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**Shri Ajay Tyagi, Chairman, SEBI[[1]](#footnote-1)**

1. Ladies and Gentlemen, it gives me great pleasure to welcome you to India and to this Roundtable on Corporate Governance hosted jointly by SEBI and OECD.

2. This Roundtable gives us an excellent opportunity to deliberate on major corporate governance issues across the world and more specifically in Asia. We can all learn from each other’s experiences.

**A. SEBI-OECD cooperation:**

3. OECD has been a proponent of good corporate governance. It has, over the years, supported the implementation of good corporate governance practices. The OECD Factbook, published once every two years, throws a lot of light on the global practices. It enables different jurisdictions to compare their frameworks with that of other countries. The areas where OECD has done a significant amount of work include Ownership in listed entities; State-owned enterprises; Impact of recent technologies such as block-chain on corporate governance; Company groups, Related party transactions, etc.

4. OECD and SEBI have a long history of co-operation in the area of corporate governance. We have had the privilege of hosting various roundtables, policy dialogues and meetings in close co-operation with OECD in the past. Earlier, the 2014 OECD-Asian Corporate Governance Round table was hosted by SEBI in Mumbai.

5. We have also participated in the in-depth review in two major OECD thematic peer reviews. The first one was on minority shareholder protection in related party transactions in 2012 and the second one in the ongoing review on company groups.

6. I am sure that our co-operation and collaboration with OECD will only strengthen with time.

**B. Global evolution of corporate governance:**

7. Over the years, companies or corporations have emerged as the major structure for conducting businesses across the world. The underlying principle of a corporation is the separation of ownership and management. While such a separation has led to growth of businesses, it also has the inherent potential to create friction between the two stakeholders - the shareholders and the management.

8. The concept of fund raising from public by the corporations added totally new dimension to corporate governance issues. The Dutch East India Company, founded in 1602, was the world’s first formally listed public company. Since then, public funding has emerged as a successful model for raising capital by the corporates. The public funding in turn created friction between another set of stakeholders – controlling/majority and minority shareholders.

9. Core corporate governance norms aim to address these two main conflicts, i.e. –

1. The vertical governance issue i.e. between shareholders and management; and
2. The horizontal governance issue i.e. between controlling and minority shareholders.

10. Information asymmetry within various stakeholders and their varied powers and role in decision making have the inherent potential of abuse of one’s position. The governance norms primarily attempt to protect the interest of the stakeholder more prone to abuse i.e. the shareholders in the first case and the minority shareholders in the second case.

11. The Board of Directors play a crucial buffering role between the management and shareholders. Therefore, corporate governance norms delve significantly into the composition, duties and functioning of the Boards and the Board Committees.

12. There is a growing debate over whether maximizing shareholder value should be the main focus of corporates or they should look for larger stakeholder issues. As you are aware, in a recent round table in New York, CEOs of 200 companies opined that shareholder value is no longer their main objective. As per them, they would rather focus on investing in employees, delivering value to customers, dealing ethically with suppliers and supporting outside communities.

13. While “Corporate Governance” is likely to be an evergreen subject for endless discussions, one thing is amply clear- Investors around the world reward the corporates with better track record of governance in which they could impose faith and trust.

**C. Evolution of corporate governance in India:**

14. The first ever norms of corporate governance in India were laid down by SEBI in the year 2000 through introduction of the landmark clause 49 in the listing agreement. This was based on the recommendations of the Kumar Mangalam Birla Committee.

15. Since then, various Committees were constituted on the subject from time to time which made appropriate recommendations. There was Naresh Chandra Committee, Narayana Murthy Committee, J J Irani Committee and a few others. The regulations have accordingly undergone updations and revisions.

16. More recently, the Kotak Committee made wide ranging recommendations on various aspects of corporate governance. Most of the Committee recommendations were accepted by SEBI. Majority of the recommendations have been implemented with effect from April 1, 2019 and the remaining ones would come into being from April 1, 2020.

17. The amendments in the regulations as a result of these recommendations relate to structure of board of Directors, director remuneration, board evaluation, gender diversity in the Board, independent Directors, Board Committees, Group Governance, disclosure and transparency, etc.

18. India has been among the top 15 countries in 'Protection of Minority Investor Interest' for the last several years in the World Bank's Ease of Doing Business Ranking. Our efforts in this direction will continue going forward as well.

**D. Corporate Governance - challenges:**

19. Improvement in corporate governance norms is a continuing journey. There is no room for complacency. Some of the recent episode’s world over, including in India, of lapses by even well-known and reputed corporates have rightly alerted the regulators. Let me elaborate on some of the concerns which readily come to my mind.

20. Independence of independent directors:

1. SEBI has possibly one of the strongest definitions of what can be construed as ‘independence’ of an independent director in its Listing Regulations.
2. However, the concerns of independent directors not being truly independent, especially in promoter-dominated companies continue and for right reasons. While such directors meet the regulatory requirements on paper, their independence in conduct and decisions is often under the cloud.

21. Balance between controlling and minority shareholders:

1. The principle of majority rule is acknowledged as the bedrock of shareholder democracy. However, this opens up the risk of abuse of position by majority shareholders.
2. The protection of minority interest is crucial and even more critical in areas such as related party transactions. Therefore, many jurisdictions, including India, accord power to minority investors through the ‘majority of minority’ principle in voting for such transactions. Over the period, more such power is being given to minority shareholders in decision making processes in areas which could potentially affect their rights.
3. Clearly there is a need to have a balance between the two. While the majority shareholders should not abuse of their position, the minority shareholders should also not misuse the special powers granted to them under specific provisions. In practice, it has been found to be quite difficult to keep this balance.

22. Disclosures:

1. Under the SEBI Regulations, listed entities are required to make disclosures of material events to the stock exchanges. In order to facilitate clarity, SEBI has provided a list of events which are deemed to be material. Further, the events which ought to be disclosed based on the company’s materiality policy have also been enumerated.
2. However, it is practically impossible for a regulator to list out all possible material events for a company. Companies and their Boards ought to take a proper and prudent call on what is a material event and what is not and disclose accordingly. This is an extremely serious issue and any lapses by the corporates on such disclosures would only erode investors’ confidence.

23. Group governance and related party transactions:

1. Increasing prevalence and use of company groups has brought several governance issues to the fore, especially on related party transactions. Use of complicated group structures and complex related party transactions increase the concern of siphoning of funds, money laundering, round tripping, etc. When such structures and transactions happen at a cross-country level, the lack of free information flow hinders monitoring and enforcement as well.
2. We applaud the efforts of OECD to conduct a review of the duties and responsibilities of the Board in company groups. SEBI has given its inputs on Indian regulations as a case study on the subject. We would be happy to extend any further cooperation in this field, as may be required.
3. Separately, SEBI is also looking at improving the existing norms on related party transactions.

24. Compliance in letter v/s spirit:

1. Regulators across the world struggle with the fundamental question of how to ensure compliance of regulatory norms in spirit and not just in letter. Then there is a debate over rule based regulations versus the principle based ones as also on ‘over regulation’ versus ‘under regulation’. There is a constant worry for regulators that the compliance should not become a mere check-box exercise.
2. SEBI has tried to adopt a mix of principle and rule based approach in its Listing Regulations. While this has helped to some extent, the issue of many companies adopting the tick-box approach on certain aspects of corporate governance remains a matter of concern.

25. Monitoring and enforcement

1. Monitoring and effective enforcement of corporate governance norms are as important as laying down the norms. Mere standard setting is not enough. The need for implementation of these norms can be hardly over emphasized.
2. In India, the exchanges act as the first-line regulator for listing obligations and disclosure norms. SEBI has advised exchanges to boost their capacity and manpower to handle this important regulatory work.
3. For standardized non-compliances such as non-submission of reports, SEBI has notified a Standard Operating Procedure to be followed for imposing fines and taking other enforcement actions. In case of serious violations, SEBI steps in directly and takes enforcement actions as per law.
4. Monitoring and enforcement is an area where there is always scope for improvement. We suggest that OECD may consider working in this area and come out with appropriate recommendations.

**E. Conclusion:**

26. For emerging economies like India, further growth and deepening of capital markets is a sine-qua-non for economic development.

27. As more and more corporates compete for raising public funds on a sustained basis, they would need to constantly improve their corporate governance. Prompt disclosures, transparency, reducing information asymmetry, investor protection and maintaining self-discipline are the basic ‘mantras’ for good corporate governance. Any delinquency or deviation would be, sooner or later, punished by the markets.

28. I once again welcome you all to India and to Mumbai. I wish all the very best for meaningful deliberations in the Roundtable.

Thank you.

**25 years of democratizing Indian Capital Markets**

**Shri Ajay Tyagi, Chairman, SEBI[[2]](#footnote-2)**

**1.** Ladies and Gentlemen, let me begin by congratulating NSE on completion of 25 years of successful operations as a stock exchange.

**2.** Development of capital markets in India has been an exciting and challenging journey. We have come a long way from the open outcry system of trading to the present state of the art electronic trading system in the stock exchanges. Indeed, it is a matter of great satisfaction that India today has capital markets of world class standards.

**A. Growing importance of Capital Markets**

**3.** Size and depth of the capital market in a country is an indicator of its economic development. Our market cap to GDP at around 78 per cent, though impressive, is far below many of the developed countries, viz. USA 151 per cent, Japan 120 per cent and UK 116 per cent.

**4.** Faith and trust are of utmost importance for the growth of capital markets. All stakeholders need to have the required comfort with regard to fair play and justice. While the ease of doing business for entrepreneurs in raising capital is important, investor protection is equally or even more important. In fact, both aspects are inter-related and need to be dealt with in a combined manner to have a functional capital market.

**5.** During the last two years, the amount raised through capital markets in India has been around Rs. 9 lakh crore per year – about 25-30 per cent as equity and 70-75 per cent as debt securities. This amount is comparable to the incremental credit disbursed by the banks in this period. This demonstrates the growing clout of capital markets.

**6.** One area which requires much more attention and a unified approach amongst regulators is the development of the bond market. The present NPA position of banks adds urgency to such a development with a view to providing alternative route for raising debt by entrepreneurs. A deep and well-functioning bond market would further add heft to the capital market in India.

**B. Technology- A Game changer**

**7.** The use of technology has played a major role in effecting the transformation in capital markets. In fact, today, the Market Infrastructure Institutions, viz. Stock Exchanges, Clearing Corporations and Depositories have become technologists’ delight. Going forward, the technology is going to play even more dominating role.

**8.** Trading from any location across the world at the click of a button, Algo trading, execution of trade in few microseconds, real time risk management, clearing and settlement in T+2 days, easy foreign fund/ security flows, e-holding of securities, improved surveillance, etc. – none of these would have happened if it was not for the employment of technology in respective processes.

**9.** Block-chain technology has the potential to completely transform the trading, clearing & settlement process as we know today. The fund management industry which has already taken the initial step with robo advisory services could look very different in future with adoption of Artificial Intelligence & Machine Learning.

**10.** As a regulator, SEBI continuously strives to keep up with this ever persistent technological change. A Standing Committee- *“Committee on Financial and Regulatory Technologies”*- advises SEBI on FinTech related issues. We are always open to suggestions on new technologies.

**C. Stock exchanges as first level regulators**

**11.** As this function has been organized by an exchange, to celebrate 25 years of its existence, it would be in fitness of things to emphasize that over period, stock exchanges have emerged as the most important capital market infrastructure institutions in India.

**12.** From the traditional role of being mainly a trading platform, their role has significantly expanded to that of a first level regulator in the areas under SEBI mandate, i.e. to protect the interests of investors, develop the securities market and regulate the market.

**13.** With respect to investor protection, the exchanges are contributing in creating investor awareness and redressing their grievances:

* 1. On the awareness front, stock exchanges conduct investor awareness programs, provide assistance through Investor Service centers and sponsor media campaigns.
  2. As for grievance redressal, complaints pertaining to trading members are looked into by Exchanges – for this they have Investor Grievance Resolution Panel (IGRP) and Arbitration mechanism.
  3. Exchanges have also set up Investor Protection Fund with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research.

**14.** With respect to development of securities market, stock exchanges have over the years taken several measures including introduction of new segments (e.g. SME), new products (e.g. various derivatives), extension of trading hours, etc.

**15.** As regulatory function, the stock exchanges primarily deal with listed entities and brokers:

* 1. With respect to listed entities, the exchanges complement SEBI’s surveillance efforts. They also monitor disclosures under the Listing Regulations.
  2. As for brokers, supervision is essential to ensure that trading and settlement is as per the prescribed norms. Exchanges provide the risk management framework for brokers, conduct on-site inspection and take regulatory action wherever required.

**16.** The increased role of exchanges in discharging regulatory functions comes with a whole lot of responsibilities. For instance, the exchanges would need to follow governance norms much better than what they preach for listed companies.

**17.** I would like to put emphasis on two important aspects:

* 1. While exchanges are for profit commercial entities, they need to devote sufficient resources for regulatory functions. Further, they should abstain from misusing their oligopolistic position by having exorbitant and unreasonable fee structure.
  2. As I said earlier, faith and trust are important pillars for the development of capital markets. The conduct of market infrastructure institutions has to be above board. Maintaining integrity and ethical work culture is of paramount importance.

**D. Retail participation in capital markets**

**18.** Any discussion on democratization of capital markets in India would be incomplete without emphasizing the role of retail participation in these markets. Increasing retail participation in the growth and success story of capital markets has been one of the avowed objectives of SEBI.

**19.** 25 years back, the total market capitalization was around Rs. 4 lakh Crores which now stands at around Rs.150 Lakh Crores in which retail investors are major shareholders. On the depository side, starting from scratch, the total number of depository accounts has now reached more than 3.5 Crore.

**20.** From a time when retail investors were primarily concentrated in the major cities constrained by physical share trading and settlement, today we have retail investors participating from the entire length and breadth of the country.

**21.** Unlike several countries, in India, we have a significant retail participation at the IPO stage itself. To facilitate retail participation in IPOs, SEBI has taken measures such as minimum allocation for retail investors, ASBA facility and enabling use of UPI in the IPO process.

**22.** The phenomenal growth of Mutual Funds is another success story. The number of folios, which can be considered as a rough indicator of retail participation, has reached around 8.5 Crores. The total Asset Under Management of Mutual Funds stands at more than Rs. 24.5 lakh Crores. Mutual Fund industry has expanded their reach beyond the major cities as evidenced by the fact that now more than 15 per cent of total industry AUM is coming from B-30 cities. Rationalization of total expense ratio charged by Mutual Funds has helped in passing the benefits of economies of scale to the investors.

**23.** 25 years back, retail investors were focused primarily on equity. Today, retail investors are active investors in a variety of investment products including bonds, derivatives, commodity derivatives, etc.

**24.** In this year’s Budget, with a view to bringing retail investors to the government bond market, the Hon’ble Finance Minister has announced the inter-operability of RBI depositories and SEBI depositories to bring about seamless transfer of treasury bills and government securities between the RBI and depository ledgers. SEBI is working with the Government for the fulfillment of this budget announcement.

**E. Conclusion**

**25.** As the size and complexity of our capital markets increase, the role of regulator, market infrastructure institutions and market intermediaries will become more challenging and demanding. Constantly changing technology would keep everybody on their toes.

**26.** The stock exchanges would need to devote sufficient resources for monitoring, surveillance and enforcement to keep the trust of investors in the markets. More importantly, their own conduct would always need to be above board.

**27.** Retail participants are important stakeholders in capital markets development. Their participation, both directly and through mutual funds, in various securities need to increase substantially. Stock exchanges and mutual funds have to put in much more efforts and devote more resources in increasing investor awareness.

**28.** I once again congratulate NSE on attaining the 25-years landmark and wish them all the very best.

Thank you.

