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**Changing Landscape of Securities Market**

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

1. Ladies and gentlemen, a very good morning to you all. I am pleased to be present here in this conference on “Changing Landscape of Securities Markets” jointly organised by SEBI and NISM.
2. Economic research contributes to the development and updating of conceptual models and tools which in turn help in policy formulation. Research activities facilitate better understanding of the economic uncertainties that lie ahead. In this context, the quality of data, robustness and reliability of the models, and unbiased inferences are of paramount importance.
3. **Increasing role of data analysis**
4. The theme of the conference aptly recognises that the securities markets landscape is changing. The securities markets as we see them today have evolved over a period of time from a markedly different shape earlier. The sharp and quick changes in the market structure reconfirms the proverbial saying – ‘change is the only constant’.
5. Use of technology has played a major role in effecting the transformation in the capital markets. Digitization has made capital markets industry one of the most data driven industries. In fact, today, the Market Infrastructure Institutions, viz. Stock Exchanges, Clearing Corporations and Depositories have become technologists’ delight. Data is fast becoming the “fourth organizational pillar” for modern financial institutions, alongwith people, processes and technology. Data analytics is predominantly being used for key securities markets functions such as trading, compliance and risk management. Going forward, technology and data are going to play an even more dominating role.
6. **Use of research in policy making**
7. Financial markets play an important role in efficiently allocating capital which is scarce. The role of research in policy making in financial markets, which are highly dynamic and complex in nature, cannot be over stated. Many a times what appears apparent turns out to be not true.
8. Learnings from past events and interlinking the same to the present environment is important for policy making. It is important to dispassionately dissect the past events and come out with clear learnings.
9. Research helps to nullify biases which policy makers may imbibe due to prior association with similar issues. Research based experimentation is the essence of driving market innovations. It is all the more important taking into account the ever evolving technological changes.
10. **Promoting research and innovation**
11. SEBI has been promoting research and innovation. Towards this end, some of the steps taken are as follows.

**NISM**

1. National Institute of Securities Market (NISM) was established by SEBI to promote securities market education and research. NISM is offering academic, capacity building and skill development programmes in the securities markets and improving the level of financial education in the country.

**In-house research**

1. Several research studies based on empirical examination in financial markets have been published by the SEBI staff. To share ideas about the functionality of the securities market, SEBI has also published various technical working papers. Further, under the program of DRG studies, SEBI staff in association with external domain experts in specific area have brought out research reports on selected themes of interest to Regulator.

**Research Advisory Committee**

1. To further strengthen research function and enhance its linkage to policy making, SEBI has constituted a Research Advisory Committee comprising of prominent financial economists and market practitioners as members. The committee advises SEBI on enhancing the quality of research, including data democratization. In fact, today’s conference itself has originated from such deliberations of the Research Advisory Committee.

**Data sharing policy**

1. SEBI has also put in place a data sharing policy making available structured and unstructured data for undertaking analytics projects, research activities, academic studies etc.

**Innovation sandbox**

1. To facilitate development and adoption of innovative fintech solutions in securities markets, SEBI has specified a framework for “innovation sandbox” to provide fintech firms and individuals a testing environment for offline testing of their fintech solutions. Under the framework, Depositories, Exchanges and RTAs make available historical and anonymised data to eligible participants for testing their product. MIIs evaluate the results of such testing, based on which decision could be taken whether to deploy the fintech solution in the market.
2. **Research & innovation – way ahead**
3. Financial markets cover a wide range of issues and clearly research requirements are multifaceted. Some of the areas which come to my mind readily are as follows. Naturally, such a list can never be exhaustive.

**Use of AI/ML and blockchain**

1. Application of AI/ML and blockchain tools has the potential to bring a paradigm shift in the securities markets landscape. Amongst other applications, block-chain could be used in clearing, settlement and record-keeping given its benefits in maintaining records in distributed ledgers, while still being a single source of truth. Block-chain based solutions are being developed by some foreign exchanges for settlement and by domestic exchanges for KYC recordkeeping purpose.
2. With increasing digitization of information and ability of AI and ML to read unstructured data, AI/ML is being increasingly deployed in fund management, trading, supervision and surveillance activities.
3. Though the use of AI/ML and block-chain has taken off across the world in different areas, these tools still continue to be fairly new and untapped technologies. There is a need for an active research into these technologies to explore their best possible usage in securities markets.

**Risk assessment and management**

1. While bankruptcy of Lehman Brothers, Inc. in 2008 triggered failure of many US banks, the Depository Trust & Clearing Corporation (DTCC), the leading clearing and settlement infrastructure for the US markets, successfully closed out over USD 500 billion worth of Lehman’s exposure to market participants without any spill over of risk to either the clearing house’s balance sheet or to its clearing fund. Thus, appropriate risk management enabled this MII to successfully tide over the stress period which many banks could not.
2. In this age of complex financial products and globalization of markets, newer risks emerge and stress periods recur with more regularity than ever. Many of the scenarios which were never witnessed earlier or were considered impossible, now materialise.
3. The methods and models for measuring, managing and pricing financial risk need regular review and update so that the risk management is robust. At the same time, regulators also need to strike a balance between conservative risk management and market development, as very high level of safety usually comes at the cost of liquidity in the markets.
4. There is need for continuous research and analysis in the area of risk management to forecast plausible stress scenarios and consequent risks to put in place appropriate risk management to protect the interest of stakeholders.

**Systemic issues**

1. Systemic risks and their effective management are becoming important objectives of financial market regulators worldwide. Systemic risk monitoring requires continuous identification and monitoring of systemically important financial institutions, leverage, inter-connectedness, risk concentrations and overall market sentiments.
2. Due to increasing globalization, to address systemic risk it is important to have a comparative picture of domestic and global market. Data on trend in market indices, price-earnings ratio, valuation, foreign inflow, etc need to be analyzed on a continuous basis.
3. Another important way to address systemic issue is through understanding inter-linkages between products and sectors.  There are products which are directly related like interest based products and bonds. The challenging task is to understand through research the products or instruments which are not directly related but affect each other indirectly.
4. Authorities around the world are increasingly building simulation models to measure interconnectedness of financial institutions and see as to failure of which financial institution could cause contagion impact and bring down the market leading to systemic risk. The need for further research in measuring systemic risk in the financial sector in India too is quite apparent.

**Behavioural economics**

1. Classical economics believed that human beings are rational and take decisions which most suit them. But over the years there has been a realization that decisions are not always rational and in some instances they are influenced by other factors. Research in behavioral economics analyses the effects of [psychological](https://en.wikipedia.org/wiki/Psychological), cultural and social factors on the [economic](https://en.wikipedia.org/wiki/Economic) [decisions](https://en.wikipedia.org/wiki/Decision_making) of individuals and institutions.
2. In financial markets, there is a general belief that price discovery process in stock prices absorb information on a continuous basis. So the scope for the prices to remain continuously away from rational pricing is limited. Further, technical analysis and fundamental analysis tools are widely used to approach the rational price. However, it is a common knowledge that many investment decisions taken in stock market trading cannot be explained through technical or fundamental analysis.
3. A significant amount of research has been done globally in the field of behavioral economics. Economists like Robert Shiller and Richard Thaler have made seminal contribution in this field. Concepts like loss aversion, fear of regret and disposition effect, herd behavior and group thinking, etc. touch upon aspects which can’t be looked into by using normal tools of analysis.  Perhaps further research in this area in the context of Indian capital markets could be useful.

**Surveillance**

1. Surveillance of capital markets is another field where I believe a lot of improvement and efficiency can be brought through the use of advanced technology and data analytics. Catching malpractices in the market using the standard tools that analyze only structured data of price and volume is increasingly becoming difficult.
2. Social media platforms are increasingly being used by manipulators for market manipulation. Regulators worldwide are increasingly acknowledging that there is much more surveillance input that can be gained from such social media platforms than that can be gained from analysis of structured data. Considering the same, use of advanced technological tools such as Artificial Intelligence, Machine Learning, Big Data Analytics, Natural Language Processing etc. that enable collection, filtering and analysis of such unstructured data will greatly augment the surveillance capabilities.
3. SEBI has already planned Data Lake project to augment analytical capability with advance analytical tools viz., AI/ML, deep learning, big data analytics, pattern recognition, processing of structured and unstructured data, text mining and natural language processing, etc.

**Conclusion**

1. I hope that this SEBI-NISM research conference which aims to provide an interactive platform for researchers, academicians and industry practitioners to showcase their analytical skills by presenting research papers will help broaden the knowledge sharing on various aspects of securities markets and based on the deliberations will also come out with useful policy recommendations. I wish the conference a great success.

Thank you

**CAPITAL MARKET REVIEW**

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

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

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Dec-19** | **Jan-20** |
| ***A. Funds Mobilisation through Public Issue (I+II)*** | **3,783** | **5,680** |
| ***I. Equity Public Issue*** | **1,264** | **3,486** |
| a. IPOs (i+ii) | 1,264 | 31 |
| i. Main Board | 1,246 | 0 |
| ii. SME Platform | 18 | 31 |
| b. FPOs | 0 | 25 |
| c. Equity Rights Issue | 0 | 3,430 |
| ***II. Debt Public Issue*** | 2,519 | 2,194 |
| ***B. Funds Mobilisation through Private Placement*** | **96,694** | **91,278** |
| 1. QIP/IPP | 2,025 | 14,900 |
| 2. Preferential Allotment | 38,512 | 7,082 |
| 3. Private Placement of Debt | 56,158 | 69,296 |
| **Total Funds Mobilised (A+B)** | **1,00,477** | **96,958** |

**Notes: Current month data are provisional**

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

* During January 2020, there were six public equity issuance (five of them were at SME platform and one SME FPO) mobilizing ₹ 3,486 crore as compared to four public equity issuance (two of them were at SME platform) mobilizing ₹ 1,264 crore in December 2019.
* During January 2020, there was one rights issue to amounting ₹ 3,430 crore as against no rights issue in December 2019.
* During January 2020, there were two issues amounting ₹ 2,194 crore from the Public Issue of Corporate Bonds comparing with three issues amounting ₹ 2,519 crore in December 2019.
* During January 2020, the amount raised through private placement of equity (i.e. preferential allotment and QIP route) stood at ₹ 21,982 crore comparing with ₹ 40,537 crore in December 2019.
* During January 2020, Private Placement of Corporate Debt Reported to BSE and NSE increased by 23.4 per cent to ₹ 69,296 crore over ₹ 56,158 crore in December 2019.

