radhika Roy in the matter of New Delhi Television Limited (NDTV) from accessing the securities market and further prohibiting them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of two years. Also, the two entities (Mr. Prannoy Roy and Ms. Radhika Roy) are restrained from holding or occupying position as Director or any Key Managerial personnel in NDTV and in any other listed company for a period of two years and one year respectively.
* SEBI, vide order dated June 19, 2019, warned M/s 3i Infotech Limited to exercise due care and caution in the conduct of its business as a Category I –RTI and STA including fulfilment of the specified capital adequacy requirement, on a continuing basis.
* SEBI, vide order dated June 25, 2019, prohibited M/s. Parasrampuria Plantations Ltd. (the defaulter) from disposing, transferring, alienating or charging in respect of all the immovable properties held by defaulter company including the immovable property held in the name of promoters/ Directors/ Connected entities, third party agriculturalists; all other immovable property held by the defaulter; all the shareholding of the defaulter held with various companies listed in the annexure of order.
* SEBI, vide order dated June 25, 2019 restrained the Company from accessing the Securities Market including by issuing prospectus, offer document or advertisement soliciting money from the public and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of five years from the date of this order. Mr. Mahadevan Ganesh, Mr. A. Venkatramani, Mr. P. Raghuraman, Mr. R. Gopalan, Mr. V. Subramonian are restrained from accessing the Securities Market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner
* SEBI, vide order dated June 26, 2019, confirmed the directions issued vide the Interim Order dated May 20, 2015, against Taparia Toolsand its Directors, Promoters and Promoter Group. This order is without prejudice to the right of SEBI to take any other action, including the following against the Company, their Promoters and Directors including persons shown as public shareholders and Devki Devi Jhawar(who had earlier held shares in the Company), or issuing such directions in accordance with law: Levying monetary penalty under adjudication proceedings; Initiating criminal proceedings by way of prosecution proceedings; Moving the scrip to trade-to-trade segment; Excluding the scrip from F&O segment; Any other action/direction as may be deemed appropriate
* SEBI, vide order dated June 27, 2019 directed TRML along with Shri Rajit Ram Maurya, Shri Girraj Vashistha, Shri Prithi Paul Singh Sethi, Shri Narayan Jay Tripathi, Shri Shree Kishan Chaudhary, Shri Shailendra Kumar Prajapati and Shri Amit Mishra shall forthwith refund, to the investors, the money collected by the Company, during their respective tenure of Director / Managing Director of TRML through the issuance of RCPS (including the application money collected from investors during their respective period tenure of Director / Managing Director, till date, pending allotment of securities, if any), with an interest of 15 per cent per annum, from the eighth day of collection of funds, till the date of actual payment.
* SEBI, vide order dated June 27, 2019 directed that the Certificate of Registration granted to Mr. Amit Baburao Ahire as an Investment Advisor shall be cancelled forthwith.
* SEBI, vide order dated June 27, 2019 directed QBRL to refund, to the investors, the money collected by the Company, through the issuance of RPS(including the application money collected from investors, till date, pending allotment of securities, if any), with an interest of 15 per cent per annum, from the eighth day of collection of funds, till the date of actual payment. There payments and interest payments to investors shall be effected only through Bank Demand Draft or Pay Order both of which should be crossed as “Non-Transferable” or through any other appropriate banking channels with clearly identified beneficiaries. QBRL and its present Directors(on behalf of the Company) are directed to provide a full inventory of all the assets and properties and details of all the bank accounts, demat accounts and holdings of mutual funds / shares / securities, if held in physical form and demat form, of the Company.
* SEBI, vide order dated June 27, 2019, issued directions to the Noticee Mr. Narayan Chandra Das as stated hereunder: (a) Mr. Narayan Chandra Das in the capacity as a present director and on behalf of Zenith, is directed to provide full inventory of all the assets and properties and details of all the bank accounts and holdings of mutual funds/shares/securities, if held in physical form and demat form, of the company. (b ) Mr. Narayan Chandra Das in the capacity as a present director and on behalf of Zenith, is permitted to sell the assets of the Company for the sole purpose of making the refunds as directed above and deposit the proceeds in an Escrow Account opened with a nationalized Bank. Such proceeds shall be utilized for the sole purpose of making refund/repayment to the investors till the full refund/repayment as directed above is made. (c) Mr. Narayan Chandra Das in the capacity as a present director and on behalf of Zenith, shall issue public notice, in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of contact persons such as names, addresses and contact details, within 15 days of this Order coming into effect.
* SEBI, vide order dated June 27, 2019, modified the directions specified at para 17(iii) of the Confirmatory Order in respect of Religare Finvest Limited, as under The Noticee no. 8 ( Religare Finvest Limited), pending completion of the investigation, shall not dispose of or alienate any of its assets or divert any funds, without the prior permission of SEBI, except for meeting expenses of day-to-day business operations and taking all measurers as it deems fit for revival of RFL(including restructuring of its debts/loans, assignment of its financial assets to ARCs, raising of capital, borrowing etc.), subject to strict adherence to the terms of “Corrective Action Plan” and any other norms stipulated by the Reserve Bank of India and provisions of all other applicable laws.
* SEBI vide interim order dated June 28, 2019 issued directions in the matter of Raghushukul Shares India Pvt Ltd (RSIPL) as under a) Noticee no 1 to 3 namely RSIL, Mr Gangaram Khandewal and Mr Amit sharma are restrained from accessing securities market and are further prohibited from buying , selling or otherwise dealing in securities market in any matter whatsoever, till further directions b) notice no 1 to 3 are further directed to not dispose of or alienate any assets, whether movable or immovable c) notice no 1 to 3 are directed to provide full inventory of their assets within 5 working days, amongst others.
* SEBI, vide order dated June 28, 2019 restrained Noticee no. 1 (M/s. Aksh Optifibre Ltd) and Noticee no. 2 (Mr. Kailash S Chaudhary) from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities including units of mutual funds, directly or indirectly, or being associated with the securities market in any manner, for a period of five years from the date of this order in the matter of Aksh Optifibre Ltd. During the period of restraint, the existing holding including units of mutual funds of these Noticees shall also remain frozen. The Noticee no. 3 (Mr. P.F. Sundesha), Noticee no. 4 (Mr. B. R. Rakhecha), Noticee no. 5 (Mr. Narendra Kumbha) and Noticee no. 6 (Mr. Arun Sood ) are prohibited from buying, selling or otherwise dealing in securities including units of mutual funds, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of six months from the date of this order. During the period of restraint, the existing holding including units of mutual funds of these Noticees shall also remain frozen.
* SEBI, vide order dated June 28, 2019, restrained and prohibited the Noticee Company (M/s. Kartikeya Agro Products Ltd.), from accessing the Securities Market and further prohibit it from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, till the Noticee Company resolves the investor grievances pending against it. During the period of restraint, the existing holding of the Noticee including units of mutual funds, shall remain frozen.
* SEBI, vide order dated June 28, 2019, restrained and prohibited the Noticee Company (M/s. Gujarat Bonanza Auto & Steel Rolling Ltd), from accessing the Securities Market and further prohibit it from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, till the Noticee Company resolves the investor grievances pending against it. During the period of restraint, the existing holding of the Noticee including units of mutual funds, shall remain frozen.

*Disclaimer: The summary has been prepared for the convenience of readers. In case of any ambiguity, please refer to the original order.*