**CAPITAL MARKET REVIEW**

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

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

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Oct-19** | **Nov-19** |
| ***A. Funds Mobilisation through Public Issue (I+II)*** | **1,944** | **901** |
| ***I. Equity Public Issue*** | **971** | **440** |
| a. IPOs (i+ii) | 736 | 440 |
| i. Main Board | 698 | 410 |
| ii. SME Platform | 38 | 31 |
| b. FPOs | 0 | 0 |
| c. Equity Rights Issue | 235 | 0 |
| ***II. Debt Public Issue*** | 973 | 461 |
| ***B. Funds Mobilisation through Private Placement*** | **47,939** | **89,035** |
| 1. QIP/IPP | 0 | 11,400 |
| 2. Preferential Allotment | 621 | 28,904 |
| 3. Private Placement of Debt | 47,318 | 48,731 |
| **Total Funds Mobilised (A+B)** | **49,883** | **89,935** |

**Notes: Current month data are provisional**

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

* During November 2019, there were four public equity issuance (three of them were at SME platform) mobilizing ₹ 440 crore as compared to four public equity issuance (three of them were at SME platform) mobilizing ₹ 971 crore in October 2019.
* During November 2019, there was no rights issue as against two rights issues amounting ₹ 235 crore in October 2019.
* During November 2019, there was one issue amounting ₹ 461 crore from the Public Issue of Corporate Bonds comparing with three issues amounting ₹ 973 crore in October 2019.
* During November 2019, the amount raised through private placement of equity (i.e. preferential allotment and QIP route) stood at ₹ 40,304 crore comparing with ₹ 621 crore in October 2019.
* During November 2019, Private Placement of Corporate Debt Reported to BSE and NSE increased by 3 per cent to ₹ 48,731 crore over ₹ 47,318 crore in October 2019.

1. **Trends in the Secondary Market**

* At the end of November 2019, Nifty 50 closed at 12,056, increased by 178.6 points (1.5 per cent) over October’s closing.
* S&P Sensex closed at 40,794 on November 30, 2019, an increase of 664.8 points (1.7 per cent) over previous month.
* During the month, Nifty and Sensex closed its all-time high at 12,151 and 41,130 on November 28, 2019.
* During the month, Nifty and Sensex closed its low at 11,840 and 40,116 on November 13, 2019.
* The P/E ratios of S&P BSE Sensex and Nifty 50 index were 28.4 and 28.1 respectively, at the end of November 2019 compared to the reading of 27.2 and 27.4 respectively a month ago.

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Oct-19** | **Nov-19** | **Change during the Month** |
| **Index in Equity Market** |  |  |  |
| Sensex | 40,129 | 40,794 | 1.7 |
| Nifty 50 | 11,877 | 12,056 | 1.5 |
| Nifty 500 | 9,690 | 9,814 | 1.3 |
| BSE 500 | 15,387 | 15,568 | 1.2 |
| Nifty Bank | 30,066 | 31,946 | 6.3 |
| Nifty IT | 15,559 | 14,998 | -3.6 |
| BSE Healthcare | 13,229 | 13,603 | 2.8 |
| BSE FMCG | 12,246 | 11,724 | -4.3 |
| **Market Capitalisation (₹ crore)** | |  |  |
| BSE | 1,54,09,068 | 1,54,75,077 | 0.4 |
| NSE | 1,52,47,730 | 1,53,15,478 | 0.4 |
| **P/E Ratio** |  |  |  |
| Sensex | 27.2 | 28.4 | 4.3 |
| Nifty 50 | 27.4 | 28.1 | 2.6 |
| **No of Listed Companies** |  |  |  |
| BSE | 5,342 | 5,344 | 0.0 |
| NSE | 1,949 | 1,951 | 0.1 |
| **Gross Turnover in Equity Segment (₹ crore)** | |  |  |
| BSE | 56,622 | 54,445 | -3.8 |
| NSE | 7,52,931 | 8,34,252 | 10.8 |
| **Gross Turnover in Equity Derivatives Segment (₹ crore)** | | |  |
| BSE | 1,972 | 5,971 | 202.7 |
| NSE | 2,94,34,096 | 2,71,30,883 | -7.8 |
| **Gross Turnover in Currency Derivatives Segment (₹ crore)** | | |  |
| BSE | 5,26,608 | 5,43,325 | 3.2 |
| NSE | 6,98,833 | 7,63,427 | 9.2 |
| MSEI | 3,483 | 3,370 | -3.2 |
| **Gross Turnover in Interest Rate Derivatives Segment (₹ crore)** | | |  |
| BSE | 5,933 | 5,252 | -11.5 |
| NSE | 25,268 | 22,410 | -11.3 |

**Source: NSE, BSE and MSEI**

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

**Note: The closing value of Nifty 50 and Sensex have been normalised to 100 on November 01, 2019.**

* The market capitalisation of BSE stood at **₹** 1,54,75,077 crore as on November 30, 2019, increased by 0.4 per cent over previous month.
* The market capitalisation of NSE stood at **₹** 1,53,15,478 crore as on November 30, 2019, increased by 0.4 per cent over previous month.

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

* During November 2019, the gross turnover in the equity segment of BSE decreased by 3.8 per cent to ₹ 54,445 crore from ₹ 56,622 crore in October 2019.
* During November 2019, the gross turnover in the equity segment of NSE increased by 10.8 per cent to **₹** 8,34,252 crore from **₹** 7,52,931 crore in October 2019.

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

* During the month of November 2019, the sectoral indices witnessed mixed trends. Among BSE indices, S&P BSE Bankex increased by 6.7 per cent, followed by S&P BSE Metal (5.1 per cent), S&P BSE Healthcare (2.8 per cent), S&P BSE 200 (1.3 per cent), S&P BSE Large cap (1.2 per cent), S&P BSE 100 (1.2 per cent) and S&P BSE 500 (1.2 per cent). On the other hand, S&P BSE Consumer Goods decreased by 7.6 per cent, followed by S&P BSE Consumer Durables (7.5 per cent), S&P BSE FMCG (7.5 per cent), S&P BSE Power (3.1 per cent) and S&P BSE PSU (1.6 per cent) during the period. The average daily volatility of BSE sectoral indices for the month of November 2019 is given in Figure 4.

**Figure 4: Performance of BSE Indices during November 2019 (Per cent)**

Among select NSE sectoral indices, Nifty PSU Bank increased by 6.5 per cent during November 2019, followed by Nifty Bank (6.3 per cent), Nifty Pharma (4 per cent), Nifty Media (2.7 per cent), Nifty Midcap 100 (2.4 per cent), Nifty Midcap 50 (1.8 per cent), Nifty 200 (1.3 per cent), Nifty 500 (1.3 per cent) and Nifty Small 100 (1.2 per cent). On the other hand, Nifty FMCG decreased by 4.2 per cent, followed by Nifty IT (3.6 per cent), Nifty MNC (2.9 per cent) and Nifty Next 50 (0.6 per cent) during the month. The average daily volatility NSE sectoral indices for the month of November 2019 is given in Figure 5.

Volatility of What is depicted in Figure 4 and 5?

**Figure 5: Performance of NSE Indices during November 2019 (Per cent)**

1. **Trends in Depository Accounts**

At the end of November 2019, there were 205 lakh demat accounts at NSDL and 195 lakh demat accounts at CDSL. Till the end of November 2019, 5,599 listed companies were signed up with NSDL 5,630 listed companies were signed up with CDSL to make their shares available in dematerialised form.

1. **Trends in Derivatives Segment**
2. **Equity Derivatives**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **NSE** | | | **BSE** | | |
| **Oct-19** | **Nov-19** | **Percentage Change Over Month** | **Oct-19** | **Nov-19** | **Percentage Change Over Month** |
| **A. Turnover (₹ crore)** | | | | | | |
| (i) Index Futures | 5,80,596 | 4,77,983 | -17.7 | 1,410.5 | 2,841.5 | 101 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 1,19,28,619 | 1,12,34,334 | -5.8 | 0.0 | 799.6 | NA |
| *Call* | 1,46,66,647 | 1,31,22,523 | -10.5 | 0.0 | 1649.4 | NA |
| (iii) Stock Futures | 12,33,713 | 12,56,617 | 1.9 | 23.7 | 44.0 | 86.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 3,60,108 | 3,47,378 | -3.5 | 274.4 | 294.0 | 7 |
| *Call* | 6,64,413 | 6,92,047 | 4.2 | 263.8 | 342.0 | 30 |
| **Total** | **2,94,34,096** | **2,71,30,883** | **-7.8** | **1,972** | **5,971** | **202.7** |
| **B. No. of Contracts** | | | | | | |
| (i) Index Futures | 83,17,454 | 64,38,144 | -22.6 | 14,434 | 27,957 | 93.7 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 18,17,17,539 | 16,15,38,469 | -11.1 | 0 | 7,867 | NA |
| *Call* | 21,88,54,843 | 18,63,26,307 | -14.9 | 0 | 15,859 | NA |
| (iii) Stock Futures | 2,27,05,088 | 2,27,79,787 | 0.3 | 443 | 762 | 72.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 66,21,184 | 61,20,457 | -7.6 | 3,789 | 3,890 | 3 |
| *Call* | 1,12,48,252 | 1,15,19,559 | 2.4 | 3,641 | 4,565 | 25 |
| **Total** | **44,94,64,360** | **39,47,22,723** | **-12.2** | **22,307** | **60,900** | **173.0** |
| **C. Open Interest in Terms of Value ( ₹ crore)** | | | | | | |
| (i) Index Futures | 20,196 | 22,635 | 12.1 | 0 | 36 | NA |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 60,491 | 75,311 | 24.5 | 0 | 9 | NA |
| *Call* | 44,508 | 52,958 | 19.0 | 0 | 7 | NA |
| (iii) Stock Futures | 1,08,877 | 1,20,332 | 10.5 | 9.3 | 2.6 | -72.5 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 7,245 | 7,819 | 7.9 | 0 | 0.0 | NA |
| *Call* | 9,523 | 12,071 | 26.8 | 0 | 0.0 | NA |
| **Total** | **2,50,840** | **2,91,127** | **16.1** | **10.1** | **53.4** | **429.8** |
| **D. Open Interest in Terms of No of Contracts** | | | | | | |
| (i) Index Futures | 2,39,866 | 2,75,764 | 15.0 | 254 | 346 | 36.2 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 7,26,059 | 9,03,109 | 24.4 | 0 | 84 | NA |
| *Call* | 5,43,025 | 6,49,392 | 19.6 | 0 | 64 | NA |
| (iii) Stock Futures | 17,59,285 | 19,98,221 | 13.6 | 140 | 37 | -73.6 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 1,24,072 | 1,45,423 | 17.2 | 5 | 0 | NA |
| *Call* | 1,67,695 | 2,31,213 | 37.9 | 6 | 0 | NA |
| **Total** | **35,60,002** | **42,03,122** | **18.1** | **405** | **531** | **31.1** |

**Source: NSE and BSE**

* Among the three exchanges in the equity derivative market ecosystem, viz., NSE, BSE and MSEI, NSE has a market share of almost 100 per cent and BSE registered an insignificant volume compared to NSE’s volume however, MSEI has no trading during October 2019.
* The notional monthly turnover in the equity derivatives segment of NSE decreased by 7.8 per cent to **₹** 271.3 lakh crore in November 2019 to **₹** 294.3 lakh crore in October 2019.
* Index options accounted for 89.8 per cent of the total notional turnover in the F&O segment of NSE during the month compared to 90.4 per cent during last month.
* The notional turnover in index options (call and put together) decreased by 8.4 per cent to **₹** 243.6 lakh crore in November 2019 from **₹** 266 lakh crore in October 2019.

During November 2019, Weekly options contributed 72 per cent of total index options compared to 76 per cent of total index options in October 2019. The percentage share of monthly options of total index options turnover stood at 27 per cent in November 2019, increased from 24 per cent in October 2019.

**Figure 6: Maturity wise percentage share of Total Index Options Turnover (per cent)**

* During the month, the notional turnover of index futures decreased by 17.7 per cent to **₹** 4.8 lakh crore from **₹** 5.8 lakh crore in October 2019.
* The notional turnover of stock futures increased by 1.9 per cent to **₹** 12.6 lakh crore in November 2019 from **₹** 12.3 lakh crore in October 2019.
* The notional turnover in stock options (call and put together) increased by 1.5 per cent to **₹** 10.4 lakh crore from **₹** 10.2 lakh crore during the same period.
* As on November 30, 2019 the open interest at NSE stood at **₹** 2,91,127 crore from **₹** 2,50,840 crore in October 31, 2019, an increase of 16.1 per cent.
* During November 2019, the equity derivatives segment turnover of BSE increased to ₹5,971 crore compared to ₹ 1,972 crore in October 2019.

**Figure 7: Trends of Equity Derivatives Segment at NSE (in ₹ lakh crore)**

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

* During November 2019, the monthly turnover of currency derivatives in India (NSE, BSE and MSEI together) stood at **₹** 13.1 lakh crore from **₹** 12.3lakh crore in October 2019, indicating an increase of 6.6 per cent.
* The trading volumes in Currency Derivatives at NSE increased by 9.2 per cent to **₹** 7,63,427 crore in November 2019 from **₹** 6,98,833 crore in October 2019.
* The trading volumes in Currency Derivatives at BSE increased by 3.2 per cent to **₹** 5,43,325 crore from **₹** 5,26,608 crore during the same period.
* The trading volumes in Currency Derivatives at MSEI stood at ₹ 3,370 crore in November 2019 from ₹ 3,483 crore in October 2019, decreased by 3.2 per cent.

**Figure 8: Trends of Currency Derivatives at NSE, MSEI and BSE (₹ crore)**

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

* During November 2019, the monthly turnover of interest rate futures at NSE decreased by 11.3 per cent to ₹ 22,410 crore from ₹ 25,268 crore in October 2019.
* The monthly turnover of interest rate futures at BSE decreased by 11.5 per cent to ₹ 5,252 crore from ₹ 5,933 crore during the same period.

**Figure 9: Trends of Interest Rate Futures at NSE and BSE (₹** **crore)**

1. **Trading in Corporate Debt Market**

* During November 2019, BSE noted 4,850 trades of corporate debt with a traded value of ₹ 51,449 crore as compared to 4,133 trades of corporate debt with a traded value of ₹ 50,078 crore in October 2019.
* At NSE, 6,183 trades were noted with a traded value of ₹ 1,02,472 crore in November 2019 as compared to 5,692 trades were noted with a traded value of ₹ 1,00,001 crore in October 2019.

**Figure 10: 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 ₹ 54,419 crore in November 2019 compared to a net inflow of ₹ 1,33,482 crore in October 2019.
* In terms of category of scheme, during November 2019, open ended schemes mobilised ₹ 55,324 crore of which ₹ 51,428 crore mobilised through Income/Debt Oriented Schemes, followed by other schemes (ETFs) (₹ 3,019 crore), growth/equity oriented schemes (₹ 1,312 crore), and Solution Oriented Schemes (₹ 138 crore). However, there was a net redemption of ₹ 572 crore from Hybrid Schemes.
* There was a net redemption of ₹ 884 crore and ₹ 22 crore from closed ended schemes and interval schemes during November 2019.
* The net assets under management of all mutual funds stood at ₹ 27 lakh crore at the end of November 2019 from ₹ 26.3 crore as on October 31, 2019.
* As on November 30, 2019, there were a total of 1,901 mutual fund schemes in the market, of which 1,135 were income / debt oriented schemes (319 open ended and 816 closed ended), 441 were growth / equity oriented schemes (322 open ended and 119 closed ended), 142 were open ended other schemes (ETFs), 129 were open ended Hybrid schemes, 30 were open ended Solution Oriented Schemes and 24 interval schemes.
* In the secondary market transaction, during November 2019, mutual funds made a net investment of 34,574 crore (of which ₹ 39,418 crore investment in debt and ₹4,844 crore withdrawn from equity) compared to an investment of ₹ 45,485 crore (₹3,437 crore in equity and ₹ 42,048 crore in debt) in October 2019.