1. **Trends in the Secondary Market**

* At the end of January 2020, Nifty 50 closed at 11,962, decreased by 206.4 points (1.7 per cent) over December’s closing.
* S&P Sensex closed at 40,723 on January 31, 2020, a decrease of 530.3 points (1.3 per cent) over previous month closing.
* During the month, Nifty and Sensex reached its all-time high at 12,431 and 42,274 on January 20, 2020 respectively.
* During the month, Nifty and Sensex reached its low at 11,930 and 40,477 on January 08, 2020.
* The P/E ratios of S&P BSE Sensex and Nifty 50 index were 24.5 and 26.4 respectively, at the end of January 2020 compared to the reading of 26 and 28.3 respectively a month ago.

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Dec-19** | **Jan-20** | **Change during the Month** |
| **Index in Equity Market** |  |  |  |
| Sensex | 41,254 | 40,723 | -1.3 |
| Nifty 50 | 12,168 | 11,962 | -1.7 |
| Nifty 500 | 9,873 | 9,861 | -0.1 |
| BSE 500 | 15,667 | 15,650 | -0.1 |
| Nifty Bank | 32,162 | 30,834 | -4.1 |
| Nifty IT | 15,652 | 16,144 | 3.1 |
| BSE Healthcare | 13,429 | 13,957 | 3.9 |
| BSE FMCG | 11,406 | 11,642 | 2.1 |
| **Market Capitalisation (₹ crore)** | |  |  |
| BSE | 1,55,53,829 | 1,56,50,982 | 0.6 |
| NSE | 1,54,31,967 | 1,55,17,107 | 0.6 |
| **P/E Ratio** |  |  |  |
| Sensex | 26.0 | 24.5 | -6.0 |
| Nifty 50 | 28.3 | 26.4 | -6.7 |
| **No of Listed Companies** |  |  |  |
| BSE | 5,352 | 5,366 | 0.3 |
| NSE | 1,955 | 1,959 | 0.2 |
| **Gross Turnover in Equity Segment (₹ crore)** | |  |  |
| BSE | 43,560 | 55,846 | 28.2 |
| NSE | 6,81,983 | 8,05,347 | 18.1 |
| **Gross Turnover in Equity Derivatives Segment (₹ crore)** | | |  |
| BSE | 21,023 | 52,109 | 147.9 |
| NSE | 2,88,58,292 | 3,85,30,599 | 33.5 |
| **Gross Turnover in Currency Derivatives Segment (₹ crore)** | | |  |
| BSE | 5,64,692 | 4,82,786 | -14.5 |
| NSE | 7,97,945 | 8,45,443 | 6.0 |
| MSEI | 6,259 | 5,957 | -4.8 |
| **Gross Turnover in Interest Rate Derivatives Segment (₹ crore)** | | |  |
| BSE | 4,814 | 6,208 | 29.0 |
| NSE | 31,364 | 26,807 | -14.5 |

**Source: NSE, BSE and MSEI**

**Figure 1: Movement of Sensex and Nifty during January 2020**

**Note: The closing value of Nifty 50 and Sensex have been normalised to 100 on January 01, 2020.**

* The market capitalisation of BSE stood at **₹** 1,56,50,982 crore as on January 31, 2020, increased by 0.6 per cent over previous month.
* The market capitalisation of NSE stood at **₹** 1,55,17,107 crore as on January 31, 2020, increased by 0.6 per cent over previous month.

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

* During January 2020, the gross turnover in the equity segment of BSE increased by 28.2 per cent to ₹ 55,846 crore from ₹ 43,560 crore in December 2019.
* During January 2020, the gross turnover in the equity segment of NSE increased by 18.1 per cent to **₹** 8,05,347 crore from **₹** 6,81,983 crore in December 2019.

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

* During the month of January 2020, the sectoral indices witnessed mixed trends. Among BSE indices, S&P BSE Small Cap increased by 7.1 per cent, followed by S&P BSE Consumer Durables (4.5 per cent), S&P BSE Healthcare (3.9 per cent), S&P BSE Capital Goods (3.1 per cent), S&P BSE Teck (2.5 per cent), and S&P BSE FMCG (2.1 per cent). On the other hand, S&P BSE Metal decreased by 9 per cent, followed by S&P BSE PSU (5.6 per cent), S&P BSE Bankex (3.8 per cent), S&P BSE Large Cap (1.5 per cent), S&P BSE 100 (1.3 per cent), S&P BSE 200 (0.7 per cent) and S&P BSE 500 (0.1 per cent) during the period. The average daily volatility of BSE sectoral indices for the month of January 2020 is given in Figure 4.

**Figure 4: Performance of BSE Indices during January 2020 (Per cent)**

* Among select NSE sectoral indices, Nifty Small 100 increased by 6.7 per cent during January 2020, followed by Nifty Midcap 100 (5.3 per cent), Nifty Midcap 50 (4.6 per cent), Nifty IT (3.1 per cent), Nifty FMCG (2.2 per cent), Nifty Media (1.8 per cent) and Nifty Pharma (0.1 per cent). On the other hand, Nifty PSU Bank decreased by 6.3 per cent, followed by Nifty Bank (4.1 per cent), Nifty 100 (1.5 per cent), Nifty 200 (0.8 per cent), Nifty MNC (0.2 per cent) and Nifty 500 (0.1 per cent) during the month. The average daily volatility of NSE sectoral indices for the month of January 2020 is given in Figure 5.

**Figure 5: Performance of NSE Indices during January 2020 (Per cent)**

1. **Trends in Depository Accounts**

At the end of January 2020, there were 194 lakh demat accounts at NSDL and 201 lakh demat accounts at CDSL. Till the end of January 2020, 5,615 listed companies were signed up with NSDL 5,645 listed companies were signed up with CDSL to make their equity holdings available in dematerialised form.

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

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **NSE** | | | **BSE** | | |
| **Dec-19** | **Jan-20** | **Percentage Change Over Month** | **Dec-19** | **Jan-20** | **Percentage Change Over Month** |
| **A. Turnover (₹ crore)** | | | | | | |
| (i) Index Futures | 4,11,241 | 5,43,290 | 32.1 | 3,835.8 | 2,493.6 | -35 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 1,23,45,926 | 1,63,67,170 | 32.6 | 5632.9 | 12046.1 | 113.9 |
| *Call* | 1,40,45,614 | 1,88,85,234 | 34.5 | 11540.6 | 37563.3 | 225.5 |
| (iii) Stock Futures | 11,23,918 | 14,03,776 | 24.9 | 13.3 | 6.3 | -52.2 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 3,15,983 | 4,62,073 | 46.2 | 0.0 | 0.0 | NA |
| *Call* | 6,15,611 | 8,69,056 | 41.2 | 0.0 | 0.1 | NA |
| **Total** | **2,88,58,292** | **3,85,30,599** | **33.5** | **21,023** | **52,109** | **147.9** |
| **B. No. of Contracts** | | | | | | |
| (i) Index Futures | 54,00,188 | 72,17,406 | 33.7 | 37,326 | 24,081 | -35.5 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 17,36,48,642 | 23,26,10,758 | 34.0 | 55,059 | 1,18,153 | 114.6 |
| *Call* | 19,60,92,855 | 26,55,36,936 | 35.4 | 1,09,825 | 3,54,643 | 222.9 |
| (iii) Stock Futures | 1,89,29,870 | 2,05,19,117 | 8.4 | 216 | 88 | -59.3 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 52,56,335 | 65,17,066 | 24.0 | 0 | 0 | NA |
| *Call* | 96,50,541 | 1,17,12,564 | 21.4 | 0 | 1 | NA |
| **Total** | **40,89,78,431** | **54,41,13,847** | **33.0** | **2,02,426** | **4,96,966** | **145.5** |
| **C. Open Interest in Terms of Value ( ₹ crore)** | | | | | | |
| (i) Index Futures | 20,507 | 17,762 | -13.4 | 35 | 71 | 106.6 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 80,590 | 67,359 | -16.4 | 28 | 2 | -91.5 |
| *Call* | 77,206 | 66,716 | -13.6 | 22 | 14 | -37.7 |
| (iii) Stock Futures | 1,22,760 | 1,20,005 | -2.2 | 0.3 | 0.2 | -33.5 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 8,738 | 8,939 | 2.3 | 0 | 0.0 | NA |
| *Call* | 13,415 | 13,875 | 3.4 | 0 | 0.0 | NA |
| **Total** | **3,23,217** | **2,94,656** | **-8.8** | **84.7** | **87.8** | **3.7** |
| **D. Open Interest in Terms of No of Contracts** | | | | | | |
| (i) Index Futures | 2,44,548 | 2,14,867 | -12.1 | 335 | 701 | 109.3 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 9,79,806 | 8,19,623 | -16.3 | 267 | 23 | -91.4 |
| *Call* | 9,57,119 | 8,20,564 | -14.3 | 217 | 137 | -36.9 |
| (iii) Stock Futures | 18,46,372 | 18,45,265 | -0.1 | 3 | 3 | 0.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 1,31,588 | 1,34,803 | 2.4 | 0 | 0 | NA |
| *Call* | 1,98,615 | 2,09,033 | 5.2 | 0 | 0 | NA |
| **Total** | **43,58,048** | **40,44,155** | **-7.2** | **822** | **864** | **5.1** |

**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 99.9 per cent and BSE registered an insignificant volume compared to NSE’s volume further, MSEI has no trading during January 2020.
* The notional monthly turnover in the equity derivatives segment of NSE increased by 33.5 per cent to **₹** 385.3 lakh crore in January 2020 from **₹** 288.6 lakh crore in December 2019.
* Index options accounted for 91.5 per cent of the total notional turnover in the F&O segment of NSE during the month compared.
* The notional turnover in index options (call and put together) increased by 33.6 per cent to **₹** 352.5 lakh crore in January 2020 from **₹** 236.9 lakh crore in December 2019.
* During January 2020, Weekly options contributed 74 per cent of total index options compared to 78 per cent of total index options in December 2019. The percentage share of monthly options of total index options turnover stood at 25 per cent in December 2019, increased from 22 per cent in December 2019.

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

* During the month, the notional turnover of index futures increased by 32.1 per cent to **₹** 5.4 lakh crore from **₹** 4.1 lakh crore in December 2019.
* The notional turnover of stock futures increased by 24.9 per cent to **₹** 14 lakh crore in January 2020 from **₹** 11.2 lakh crore in December 2019.
* The notional turnover in stock options (call and put together) increased by 42.9 per cent to **₹** 13.3 lakh crore from **₹** 9.3 lakh crore during the same period.
* As on January 31, 2020, the open interest at NSE stood at ₹ 2,94,656 crore from ₹ 3,23,217 crore as on December 31, 2019, decreased by 8.8 per cent.
* During January 2020, the equity derivatives segment turnover of BSE increased to ₹ 52,109 crore compared to ₹ 21,023 crore in December 2019, increased by 147.9 per cent.

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

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

* During January 2020, the monthly turnover of currency derivatives in India (NSE, BSE and MSEI together) stood at **₹** 13,34,186 crore from **₹** 13,68,896 crore in December 2019, indicating a decrease of 2.5 per cent during the period.
* The trading volumes in Currency Derivatives at NSE increased by 6 per cent to ₹ 8,45,443 crore in January 2020 from ₹ 7,97,945 crore in December 2019.
* The trading volumes in Currency Derivatives at BSE decreased by 4.8 per cent to **₹** 4,82,786 crore from **₹** 5,64,692 crore during the same period.
* The trading volumes in Currency Derivatives at MSEI stood at ₹ 5,957 crore in January 2020 from ₹ 6,259 crore in December 2019, decreased by 14.5 per cent.

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

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

* During January 2020, the monthly turnover of interest rate futures at NSE decreased by 14.5 per cent to ₹ 26,807 crore from ₹ 31,364 crore in December 2019.
* The monthly turnover of interest rate futures at BSE increased by 29 per cent to ₹ 6,208 crore from ₹ 4,814 crore during the same period.

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

1. **Trading in Corporate Debt Market**

* During January 2020, BSE noted 4,822 trades of corporate debt with a traded value of ₹ 62,925 crore as compared to noted 4,397 trades of corporate debt with a traded value of ₹ 52,392 crore in December 2019.
* At NSE, 7,718 trades were noted with a traded value of ₹ 1,34,636 crore in January 2020 as compared to 5,877 trades were noted with a traded value of ₹ 97,560 crore in December 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 ₹ 1,20,149 crore in January 2020 compared to a net outflow of ₹ 61,497 crore in December 2019.
* In terms of category of scheme, there was a mobilization of ₹ 1,20,904 crore from open ended schemes during January 2020. Among the open ended schemes, ₹ 1,09,306 crore mobilized through Income/Debt Oriented Schemes, followed by growth/equity oriented schemes (₹ 7,877 crore), other schemes (ETFs) (₹ 2,345 crore), Hybrid Schemes (₹ 1,260 crore) and Solution Oriented Schemes (₹ 117 crore).
* There was a net redemption of ₹ 754 crore from closed ended schemes and ₹ 2 crore from Interval schemes during January 2020.
* The net assets under management of all mutual funds stood at ₹ 27.9 lakh crore at the end of January 2020 from ₹ 26.5 crore as on December 31, 2019.
* As on January 31, 2020, there were a total of 1,912 mutual fund schemes in the market, of which 1,134 were income / debt oriented schemes (323 open ended and 811 closed ended), 444 were growth / equity oriented schemes (328 open ended and 116 closed ended), 148 were open ended other schemes (ETFs), 130 were open ended Hybrid schemes, 33 were open ended Solution Oriented Schemes and 23 interval schemes.
* In the secondary market transaction, during January 2020, mutual funds made a net investment of ₹ 33,578 crore (of which ₹ 32,193 crore investment in debt and ₹ 1,384 crore in equity) compared to an investment of ₹ 47,298 crore (of which ₹ 45,493 crore investment in debt and ₹ 1,805 crore in equity) in December 2019.

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

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

* During January 2020, FPIs invested ₹ 12,123 crore in equity compared to an investment of ₹ 7,338 crore in equity during December 2019. Further, during January 2020, FPIs withdraw of ₹ 11,119 crore from debt securities and ₹ 46 crore from Hybrid securities compared to ₹ 4,616 crore withdrawn from debt securities and ₹ 40 crore investment in Hybrid securities in December 2019. In total, during January 2020, FPIs investment ₹ 957 crore in the Indian securities market compared to ₹ 2,762 crore in December 2019.
* The assets of the FPIs in India, as reported by the custodians, at the end of December 2019 was ₹ 35,16,471 crore, out of which the notional value of offshore derivative instruments (including ODIs on derivatives) was ₹ 63,901 crore (or 1.8 per cent of total assets of FPIs).

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

1. **Trends in Portfolio Management Services**

* As on January 31 2020, AUM of the portfolio management industry increased by 2.6 per cent to ₹ 18.4 lakh crore from ₹ 17.9 lakh crore in December 2019. Of the total, AUM of fund managers of EPFO/PFs contributed ₹ 13.5 lakh crore (i.e., 74 per cent of total AUM).
* In terms of number of clients in PMS industry at the end of January 2020, discretionary services category topped with 1,55,190 clients, followed by non-discretionary category with 9,488 clients and advisory category with 3,879 clients.

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

During January 2020, three open offers with offer value of ₹ 5,079 crore was made to the shareholders as against three open offers with offer value of ₹ 349 crore made in December 2019. All the open offers were for change in control of management.

**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** | **Dec-19** | **Jan-20** | **Change during the month** |
| **A. Indices** | | | |
| Nkrishi | 3,613 | 3,258 | -9.8 |
| MCX COMDEX | 10,584 | 10,102 | -4.6 |
| **B. Total Turnover (in Rs. crore)** | | | |
| **All-India** | **7,11,802** | **9,25,564** | **30.0** |
| **MCX, of which** | **6,68,410** | **8,80,816** | **31.8** |
| *Futures* | 6,53,027 | 8,40,347 | 28.7 |
| *Options* | 15,383 | 40,470 | 163.1 |
| **NCDEX, of which** | **36,255** | **37,714** | **4.0** |
| *Futures* | 36,253 | 37,699 | 4.0 |
| *Options* | 2 | 14 | 787.5 |
| **ICEX** | **3,332** | **4,589** | **37.7** |
| **BSE** | **3,687** | **2,333** | **-36.7** |
| **NSE** | **119** | **113** | **-5.0** |

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

**A. Market Trends**

* During January 2020, MCX icomdex composite index, witnessed a fall of 4.6 per cent (M-o-M) driven by decrease in prices of base metals and energy segments. On Y-o-Y basis, MCX icomdex composite index decreased by 5.5 per cent.
* During January 2020, MCX icomdex crude oil index decreased by 16.3 per cent. MCX icomdex base metal index declined by 3.3 per cent on account of decrease in futures price of all the base metals. The futures prices of nickel, copper, lead, zinc and aluminium declined by 9.4 per cent, 5.9 per cent, 2.9 per cent, 2.6 per cent and 0.04 per cent respectively. MCX icomdex bullion index increased by 3.6 per cent due to increase in future prices of both gold and silver by 4.8 per cent and 0.6 per cent respectively.
* Among the Agri. segment, futures prices of cardamom and cotton increased by 2.8 per cent and 1.4 per cent, which were partially offset by decrease in futures prices of CPO and mentha oil by 4.4 per cent and 6.2 per cent respectively.
* NKrishi index decreased by 9.8 per cent (M-o-M) as futures prices of all the constituent commodities of the index (guarseed, soybean, chana, turmeric, RM seed, cottonseed oilcake, coriander, barley, jeera and castorseed) witnessed downtrend. On Y-o-Y basis NKrishi index declined by 3.9 per cent.
* During January 2020, average daily volatility in MCX icomdex composite and NCDEX NKrishi indices was recorded at 0.6 per cent and 0.8 per cent respectively. The daily volatility and price variation over the previous month for benchmark commodity indices are shown in the Figure 14 below:

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

**Note: The closing value of MCX Comdex and NCDEX Nkrishi have been normalised to 100 on January 01, 2020.**

***Since MCX discontinued dissemination of MCX COMDEX index w.e.f. January 16, 2020, MCX icomdex composite index data is used for trend review.***

**B. Turnover**

* During January 2020, the aggregate turnover of all the commodity exchanges taken together increased by 30.0 per cent to ₹9,25,564 crore due to increase in turnover at MCX, NCDEX and ICEX. However, turnover at BSE and NSE decreased during the month. The agricultural segment contributed 5.7 per cent to the total turnover, while non-agricultural segment accounted for 94.3 per cent.
* The total turnover (futures & options) at MCX increased by 31.8 per cent to ₹8,80,816 crore during January 2020. The turnover in futures segment increased by 28.7 per cent due to increase in the four segments viz. bullion, metal, energy and agri. The turnover in futures segments of bullion increased by 49.3 per cent, followed by agri. segment 46.3 per cent, energy 23.8 per cent and metal segment by 5.7 per cent.
* The notional value of turnover of options contracts traded at MCX increased by 163.1 per cent during January 2020, as turnover in bullion and energy segments increased by 232.4 per cent and 119.0 per cent respectively. However, in metal segment, it decreased by 26.3 per cent. The options contracts contributed 4.6 per cent to the total turnover at MCX.
* During January 2020, the total turnover at NCDEX increased by 4.0 per cent to ₹37,714 crore, due to increase in the seven of its traded commodities viz. barley, bajra, cotton seed oilcake, kapas, RM seed, soybean and refined soy oil. Turnover in options segment at NCDEX increased from ₹1.6 crore to ₹14.2 crore in January 2020.
* In January 2020, turnover at ICEX increased by 37.7 per cent to ₹4,589 crore due to increase in traded value of gems and stone, steel long and agri. segments by 41.3 per cent, 20.8 per cent and 48.1 per cent respectively.
* The commodity derivative turnover at BSE decreased by 36.7 per cent due to decrease in traded value in agri. segment by 49.8 per cent. During the month, BSE launched futures trading in Brent crude oil and registered a total turnover of ₹432 crore. At NSE, the total turnover during the month declined by 5.0 per cent.