**Figure 11: Trends of Mutual Funds Investment in Secondary Market (₹ crore)**

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

* During November 2019, FPIs invested a total of ₹ 22,999 crore in the Indian securities market compared to an investment of ₹ 16,069 crore in October 2019. Of the total investment in November 2019, FPIs invested ₹ 25,231 crore in equity and ₹ 126 crore in hybrid securities compared to an investment of ₹ 12,368 crore in equity and ₹ 31 crore in hybrid securities during October 2019. FPIs withdraw of ₹ 2,358 crore from debt securities in November 2019 compared to ₹ 3,670 crore in debt securities in October 2019.
* The assets of the FPIs in India, as reported by the custodians, at the end of November 2019 was ₹ 34,88,850 crore, out of which the notional value of offshore derivative instruments (including ODIs on derivatives) was ₹ 68,987 crore (or 2.2 per cent of total assets of FPIs).

**Figure 12: Trends in FPIs Investment (₹ crore)**

1. **Trends in Portfolio Management Services**

* As on November 30, 2019, AUM of the portfolio management industry decreased by 3.1 per cent to ₹ 17.7 lakh crore from ₹ 18.2 lakh crore in October 2019. Of the total, AUM of fund managers of EPFO/PFs contributed ₹ 13 lakh crore (i.e., 73.6 per cent of total AUM).
* In terms of number of clients in PMS industry at the end of November 2019, discretionary services category topped with 1,49,170 clients, followed by non-discretionary category with 8,411 clients and advisory category with 3,884 clients.

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

During November 2019, three open offers with offer value of ₹ 10 crore was made to the shareholders as against four open offers with offer value of ₹ 13 crore made in October 2019. Of the three, one open offer was for change in control of management, one was Consolidation of Holdings and one was Substantial Acquisition.

**Figure 13: Details of Open Offers Made under the SEBI (SAST) Regulations**

1. **Commodities Derivatives Markets**

**Exhibit 4: Snapshot of Indian Commodity Derivative Markets**

|  |  |  |  |
| --- | --- | --- | --- |
| **Items** | **Oct-19** | **Nov-19** | **Change during the month** |
| **A. Indices** | | | |
| Nkrishi | 3,521 | 3,438 | -2.4 |
| MCX COMDEX | 3,903 | 3,847 | -1.4 |
| **B. Total Turnover (in ₹ crore)** | | | |
| **All-India** | **7,25,149** | **7,42,741** | **2.4** |
| **MCX, of which** | **6,91,058** | **7,00,488** | **1.4** |
| *Futures* | 6,73,198 | 6,79,268 | 0.9 |
| *Options* | 17,859 | 21,219 | 18.8 |
| **NCDEX, of which** | **26,766** | **34,771** | **29.9** |
| *Futures* | 26,766 | 34,770 | 29.9 |
| *Options* | 0.2 | 0.7 | 362.5 |
| **ICEX** | **3,362** | **3,139** | **-6.6** |
| **BSE** | **3,096** | **3,622** | **17.0** |
| **NSE** | **867** | **721** | **-16.8** |

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

**A. Market Trends**

* During November 2019, MCX comdex index decreased by 1.4 per cent (M-o-M) driven by decrease in prices of base metals (aluminum, lead, nickel and zinc), energy (natural gas) bullion (gold and silver) and agri. (cotton) segments. On Y-o-Y basis, MCX comdex index increased by 9.6 per cent, mainly on account of significant increase in prices of all the traded commodities except natural gas, mentha oil and cotton which declined by 47.3 per cent, 24.5 per cent and 12.7 per cent, respectively over the past year.
* During November 2019, MCX base metal index decreased by 4.4 per cent on account of decrease in futures price of all the base metals except copper which showed no variation. The futures prices of nickel declined by (13.4 per cent), followed by lead (4.7 per cent), zinc (4.4 per cent), and aluminum (1.5 per cent).
* Among the energy segment, MCX energy index increased by 0.5 per cent due to increase in futures prices of crude oil by 3.3 per cent, which was partially offset by decrease in futures prices of natural gas by 10.6 per cent. MCX Agri. index witnessed an uptrend (7.4 per cent) as futures prices of cardamom, CPO and mentha oil increased by 16.2 per cent, 14.8 per cent and 2.5 per cent respectively, which was partially offset by decrease in futures price of cotton (1.2 per cent).
* During November 2019, NKrishi index decreased by 2.4 per cent (M-o-M) as six out of 10 constituent commodities (chana, turmeric, cottonseed oilcake, jeera, coriander and castorseed) witnessed downtrend in futures prices. On Y-o-Y basis, the NKrishi index registered a gain of 1.6 per cent at the end of November 2019 mainly on account of increase in prices of six of its actively traded constituent commodities viz. soybean (21.4 per cent), refined soy oil (13.1 per cent), RM Seed (8.6 per cent), cottonseed oilcake (3.5 per cent), coriander (3.4 per cent) and wheat (1.7 per cent).

**Figure 14: Movement of Commodity Derivatives Market Indices during November 2019**

**Note: The closing value of MCX Comdex and NCDEX Nkrishi have been normalised to 100 on November 01, 2019.**

**B. Turnover**

* During November 2019, the aggregate turnover of all commodity exchanges increased by 2.4 per cent to ₹7,42,741 crore due to increase in turnover at MCX, NCDEX and BSE. However, turnover at ICEX and NSE declined during the month. The agricultural segment contributed 6.1 per cent to the total turnover, while non-agricultural segment accounted for 93.9 per cent.
* The total turnover (futures & options) at MCX increased by 1.4 per cent to ₹ 7,00,488 crore during November 2019. The futures turnover in energy and agri. segments increased by 13.7 per cent and 40.5 per cent respectively, while the futures turnover in metal segment and bullion segment decreased by 19.1 per cent and 6.6 per cent, respectively. The notional turnover of options contracts traded at MCX increased by 18.8 per cent during the month as turnover in bullion and energy segments increased by 28.5 per cent and 10.1 per cent respectively, however the notional turnover declined by 27.3 per cent in metal segment. The options contracts contributed 3.0 per cent to the total turnover at MCX.
* During the month, the total turnover at NCDEX increased by 29.9 per cent to ₹34,771 crore, due to significant increase in traded value of seven of its actively traded commodities viz. cotton seed oilcake, coriander, guargum, jeera, kapas, soybean and refined soy oil. The turnover in options segment at NCDEX increased from ₹0.2 crore to ₹0.7 crore in November 2019.
* In November 2019, turnover at ICEX decreased by 6.6 per cent to ₹3,139 crore due to decrease in traded value of gems and stone and agri. segments by 7.1 per cent and 19.6 per cent respectively. However, the turnover in metal (steel long) segment increased by 2.6 per cent during the month.
* The commodity derivative turnover at BSE increased by 17.0 per cent due to significant increase in traded value in agri. segment by 26.7 per cent. However, turnover in bullion segment of BSE declined by 67.8 per cent during the month. At NSE, turnover in bullion segment declined by 18.6 per cent, whereas, it increased by 14.8 per cent in energy segment.

**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**

**Note:-Values represented on the top of the bars are respective monthly option turnover at MCX (in Rs.crore).**

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

**OVERVIEW OF THE GLOBAL FINANCIAL MARKETS**

* Global economic growth is slowing down due to the ongoing geopolitical tensions, uncertainty surrounding the trade deal between the U.S. and China, which has disrupted supply chains, reduced investment, rattled financial markets, etc. The US and China engaged in dialogues over a phase one trade agreement, although no deal was reached. Effects of the tensions are felt beyond US and China.
* In US, this is affecting the demand for exports and has put a dampener on both U.S. inflation and growth prospects. The inflation has gone up to 1.8% in October 2019 from the earlier 1.7%. For China, in November 2019, the consumer price index (CPI) went up by 4.5 percent year-on-year, with an increase of 4.2 percent in urban and 5.5 percent in rural areas, respectively.
* People’s Bank of China (PBOC) is expecting more challenges to economic growth than those envisaged in August 2019. A total of 600 billion yuan (about 85.4 billion U.S. dollars) was injected into the market via the medium-term lending facility (MLF) in November 2019, to maintain liquidity in the banking system at a reasonably sufficient level, according by the PBOC. The funds will mature in one year at an interest rate of 3.25 percent.
* In the wake of growing trade tensions, Peoples Bank of China has cut the short-term lending rate for the first time since 2015, on November 18, 2019 from 2.55 per cent to 2.5 per cent. The Central Banks at large are responding by adjusting their monetary policy to support their economies.
* The returns from developed global equity markets were broadly higher in November 2019. US and Eurozone equities rose. Emerging market equities fell during the month. Amongst the BRICS, Indian Indices and Brazilian Index posted positive returns.
* The bond yields too rose during the month for the developed economies. 10-year US Treasury yield stood at 1.78 per cent which has increased by 8 basis points, for UK the bond yield was 0.70 per cent with a hike of 7 basis points, while for Spain the bond yield was 0.42 per cent with an increase of 17 basis points in November 2019 as against October 2019.
* Currency markets across the globe were more or less stable. Compared to the close of October 2019, in November 2019 the major currencies have marginally weakened against the US dollar. The Brazilian currency, Real, weakened to a record low in November 2019 which prompted the central bank to sell the dollars to support the currency. Earlier in August 2019 the Central Bank had sold the US Dollars for the first time in a decade.
* In its economic outlook of November 2019, OECD has termed the global outlook as unstable. The report says that the World GDP growth fell to 2.9 per cent this year – its lowest rate since the financial crisis – and is expected to remain stuck at 3 per cent over the next two years.
* The GDP for the US increased by 2.1 per cent in the third quarter of 2019. In the second quarter the growth in GDP was 2.0 per cent. The third-quarter increase in real GDP reflected increases in consumer spending, government spending, housing investment, inventory investment, and exports, while business investment decreased. Imports, which are a subtraction in the calculation of GDP, increased. As per the Bureau of Economic Analysis, the increase in consumer spending reflected increases in both goods (notably recreational goods and vehicles as well as food and beverages) and services (led by housing and utilities as well as food services). The increase in government spending reflected increases in both federal, state and local government spending.
* In the Euro Area, the GDP rose by 0.2 per cent and employment by 0.1 per cent as per the flash estimate published by Eurostat, the statistical office of the European Union. The growth in GDP during the second quarter of 2019 was also 0.2 per cent.
* As per the release by Ministry of Foreign Affairs of Japan, the quarterly real growth rate which is seasonally adjusted, for Quarter 3 of 2019 is 0.1 per cent (annualized rate 0.2 per cent). Prime Minister Shinzo Abe has proposed a stimulus package for reviving the slowing Japanese economy.
* India’s GDP growth continued to slow down. The growth rate has slumped to 4.5 per cent in Q2 2019-20 while it was 7.0 percent in the Q2 of 2018-19. Both domestic as well as global factors have contributed to the decline. There is a slowdown in manufacturing and construction along with a decline in the domestic consumption. Stress in the financial sector, too, has added to the economic slowdown.

**Equity Markets:**

* The developed markets continued to post better returns, compared to those of the BRICS nations.
* The Indian indices, Nifty and Sensex, are posting positive returns, probably because the Government is introducing various relief measures to uplift the otherwise slowing economy. Nifty gained 3.5 per cent and Sensex gained 3.8 per cent during November 2019.
* November 2019 witnessed downward revision of GDP growth for India by the various national as well as international agencies.
* Amongst the developed nations, NASDAQ recorded the highest return of 4.5 per cent during November 2019. Dow Jones followed with 3.7 per cent. Among the BRICS nations, only exchanges of India and Brazil posted positive returns.
* All MSCI indices too posted positive returns except for the Emerging Market Index. The MSCI Emerging Markets Index posted a negative return of 0.19%.

**Table A2: Performance of Stock Indices**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Name of the Index** | **Closing Value as on** | **Closing Value before** | | | | **Annualised Volatility – for the Month (%)** | **P/E Ratio** |
| **November 30, 2019** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRICS Nations** | | | | | | | | |
| Brazil | BRAZIL IBOVESPA | 104745.3 | 101134.6 | 100967.2 | 95414.6 | 79342.4 | 18.0 | 16.2 |
| Russia | RUSSIAN TRADED | 1949.7 | 1904.7 | 2044.5 | 1758.9 | 1762.0 | 17.2 | 5.3 |
| India | Nifty 50 | 11474.5 | 11023.3 | 11788.9 | 11623.9 | 10930.5 | 13.8 | 26.4 |
| India | S&P BSE SENSEX | 38667.3 | 37332.8 | 39394.6 | 38672.9 | 36227.1 | 13.7 | 27.0 |
| China | SHANGHAI SE COMPOSITE | 2905.2 | 2886.2 | 2978.9 | 3090.8 | 2821.4 | 17.6 | 14.1 |
| South Africa | FTSE/JSE AFRICA ALL SHR | 54825.0 | 55259.6 | 58203.8 | 56462.6 | 55708.5 | 12.7 | 14.3 |
| **Developed Markets** | | | | | | | | |
| USA | NASDAQ COMPOSITE | 7999.3 | 7962.9 | 8006.2 | 7729.3 | 8046.4 | 18.0 | 31.4 |
| USA | DOW JONES INDUS. AVG | 26916.8 | 26403.3 | 26600.0 | 25928.7 | 26458.3 | 14.6 | 18.0 |
| France | CAC 40 | 5677.8 | 5480.5 | 5539.0 | 5350.5 | 5493.5 | 14.1 | 19.5 |
| Germany | DAX | 12428.1 | 11939.3 | 12398.8 | 11526.0 | 12246.7 | 14.6 | 20.2 |
| UK | FTSE 100 | 7408.2 | 7207.2 | 7425.6 | 7279.2 | 7510.2 | 12.2 | 18.0 |
| Hong Kong | HANG SENG | 26092.3 | 25724.7 | 28542.6 | 29051.4 | 27788.5 | 15.7 | 10.2 |
| South Korea | KOSPI | 2063.1 | 1967.8 | 2130.6 | 2140.7 | 2343.1 | 12.4 | 20.3 |
| Japan | NIKKEI 225 | 21755.8 | 20704.4 | 21275.9 | 21205.8 | 24120.0 | 15.7 | 20.2 |
| Singapore | STRAITS TIMES STI | 3120.0 | 3106.5 | 3321.6 | 3212.9 | 3257.1 | 10.4 | 11.6 |
| Taiwan | TAIWAN TAIEX | 10829.7 | 10618.1 | 10730.8 | 10641.0 | 11006.3 | 11.0 | 15.5 |

**Note:** Annualised Volatility is for the current month.P/E Ratios as on the last trading day.

**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 WFE, there is a reduction in resource mobilization during October 2019, through issue of both Equity and Debt. Data is not available for certain stock exchanges.
* Among the developed nations, Korea Exchange raised $ 51.8 billion ($0.3 billion in equity and 51.5 billion in debt) and LSE Group raised $ 51.2 billion ($2.7 billion in equity and 48.5 billion in debt).
* Among the BRICS nations, Moscow Stock Exchange raised $ 28.5 billion through bond issuance while Shenzhen Stock Exchange raised $15.4 billion ($13.5 billion through bond issuance and $1.9 billion through equity issuance).