**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**

* The IMF has revised the global economic growth downwards from 3.4 per cent to 3.3 per cent. IMF attributed its downward revision of global economic growth to India’s slowdown in growth. IMF’s forecast for India is at 4.8 per cent for 2019-20. However, IMF noted that India would recover in the next fiscal year owing to some of the positive measures taken by the Government. US-China trade war dampening business confidence, investment, manufacturing and trade worldwide was one of the major factor for the global growth slowdown. IMF has downward revised US growth to 2 per cent, down by 0.1 per cent compared to its October 2019 projection.
* The year 2020 has started off on a positive note and was gaining during mid-January. The trade war tensions between US and China eased with both the countries signing the first phase of trade deal on January 15, 2020. The pact would open Chinese markets to more American companies, increase farm and energy exports and provide greater protection for American technology and trade secrets. China has pledged to boost US imports by $200bn above 2017 levels and strengthen intellectual property rules. In exchange, the US has agreed to halve some of the new tariffs it has imposed on Chinese products.
* However, the fast spreading coronavirus outbreak has dragged down the markets world-wide, majorly in China. Stock markets had begun 2020 close to record highs against a background of cooling tensions between the US and China in the long-running trade war between the two countries. Markets were less perturbed by the brief flare-up in tensions between the US and Iran, which de-escalated swiftly.
* Another major event in January 2020 was the exit of UK from the European Union. Bank of England has maintained the bank rate at 0.75 per cent aiming to meet the 2 per cent inflation target. The current UK GDP growth slowed last year, reflecting weaker global growth and elevated Brexit uncertainties, which is projected to pick up a little in early 2020. The unemployment rate has remained low and stable, and employment growth has picked up.
* As per the advance estimate released by Bureau of Economic Analysis on January 30, 2020, the Real Gross Domestic Product of US increased at an annual rate of 2.1 per cent in the fourth quarter of 2019 keeping it same as was in the third quarter. In the fourth quarter, a downturn in imports, an acceleration in government spending, and a smaller decrease in nonresidential investment were offset by a larger decrease in private inventory investment and a slowdown in personal consumption expenditures. Real GDP increased 2.3 percent in 2019 (from the 2018 annual level to the 2019 annual level), compared with an increase of 2.9 percent in 2018. The U.S. unemployment rate increased to 3.6 per cent in January 2020
* In the positive development, USA and China have reached a Phase One trade deal in December 2019, which was signed on the January 15, 2020. As anticipated, the US has agreed to delay indefinitely the new tariffs that were set to take effect in December on $160bn of Chinese imports and reduce the tariff on US$ 120 billion of Chinese imports to 7.5 per cent from 15 per cent. This reduction represents the first tariff rollback since the start of the trade war in July 2018. At the same time, China has agreed to increase its purchase of agriculture products from the US.
* However, for China, the trouble is continuing; the outbreak of coronavirus in Wuhan has put China in another trajectory of trouble. This is not only affecting China on the human capital but affecting the economy in a major way. This is dragging down the global growth prospects too for 2020. Chinese Yuan is weakening against US Dollar. Yuan had breached 7 per dollar in August 2019 with the trade war. In January 2020, The People’s Bank of China extended fresh short and medium term loans worth $58 billion to “offset impact from factors including tax payment and cash demand” and ensure that banking system liquidity was “reasonably ample” before the week-long Lunar New Year holidays.
* China’s full year GDP growth was 6.1 per cent in 2019, down from 6.6 per cent in 2018. The growth projection for China is down due to the coronavirus outbreak.
* Japan’s gross domestic product (GDP) shrank an annualized 6.3 per cent in the October-December period, as per government data and it shrank at the fastest pace in five years in December 2019 quarter. The negative growth in inflation-adjusted gross domestic product for the three-month period corresponded to a 1.6 percent shrinkage from the previous quarter.
* The National Statistics Office (NSO) revised estimates for India’s economic growth to 6.1 per cent instead of earlier reported 6.8 percent. The advance estimate of growth for 2019-20 is 5 per cent. The NSO attributed the downward revision in the 2018-19 growth rate to a reduction in numbers from the primary sector (representing farm- and mining-related activity) and secondary sector (manufacturing, utilities and construction). According to Economic Survey, India’s GDP will grow at 6 to 6.5 per cent in 2020-21. The survey also claimed there has been an increase in the share of formal employment, as captured by 'Regular age/salaried', from 17.9 per cent in 2011-12 to 22.8 per cent in 2017-18. Various organizations have downward revised India’s growth for 2019-20.

**Equity Markets:**

* During January 2020, the equity markets of both developed as well as the emerging markets recorded negative returns over December 2019, except Nasdaq Composite Index.
* The Nasdaq Composite gained about 2 per cent while Dow Jones Industrial Average Index declined by about 1 per cent. Amongst other developed markets, Hong Kong’s Hang Seng index recorded the least return with a decline of 6.7 per cent, Taiwan’s Taiex by 4.2 per cent UK’s FTSE by 3.4 per cent.
* Amongst the major emerging economies, Russian Traded Index declined by 3.6 per cent, China’s Shanghai Stock Exchange Composite Index by 2.4 per cent and Brazil Bovespa by 1.63 per cent.
* India’s Nifty and Sensex index posted a negative return of 1.7 per cent and 1.3 per cent respectively.
* The MSCI World Index, which tracks stocks across the developed world, fell by 0.7 during January 2020 over December 2019.
* The MSCI Emerging Markets Index which captures large and mid-cap representation across 26 Emerging Markets (EM) countries, fell by 4.7 per cent during the same period.

**Table A2: Performance of Stock Indices**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the Index** | **Closing Value as on** | **Return ( per cent)** | | | | **Annualized Volatility (per cent)** | **P/E Ratio** |
| **31-Jan-2020** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRICS Nations** | | | | | | | |
| BRAZIL IBOVESPA INDEX | 113760.6 | 115645.3 | 107219.8 | 101812.1 | 97393.7 | 16.4 | 18.1 |
| RUSSIAN TRADED INDEX | 2179.9 | 2260.4 | 2118.2 | 2017.3 | 1784.3 | 17.1 | 5.8 |
| NIFTY 50 | 11962.1 | 12168.5 | 11877.5 | 11118.0 | 10831.0 | 14.1 | 26.4 |
| S&P BSE SENSEX INDEX | 40723.5 | 41253.7 | 40129.1 | 37481.1 | 36256.7 | 14.0 | 24.5 |
| SHANGHAI SE COMPOSITE | 2976.5 | 3050.1 | 2929.1 | 2932.5 | 2584.6 | 12.1 | 14.2 |
| FTSE/JSE AFRICA ALL SHR | 56079.5 | 57084.1 | 56425.1 | 56784.6 | 54156.8 | 13.0 | 15.7 |
| **Developed Markets** | | | | | | | |
| NASDAQ COMPOSITE INDEX | 9150.9 | 8972.6 | 8292.4 | 8175.4 | 7281.7 | 14.4 | 33.7 |
| DOW JONES INDUS. AVG | 28256.0 | 28538.4 | 27046.2 | 26864.3 | 24999.7 | 12.0 | 20.1 |
| CAC 40 INDEX | 5806.3 | 5978.1 | 5729.9 | 5518.9 | 4992.7 | 13.6 | 20.6 |
| DAX INDEX | 12982.0 | 13249.0 | 12866.8 | 12189.0 | 11173.1 | 13.9 | 24.7 |
| FTSE 100 INDEX | 7286.0 | 7542.4 | 7248.4 | 7586.8 | 6968.9 | 12.4 | 18.4 |
| HANG SENG INDEX | 26312.6 | 28189.8 | 26906.7 | 27777.8 | 27942.5 | 16.4 | 10.3 |
| KOSPI INDEX | 2119.0 | 2197.7 | 2083.5 | 2024.6 | 2204.9 | 13.5 | 25.7 |
| NIKKEI 225 | 23205.2 | 23656.6 | 22927.0 | 21521.5 | 20773.5 | 12.9 | 22.0 |
| Straits Times Index STI | 3153.7 | 3222.8 | 3229.9 | 3300.8 | 3190.2 | 9.2 | 11.8 |
| TAIWAN TAIEX INDEX | 11495.1 | 11997.1 | 11358.7 | 10823.8 | 9932.3 | 12.2 | 16.2 |

**Note:** P/E Ratios as on the last trading day.

**Source:** Bloomberg, BSE and NSE

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

**Note:** All indices have been normalised to 100 on February 01, 2019.

**Source:** Bloomberg

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

**Source:** Bloomberg

**Note:** All indices have been normalised to 100 on December 31, 2018.

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

* According WFE data, the total capital raised by way of issuance of equity and debt securities decreased by 24 per cent from US$ 325 billion in November 2019 to US$ 248 billion in December 2019.
* The amount raised through equity issuance dropped by 13 per cent from US$ 59 billion in November 2019 to US$ 51 billion in December 2019. The equity issues on Shanghai Stock Exchange raised US$ 11 billion, followed by those on Shenzhen Stock Exchange (US$ 10.6 billion), ASX Australian Securities Exchange (US$ 6.3 billion), NSE of India (US$ 6 billion), Hong Kong Exchanges (US$ 4.2 billion), Euronext (US$ 3.8 billion) and LSE Group (US$ 3 billion).
* The amount raised through issuance of debt securities also dropped by 26 per cent, i.e. from US$ 266 billion in November 2019 to US$ 197 billion in December 2019, mainly due to unavailability of Singapore Exchange data for December 2019. The debt issues on NSE of India raised US$ 35.6 billion, followed by those on Korea Exchange (US$ 32.3 billion), BME Spanish Exchanges (US$ 31.8 billion), Moscow Exchange (US$ 28.7 billion), Hong Kong Exchanges (US$ 17.7 billion), LSE Group (US$ 17.1 billion) and Japan Exchange Group (US$ 12.5 billion).

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

(US$ Million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Month** | **Nov-19** | | | **Dec-19** | | |
| **Exchange Name** | **Bond** | **Equity** | **Total** | **Bond** | **Equity** | **Total** |
| **Americas** | **NA** | **970** | **970** | **NA** | **2,276** | **3,512** |
| B3 - Brasil Bolsa Balcão | NA | NA | 0 | 9 | 1,227 | 1,236 |
| Nasdaq - US | NA | 970 | 970 | NA | 2,276 | 2,276 |
| NYSE | NA | NA | NA | NA | NA | NA |
| **Asia - Pacific** | **135,776** | **45,888** | **181,665** | **106,847** | **39,281** | **146,128** |
| ASX Australian Securities Exchange | 50 | 5,908 | 5,958 | 52 | 6,307 | 6,359 |
| Hong Kong Exchanges | 15,886 | 20,247 | 36,133 | 17,678 | 4,221 | 21,899 |
| Japan Exchange Group | 3,530 | 438 | 3,968 | 12,508 | NA | 12,508 |
| Korea Exchange | 38,458 | 763 | 39,221 | 32,269 | 240 | 32,509 |
| NSE of India | 36,042 | 5,923 | 41,965 | 35,621 | 5,953 | 41,574 |
| Shanghai Stock Exchange | 0 | 9,027 | 9,027 | 0 | 10,988 | 10,988 |
| Shenzhen Stock Exchange | 7,707 | 3,247 | 10,954 | 8,719 | 10,591 | 19,310 |
| Singapore Exchange | 34,103 | 337 | 34,439 | NA | 980 | 980 |
| **Europe - Africa - Middle East** | **130,486** | **12,105** | **142,592** | **89,929** | **8,381** | **98,309** |
| BME Spanish Exchanges | 22,084 | 4,652 | 26,736 | 31,757 | 1,558 | 33,314 |
| Deutsche Boerse AG | 23,563 | NA | 23,563 | 12,419 | NA | 12,419 |
| Euronext | 0 | 3,503 | 3,503 | 0 | 3,811 | 3,811 |
| Johannesburg Stock Exchange | 4,671 | 74 | 4,745 | NA | NA | 0 |
| LSE Group | 56,482 | 731 | 57,213 | 17,087 | 3,013 | 20,100 |
| Moscow Exchange | 23,687 | 3,145 | 26,832 | 28,666 | NA | 28,666 |
| **Grand Total** | **266,263** | **58,964** | **325,227** | **196,784** | **51,165** | **247,949** |

**Note:** For Funds mobilised through issuance of bonds, data may differ due to different reporting rules & calculation methods. Fund mobilisation data for equities are (i) excluding investment funds and (ii) including Alternative and SME Markets except the following exceptions:

1. Australian Securities Exchange: including investment funds
2. BME: Including investment companies listed (open-end investment companies).
3. Euronext: includes Belgium, England, France, Netherlands and Portugal
4. Korea Exchange: including Kosdaq market data
5. LSE Group: includes London Stock Exchange and BorsaItaliana
6. Nasdaq Nordic Exchanges include Copenhagen, Helsinki, Iceland, Stockholm, Tallinn, Riga and Vilnius Stock Exchanges
7. NSE India: including “Emerge” market data

NA = Not Available

**Source:** World Federation of Exchanges

**Equity Derivatives:**

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

**Single Stock Futures:**

* Single Stock Future’s volume worldwide rose by 5 per cent in December 2019 over November 2019.
* Amongst top exchanges, Korea Exchange registered the highest stock futures volume of 43.7 million contracts in December 2019, followed by Borsa Istanbul (28.2 million contracts), National Stock Exchange of India (18.9 million contracts), and Deutsche Boerse AG (17.6 million contracts).

**Single Stock Options:**

* Single Stock Option’s volume worldwide declined by 5.9 per cent in December 2019 over November 2019.
* Amongst top exchanges, Nasdaq - US registered the highest stock options volume of 87.4 million contracts in December 2019, followed by B3 - Brasil Bolsa Balcão (85.5 million contracts), CBOE Global Markets (70.9 million contracts), and MIAX Exchange Group (23.2 million contracts).

**Index Futures:**

* Index Future’s volume worldwide rose by 11.5 per cent in December 2019 over November 2019.
* Amongst top exchanges, B3 - Brasil Bolsa Balcão of Brazil registered the highest index futures volume of 133.2 million contracts in December 2019, followed by CME Group (61.7 million contracts), Deutsche Boerse AG (53.3 million contracts), and Japan Exchange Group (25 million contracts).

**Index Options:**

* Index Option’s volume worldwide rose by 3.6 per cent in December 2019 over November 2019.
* Amongst top exchanges, National Stock Exchange of India registered the highest index options volume of 369.7 million contracts in December 2019, followed by Korea Exchange (49 million contracts), CBOE Global Markets (37.8 million contracts), and Deutsche Boerse AG (31 million contracts).

**Currency Derivatives:**

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

**Currency Futures:**

* Currency Future’s volume worldwide increased by 5.2 per cent in December 2019 over November 2019.
* Amongst top exchanges, National Stock Exchange of India registered the highest currency futures volume of 53.5 million contracts in December 2019, followed by Moscow Exchange (36.8 million contracts), BSE India Limited (32.9 million contracts), and B3 - Brasil Bolsa Balcão (31.6 million contracts).

**Currency Options:**

* Currency Option’s volume worldwide dropped by 1.4 per cent in December 2019 over November 2019.
* Amongst top exchanges, National Stock Exchange of India registered the highest currency options volume of 56.7 million contracts in December 2019, followed by BSE India Limited (46.6 million contracts), Moscow Exchange (2.4 million contracts), and Tel-Aviv Stock Exchange (1.1 million contracts).

**Interest Rate Derivatives:**

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

**Interest Rate Futures:**

* Interest Rate Futures volume worldwide dropped by 20 per cent in December 2019 over November 2019. The volumes on one of the major exchange in interest rate futures – Bourse de Montreal– was not available with WFE for the month of December 2019. The volumes in Asia Pacific and Europe-Africa-Middle East increased by 29.8 per cent and 13.3 per cent respectively in December 2019 over previous month.
* Amongst top exchanges, CME Group registered the highest interest rate futures volume of 106.6 million contracts in December 2019, followed by B3 - Brasil Bolsa Balcão (50.4 million contracts), Deutsche Boerse AG (39.8 million contracts), and ASX Australian Securities Exchange (15.8 million contracts).

**Interest Rate Options:**

* Interest Rate Option’s volume worldwide dropped by 9.6 per cent in December 2019 over November 2019. The volumes on one of the major exchange in interest rate options – ICE Futures Europe– were not available with WFE for the month of December 2019.
* Amongst top exchanges, CME Group registered the highest interest rate options volume of 42.2 million contracts in December 2019, followed by Deutsche Boerse AG (3 million contracts), Nasdaq Nordic and Baltics (0.4 million contracts), and ASX Australian Securities Exchange (0.1 million contracts).

**Commodity Derivatives:**

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

**Commodity Futures:**

* Amongst top exchanges, Dalian Commodity Exchange registered the highest commodity futures volume of 155.3 million contracts in December 2019, followed by Shanghai Futures Exchange (136.6 million contracts), Zhengzhou Commodity Exchange (82 million contracts), and CME Group (69.1 million contracts).

**Commodity Options:**

* Amongst top exchanges, CME Group registered the highest commodity options volume of 9.7 million contracts in December 2019, followed by Dalian Commodity Exchange (3 million contracts), Deutsche Boerse AG (1 million contracts), and Zhengzhou Commodity Exchange (1 million contracts).