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

(US$ Million)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Exchange** | **Sep-19** | | | **Oct-19** | | |
| **Equity** | **Bond** | **Total** | **Equity** | **Bond** | **Total** |
| **Developed** | Nasdaq - US | 4,238 | NA | 4,238 | 1,635 | NA | 1,635 |
| Nasdaq Nordic and Baltics | 596 | 7,827 | 8,423 | 29 | 1,853 | 1,882 |
| NYSE | 13,582 | NA | 13,582 | 2,340 | NA | 2,340 |
| LSE Group | 961 | 64,034 | 64,995 | 2,693 | 48,479 | 51,172 |
| Euronext | 1,300 | 0 | 1,300 | 9,942 | 0 | 9,942 |
| Deutsche Boerse AG | 2,159 | 26,554 | 28,712 | 0 | 25,612 | 25,612 |
| BME Spanish Exchanges | 1,637 | 22,731 | 24,368 | 77 | 28,785 | 28,861 |
| Japan Exchange Group | 4,587 | 23,923 | 28,510 | 0 | 0 | 0 |
| Singapore Exchange | 0 | 17,267 | 17,267 | 903 | 39,791 | 40,694 |
| ASX Australian Securities Exchange | 3,359 | 38 | 3,397 | 3,061 | 39 | 3,100 |
| Hong Kong Exchanges and Clearing | 6,479 | 17,117 | 23,596 | 2,813 | 13,660 | 16,472 |
| Korea Exchange | 40 | 36,828 | 36,868 | 330 | 51,467 | 51,798 |
| **BRICS** | B3 - BrasilBolsaBalcão | 125 | NA | 125 | 252 | NA | 252 |
| Moscow Exchange | 0 | 20,161 | 20,161 | 0 | 28,468 | 28,468 |
| BSE India Limited | 0 | NA | 0 | 0 | NA | 0 |
| National Stock Exchange of India | 2,129 | 0 | 2,129 | 0 | 0 | 0 |
| Shanghai Stock Exchange | 6,971 | NA | 6,971 | 3,231 | NA | 3,231 |
| Shenzhen Stock Exchange | 10,325 | 18,855 | 29,181 | 1,973 | 13,462 | 15,435 |
| Johannesburg Stock Exchange | 163 | 2,04,606 | 2,04,770 | 63 | 4,384 | 4,448 |

**Note :**

1. Bonds - Capital raised (Total) - B3 - Brasil Bolsa Balcão: Since January 2007, FIDC issues (Receivable Investment Funds) are included
2. Total Equity Market - Capital raised (Total) - Australian Securities Exchange: including investment funds
3. BME Spanish Exchanges: including investment companies listed (open-end investment companies) that differ from investment funds included in investment funds statistics because of their legal status and that cannot be distinguished from other listed companies
4. Bolsa de Valores de Lima: Includes 26 foreign companies with shares negotiated under a special modality
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. Inactive secondary foreign listings are excluded

**Market Capitalisation of Major Exchanges:**

* Market capitalisation of equity markets of Developed as well as BRICS went up during October, 2019 compared to September 2019.
* Among developed nations, market cap of the Nasdaq-US went up by 3.6 in percentage terms and $ 416.87 bn in value terms. Hong Kong Exchanges and Clearing by 6.69 per cent ($274 billion).
* Among BRICS nations, market capitalisation of BSE India Ltd. went up by 6.2 per cent or $126.8 billion. For Shanghai Stock Exchange the appreciation was 2.8 per cent or $ 126.9 billion.

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

(US$ Million)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Country** | **Exchange** | **Sep-19** | **Oct-19** | **% Change** |
| **Developed Markets** | USA | Nasdaq - US | 1,17,19,820 | 1,21,36,691 | 3.6 |
| USA | NYSE | 2,30,89,199 | 2,32,36,776 | 0.6 |
| UK | LSE Group | 38,28,355 | 39,39,680 | 2.9 |
| Pan Europe\* | Euronext | 44,37,908 | 44,97,393 | 1.3 |
| Germany | Deutsche Boerse AG | 19,01,280 | 19,97,997 | 5.1 |
| Spain | BME Spanish Exchanges | 7,49,654 | 7,64,270 | 1.9 |
| Japan | Japan Exchange Group | 58,34,148 | 59,67,844 | 2.3 |
| Singapore | Singapore Exchange | 6,57,065 | 6,88,833 | 4.8 |
| Hong Kong | Hong Kong Exchanges and Clearing | 39,07,510 | 40,55,003 | 3.8 |
| South Korea | Korea Exchange | 13,15,040 | 13,96,243 | 6.2 |
| Australia | ASX Australian Securities Exchange | 14,16,452 | 14,50,903 | 2.4 |
| **BRICS** | Brazil | B3 - BrasilBolsaBalcão | 10,13,635 | 10,82,745 | 6.8 |
| Russia | Moscow Exchange | 6,81,002 | 7,39,847 | 8.6 |
| India | BSE India Limited | 20,44,972 | 21,71,759 | 6.2 |
| India | National Stock Exchange of India Limited | 20,24,900 | 21,46,375 | 6.0 |
| China | Shanghai Stock Exchange | 45,88,562 | 47,15,424 | 2.8 |
| China | Shenzhen Stock Exchange | 30,22,092 | 31,18,652 | 3.2 |
| South Africa | Johannesburg Stock Exchange | 9,75,563 | 9,76,653 | 0.1 |

**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 BorsaItaliana
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.

NA - Not available

**Source:** World Federation of Exchanges, NSE

**Equity Derivatives:**

As per the latest data available from the World Federation of Exchanges, during October 2019, there was a mixed behaviour by the equity derivatives markets (Table A5 and A6):

**Single Stock Futures:**

* In Asia-Pacific region, the Korean Exchange registered trades in 41.4 million contracts, which declined by 19 per cent over the previous month. During the month, National Stock Exchange of India Ltd registered 22.7 million trades, which is a drop of 0.1 per cent.
* Amongst exchanges in the Europe - Africa - Middle East, Deutsche Boerse AG recorded trades in 24.0 million contracts which has increased by 127.8 per cent while Moscow Exchange recorded 16.5 million contracts which is 1.9 per cent increase in trades.

**Single Stock Options:**

* Amongst exchanges in the Americas, B3 - Brasil Bolsa Balcão recorded trades in 99.3 million contracts and Chicago Board Options Exchange recorded 76.7 million during October 2019, which are 27.5 per cent and 11.0 per cent higher, respectively, over the past month.
* Amongst exchanges in the Europe - Africa - Middle East, Deutsche Boerse AG recorded trades in 16.8 million contracts which has increased by 2.06 per cent. Euronext recorded trades in 5.7 million contracts which was a decline of by 5.5 per cent over the previous month.
* Amongst exchanges in the Asia Pacific, the National Stock Exchange of India recorded trading of 17.9 million contracts and Hong Kong Exchanges and Clearing 8.1 million contracts, increases of 1.7 per cent and 5.1 per cent, respectively, over the previous month.

**Index Futures:**

* Amongst exchanges in the Americas, B3 - Brasil Bolsa Balcão recorded trades in 163.5 million contracts during October 2019, which is a 14.8 per cent increase in the number of contracts traded. CME Group recorded a decline of 5.9 per cent in October 2019, with 62.2 million trades.
* Amongst exchanges in the Europe - Africa - Middle East, Deutsche Boerse AG recorded trading of 37.3 million contracts which is a 35.8 per cent decline over the last month. Moscow Exchange recorded 9.0 million contracts, wherein the trades increased by 4.4 per cent.
* Amongst exchanges in the Asia Pacific, Japan Exchange Group recorded trading of 24.2 million contracts (decline of 3.5 per cent) and Hong Kong Exchanges and Clearing recorded 8.62 million contracts, which is an increase of 1.2 per cent.

**Index Options:**

* Amongst exchanges in the Americas, Chicago Board Options Exchange Global Markets recorded trading of 41.4 million contracts and CME Group of 15.5 million contracts during October 2019, which are 5.2 per cent and 14.5 per cent increase over the previous month, respectively.
* Amongst exchanges in the Europe - Africa - Middle East, Deutsche Boerse AG recorded trading of 40.8 million contracts and Euronext of 1.7 million contracts. Trading in these exchanges increased by 5.1 per cent and 20.7 per cent, respectively, during October 2019.
* Amongst exchanges in the Asia Pacific, National Stock Exchange of India recorded trading of 400.6 million contracts and Korea Exchange of 50.9 million contracts. Number of contracts traded in NSE during October 2019 increased by 0.2 per cent while for Korea Exchange it is an increase of 10.7 per cent.

**Currency Derivatives:**

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

**Currency Futures:**

* Amongst exchanges in the Americas, B3 - Brasil Bolsa Balcão recorded trading of 40.7 million contracts and CME Group of 17.4 million contracts. The number of contracts traded increased by 14.4 per cent in B3 - Brasil Bolsa Balcão and declined in CME Group by 13.7 per cent, over September 2019.
* Amongst exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 40.9 million contracts and Borsa Istanbul of 5.8 million contracts, with 0.1 cent and 55.9 per cent growth, respectively, over the previous month.
* Amongst exchanges in the Asia Pacific, National Stock Exchange of India recorded trading of 46.1 million contracts and BSE India Ltd of 30.1 million contracts. The number of contracts traded declined in both the exchanges, by 16.2 per cent and 13.7 per cent, respectively, over September 2019.

**Currency Options:**

* Amongst exchanges in the Americas, both CME Group and B3 - Brasil Bolsa Balcão recorded trading of around 1.1 million contracts each. This amounted to 115.5 per cent and 4.7 per cent growth, respectively, for these exchanges.
* Amongst exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 1.5 million contracts and Johannesburg Stock Exchange of 1.1 million contracts, which declined by 15.7 per cent and 66.4 per cent, respectively, over September 2019.
* Amongst exchanges in the Asia Pacific, National Stock Exchange recorded trading of 50.6 million contracts and BSE India Ltd recorded trading of 44.0 million contracts. Trading in the contracts declined by 24.3 and 6.6 per cent, respectively, over September 2019.

**Interest Rate Derivatives:**

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

**Interest Rate Futures:**

* Among exchanges in the Americas, CME Group recorded trading of 106.7 million contracts which was a decline of 8.0 per cent, and B3 - Brasil Bolsa Balcão traded 1.2 million contracts, which was an increase of 32.1 per cent.
* Among exchanges in the Asia Pacific, Australian Securities Exchange recorded trading of 3.1 million contracts and Korea Exchange of 0.5 million contracts, which were 21.0 per cent and 4.9 per cent decrease, respectively, over September 2019.
* Among exchanges in Europe - Africa - Middle East, Deutsche Boerse recorded trading of 5.9 million contracts and Nasdaq Nordic and Baltics of 0.1 million contracts, which were 29.9 per cent and 24.4 per cent decrease, respectively, over September 2019.

**Interest Rate Options:**

* Among exchanges in the Americas, CME Group recorded trading of 63.4 million contracts and B3 - Brasil Bolsa Balcão of 25.3 million contracts; for CME Group the number of trades increased by 3.9 per cent and for B3 - Brasil Bolsa Balcão by 0.1 per cent in October 2019 over September 2019.
* Among exchanges in Europe - Africa - Middle East, Deutsche Boerse recorded trading of 2.4 million contracts, with a decline of 3.1 per cent and Johannesburg Stock Exchange of 0.2 million contracts, which was a 14.3 increase over September 2019.

**Commodity Derivatives:**

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

**Commodity Futures:**

* Among exchanges in the Americas, CME Group recorded trading of 84.4 million contracts and B3 - Brasil Bolsa Balcão of 0.2 million contracts. Trading of contracts in both the exchanges increased by 1.8 per cent and 39.3 per cent, respectively, over September 2019.
* Among exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 69.4 million contracts and London Metal exchange of 13.9 million contracts. Number of contracts traded in both the exchanges declined, by 15.2 per cent and 3.7 per cent, respectively.
* Among exchanges in the Asia – Pacific, Shanghai Futures Exchange recorded trading of 103.4 million contracts and Zhengzhou Commodity Exchange of 71.3 million contracts, registering declines of 27.5 per cent and 14.8 per cent, respectively.

**Commodity Options:**

* Among exchanges in the Americas, CME Group recorded trading of 12.0 million contracts and B3 - Brasil Bolsa Balcão of 0.1 million contracts, registering a 1.8 per cent decline for the former and 35.7 per cent increase for the latter.
* Among exchanges in the Europe - Africa - Middle East, Deutsche Boerse AG recorded trading of 2.0 million contracts and Moscow Exchange of 1.0 million contracts), registering 80.4 per cent increase for the former and 36.5 per cent decline for the latter.
* Among exchanges in the Asia – Pacific, Zhengzhou Commodity Exchange recorded trading of 1.0 million contracts, followed by Singapore Exchange of 0.3 million contracts, registering 37.9 per cent increase for the former and 25.2 per cent decline for the latter.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A5: Stock Futures and Stock Options Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Oct-19** | | | | | |
| **Single Stock Futures** | | | **Single Stock Options** | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | **Notional Value** | **Open Interest** |
| **Americas** | **27,99,063** | **39** | **8,33,212** | **33,46,02,700** | **4,98,734** | **21,65,41,029** |
| B3 - Brasil Bolsa Balcão | 23,51,900 | 19 | 5,31,500 | 9,92,61,561 | 1,25,724 | 2,88,63,963 |
| Bolsa de Valores de Colombia | 13,635 | 19 | 25,022 | 0 | 0 | 0 |
| Bolsa Mexicana de Valores | 1,380 | 0 | 880 | 41,733 | 5 | 65,068 |
| Cboe Global Markets | 0 | 0 | 0 | 7,68,62,254 | 0 | 18,33,32,965 |
| **Asia - Pacific** | **6,99,22,163** | **2,12,265** | **1,02,06,905** | **3,29,96,640** | **1,82,215** | **1,59,64,589** |
| ASX Australian Securities Exchange | 37,545 | 121 | 6,52,737 | 51,80,151 | 10,515 | 69,67,513 |
| Hong Kong Exchanges and Clearing | 41,050 | 183 | 18,470 | 81,01,961 | 27,237 | 78,68,269 |
| Japan Exchange Group | 0 | 0 | 0 | 31,345 | 0 | 1,20,564 |
| Korea Exchange | 4,13,53,867 | 19,686 | 41,63,303 | 17,94,809 | 0 | 3,36,576 |
| National Stock Exchange of India | 2,27,05,088 | 1,73,880 | 18,86,216 | 1,78,69,436 | 1,44,396 | 6,65,383 |
| Taiwan Futures Exchange | 18,20,740 | 18,396 | 1,57,427 | 18,938 | 66 | 6,284 |
| Thailand Futures Exchange | 37,15,712 | 0 | 32,42,719 | 0 | 0 | 0 |
| **Europe - Africa - Middle East** | **6,95,80,524** | **1,88,744** | **2,86,98,980** | **3,02,96,539** | **1,37,066** | **10,10,00,778** |
| Athens Stock Exchange | 499 | 128 | 349 | 1 | 1 | 2 |
| BME Spanish Exchanges | 1,87,988 | 87 | 18,37,035 | 16,59,000 | 1,349 | 85,38,658 |
| Budapest Stock Exchange | 9,184 | 64 | 7,859 | 0 | 0 | 0 |
| Deutsche Boerse AG | 2,40,04,511 | 43,542 | 1,90,41,703 | 1,67,92,237 | 85,015 | 6,49,46,378 |
| Euronext | 6,61,871 | 3,283 | 12,66,718 | 56,58,905 | 27,589 | 1,56,76,733 |
| Johannesburg Stock Exchange | 2,19,123 | 77 | 12,28,603 | 8,05,026 | 451 | 25,79,874 |
| Moscow Exchange | 1,66,38,654 | 5,896 | 19,59,304 | 1,83,637 | 56 | 4,55,088 |
| Nasdaq Nordic and Baltics | 80,079 | 95 | 4,11,265 | 20,07,313 | 3,483 | 36,16,694 |
| Warsaw Stock Exchange | 1,48,958 | 193 | 35,936 | 0 | 0 | 0 |
| **Grand Total** | **14,23,01,750** | **4,01,049** | **3,97,39,097** | **39,78,95,879** | **8,18,015** | **33,35,06,396** |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table A6: Index Futures and Index Options Traded in Major Exchanges** | | | | | | | | |
| **Exchange** | **Oct-19** | | | | | | | |
| **Stock Index Futures** | | | | **Stock Index Options** | | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | | **Notional Value** | **Open Interest** |
| **Americas** | **23,18,87,324** | **81,92,033** | **59,70,086** | **5,91,06,963** | | **27,62,066** | **3,20,14,477** |
| B3 - Brasil Bolsa Balcão | 16,35,27,181 | 9,37,410 | 7,95,169 | 17,48,846 | | 58,006 | 10,366 |
| Bourse de Montreal | 4,85,607 | 0 | 3,01,558 | 6,050 | | 0 | 72,264 |
| Cboe Futures Exchange | 54,40,727 | 0 | 4,69,008 | 0 | | 0 | 0 |
| Cboe Global Markets | 0 | 0 | 0 | 4,14,37,881 | | 0 | 2,77,07,201 |
| CME Group | 6,22,10,943 | 72,53,513 | 43,62,089 | 1,55,36,635 | | 27,03,800 | 42,23,888 |
| **Asia - Pacific** | **7,35,87,769** | **31,61,811** | **68,38,601** | **47,25,86,884** | | **72,22,973** | **1,47,82,783** |
| ASX Australian Securities Exchange | 10,37,433 | 1,16,990 | 3,84,406 | 7,72,472 | | 34,597 | 8,20,794 |
| Hong Kong Exchanges and Clearing | 86,17,771 | 9,11,998 | 6,65,998 | 31,23,626 | | 3,02,136 | 30,24,550 |
| Japan Exchange Group | 2,42,12,057 | 9,99,110 | 18,64,444 | 28,36,648 | | 0 | 21,19,780 |
| Korea Exchange | 69,94,207 | 2,76,730 | 6,66,177 | 5,08,84,383 | | 28,94,388 | 32,44,307 |
| National Stock Exchange of India | 83,17,454 | 81,829 | 3,00,725 | 40,05,72,382 | | 37,48,346 | 26,23,939 |
| Taiwan Futures Exchange | 50,81,163 | 2,33,809 | 1,73,484 | 1,33,11,514 | | 2,43,506 | 6,71,284 |
| Thailand Futures Exchange | 32,37,312 | 0 | 3,76,508 | 1,20,541 | | 0 | 57,244 |
| **Europe - Africa - Middle East** | **6,95,47,802** | **26,99,379** | **1,43,44,498** | **4,83,25,690** | | **17,39,088** | **6,29,12,678** |
| Athens Stock Exchange | 60 | 285 | 15 | 3 | | 16 | 2 |
| BME Spanish Exchanges | 6,89,024 | 55,450 | 1,61,981 | 3,11,428 | | 3,102 | 11,53,231 |
| Budapest Stock Exchange | 32,484 | 45 | 16,659 | 0 | | 0 | 0 |
| Deutsche Boerse AG | 3,73,13,902 | 19,90,294 | 1,03,91,529 | 4,08,03,449 | | 15,33,193 | 5,60,94,582 |
| Euronext | 36,85,202 | 2,86,315 | 7,85,368 | 17,06,173 | | 1,07,496 | 8,86,023 |
| Johannesburg Stock Exchange | 8,25,236 | 18,802 | 4,67,379 | 2,80,434 | | 3,115 | 10,23,978 |
| Moscow Exchange | 90,28,361 | 23,432 | 4,20,408 | 16,80,398 | | 4,577 | 3,93,060 |
| Nasdaq Nordic and Baltics | 39,19,755 | 68,001 | 5,74,861 | 9,25,112 | | 16,115 | 8,72,053 |
| Warsaw Stock Exchange | 3,12,977 | 3,507 | 51,532 | 16,576 | | 94 | 20,531 |
| **Grand Total** | **37,50,22,895** | **1,40,53,222** | **2,71,53,185** | **58,00,19,537** | | **1,17,24,127** | **10,97,09,938** |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A7: Currency Futures and Options Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Oct-19** | | | | | |
| **Currency Futures** | | | **Currency Options** | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | **Notional Value** | **Open Interest** |
| **Americas** | **6,53,48,712** | **23,76,585** | **1,00,24,608** | **22,54,444** | **1,18,965** | **17,50,772** |
| B3 - Brasil Bolsa Balcão | 4,06,75,224 | 7,68,775 | 64,42,269 | 11,36,097 | 714 | 10,42,393 |
| Bolsa Mexicana de Valores | 1,30,998 | 1,343 | 4,25,433 | 3,050 | 31 | 6,256 |
| Bolsa y Mercados Argentinos | 1,53,308 | 166 | 0 | 0 | 0 | 0 |
| CME Group | 1,73,81,233 | 15,96,938 | 19,46,648 | 11,12,334 | 1,18,220 | 7,00,318 |
| Matba Rofex | 69,74,881 | 7,757 | 12,07,077 | 2,743 | 0 | 0 |
| **Asia - Pacific** | **8,59,24,575** | **1,69,925** | **32,96,303** | **9,45,94,102** | **95,001** | **20,62,295** |
| BSE India Limited | 3,01,18,819 | 30,220 | 0 | 4,39,82,915 | 44,000 | 0 |
| Hong Kong Exchanges and Clearing | 1,30,801 | 12,956 | 27,335 | 561 | 56 | 4,055 |
| Korea Exchange | 76,41,790 | 77,534 | 7,62,882 | 0 | 0 | 0 |
| National Stock Exchange of India | 4,60,93,630 | 47,637 | 23,30,125 | 5,06,07,550 | 50,857 | 20,54,974 |
| Singapore Exchange | 18,50,649 | 0 | 1,42,362 | 0 | 0 | 135 |
| Taiwan Futures Exchange | 53,399 | 1,578 | 5,533 | 3,076 | 88 | 3,131 |
| Thailand Futures Exchange | 35,487 | 0 | 28,066 | 0 | 0 | 0 |
| **Europe - Africa - Middle East** | **5,07,73,462** | **58,935** | **1,55,22,477** | **37,01,192** | **12,653** | **1,11,31,364** |
| Borsa Istanbul | 58,42,059 | 6,022 | 13,65,061 | 1,50,991 | 157 | 1,23,392 |
| Budapest Stock Exchange | 6,64,806 | 728 | 7,03,509 | 150 | 0 | 5,850 |
| Dubai Gold and Commodities Exchange | 15,38,575 | 7,989 | 3,00,194 | 368 | 0 | 164 |
| Johannesburg Stock Exchange | 18,68,367 | 1,889 | 92,36,911 | 10,71,098 | 1,093 | 92,36,911 |
| Moscow Exchange | 4,08,59,655 | 42,307 | 39,16,802 | 14,97,471 | 1,532 | 12,47,626 |
| Tel-Aviv Stock Exchange | 0 | 0 | 0 | 9,81,114 | 9,871 | 5,17,421 |
| **Grand Total** | **20,20,46,749** | **26,05,445** | **2,88,43,388** | **10,05,49,738** | **2,26,618** | **1,49,44,431** |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Table A8: Interest Rate Futures and Options Traded in Major Exchanges** | | | | | | | |
| **Exchange** | **Oct-19** | | | | | | |
| **Interest Rate Futures** | | | | **Interest Rate Options** | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | | **Notional Value** | **Open Interest** |
| **Americas** | **10,78,54,332** | **10,33,28,863** | **22,54,444** | **8,90,41,517** | | **19,75,79,155** | **10,78,54,332** |
| B3 - Brasil Bolsa Balcão | 11,92,078 | 7,23,57,982 | 11,36,097 | 2,53,32,282 | | 5,11,79,207 | 11,92,078 |
| Bolsa de Valores de Colombia | 759 | 10,325 | 160 | 0 | | 8,570 | 759 |
| Bolsa Mexicana de Valores | 121 | 29,782 | 3,050 | 0 | | 20,110 | 121 |
| Bourse de Montreal | 0 | 3,47,930 | 60 | 3,47,930 | | 57,41,951 | 0 |
| CME Group | 10,66,61,374 | 3,05,82,844 | 11,12,334 | 6,33,61,305 | | 14,06,29,317 | 10,66,61,374 |
| **Asia - Pacific** | **37,51,670** | **51,57,006** | **9,45,94,102** | **18,208** | | **1,81,83,981** | **37,51,670** |
| ASX Australian Securities Exchange | 30,70,315 | 42,60,322 | 0 | 12,250 | | 1,03,85,682 | 30,70,315 |
| BSE India Limited | 836 | 0 | 4,39,82,915 | 0 | | 2,88,270 | 836 |
| Japan Exchange Group | 0 | 91,255 | 0 | 5,958 | | 5,74,084 | 0 |
| Korea Exchange | 4,59,649 | 4,39,570 | 0 | 0 | | 45,36,285 | 4,59,649 |
| National Stock Exchange of India | 3,561 | 2,01,650 | 5,06,07,550 | 0 | | 12,14,282 | 3,561 |
| Singapore Exchange | 0 | 16,427 | 0 | 0 | | 23,620 | 0 |
| **Europe - Africa - Middle East** | **3,06,52,806** | **1,77,02,303** | **37,01,192** | **2,48,43,020** | | **7,03,65,234** | **3,06,52,806** |
| Deutsche Boerse AG | 58,49,990 | 55,73,392 | 0 | 24,24,629 | | 3,45,61,560 | 58,49,990 |
| Johannesburg Stock Exchange | 15,119 | 12,34,482 | 10,71,098 | 2,37,471 | | 19,76,325 | 15,119 |
| Moscow Exchange | 7 | 83,398 | 14,97,471 | 0 | | 20,137 | 7 |
| Nasdaq Nordic and Baltics | 88,250 | 14,30,532 | 0 | 0 | | 8,49,903 | 88,250 |
| **Grand Total** | **14,22,58,808** | **12,61,88,172** | **10,05,49,738** | **11,39,02,745** | | **28,61,28,370** | **14,22,58,808** |

NA: Not Available

Source: World Federation of Exchanges

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A9: Commodity Futures and Options Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Oct-19** | | | | | |
| **Commodity Futures** | | | **Commodity Options** | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | **Notional Value** | **Open Interest** |
| **Americas** | **8,47,52,902** | **46,46,030** | **1,56,56,476** | **1,20,54,609** | **5,72,625** | **1,11,31,060** |
| B3 - Brasil Bolsa Balcão | 1,82,267 | 1,655 | 65,572 | 1,04,239 | 12 | 79,490 |
| CME Group | 8,44,04,213 | 46,43,380 | 1,55,39,948 | 1,19,38,049 | 5,72,453 | 1,10,25,575 |
| Matba Rofex | 1,66,420 | 995 | 50,719 | 12,321 | 161 | 25,995 |
| **Asia - Pacific** | **30,69,47,079** | **18,78,174** | **2,11,54,020** | **47,06,278** | **3,631** | **26,70,891** |
| ASX Australian Securities Exchange | 51,284 | 2,596 | 96,824 | 3,730 | 934 | 32,542 |
| Bursa Malaysia Derivatives | 10,18,802 | 12,877 | 2,06,614 | 8,000 | 0 | 21,650 |
| Multi Commodity Exchange of India | 2,75,64,302 | 94,881 | 2,21,979 | 2,56,584 | 2,517 | 13,611 |
| National Stock Exchange of India | 12,169 | 122 | 186 | 0 | 0 | 0 |
| Shanghai Futures Exchange | 10,34,30,830 | 10,49,109 | 64,06,588 | 0 | 0 | 0 |
| Singapore Exchange | 12,08,624 | 0 | 7,83,761 | 2,83,663 | 0 | 13,62,832 |
| Zhengzhou Commodity Exchange | 7,12,98,530 | 24,927 | 50,43,664 | 9,92,375 | 7 | 2,85,916 |
| **Europe - Africa - Middle East** | **13,29,15,943** | **35,15,977** | **1,87,20,117** | **66,43,228** | **60,301** | **69,81,367** |
| Borsa Istanbul | 81,46,356 | 1,865 | 7,90,801 | 0 | 0 | 0 |
| Deutsche Boerse AG | 5,30,776 | 21,324 | 15,36,238 | 20,13,763 | 5,817 | 16,13,753 |
| Dubai Gold and Commodities Exchange | 79,142 | 1,035 | 1,971 | 0 | 0 | 0 |
| Euronext | 12,94,827 | 16,153 | 4,44,682 | 60,532 | 708 | 2,14,372 |
| Johannesburg Stock Exchange | 2,56,852 | 4,507 | 1,33,964 | 22,836 | 16 | 59,850 |
| London Metal Exchange | 1,38,85,782 | 14,08,859 | 22,49,594 | 4,62,502 | 48,915 | 3,48,435 |
| Moscow Exchange | 6,94,39,653 | 43,469 | 37,61,448 | 9,45,211 | 576 | 2,49,652 |
| **Grand Total** | **52,46,15,924** | **1,00,40,181** | **5,55,30,613** | **2,34,04,115** | **6,36,557** | **2,07,83,318** |

NA: Not Available

**Source: World Federation of Exchanges**

**Debt Market:**

* Bond Yields for the developed nations are on a moderate upward trajectory from September 2019.
* The Central Banks of many economies have reduced the policy rate during 2019. The Federal Reserve reduced the policy rate by 25 basis points third time in October 2019 to 1.75 per cent. The European Central Bank has cut its deposit rates to a record low of -0.5% from -0.4 per cent. The Reserve Bank of India has reduced the interest rates 5 times in the year 2019 till October.
* IMF has cautioned that persistently low interest rates are encouraging investors to take risky bets in a quest to maintain their financial returns and also that even the current lackluster performance of the global economy may not be sustainable.
* For US, the 10-year bond yield had hit 3 years’ low in September 2019. On September 3, 2019 the yield was 1.46 per cent. As on November 29 2019, it is at 1.8 per cent.
* In the developed nations, bond yields gained marginally for some economies, the yield went up for Spain by 17 bps, US by 8 bps and for Japan by 6 bps. In the BRICS economies, bond yields in Brazil gained 43 bps, India 2 bps and for Russia and China it slipped by 20 bps and 11 bps, respectively.