**Table A5: Stock Futures and Stock Options Traded in Major Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Dec-19** | | | | | |
| **Single stock futures** | | | **Single stock options** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **3,528,506** | **91** | **2,203,963** | **270,161,626** | **450,186** | **210,022,778** |
| B3 - Brasil Bolsa Balcão | 3,473,200 | 34 | 2,187,900 | 85,475,246 | 68,761 | 27,733,479 |
| Bolsa de Valores de Colombia | 30,092 | 53 | 13,357 | - | - | - |
| Bolsa Mexicana de Valores | 14,842 | 2 | 2,636 | 119,983 | 9 | 15,000 |
| Bolsa y Mercados Argentinos | - | - | - | 3,105,901 | - | - |
| Cboe Global Markets |  |  |  | 70,902,786 |  | 182,274,299 |
| Nasdaq - US |  |  |  | 87,354,599 |  |  |
| MIAX Exchange Group |  |  |  | 23,203,111 | 381,416 |  |
| **Asia - Pacific** | **70,799,108** | **197,247** | **10,850,582** | **29,963,039** | **169,372** | **13,616,518** |
| ASX Australian Securities Exchange | 458,462 | 796 | 626,336 | 4,788,994 | 10,304 | 6,299,500 |
| Hong Kong Exchanges and Clearing | 72,223 | 306 | 26,986 | 7,638,220 | 28,473 | 6,624,472 |
| Japan Exchange Group |  |  |  | 40,962 |  | 64,504 |
| Korea Exchange | 43,740,109 | 21,303 | 5,165,115 | 2,574,463 |  | 295,227 |
| National Stock Exchange of India | 18,929,870 | 157,511 | 1,846,372 | 14,906,876 | 130,558 | 330,203 |
| Singapore Exchange | 255,019 |  | 104,728 |  |  |  |
| Taiwan Futures Exchange | 1,825,519 | 17,332 | 163,555 | 13,524 | 37 | 2,612 |
| Thailand Futures Exchange | 5,517,906 |  | 2,917,490 |  |  |  |
| **Europe - Africa - Middle East** | **65,662,511** | **79,782** | **16,550,470** | **23,767,671** | **91,632** | **71,823,826** |
| Athens Stock Exchange | 985,126 | 299 | 340,861 | 778 | 1 | 903 |
| BME Spanish Exchanges | 2,854,395 | 1,422 | 1,394,130 | 2,882,041 | 2,570 | 5,950,233 |
| Borsa Istanbul | 28,160,965 | 3,845 | 2,830,090 | 658,609 | 73 | 758,065 |
| Budapest Stock Exchange | 10,592 | 76 | 7,772 | - | - | - |
| Deutsche Boerse AG | 17,566,386 | 62,752 | 8,469,519 | 13,095,559 | 63,834 | 50,925,143 |
| Euronext | 1,076,454 | 5,192 | 1,390,438 | 4,672,186 | 21,698 | 11,168,760 |
| Moscow Exchange | 14,182,324 | 5,465 | 1,586,442 | 185,683 | 83 | 274,988 |
| Nasdaq Nordic and Baltics | 590,520 | 475 | 417,821 | 1,573,781 | 2,685 | 2,570,233 |
| Oslo Bors | 98,685 | 58 | 86,466 | 163,381 | 174 | 120,354 |
| Tehran Stock Exchange | - | - |  | 461,414 | 2 |  |
| Tel-Aviv Stock Exchange |  |  |  | 74,239 | 511 | 55,147 |
| Warsaw Stock Exchange | 132,648 | 191 | 26,407 | - | - | - |
| Dubai Gold and Commodities Exchange | 4,416 | 8 | 524 |  |  |  |
| **Grand Total** | **139,990,125** | **277,121** | **29,605,015** | **323,892,336** | **711,189** | **295,463,122** |

NA: Not Available

**Source: World Federation of Exchanges**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Dec-19** | | | | | |
| **Stock index futures** | | | **Stock index options** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **199,983,373** | **9,057,125** | **5,686,743** | **56,451,868** | **2,773,790** | **27,205,476** |
| B3 - Brasil Bolsa Balcão | 133,181,594 | 803,766 | 925,126 | 4,298,605 | 51,768 | 533,799 |
| Bolsa de Valores de Colombia | 7,390 | 9 | 3,415 |  |  |  |
| Bolsa Mexicana de Valores | 123,776 | 2,907 | 40,249 | 766 | 18 | 328 |
| Bolsa y Mercados Argentinos | 43,995 | 29 | - | - | - | - |
| Cboe Global Markets |  |  |  | 37,758,626 |  | 23,202,962 |
| Nasdaq - US |  |  |  | 307,526 |  |  |
| MIAX Exchange Group |  |  |  | 113,860 | 262 |  |
| Matba Rofex | 188,724 | 162 | 824 | 1,989 | 0 | - |
| CME Group | 61,678,065 | 8,250,252 | 4,312,102 | 13,970,496 | 2,721,742 | 3,468,387 |
| Cboe Futures Exchange | 4,759,829 |  | 405,027 |  |  |  |
| **Asia - Pacific** | **75,159,645** | **3,918,431** | **6,629,312** | **441,258,198** | **7,108,229** | **11,723,831** |
| ASX Australian Securities Exchange | 2,213,347 | 254,119 | 385,157 | 817,910 | 37,675 | 688,707 |
| Hong Kong Exchanges and Clearing | 7,393,731 | 810,697 | 604,384 | 2,643,298 | 270,829 | 2,334,663 |
| Japan Exchange Group | 25,018,210 | 1,454,673 | 1,716,495 | 2,324,983 |  | 1,646,864 |
| Korea Exchange | 8,355,172 | 362,523 | 789,831 | 48,997,018 | 2,788,606 | 2,726,479 |
| National Stock Exchange of India | 5,400,188 | 57,633 | 244,548 | 369,741,497 | 3,698,625 | 1,936,926 |
| Singapore Exchange | 12,667,723 |  | 2,081,466 | 668,174 |  | 1,735,457 |
| Taiwan Futures Exchange | 5,433,086 | 271,925 | 148,862 | 15,792,440 | 312,307 | 605,441 |
| Thailand Futures Exchange | 4,083,424 |  | 280,520 | 145,086 |  | 22,127 |
| Bursa Malaysia Derivatives | 22,628 | 4,332 | 28,786 | 823 | 0 | - |
| China Financial Futures Exchange | 4,572,136 | 702,530 | 349,263 | 126,969 | 187 | 27,167 |
| **Europe - Africa - Middle East** | **74,558,919** | **2,992,352** | **12,611,288** | **36,772,037** | **1,466,794** | **45,981,727** |
| Athens Stock Exchange | 39,914 | 200 | 10,506 | 3,018 | 15 | 1,752 |
| BME Spanish Exchanges | 630,855 | 54,587 | 126,392 | 497,994 | 5,163 | 532,290 |
| Borsa Istanbul | 5,991,500 | 13,650 | 472,425 | 39,449 | 90 | 39,201 |
| Budapest Stock Exchange | 39,151 | 59 | 4,350 | - | - | - |
| Deutsche Boerse AG | 53,305,259 | 2,574,149 | 10,228,038 | 31,025,120 | 1,258,671 | 43,598,835 |
| Euronext | 3,277,172 | 265,716 | 692,682 | 1,552,057 | 102,883 | 665,761 |
| Moscow Exchange | 7,780,714 | 22,941 | 490,498 | 1,328,683 | 3,986 | 272,132 |
| Nasdaq Nordic and Baltics | 2,952,582 | 55,284 | 499,312 | 412,351 | 7,725 | 612,564 |
| Oslo Bors | 137,788 | 1,276 | 40,170 | 102,839 | 916 | 73,133 |
| Tel-Aviv Stock Exchange |  |  |  | 1,784,592 | 87,201 | 170,329 |
| Warsaw Stock Exchange | 403,912 | 4,488 | 46,915 | 25,934 | 144 | 15,730 |
| **Grand Total** | **349,701,937** | **15,967,908** | **24,927,343** | **534,482,103** | **11,348,813** | **84,911,034** |

NA: Not Available

**Source: World Federation of Exchanges**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Dec-19** | | | | | |
| **Currency futures** | | | **Currency options** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **57,899,262** | **2,605,318** | **8,845,986** | **1,434,802** | **98,260** | **1,455,675** |
| B3 - Brasil Bolsa Balcão | 31,621,100 | 599,719 | 5,646,987 | 524,605 | 208 | 909,667 |
| Bolsa de Valores de Colombia | 27,740 | 1,336 | 2,564 | - | - | 224 |
| Bolsa Mexicana de Valores | 606,155 | 6,238 | 533,976 | 4,117 | 42 | 1,815 |
| Bolsa y Mercados Argentinos | 554,016 | 593 | - | - | - | - |
| Matba Rofex | 4,528,349 | 5,043 | 764,351 | 1,010 | - | - |
| CME Group | 20,561,902 | 1,992,390 | 1,898,108 | 905,070 | 98,009 | 543,969 |
| **Asia - Pacific** | **94,945,233** | **165,083** | **3,563,689** | **103,295,486** | **103,308** | **2,408,724** |
| BSE India Limited | 32,852,255 | 32,818 |  | 46,558,220 | 46,320 |  |
| Hong Kong Exchanges and Clearing | 123,379 | 11,915 | 24,811 | 634 | 64 | 1,643 |
| Korea Exchange | 6,297,836 | 64,264 | 740,395 |  |  |  |
| National Stock Exchange of India | 53,486,989 | 55,001 | 2,612,129 | 56,733,133 | 56,827 | 2,404,889 |
| Singapore Exchange | 2,074,716 |  | 143,921 | - |  | 25 |
| Taiwan Futures Exchange | 39,981 | 1,085 | 3,419 | 3,499 | 97 | 2,167 |
| Thailand Futures Exchange | 70,077 |  | 39,014 |  |  |  |
| **Europe - Africa - Middle East** | **42,056,223** | **49,204** | **4,545,570** | **3,670,699** | **13,932** | **2,434,175** |
| Borsa Istanbul | 3,480,891 | 3,485 | 911,606 | 180,761 | 180 | 125,816 |
| Budapest Stock Exchange | 622,064 | 675 | 618,289 | - | - | 550 |
| Moscow Exchange | 36,809,772 | 38,010 | 2,703,284 | 2,375,407 | 2,416 | 1,835,536 |
| Tel-Aviv Stock Exchange |  |  |  | 1,113,970 | 11,336 | 472,074 |
| Dubai Gold and Commodities Exchange | 1,143,496 | 7,034 | 312,391 | 561 | 0 | 199 |
| **Grand Total** | **194,900,718** | **2,819,606** | **16,955,245** | **108,400,987** | **215,500** | **6,298,574** |

NA: Not Available

**Source: World Federation of Exchanges**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Dec-19** | | | | | |
| **Interest rate futures** | | | **Interest rate options** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **157,025,581** | **4,276,072** | **61,050,450** | **42,246,675** | **1,095,113** | **50,496,307** |
| B3 - Brasil Bolsa Balcão | 50,353,713 | 1,185,020 | 32,678,537 | 90 | 0 | 254,500 |
| Bolsa de Valores de Colombia | 18,209 | 1,491 | 9,117 |  |  |  |
| Bolsa Mexicana de Valores | 33,600 | 204 | 17,920 | - | - | - |
| CME Group | 106,620,059 | 3,089,358 | 28,344,876 | 42,246,585 | 1,095,113 | 50,241,807 |
| **Asia - Pacific** | **23,805,659** | **3,610,689** | **4,657,891** | **208,952** | **8,326** | **59,969** |
| ASX Australian Securities Exchange | 15,764,162 | 2,930,043 | 3,905,389 | 117,258 | 8,234 | 49,878 |
| BSE India Limited | 237,482 | 675 |  |  |  |  |
| Japan Exchange Group | 987,309 |  | 79,199 | 59,502 |  | 4,411 |
| Korea Exchange | 3,761,944 | 385,447 | 378,069 |  |  |  |
| National Stock Exchange of India | 1,515,417 | 4,303 | 150,997 | 32,192 | 92 | 5,680 |
| Singapore Exchange | 56,110 |  | 12,992 |  |  |  |
| China Financial Futures Exchange | 1,483,234 | 290,221 | 131,185 |  |  |  |
| **Europe - Africa - Middle East** | **40,842,221** | **6,718,740** | **5,314,928** | **3,337,712** | **584,542** | **1,619,425** |
| Deutsche Boerse AG | 39,827,657 | 6,613,779 | 5,200,233 | 2,957,295 | 543,955 | 1,619,425 |
| Moscow Exchange | 30,821 | 5 | 86,594 |  |  |  |
| Nasdaq Nordic and Baltics | 983,743 | 104,956 | 28,000 | 380,417 | 40,587 | - |
| **Grand Total** | **221,673,461** | **14,605,501** | **71,023,269** | **45,793,339** | **1,687,982** | **52,175,701** |

NA: Not Available

**Source: World Federation of Exchanges**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Dec-19** | | | | | |
| **Commodities futures** | | | **Commodities options** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **69,349,480** | **3,784,534** | **15,415,799** | **9,763,145** | **466,493** | **9,292,540** |
| B3 - Brasil Bolsa Balcão | 136,278 | 1,653 | 67,672 | 37,867 | 21 | 73,723 |
| Matba Rofex | 137,708 | 739 | 54,064 | 10,260 | 124 | 26,002 |
| CME Group | 69,075,493 | 3,782,142 | 15,293,843 | 9,715,018 | 466,349 | 9,192,815 |
| **Asia - Pacific** | **404,949,507** | **2,606,412** | **20,061,337** | **4,551,234** | **3,556** | **2,213,456** |
| ASX Australian Securities Exchange | 30,730 | 2,084 | 94,987 | 4,507 | 1,087 | 30,355 |
| Hong Kong Exchanges and Clearing | 53,347 | 2,509 | 3,175 |  |  |  |
| National Stock Exchange of India | 5,943 | 17 | 57 |  |  |  |
| NZX Limited | 18,813 | 91 | 32,870 | 5,757 | 19 | 10,625 |
| Singapore Exchange | 1,336,095 |  | 762,601 | 291,900 |  | 917,834 |
| Taiwan Futures Exchange | 18,446 | 316 | 1,313 | 3,039 | 28 | 635 |
| Thailand Futures Exchange | 538,336 |  | 70,983 |  |  |  |
| Bursa Malaysia Derivatives | 1,002,585 | 16,985 | 228,997 | 7,100 |  | 24,850 |
| Zhengzhou Commodity Exchange | 81,979,688 | 26,374 | 4,154,431 | 1,018,497 | 7 | 274,880 |
| Dalian Commodity Exchange | 155,316,892 | 1,132,227 | 8,749,415 | 2,981,205 | 259 | 937,536 |
| Multi Commodity Exchange of India | 21,398,206 | 91,518 | 207,447 | 239,229 | 2,156 | 16,741 |
| Shanghai Futures Exchange | 136,571,427 | 1,333,824 | 5,748,273 |  |  |  |
| Indian Commodity Exchange | 6,678,999 | 467 | 6,788 |  |  |  |
| **Europe - Africa - Middle East** | **61,772,927** | **46,614,570** | **8,638,083** | **2,144,508** | **41,047** | **1,069,909** |
| Borsa Istanbul | 4,607,072 | 1,239 | 481,607 |  |  |  |
| Deutsche Boerse AG | 450,210 | 20,540 | 2,428,338 | 1,037,657 | 3,387 | 435,224 |
| Euronext | 867,408 | 11,156 | 488,458 | 54,822 | 709 | 159,646 |
| LSE Group | 90 | 3 | 200 |  |  |  |
| Moscow Exchange | 42,311,270 | 28,388 | 3,067,866 | 735,680 | 477 | 217,254 |
| Dubai Gold and Commodities Exchange | 60,240 | 797 | 1,613 |  |  |  |
| London Metal Exchange | 13,475,436 | 1,309,655 | 2,169,638 | 316,349 | 36,475 | 257,785 |
| The Saint-Petersburg International Mercantile Exchange | 1,201 | 45,242,791 | 363 |  |  |  |
| **Grand Total** | **536,071,914** | **53,005,515** | **44,115,219** | **16,458,887** | **511,096** | **12,575,905** |

NA: Not Available

**Source: World Federation of Exchanges**

**Debt Market:**

* Global economy has been affected by various geopolitical issues, to which January 2020 has added a grave health issue of fast spreading Coronavirus. It has affected every spectrum of life from education to financial markets. Yields on 10-year bonds witnessed a fall across sovereign bond markets.
* The 10 year Bond yields for all the selected countries registered decline at end of the month, resulting in the lowest yield year on year, in 3 months and month on month.
* In January, Germany’s sovereign bond’s yield dipped by 25 basis points and recorded -0.43 per cent, while it closed for Spain at 0.24 per cent with a decline of 23 basis points.
* The 10-Year Treasury Bond dropped 41 basis points and ended at 1.51 per cent in January 2020. In its January 2020 Policy meeting, the US Fed held interest rates steady at 1.50 - 1.75 per cent with Jerome Powell, chairman of the US Federal Reserve pointing to continued moderate economic growth and a “strong” job market, and giving no sign of any imminent changes in borrowing costs.
* UK’s 10-year Gilt yield fell by 30 basis points to 0.52 per cent. On January 31, 2020, UK formally exited the European Union, despite uncertainty around trade agreements and financial market access.
* Japan’s 10-year bond yield closed at -0.7 per cent with a decline of 5 basis points. The Bank of Japan kept its interest rates and asset purchase targets unchanged, but raised growth projections.  
  While the 10 year government bond yield for India increased by 5 bps, that for Russia, Brazil, and China fell by 19 bps, 7 bps and 14 bps respectively. The yield on 10-Year Government Bond in India rose to 6.60 per cent in January 2020 from from 6.55 per cent at the end of December 2019. The bond yield recorded by Russia, Brazil and China were 2.79 percent, 6.71 per cent and 3 percent respectively at the end of January 2020.

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

**Source:** Bloomberg

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

**Source:** Bloomberg

* As of November 2019, Japan and China accounted for 17.2 per cent and 16.2 per cent of total foreign holding of US Treasury Securities. India accounted for 2.4 per cent of total foreign holding of US Treasury Securities (Table A10).