**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

* Japan has become the largest US Treasury securities holder in June 2019, surpassing China and since then it is continuing to be the largest. As of end September 2019, Japan and China accounted for 16.9 per cent and 16.3 per cent of total foreign holding of US Treasury Securities. United Kingdom is third with 5.1 per cent share. India accounted for 2.4 per cent of total foreign holding of US Treasury Securities (Table A10). The total foreign holdings of the US Treasury Securities have come down by US $ 84.3 billion in September 2019 as compared to August 2019. Indian holdings have come down by US $ 1.5 billion.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table A10: Major Foreign Holders of US Treasury Securities, as at end of Period** | | | | | | | | | | |
| **(US$ billion)** | | | | | | | | | | |
| **Country/Month** | **2019** | | | | | | | | |
| **Sep** | **Aug** | **Jul** | **Jun** | **May** | **Apr** | **Mar** | **Feb** | **Jan** |
| Japan | 1145.8 | 1174.7 | 1130.8 | 1122.9 | 1101 | 1064 | 1078.1 | 1068.8 | 1064.9 |
| China, Mainland | 1102.4 | 1103.5 | 1110.3 | 1112.5 | 1110.2 | 1113 | 1120.5 | 1130.9 | 1126.7 |
| United Kingdom | 346.2 | 349.9 | 334.7 | 341.2 | 323.1 | 300.8 | 317.1 | 302.5 | 290.1 |
| Brazil | 301.2 | 311.5 | 309.9 | 311.7 | 305.7 | 306.7 | 311.7 | 307.7 | 305.1 |
| Ireland | 274.1 | 272.5 | 258.2 | 262.1 | 270.7 | 269.7 | 277.6 | 274 | 270.1 |
| Luxembourg | 252.5 | 244.4 | 229.6 | 231 | 229.6 | 223.7 | 230.2 | 228.9 | 226.7 |
| Cayman Islands | 238.7 | 236.3 | 218.4 | 226.6 | 216.1 | 217.2 | 219.5 | 210.1 | 209.2 |
| Switzerland | 231.3 | 233.2 | 228.5 | 232.9 | 231.4 | 226.9 | 226.4 | 221.4 | 227 |
| Hong Kong | 224.2 | 224.6 | 211.8 | 217.1 | 205.3 | 207.2 | 209 | 203.1 | 200.9 |
| Belgium | 218.3 | 217.9 | 206.1 | 203.6 | 190.5 | 179.8 | 186.6 | 181.3 | 191.5 |
| Taiwan | 189 | 186 | 178.7 | 175.1 | 172 | 171.1 | 168.8 | 164.9 | 168.3 |
| Saudi Arabia | 181.5 | 183.8 | 180.8 | 179.6 | 179 | 176.6 | 170 | 167.6 | 163.3 |
| **India** | 160.7 | 162.2 | 159.9 | 162.7 | 156.9 | 155.3 | 152 | 144.3 | 144.9 |
| Singapore | 141.8 | 145.5 | 137.9 | 139.6 | 150.4 | 139.3 | 138.8 | 130.5 | 127.8 |
| France | 132 | 133.9 | 136.2 | 132 | 125.1 | 124.7 | 109.6 | 115.9 | 112.5 |
| Canada | 119.1 | 118 | 108.7 | 111.6 | 100.5 | 102.1 | 99.7 | 97.6 | 99.3 |
| Korea | 118.5 | 117.8 | 117 | 115.2 | 117.3 | 115.1 | 119.9 | 115.5 | 117.3 |
| Norway | 99.2 | 101 | 96.9 | 99.3 | 99.3 | 97.1 | 99.5 | 97.1 | 90.9 |
| Thailand | 93.5 | 94.1 | 89.5 | 83.8 | 81.4 | 82.2 | 84.4 | 90.9 | 83.7 |
| Germany | 84.9 | 86.5 | 85.9 | 79.2 | 77.8 | 72.8 | 78.1 | 76.2 | 73.6 |
| Bermuda | 69.1 | 79 | 68.6 | 73.9 | 69.1 | 66.4 | 68.1 | 66.9 | 66.4 |
| Mexico | 51.7 | 53.3 | 51.2 | 49 | 49.9 | 47.6 | 44.7 | 40.5 | 41.2 |
| Netherlands | 49.7 | 50.2 | 48.4 | 47.9 | 44.4 | 45 | 44.5 | 42.9 | 43 |
| Sweden | 47.3 | 48.4 | 47.7 | 49.4 | 48.5 | 46.5 | 47.9 | 48.2 | 43.4 |
| Italy | 47.2 | 46.7 | 45.6 | 45.4 | 42.5 | 43.7 | 44 | 42.1 | 41.1 |
| Israel | 46 | 43 | 40.1 | 39.5 | 36.1 | 36.2 | 34.8 | 35.4 | 30 |
| Kuwait | 44.1 | 44.1 | 44 | 44.4 | 41.4 | 40.2 | 40.2 | 42.2 | 40.7 |
| Spain | 43.1 | 43.1 | 42.9 | 42.6 | 42 | 41 | 40.9 | 37.7 | 36.6 |
| United Arab Emirates | 37.3 | 49.4 | 49.3 | 51.5 | 53.2 | 55.7 | 55.6 | 54.5 | 55.9 |
| Poland | 36.8 | 38.8 | 28.8 | 28.1 | 34.1 | 37.2 | 33.9 | 32.8 | 33.8 |
| Australia | 36.2 | 38.4 | 42.3 | 39.2 | 39.7 | 39.1 | 39.3 | 39.5 | 41.4 |
| Philippines | 34.1 | 33.9 | 33.9 | 32.2 | 30.7 | 27.3 | 25.1 | 21.2 | 21.1 |
| Iraq | 32.5 | 35.1 | 34.9 | 34.7 | 34.4 | 35.4 | 36.2 | 34.7 | 34 |
| Colombia | 31.7 | 32.4 | 30.7 | 31.1 | 29.6 | 29.7 | 31.5 | 27.2 | 26.8 |
| Chile | 30.5 | 31.1 | 30.6 | 29.2 | 29.8 | 29 | 28.6 | 30 | 29.4 |
| All Other | 484.8 | 496.9 | 465.9 | 462.7 | 471.8 | 469.6 | 462.1 | 450.5 | 446.5 |
| **Grand Total** | 6776.8 | 6861.1 | 6634.8 | 6640.5 | 6540.5 | 6435 | 6474.9 | 6375.7 | 6324.9 |
| Of which: |  |  |  |  |  |  |  |  |  |
| For. Official | 4151.2 | 4200.3 | 4137.1 | 4144.1 | 4109.2 | 4068.1 | 4077.9 | 4028.7 | 3985.3 |
| Treasury Bills | 290.8 | 295.2 | 285.8 | 287.3 | 298 | 307.8 | 318.5 | 319.1 | 310 |
| T-Bonds & Notes | 3860.4 | 3905.1 | 3851.2 | 3856.8 | 3811.3 | 3760.2 | 3759.4 | 3709.6 | 3675.2 |

**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 (see TIC FAQ #7 at: http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/ticfaq1.aspx).
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/ November 18, 2019

**Currency Market:**

* Currency markets across the globe were somewhat stable and the major currencies have marginally weakened against the US dollar. Brazilian currency, the Real, weakened to a record low in November 2019, which prompted the central bank to sell the dollars to support the currency. Earlier in August 2019 the Central Bank had sold the US Dollars for the first time in a decade.
* The dollar index remained in the range of 97.24 and 98.38 during November 2019 and recorded the highest close price since January 2019 on September 30, 2019 at 98.38,. This indicates that the dollar index has strengthened against its constituent foreign currencies during the period. US Dollar Index contains six developed market currencies.
* MSCI EM Currency Index dipped by 0.5 per cent as on November 29, 2019 over the closing as on October 31, 2019.
* The exchange rate of Indian Rupee to US dollar remained in the range of Rs 70.55 and Rs. 72.13 during November 2019. The exchange rate as on November 29, 2019 was Rs 71.77 per US Dollar.

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

**Note:** All currencies have been normalised keeping January 1, 2019 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 January 1, 2019 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. **CFTC Orders Proprietary Trading Firm to Pay Record $67.4 Million for Engaging in a Manipulative and Deceptive Scheme and Spoofing**

The U.S. Commodity Futures Trading Commission issued an order filing and settling charges against Tower Research Capital LLC, a proprietary trading firm, arising from a manipulative and deceptive scheme, spanning nearly two years and involving thousands of occasions of spoofing in equity index futures products traded on the Chicago Mercantile Exchange (CME) and Chicago Board of Trade (CBOT). The order finds that Tower, by and through three former Tower traders, engaged in this unlawful activity while placing orders for, and trading futures contracts through, Tower accounts, which benefited Tower financially while causing $32,593,849 million in market losses.

The order imposes a total of $67.4 million against Tower, comprised of $32,593,849 in restitution, $10,500,000 in disgorgement, and a $24,400,000 civil monetary penalty—the largest total monetary relief ever ordered in a spoofing case. It also requires Tower to cease and desist from violating the Commodity Exchange Act’s prohibition on spoofing and the use of manipulative and deceptive schemes. This case was brought in connection with the CFTC Division of Enforcement’s Spoofing Task Force.

**Source:** [**https://www.cftc.gov/PressRoom/PressReleases/8074-19**](https://www.cftc.gov/PressRoom/PressReleases/8074-19)

1. **CFTC Orders Wells Fargo to Pay Over $14 Million for Violating Swap Dealer Business Conduct Standards**

The U.S. Commodity Futures Trading Commission issued an order filing and settling charges against Wells Fargo Bank, N.A. for violating multiple swap dealer business conduct standards. Specifically, Wells Fargo failed to deal with a counterparty in a fair and balanced manner based on principles of fair dealing and good faith. Wells Fargo also failed to implement and monitor systems to ensure compliance with policies and procedures regarding communicating with counterparties in a fair and balanced manner. The order requires Wells Fargo to pay a civil monetary penalty of $10 million, restitution of $4.475 million, and to cease and desist from violating the CFTC’s business conduct standards.

The order specifically finds that on August 27, 2014, Wells Fargo entered into a foreign exchange (FX) forward contract with a counterparty to exchange $4 billion U.S. dollars for $4.347 billion Canadian dollars that was to be priced at the weighted average spot rate, plus an adjustment, of the Canadian dollars Wells Fargo acquired in the spot market on that day. Wells Fargo’s employees, including senior members of the FX management team, were aware that the deal required the bank to provide a weighted average rate based on actual spot trades. Wells Fargo, however, did not have a system in place to accurately track trades used to fill the counterparty’s order. As a result, Wells Fargo failed to communicate to its counterparty relevant information regarding the transaction in a fair and balanced manner. In particular, rather than calculate the agreed upon weighted average price, Wells Fargo instead picked a rate it believed would be in the range of the true weighted average and thus acceptable to the counterparty. Wells Fargo also provided the counterparty with a spreadsheet claiming to calculate the rate, but that did not, in fact, reflect actual trades because of its inability to track the relevant trades.

**Source:** [**https://www.cftc.gov/PressRoom/PressReleases/8077-19**](https://www.cftc.gov/PressRoom/PressReleases/8077-19)

1. **SEC Charges Former Top Executives of Healthcare Advertising Company with $487 Million Fraud**

The Securities and Exchange Commission amended a complaint to charge four former executives of Outcome Health, a private healthcare advertising company, with fraud in raising nearly half a billion dollars by falsely portraying the company as an overwhelming success to investors, clients, and auditors.

The SEC's amended complaint alleges that Outcome Health's former executives, CEO Rishi Shah, President Shradha Agarwal, CFO Brad Purdy, and Executive VP Ashik Desai, engaged in a fraudulent scheme to misrepresent the company's business successes while raising hundreds of millions of dollars from unsuspecting investors. Outcome Health charges pharmaceutical company clients to display ads in doctors' offices, and the amended complaint alleges the defendants were aware of or engaged in a scheme to bill clients and recognize revenue for ads it never ran. The amended complaint also alleges that Outcome Health manipulated third-party studies to conceal problems delivering ads and make them appear more effective than they were. Outcome Health is alleged to have overstated its revenue in its audited financial statements for 2015 and 2016 by at least $14.3 million and $30 million, respectively, while raising approximately $487 million from a private offering to investors who relied on the false financial statements and false representations about the company's growth. Nearly half of the funds raised went to Shah and Agarwal, Outcome Health's co-founders.

**Source:** [**https://www.sec.gov/news/press-release/2019-241**](https://www.sec.gov/news/press-release/2019-241)

1. **SEC Proposes Amendments to Modernize Shareholder Proposal Rule**

The Securities and Exchange Commission voted to propose amendments to modernize the rule that governs the process for shareholder proposals to be included in a company’s proxy statement.

As per SEC chairman, “The proposed amendments follow from the staff’s extensive experience with shareholder proposals and recognize the significant changes that have taken place in our markets in the decades since these regulatory requirements were last revised, including, in particular, the types and use of communications, the types and frequency of shareholder-company engagement and the substantial shift to investing through mutual funds and ETFs, rather than directly by Main Street investors”.

The proposed amendments would update the criteria, including the ownership requirements, that a shareholder must satisfy to be eligible to require a company to include a proposal in its proxy statement. In the proposed amendments, the Commission has maintained the long-standing $2,000 minimum ownership threshold. However, the proposed amendments would require that, in order to take advantage of that ownership threshold, a proponent must have held the shares for at least three years in order to demonstrate long-term investment in the company. The proposed amendments would also update the “one proposal” rule to clarify that a single person may not submit multiple proposals at the same shareholder’s meeting on behalf of different shareholders.

In addition, the proposed rule would update, for the first time since 1954, the levels of shareholder support a proposal must receive to be eligible for resubmission at the same company’s future shareholder meetings. Under the proposed amendments, for example, a proposal would need to achieve support by at least 5 percent of the voting shareholders in its first submission in order to be eligible for resubmission in the following three years. Proposals submitted two and three times in the prior five years would need to achieve 15 percent and 25 percent support, respectively, in order to be eligible for resubmission in the following three years.

**Source:** [**https://www.sec.gov/news/press-release/2019-232**](https://www.sec.gov/news/press-release/2019-232)

1. **SEC Charges Issuer and CEO with Violating Whistleblower Protection Laws to Silence Investor Complaints**

The Securities and Exchange Commission filed an amended complaint against online auction portal Collectors Café and its CEO Mykalai Kontilai to add allegations that they unlawfully sought to prohibit their investors from reporting misconduct to the SEC and other governmental agencies. The SEC previously charged Collectors Café and Kontilai with a fraudulent $23 million securities offering based on false statements to investors, and alleged that Kontilai misappropriated over $6 million of investor proceeds.

The SEC's amended complaint alleges that Collectors Café and Kontilai attempted to resolve investor allegations of wrongdoing by conditioning the return of investor money on the investors signing agreements prohibiting them from reporting potential securities law violations to law enforcement, including the SEC. According to the complaint, these agreements violate the SEC's whistleblower protection rules. The complaint alleges the defendants went so far as to sue two investors that they believed breached one of the illegal agreements. Following the filing of the SEC's action in May 2019, the defendants allegedly have continued to misrepresent to investors material facts about Collectors Café's business and the reasons why Kontilai took money from the company for personal expenses, including continuing to tell investors that he loaned Collectors Café millions of dollars in the late 2000s when, in reality, he never lent the company the amounts that he claims.

**Source:** [**https://www.sec.gov/news/press-release/2019-227**](https://www.sec.gov/news/press-release/2019-227)

**POLICY DEVELOPMENTS**

1. **Enhanced Governance Norms for Credit Rating Agencies (CRAs)**

The managing director and chief executive officers of credit rating agencies shall not be members of their rating committee, SEBI said while putting in place norms for enhanced governance and accountability of credit rating agencies. Rating committees of credit rating agencies shall report to a chief ratings officer.

**Source: SEBI/HO/MIRSD/CRADT/CIR/P/2019/121 dated November 04, 2019**

1. **Enhanced Due Diligence for Dematerialization of Physical Securities**

SEBI issued a circular asking depositories, recognised stock exchanges and all listed companies to enhanced due diligence for dematerialization of physical securities.

SEBI has directed all listed companies to provide data of their members holding shares in physical mode including the name of shareholders, folio numbers, certificate numbers, distinctive numbers and PAN as on March 31, 2019 to the depositories, latest by December 31, 2019.

**Source: SEBI/HO/MIRSD/RTAMB/CIR/P/201 dated November 05, 2019**

1. **e-KYC Authentication facility under section 11A of the Prevention of Money Laundering Act, 2002 by Entities in the securities market for Resident Investors**

SEBI issued a detailed circular regarding the process to be followed for an Aadhaar-based electronic KYC exercise for domestic investors. The circular mentions the requirements to be fulfilled by entities registered with the UIDAI as a KYC User Agency as well as for sub-KUA. For such process, there would be two options – online portal and assisted investor e-KYC processes.

**Source: SEBI/HO/MIRSD/DOP/CIR/P/2019/123 dated November 05, 2019**

1. **Operational Guidelines for FPIs & DDPs under SEBI (Foreign Portfolio Investors), Regulations 2019 and for Eligible Foreign Investors**

SEBI issued consolidated operational guidelines for foreign portfolio investors (FPIs) and designated depository participants to facilitate implementation of the new FPI regulations. The FPI Regulations came into force from September 23, 2019. Under the new norms, all insurance entities and funds from FATF member countries have been classified as category-I FPIs. Among others, unregulated funds or entity where the regulated investment manager is from non-FATF member country would be under category-II. To ensure transition of existing FPIs, re-categorisation of registration would be done by NSDL in consultation with the respective designated depository participants (DDPs).

**Source: IMD/FPI&C/CIR/P/2019/124 dated November 05, 2019**

1. **Reporting of changes in terms of investment**

SEBI has asked mutual fund houses to inform valuation agencies and credit rating agencies immediately about any changes in terms of investments, including extension in the maturity of a money market or debt security, along-with reasons for such changes.

**Source: SEBI/HO/IMD/DF4/CIR/P/2019/126 dated November 06, 2019**

1. **Creation of segregated portfolio in mutual fund schemes**

SEBI said that fund house will have to create a segregated portfolio of unrated debt or money market instruments in case of actual default of either the interest or principal amount.

**Source: SEBI/HO/IMD/DF2/CIR/P/2019/12 dated November 07, 2019**

1. **Introduction of Cross-Margining facility in respect of offsetting positions in co-related equity Indices**

SEBI introduced cross margining facility for offsetting positions in co-related equity indices. Cross margining allows market participants to reduce the total margin payment required, if they are taking two mutually offsetting positions. The move helps market participants transfer excess margin from one account to another.

**Source: SEBI/HO/MRD/DOP1/CIR/P/2019/128 dated November 08, 2019**

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

SEBI extended the timeline till March 31, 2020 for second phase implementation of the Unified Payments Interface (UPI) facility for retail investors applying for shares in public issues. The second phase was to be implemented from July 1, 2019.

The decision has been taken after consultation with various intermediaries and National Payments Corporation of India (NPCI).

**Source: SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019**

1. **Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015**

SEBI prescribed wider disclosures and compliances norms by the issuers of listed municipal bonds.

SEBI said that such listed entities should shall prepare and submit half yearly unaudited financial results to the stock exchanges within 45 days of the end of the first half of the year, and will submit the annual audited financial results for the financial year, within sixty days from the end of the financial year along with the audited report.

**Source: SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019**

1. **Modifications in the contract specifications of commodity derivatives contracts**

To streamline process, SEBI categorized modifications in futures contract specification pertaining to quality parameters for commodity derivatives. The decision has been taken in consultation with the exchanges.

**Source: SEBI/HO/CDMRD/DOP/CIR/P/2019/135 dated November 14, 2019**

1. **Mapping of Unique Client Code (UCC) with demat account of the clients**

SEBI asked brokers to link the unique client code (UCC) of investors to the latter’s demat accounts. UCC is a number that is assigned to each investor and is “unique” in nature. SEBI also directed exchanges and depositories to put in place a mechanism to map each UCC with one or more demat accounts.

**Source: SEBI/HO/MIRSD/DOP/CIR/P/2019/136 dated November 15, 2019**

1. **Collection and reporting of margins by Trading Member (TM) /Clearing Member (CM) in Cash Segment**

SEBI said that trading and clearing members should compulsorily collect upfront certain margins from their clients in the cash segment. Accordingly, certain provisions would come into force from January 1, 2020, and the rest from April 1, 2020. "Henceforth, like in derivatives segment, the TMs/CMs in cash segment are also required to mandatorily collect upfront VaR margins and ELM from their clients," it said.

**Source: CIR/HO/MIRSD/DOP/CIR/P/2019/139 dated November 19, 2019**

1. **Disclosures by listed entities of defaults on payment of interest/ repayment of principal amount on loans from banks / financial institutions and unlisted debt securities**

SEBI asked listed companies to disclose any loan default within 24 hours of any failure to repay principal or interest amount to banks or financial institutions beyond 30 days.

The decision is aimed at addressing the gaps in the availability of information to investors, SEBI said in the circular. In case of unlisted securities such as Non-Convertible Debentures (NCDs) and Non-Convertible Redeemable Preference Shares (NCRPS), the disclosure shall be made within 24 hours from the occurrence of the default.

**Source: SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019**

1. **Guidelines for preferential issue of units and institutional placement of units by a listed Real Estate Investment Trust (REIT)**

SEBI issued guidelines for preferential issue of units and institutional placements of units by listed real estate investment trusts (REITs). SEBI said a listed REIT can make a preferential issue of units or an institutional placements provided the issuance has the minimum listing period of 12 months.

**Source: SEBI/HO/DDHS/DDHS/CIR/P/2019/142 dated November 27, 2019**

1. **Guidelines for preferential issue of units and institutional placement of units by a listed Infrastructure Investment Trust (InvIT)**

SEBI came out with a framework pertaining to preferential issue as well as institutional placement of units by a listed InvIT. In the circular, SEBI has specified manner of issuance of units under preferential issue as well as institutional placement by listed Infrastructure Investment Trust (InvIT) and lock-in period.

**Source: SEBI/HO/DDHS/DDHS/CIR/P/2019/143 dated November 27, 2019**

1. **Investment Policy of Clearing Corporations**

SEBI allowed clearing corporations to make investments in overnight funds. Overnight funds are open-ended debt mutual fund schemes that invest in securities with a maturity of one day. However, the combined investments made by clearing corporations in liquid funds and overnight funds should not exceed a limit of 10 per cent of the total investible resources held by them. The move comes following a review of investment avenues available for clearing corporations and based on the feedback received from various stakeholders.

**Source: SEBI/HO/MRD2/DCAP/CIR/P/2 dated November 28, 2019**

1. **Framework for issue of Depository Receipts**

SEBI has issued a new framework for issue of depository receipts. The said Circular, inter-alia, provided that a Listed company shall be permitted to issue permissible securities or transfer Permissible Securities of existing holders, for the purpose of issue of DRs, only in Permissible Jurisdictions and said DRs shall be listed on any of the specified International Exchange(s) of the Permissible Jurisdiction.

**Source: SEBI/HO/MRD2/DCAP/CIR/P/2019/146 dated November 28, 2019**

1. **Cut-off Time for Determining Minimum Threshold of Margins to be Collected from Clients**

SEBI has fixed 5 pm as the cut-off time for determining the minimum threshold of margin to be collected from clients by members. The directive will be effective from April 1, 2020.

**Source: SEBI/HO/CDMRD/DRMP/CIR/P/2019/149 dated November 29, 2019**

1. **Norms for Debt Exchange Traded Funds (ETFs)/Index Funds**

SEBI released norms for debt exchange traded funds (ETFs) wherein no single issuer will have more than 15 per cent weight in the index. Under the norms to be adopted by all mutual fund houses, the index will have a minimum of eight issuers, rating of the constituents of the index will be investment grade and the constituents of the index will have a defined credit rating as well as maturity as specified in the methodology of the index.

**Source: SEBI/HO/IMD/DF3/CIR/P/2019/14 dated November 29, 2019**

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

**REGULATORY ACTION TAKEN BY SEBI**

* SEBI passed an order, dated 05 November 2019, in the matter of KLG Capital Services Limited restraining Mr. Praveen Mohnot and others from buying, selling or dealing in the securities market in any manner whatsoever, or access the securities market, directly or indirectly for a period of five years from the date of this order. Mr. Praveen Mohnot and Mr. N. Ravichandran, are refrained from holding the position of Director in the Board of Directors of any listed company for a period of five years from the date of this order. Ms. Priyanka Singhvi and Ms. Anita Ravichandran are directed to disgorge the unlawful gain incurred along with the simple interest at the rate of 12 per cent per annum calculated from February 29, 2008 till the date of this order within 45 days from the date of this order. In case of aforesaid directions for disgorgement and payment of interest is not complied within the stipulated time, Ms Priyanka and Ms Anita shall be restrained from accessing or from buying, selling or dealing in the securities market in any manner whatsoever for a further period of 5 years.
* SEBI passed a confirmatory order, dated 07 November 2019 in respect of Cameo Corporate Services Ltd. confirming the directions issued against the notice vide interim order dated October 28, 2019. It was further directed to carry out a special purpose inspection of Cameo Corporate Services and to inspect the books of accounts including but not limited to the due diligence adopted by Cameo Corporate Services in respect of unclaimed shares, the procedure being followed for issue of duplicate shares, the steps taken by Cameo Corporate Services with regard to the rectification of the register of members pertaining to wrong transfer of shares etc.
* SEBI passed an order dated 13 November 2019, in the matter of Star India Market Research, proprietor Mr. Dharmendra Kumar and any other employee/ person working under him/ under his instructions, they shall cease and desist from offering any new investment advisory services and soliciting/ acquiring any fresh clients for investment advisory services and undertaking the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly, in any manner whatsoever till further directions and shall also discharge all their obligations, as required under the SEBI (Investment Adviser) Regulations, 2013, towards the existing clients in respect of the investment advisory services that it has to deliver till now.
* SEBI passed an order dated 15 November 2019, in the matter of Marg Ltd. directing Mr. GRK Reddy and others to make a revised public announcement including the names of the notices in the order as acquirer/PACs and make an open offer revising the offer price which shall be the highest offer price calculated in terms of the Takeover Regulations within a period of 45 days from the date of service of this order. The individual liability of the notices towards the revised Open Offer price is capped to the extent to which the individual Promoter Group entity would have been liable, if he would have made the Open Offer as and when he had triggered regulation 11(1) of Takeover Regulations, in the given financial year. The Noticees along with the consideration amount were directed to pay interest at the rate of 10 per cent per annum from the respective trigger dates for Mandatory Open Offers and Voluntary Open Offer on the Open Offer price at which they were supposed to make the Open Offer as and when they had triggered regulation 11(1) of Takeover Regulations, in the given financial year, till the date of payment of consideration to the shareholders who were holding shares in the Target Company on the respective dates and whose shares have been accepted in the current Open Offer directed to be made in this Order, after adjustment of dividend, if any, paid.
* SEBI passed an order, dated 18 November 2019, in the matter of Pine Animation Ltd. debarred Pine Animation Ltd. and seventy-nine other entities from accessing the securities market and further prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for the respective periods as specified in the order, from the date of this order.
* SEBI passed an order, dated 18 November 2019, directing Mr. Shailendra (proprietor of Capital Heed Financial Research) and any person while working under him or under his instructions as employee or otherwise, to cease and desist from soliciting/ acquiring any fresh clients for investment advisory services, directly or indirectly, till further orders. They are further directed to cease and desist from offering any new investment advisory services to its existing clients for which fresh payment is required to be made by these clients. The services for which the existing clients have already made payment shall be duly delivered to these clients and no renewal of these services shall be permitted.
* SEBI passed an order, dated 21 November 2019, in the matter of LRN Finance Ltd, directing Mr. Goutam Ghosh to not to mobilise fresh funds from investors through the offer and allotment of any securities, to the public and/or invite subscription, in any manner and shall also be refrained/prohibited from accessing the securities market by issue of prospectus/offer document/advertisement and buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a period of four years, from the date of completion of refund to all the allottees of debenture of the company.
* SEBI passed an order, dated 22 November 2019, in respect of Karvy Stock Broking Limited (KSBL), prohibiting it from taking new clients in respect of its stock broking activities. The Depositories (NSDL and CDSL), in order to prevent further misuse of clients’ securities by KSBL, are directed not to act upon any instruction given by KSBL in pursuance of power of attorney given to KSBL by its clients. The Depositories shall not allow transfer of securities from DP account no. 11458979, named KARVY STOCK BROKING LTD (BSE) with immediate effect. The Depositories and Stock Exchanges are directed to initiate appropriate disciplinary regulatory proceedings against KSBL for misuse of clients’ funds and securities as per their respective bye laws, rules and regulations.
* SEBI passed an order, dated 26 November 2019, in the matter of Core Investment and Core Group directing Core Investment and Core Group and other to cease and desist from holding out registered intermediaries to deal in securities market and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any matter whatsoever for the violation of Section 12A (c) of SEBI act and regulations 3 (a), (b), (c), (d) of PFUTP regulations.
* SEBI passed an order, dated 26 November 2019, in the matter of 3M Team Research Pvt. Ltd. (formerly known as 3M Team Security Services Pvt. Ltd.) and Mr. Rakesh Sethi, Director and Mr. Pramod Jain, Director directing 3M Team Research Pvt. Ltd. and others to cease and desist from undertaking the activity of investment advisory services, including the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly. They were further directed to remove all references made by it through any media (physical or digital) regarding

1. holding itself out as a portfolio manager and
2. expected returns from services/ products offered by it for the violation of Section 12(1) of the SEBI Act, 1992, read with Regulation 3 of the PMS Regulations.

* SEBI passed an order, dated 26 November 2019, in the matter of Samrat Trades directing Samrat Trades and its proprietor Mr. Altamash Sheikh to:

1. cease and desist from acting as an investment advisor and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any matter whatsoever until further orders;
2. not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders;
3. not to divert any funds raised from investors, kept in bank account(s) and/or in their custody until further orders;
4. withdraw immediately and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, communications etc. in relation to their investment advisory activity in the securities market until further orders for the violation of regulation 15 (1) and Clause 1 of Code of Conduct for Investment Adviser read with regulation 15(9) of IA Regulations and Regulations 4(2)(k) and 4(2)(s)(i) of PFUTP Regulations.

* SEBI passed an order, dated 28 November 2019, in the matter of unregistered Portfolio Manager activities restraining Shivraj Puri, Raghu Raj Puri and Deeksha Puri from accessing the Securities Market and further prohibiting them from buying, selling or otherwise dealing in securities, directly or indirectly in any manner for three, two and two years respectively.
* SEBI passed an order, dated 28 November 2019, in the matter of Canara Bank exempting the Government of India, from complying with the requirements of Regulation 3(2) of the Takeover Regulations with respect to the proposed acquisition of 7.9% equity shares in the Target Company viz. Canara Bank.
* SEBI passed an order, dated 28 November 2019, in the matter of VKS Projects Ltd. restraining V.K. Sukumaran and Saritha Sukumaran from accessing the capital market or dealing in securities for a period of 2 years for the violation of certain provisions of Takeover Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Union Bank of India exempting the Government of India, from complying with the requirements of Regulation 3(2) of the Takeover Regulations with respect to the proposed acquisition of 1,65,98,02,538 equity shares in the Target Company viz. Union Bank of India.
* SEBI passed an order, dated 05 November 2019, in the matter of Polytex India Limited imposing a total penalty of Rs. 1,32,00,000/- (Rupees One Crore Thirty Two Lakh Only) on Jigar Praful Ghogari and others for the violation regulations 3 (a) to (d), 4 (1), 4(2)(a) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 read with Section 12A(a), (b) & (c) of SEBI Act, 1992.
* SEBI passed an order dated 13 November 2019 imposing a total penalty of Rs. 2,00,000/- (Rupees Two Lakh Only) on Rainbow Housing Development and Finance Corporation Limited for the violation of Circulars No CIR/OIAE/1/2012 dated August 13, 2012, CIR/OIAE/1/2013 dated April 17, 2013 and non- redressal of investor complaints..
* SEBI passed an order dated 14 November 2019, in the matter of dealing in illiquid stock options at the BSE imposing a total penalty of Rs 13,50,000/- (Rupees Thirteen Lakh and Fifty Thousand Only) on Anand Mining Corporation for the violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order dated 14 November 2019, in the matter of in the matter of Bhaijee Commodities Pvt. Ltd imposing a total penalty of ₹ 5,00,000/- (Rupees Five Lakh only) for the violation of non-compliance of the SEBI Circular SMD/SED/CIR/93/23321 dated November 18, 1993.
* SEBI passed an order dated 15 November 2019, in the matter of dealing in illiquid stocks options at BSE imposing a total penalty of Rs 7,10,000/- (Rupees Seven Lakh and Ten Thousand only) on Toplight Commercials Limited for the violation of regulation 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP.
* SEBI passed an order dated 15 November 2019, in the matter of Kanak Krishi Implements Limited imposing a total penalty of Rs 10,00,000/- (Rupees Ten Lakh only) on Trucklink Vinimay Trading Pvt. Ltd and River High Right Share Brokers Pvt. Ltd for the violation of section 12A (a), (b) and (c) of SEBI Act and regulation 3 (a), (b), (c), (d), regulation 4(1) and 4 (2)(a) and (e) of the PFUTP Regulations.
* SEBI passed an order dated 15 November 2019, in the matter of illiquid Stock options at BSE imposing a total penalty of Rs 10,50,000/-(Ten Lakh Fifty Thousand only)on Gradgrind Barter Private Limited for the violation of regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order dated 15 November 2019, in the matter of illiquid stock options at BSE imposing a total penalty of Rs 5,00,000/-(Five Lakh only) on Hi-Tech Heritage Limited for the violation of regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order dated 15 November 2019, in the matter of illiquid stock options at BSE imposing a total penalty of Rs 5,00,000/-(Five Lakh only) on Hi-Tech Chemicals Private Limited for the violation of regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order dated 15 November 2019, imposing a total penalty of Rs 12, 00,000/- (Rupees Twelve Lakhs) on Shaswat Stock Brokers Pvt., Ltd for the violation of regulation 26 (ii), (iii), (xv), (xvi) (xix) and (xx) of the Stock Brokers Regulations, SEBI circular - SMDRP/POLICY/Cir-49/2001 dated October 22, 2001; SEBI/MIRSD/16/2011 dated August 22, 2011; Clause A (1), A (2) and D (2) of the code of conduct specified under Schedule II read with Regulation 15 1 (b) of the Stock Broker Regulations and SEBI/MIRSD/Cir-06/2004 dated January 13, 2004.
* SEBI passed an order dated 18 November 2019, in respect of Vinayaka Finlease Private Limited in the matter of dealings in illiquid stock options at BSE imposing a total penalty of Rs 5, 00,000/- (Rupees Five Lakhs) for the violation of regulation 3(a), (b), (c), (d) and 4(1), 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order dated 18 November 2019, in respect of Wrinkle Marketing Private Limited in the matter of dealings in illiquid stock options at BSE imposing a total penalty of Rs 5, 00,000/- (Rupees Five Lakhs) for the violation of regulation 3(a), (b), (c), (d) and 4(1), 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order dated 18 November 2019, in respect of Vinayaka Finlease Private Limited in the matter of dealings in illiquid stock options at BSE imposing a total penalty of Rs 5, 00,000/- (Rupees Five Lakhs) for the violation of regulation 3(a), (b), (c), (d) and 4(1), 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order dated 18 November 2019, in respect of Wrinkle Marketing Private Limited in the matter of dealings in illiquid stock options at BSE imposing a total penalty of Rs 5, 00,000/- (Rupees Five Lakhs) for the violation of regulation 3(a), (b), (c), (d) and 4(1), 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order dated 20 November 2019 imposing a total penalty of Rs. 1,00,000/- (Rupees One Lakh Only) on Jilichem Laboratories (India) Ltd for the violation of the provision of Section15Cof the SEBI Act, 1992.
* SEBI passed an order, dated 20 November 2019, imposing a total penalty of Rs. 1,00,000/- (Rupees One Lakh Only) on Incorporated Engineers Ltd for the violations of the provision of Section 15Cof the SEBI Act, 1992.
* SEBI passed an order, dated 20 November 2019, in the matter of SKM Egg Products Export (India) Ltd imposing a total penalty of Rs. 2, 00,000 (Rupees Two Lakh only) payable jointly and severally by Shri Maeilanandhan SKM, Ms. Shyamala Sharmili, Ms. S Kumuthavalli, Shri Chandrasekar M and Shri SKM Shree Shivkumar for the violation of Regulation 30(2) of SAST, 2011.
* SEBI passed an order, dated 20 November 2019, in the matter of irregularities in the GDR issue of Bhoruka Aluminium Limited imposing a total penalty of Rs. 10,15,00,000 (Rupees Ten Crore Fifteen Lakh only) on Bhoruka Aluminium Limited and others for the violation of Section 12A(a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(f), (k), (r) of PFUTP Regulations, Section 21 of SCRA, 1956 read with Clauses 36(7) of Listing Agreement, Section 21 of SCRA, 1956 read with Clauses 32 and 50 of Listing Agreement. Further a penalty of Rs. 50,00,000 (Rs. Fifty lakh) was imposed on Dr. M.K. Panduranga and other directors/CFOs for violation of the provisions of Section 12A (a), (b), (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c), (d) and 4(1) of PFUTP Regulations.
* SEBI passed an order, dated 21 November 2019, imposing a total penalty of Rs. 1,00,000/- (Rupees One Lakh only) on Span Dyestuff Industries Ltd in the matter of non-redressal of investor grievances for the violation of SEBI Circulars No. CIR/OIAE/2/2011 dated June 03, 2011, CIR/OIAE/1/2012 dated August 13, 2012 and CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 21 November 2019, imposing a total penalty of Rs. 1,00,000/- (Rupees One Lakh only) on Syp Agro Foods Ltd in the matter of non-redressal of investor grievances for the violation of SEBI Circulars No. CIR/OIAE/2/2011 dated June 03, 2011, CIR/OIAE/1/2012 dated August 13, 2012 and CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 21 November 2019 imposing a total penalty of Rs. 2,00,000/- (Rupees Two Lakh only) on Sonal Shil-Chem Limited in the matter of non-redressal of investor grievances for the violation of SEBI Circulars No. CIR/OIAE/2/2011 dated June 03, 2011, CIR/OIAE/1/2012 dated August 13, 2012 and CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 21 November 2019, imposing a total penalty of Rs. 2,00,000/- (Rupees Two Lakh only) on Blazon Marbles Limited for violation of the provisions of the SEBI Circulars No. CIR/OIAE/2/2011 dated June 03, 2011 and CIR/OIAE/1/2012 dated August 13, 2012 by failing to redress investor grievances and filing ATR.
* SEBI passed an order, dated 22 November 2019, imposing a total penalty of Rs. 1,00,000/- (Rupees One Lakh only) on M/s Hemant Industrial Services Limited in the matter of failure to obtain SCORES authentication for the violation of Circular No. CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 22 November 2019, in the matter of Oregon Commercial Limited (now known as Saianand Commercial limited) against Shri Sanjay Jethalal Soni, his wife Smt. Krupa Sanjay Soni and his proprietary concern M/s. J M Soni Consultancy imposing a total penalty of Rs.3,00,000/- (Rupees Three Lakh Only) payable jointly or severally for their failure to comply with the directions issued to them by SEBI vide its Order dated November 30, 2018 .
* SEBI passed an order, dated 22 November 2019, in the matter of LGS Global Limited (now known as Ybrant Digital Limited) imposing a total penalty of Rs.1,00,000/- (Rupees One Lakh only) on Shri Vasudev Ramchandra Kamat for violation of the Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a), (b), & (g) of the SEBI PFUTP Regulations.
* SEBI passed an order, dated 22 November 2019, imposing a total penalty of Rs.80,00,000/- (Rupees Eighty Lakh only) on Aplaya Creations Ltd and others for violation of Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations.
* SEBI passed an order, dated 22 November 2019 imposing a total penalty of Rs.17,30,000/- (Rupees Seventeen Lakh and Thirty Thousand Only) on Eveningstar Dealtrade Private Limited for the violation of the provisions of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 22 November 2019, in the matter of Burnpur Cement Limited imposing a total penalty of Rs. 2,00,000/- (Rupees Two Lacs only) on Ms. Preeti Jain for violation of Regulation 29(1) read with Regulation 29(3) of the SEBI (SAST) Regulations, 2011.
* SEBI passed an order, dated 22 November 2019, imposing a total penalty of Rs. 5,00,000/- (Rupees Five Lakh Only) on M/s. Delta International Limited in the respect of its dealings in illiquid stock options at BSE for violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 22 November 2019 imposing a total penalty of Rs. 5,00,000/- (Rupees Five Lakh Only) on M/s. Dipen D Chandruva HUF in the matter of its dealings in illiquid stock options at BSE for the violation of the provisions of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 22 November 2019 imposing a total penalty of Rs. 1,00,000/- (Rupees One Lakh only) on Vol Plast Limited in the matter of non-redressal of investor grievances for violation of SEBI Circular Nos. CIR/OIAE/2/2011 dated June 3, 2011, CIR/OIAE/1/2012 dated August 13, 2012 and CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 22 November 2019, imposing a total penalty of Rs. 10,50,000/- (Ten Lakh Fifty Thousand only) on Green Venture Securities Management Private Limited in the matter of illiquid stock options at BSE for the violation of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 25 November 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Midpoint Tradelink Ltd. for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 25 November 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Nishu Leasing and Finance Ltd. for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 25 November 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Niranjan Metallic Ltd. for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 25 November 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Navrang Tradelinks Pvt. Ltd. for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 25 November 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Niranjan Metallic Ltd. for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 25 November 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Morgan Financial Services Private Limited for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 25 November 2019, in the matter of Amarnath Securities Ltd. imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Amarnath Securities Ltd. for the violation of Under Section 15A (b) of the SEBI Act, for violation of Regulation 8 (3) of the Takeover Regulations.
* SEBI passed an order, dated 25 November 2019, in the matter of Jindal Worldwide Ltd. imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Yamunadutt A. Agrawal and Amit Y. Agrawal for the violation of Regulation 7 (1A) read with Regulation 7 (2) of the Takeover Regulations.
* SEBI passed an order, dated 26 November 2019, in the matter of S. Chand & Company Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Vinay Sharma for the violation of Regulation 7(2) (a) of the PIT Regulations.
* SEBI passed an order, dated 26 November 2019, in the matter of non-redressal of investor grievances on SCORES imposing a total penalty of Rs 3,00,000 (Rupees Three Lakh Only) on Piyush Steels Limited for the violation of circulars dated August 13, 2012 and April 17, 2013.
* SEBI passed an order, dated 27 November 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Stepan Commotrade Private Limited for the violation of regulations 3(a),(b),(c) & (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Bajrangbali Re-roll(P) Limited for the violation of regulations 3(a),(b),(c) & (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Secure Earth Technologies Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Secure Earth Technologies Limited for the violation of Regulation 13(6) of the PIT Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Regaliaa Realty Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Regaliaa Realty Limited for the violation of Regulation 8A(4) of SAST Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Kausambi Vanijya Ltd imposing a total penalty of Rs 13,00,000 (Rupees Thirteen Lakh Only) on Varsha Dipakbhai Dobariya and others for the violation of Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a) & (e) of PFUTP Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Ruchika Goel for the violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 27,30,000 (Rupees Twenty Seven Lakh Thirty Thousand Only) on Rakesh Singh for the violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Vijay Solvex Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Vijay Solvex Limited and Gaurav Enclave Private Limited for the violation of Regulation 31(1)(b) of LODR read with SEBI Circular No: CIR/CFD/CMD/13/2015 dated November 30, 2015 r/w Sections 21 and 31 of SCRA, and Regulation 7 (1), 7 (2) of SAST, 1997 read with Regulation 35 of SAST, 2011 and Regulation 13 (1) of PIT 1992 read with Regulation 12 of PIT 2015 respectively.
* SEBI passed an order, dated 28 November 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,40,000 (Rupees Five Lakh Fourty Thousand Only) on S C Jain and Son HUF for the violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Spectacle Industries Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Vasudev Ramchandra Kamat for the violation of Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a), (b) & (g) of PFUTP Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Cupid Trades & Finance Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Rupal Vipulkumar Patel for the violation of regulations 7(1) r/w 7(2) of SAST Regulations and regulation 13(1) of PIT Regulations.
* SEBI passed an order, dated 28 November 2019, in the matter of Cupid Trades & Finance Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Rotam Commercials Ltd. for the violation of section 15(b) of the SEBI act and regulation 13(3) r/w 13(5) of PIT Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Unitech Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Unitech Limited for the violation of provisions of clause 35 of Listing Agreement r/w section 21 of the SCRA.
* SEBI passed an order, dated 29 November 2019, in the matter of Mefcom Agro Industries Ltd. imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Avisha Credit Capital Ltd. and others for the violation of regulations 7(1A) read with regulation 7(2) of SAST Regulations and regulation 35(2) of SAST Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Ybrant Digital Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on S V Rajyalaxmi Reddy for the violation of regulations 13(4A) r/w 13(5) of PIT Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Ybrant Digital Limited imposing a total penalty of Rs 9,00,000 (Rupees Nine Lakh Only) on M Suresh Kumar Reddy for the violation of regulations 13(4A) r/w 13(5) of PIT Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Ybrant Digital Limited imposing a total penalty of Rs 4,00,000 (Rupees Four Lakh Only) on Palle Suguna Reddy for the violation of regulations 13(4A) r/w 13(5) of PIT Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of front-running of HDFC Group’s trades by Sanghvi Group and Kalpana Group imposing a total penalty of Rs 85,00,000 (Rupees Eighty Five Lakh Only) on Nilesh Kapadia and others for the violation of Section 12 A (a), (b) and (c) of SEBI Act and Regulation 3 (a), 3 (b), 3 (c) 3 (d) and 4(1) of SEBI (PFUTP) Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of BGIL Films & Technologies Limited imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on BGIL Films &Technologies Limited for the violation of section 21 of SCRA r/w clause 35 of the listing agreement with BSE, regulation 12(2) of PIT Regulations r/w clause 2.1 and clause 7(ii) of Schedule II of CCDP for PIT Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Kyra Landscapes Limited imposing a total penalty of Rs 4,00,000 (Rupees Four Lakh Only) on Kyra Landscapes Limited for the violation of Section 23F of the SCRA and Clause 35 of the Listing Agreement read with Section 21 of the SCRA.
* SEBI passed an order, dated 29 November 2019, in the matter of dealings in illiquid stocks options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Yogesh Himatlal Patel for the violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Spectacle Industries Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Manish Suresh Joshi for the violation of Regulations 3(a), (b), (c), (d) and Regulations 4(1), 4(2)(a), (b) & (g) of PFUTP Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Kamawala Housing Construction Ltd. imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Sudha Gupta for the violation of Regulation 7 (2) (a) of PIT Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Illiquid stock options at BSE imposing a total penalty of Rs 12,00,000 (Rupees Twelve Lakh Only) on Onceover Vincom Private Limited for the violation of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1) and 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Sunidhi Securities & Finance Ltd imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Sunidhi Securities & Finance Ltd for the violation of Clauses A (2) & A (5) of the code of conduct specified under Schedule II read with Regulation 9 of the SEBI (Stock Brokers & Sub brokers) Regulations, 1992 and SEBI Circular No. MIRSD/SE/Cir19/2009 dated December 03, 2009.
* SEBI passed an order, dated 29 November 2019, in the matter of GDR issue of Sanraa Media Ltd imposing a total penalty of Rs 16,20,00,000 (Rupees Sixteen Crore Twenty Lakh Only) on Sanraa Media Ltd and others for the violation of Sections 12A(a), (b), (c) of the SEBI Act read with Regulations 3 (a), (b), (c), (d), 4(1), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations and Section 21 of the SCRA read with Clauses 36(7) and 50 of the Equity Listing Agreement.
* SEBI passed an order, dated 29 November 2019, in the matter of Illiquid stock options at BSE imposing a total penalty of Rs 10,00,000 (Rupees Ten Lakh Only) on M/s Rajbanshi Trading for the violation of Regulations 3 (a), 3(b), 3(c), 3 (d), 4 (1) and 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 29 November 2019, in the matter of Polo Hotels Ltd imposing a total penalty of Rs 1,15,00,000 (Rupees One Crore Fifteen Lakh Only) on Abhay Ram and others for the violation of Regulation 3(2) of SAST 2011 and Regulation 10(6) of SAST 2011.

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

1. **At OECD-Asian Roundtable, Mumbai on November 27, 2019** [↑](#footnote-ref-1)
2. **At National Stock Exchange of India, Mumbai on November 05, 2019** [↑](#footnote-ref-2)