**Table A10: Major Foreign Holders of US Treasury Securities (US$ billion)**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country/ Month** | **2019** | | | | | | | | | | |
| **Nov** | **Oct** | **Sep** | **Aug** | **Jul** | **Jun** | **May** | **Apr** | **Mar** | **Feb** | **Jan** |
| Japan | 1160.8 | 1168 | 1145.8 | 1174.7 | 1130.8 | 1122.9 | 1101 | 1064 | 1078.1 | 1068.8 | 1064.9 |
| China, Mainland | 1089.2 | 1101.6 | 1102.4 | 1103.5 | 1110.3 | 1112.5 | 1110.2 | 1113 | 1120.5 | 1130.9 | 1126.7 |
| United Kingdom | 328.6 | 334.1 | 346.2 | 349.9 | 334.7 | 341.2 | 323.1 | 300.8 | 317.1 | 302.5 | 290.1 |
| Brazil | 293.4 | 298.6 | 303 | 313.4 | 309.9 | 311.7 | 305.7 | 306.7 | 311.7 | 307.7 | 305.1 |
| Ireland | 290 | 286.6 | 274.1 | 272.4 | 258.2 | 262.1 | 270.7 | 269.7 | 277.6 | 274 | 270.1 |
| Luxembourg | 262.1 | 263.3 | 252.5 | 244.4 | 229.6 | 231 | 229.6 | 223.7 | 230.2 | 228.9 | 226.7 |
| Switzerland | 233.4 | 233.4 | 231.3 | 233.2 | 228.5 | 232.9 | 231.4 | 226.9 | 226.4 | 221.4 | 227 |
| Hong Kong | 223.9 | 222.6 | 224.1 | 224.5 | 211.8 | 217.1 | 205.3 | 207.2 | 209 | 203.1 | 200.9 |
| Cayman Islands | 222.4 | 225.2 | 238.8 | 236.3 | 218.4 | 226.6 | 216.1 | 217.2 | 219.5 | 210.1 | 209.2 |
| Belgium | 205.1 | 208.3 | 218.3 | 217.9 | 206.1 | 203.6 | 190.5 | 179.8 | 186.6 | 181.3 | 191.5 |
| Taiwan | 188.6 | 191.2 | 189 | 186 | 178.7 | 175.1 | 172 | 171.1 | 168.8 | 164.9 | 168.3 |
| Saudi Arabia | 179.7 | 178.9 | 181.5 | 183.8 | 180.8 | 179.6 | 179 | 176.6 | 170 | 167.6 | 163.3 |
| **India** | 159.2 | 161.4 | 160.7 | 162.2 | 159.9 | 162.7 | 156.9 | 155.3 | 152 | 144.3 | 144.9 |
| Singapore | 150.6 | 138.8 | 141.8 | 145.5 | 137.9 | 139.6 | 150.4 | 139.3 | 138.8 | 130.5 | 127.8 |
| France | 122.9 | 133.4 | 132 | 133.9 | 136.2 | 132 | 125.1 | 124.7 | 109.6 | 115.9 | 112.5 |
| Korea | 117.2 | 117.2 | 118.5 | 117.8 | 117 | 115.2 | 117.3 | 115.1 | 119.9 | 115.5 | 117.3 |
| Canada | 117.2 | 116 | 119.1 | 118.1 | 108.7 | 111.6 | 100.5 | 102.1 | 99.7 | 97.6 | 99.3 |
| Norway | 96 | 100.3 | 99.2 | 101 | 96.9 | 99.3 | 99.3 | 97.1 | 99.5 | 97.1 | 90.9 |
| Thailand | 91.2 | 95.2 | 93.5 | 94.1 | 89.5 | 83.8 | 81.4 | 82.2 | 84.4 | 90.9 | 83.7 |
| Germany | 79.8 | 84.2 | 84.9 | 86.5 | 85.9 | 79.2 | 77.8 | 72.8 | 78.1 | 76.2 | 73.6 |
| Bermuda | 68.2 | 65.4 | 69.6 | 74.5 | 68.6 | 73.9 | 69.1 | 66.4 | 68.1 | 66.9 | 66.4 |
| Sweden | 49.5 | 46.9 | 47.3 | 48.4 | 47.7 | 49.4 | 48.5 | 46.5 | 47.9 | 48.2 | 43.4 |
| Mexico | 49.2 | 49.2 | 51.7 | 53.2 | 51.2 | 49 | 49.9 | 47.6 | 44.7 | 40.5 | 41.2 |
| Netherlands | 48.2 | 48.2 | 49.7 | 50.2 | 48.4 | 47.9 | 44.4 | 45 | 44.5 | 42.9 | 43 |
| Italy | 45.8 | 47.1 | 47.2 | 46.7 | 45.6 | 45.4 | 42.5 | 43.7 | 44 | 42.1 | 41.1 |
| Israel | 45.6 | 45.4 | 46 | 42.9 | 40.1 | 39.5 | 36.1 | 36.2 | 34.8 | 35.4 | 30 |
| Spain | 44.4 | 44.8 | 43.1 | 43.1 | 42.9 | 42.6 | 42 | 41 | 40.9 | 37.7 | 36.6 |
| Kuwait | 43 | 43.8 | 44.1 | 44.1 | 44 | 44.4 | 41.4 | 40.2 | 40.2 | 42.2 | 40.7 |
| Australia | 41 | 41.8 | 36.2 | 38.2 | 42.3 | 39.2 | 39.7 | 39.1 | 39.3 | 39.5 | 41.4 |
| United Arab Emirates | 39.9 | 38.4 | 37.3 | 49.4 | 49.3 | 51.5 | 53.2 | 55.7 | 55.6 | 54.5 | 55.9 |
| Poland | 38.5 | 35.7 | 36.8 | 38.8 | 28.8 | 28.1 | 34.1 | 37.2 | 33.9 | 32.8 | 33.8 |
| Philippines | 37.4 | 34.6 | 34.1 | 33.9 | 33.9 | 32.2 | 30.7 | 27.3 | 25.1 | 21.2 | 21.1 |
| Colombia | 31.8 | 31.7 | 31.7 | 32.4 | 30.7 | 31.1 | 29.6 | 29.7 | 31.5 | 27.2 | 26.8 |
| Iraq | 31 | 32.7 | 32.5 | 35.1 | 34.9 | 34.7 | 34.4 | 35.4 | 36.2 | 34.7 | 34 |
| Indonesia | 30.6 | 28.4 | 28.7 | 28.9 | 25.9 | 23.5 | 24.2 | 24.8 | 23.5 | 24.2 | 23.8 |
| All Other | 484.8 | 488.1 | 486.6 | 499 | 470.6 | 468.4 | 477.4 | 473.8 | 467.2 | 456 | 452.9 |
| **Grand Total** | 6740.3 | 6780.9 | 6779.1 | 6858 | 6634.7 | 6640.5 | 6540.5 | 6435 | 6474.9 | 6375.5 | 6325.6 |
| Of which: |  |  |  |  |  |  |  |  |  |  |  |
| For. Official | 4101.6 | 4123.5 | 4151.2 | 4200.3 | 4139.9 | 4146.8 | 4112.1 | 4070.9 | 4080.9 | 4029.7 | 3986.3 |
| Treasury Bills | 273.6 | 288.1 | 290.8 | 295.2 | 285.8 | 287.3 | 298 | 307.8 | 318.5 | 319.1 | 310 |
| T-Bonds & Notes | 3827.9 | 3835.4 | 3860.4 | 3905.1 | 3854.1 | 3859.5 | 3814.2 | 3763.1 | 3762.4 | 3710.6 | 3676.3 |

**Note:**

1. Data available as on January 16, 2020
2. 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).
3. Estimated foreign holdings of U.S. Treasury marketable and non-marketable bills, bonds, and notes reported under the Treasury International Capital (TIC) reporting system are based on monthly data on holdings of Treasury bonds and notes as reported on TIC Form SLT, Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents and on TIC Form BL2, Report of Customers' U.S. Dollar Liabilities to Foreign Residents.

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

**Currency Market:**

* Most of the major currencies worldwide depreciated in January 2020 against the US Dollar. US Dollar Index gained 1.04 per cent in January 2020, over the previous month, while MSCI EM Currency Index declined by 1.11 per cent.
* The Yen, Franc and Renminbi gained 0.1, 0.3 and 0.8 per cent respectively at the end of January 2020 against Dece 2019. Both Euro and Pound depreciated against US Dollar by 0.5 and 1.3 per cent respectively. Rupee also declined by 0.5 per cent.

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

**Note:** All currencies have been normalised keeping February 01, 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 February 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 Charges US Coin Bullion LLC and its Owners with $7.9 Million Precious Metals Fraud**

The U.S. Commodity Futures Trading Commission (CFTC) filed a civil enforcement action on January 8th in the U.S. District Court for the Middle District of Florida, charging US Coin Bullion LLC, Salvatore Esposito, and Joseph Esposito with misappropriating over $7.9 million of customer funds, as well as engaging in fraudulent solicitations in connection with the purported purchase of precious metals.

The complaint seeks an order that permanently bans the defendants from registering with the CFTC and trading in any CFTC-regulated markets, as well as restitution and disgorgement.

The complaint alleges that from at least 2012 through July 2019, the defendants received over $7.9 million from at least 120 customers for the purpose of investing in precious metals. Instead of making these purchases, the defendants misappropriated the entire amount to pay for personal and business expenses, diverted funds invested by new customers to make Ponzi scheme-like payments to earlier customers who requested account withdrawals, and used customer funds to trade leveraged precious metals in US Coin accounts at precious metals dealers. The complaint alleges that, in order to conceal their fraud, the defendants provided customers with account statements falsely representing ownership of specific amounts of precious metals purchased at particular prices.

**Source:** [**https://www.cftc.gov/PressRoom/PressReleases/8103-20**](https://www.cftc.gov/PressRoom/PressReleases/8103-20)

1. **CFTC Obtains $2.5 Million Judgment for Fraudulent Solicitation and Misappropriation of Funds from Commodity Pool Participants**

The U.S. Commodity Futures Trading Commission (CFTC) announced the U.S. District Court for the Northern District of Illinois entered a Consent Order for Permanent Injunction on January 8th against defendant Richard D. Carter of Illinois in connection with a $1.76 million commodity pool fraud operated by Blue Guru, LLC.

The order requires Carter to pay restitution totaling $838,642 and a civil monetary penalty of $1,760,022. The order also imposes permanent trading and registration bans on Carter and prohibits him from violating provisions of the Commodity Exchange Act as charged. The order stems from a CFTC Complaint filed on January 12, 2018, which charged Carter, co-defendant Mark R. Slobodnik, and Blue Guru, LLC with fraud, misappropriation, and failing to register with the CFTC.

The order finds that from April 2014 to January 2018, Carter willfully misrepresented material facts to Blue Guru pool participants and prospective pool participants concerning the profitability of their participation interests in the commodity pool. Among other misrepresentations, Carter stated that pool funds would be used to trade futures, including the Dow Jones E-mini and the S&P 500 E-mini contracts on the CME, when, in fact, defendants used less than two-thirds of the $1.76 million they received for trading. According to the order, Carter informed prospective participants that they would earn 8 per cent per year on their investment plus 50 per cent of any gross net trading profits, and he issued false account statements reflecting illusory quarterly gains. In reality, Blue Guru incurred more than $500,000 in trading losses, half of which Carter directly caused.

The order also finds that Carter misappropriated $586,674 of participants’ funds, ignored withdrawal requests, and lied about conditions that purportedly prevented defendants from making disbursements.

On November 13, 2018, the court entered a consent order of permanent injunction against defendant Slobodnik, requiring him to pay restitution of $280,000, disgorgement of $45,342, and a civil monetary penalty of $45,342. On May 1, 2018, a default judgment was entered against defendant Blue Guru, ordering it to pay restitution of $1,400,076, disgorgement of $1,400,076, and a civil monetary penalty of $4,200,230.

**Source:** [**https://www.cftc.gov/PressRoom/PressReleases/8102-19**](https://www.cftc.gov/PressRoom/PressReleases/8102-19)

1. **CFTC Orders Australian Company to Pay $1 Million for Spoofing**

The Commodity Futures Trading Commission (CFTC) issued an order filing and settling charges against Propex Derivatives Pty Ltd, a proprietary trading firm headquartered in Australia, for spoofing in the Chicago Mercantile Exchange E-mini S&P 500 futures market. The order finds that Propex, through a former trader, engaged in spoofing from at least July 2012 through March 2017, causing $464,300 in market losses.

The order imposes a total of $1 million against Propex, comprised of $464,300 in restitution, $73,429 in disgorgement, and a $462,271 civil monetary penalty. It also requires Propex to cease and desist from violating the Commodity Exchange Act’s prohibition on spoofing. This case was brought in connection with the CFTC Division of Enforcement’s Spoofing Task Force.

The order finds that between July 2012 and March 2017, a Propex trader engaged in proprietary trading in commodity futures markets on behalf of Propex. On numerous occasions during that time period, the trader engaged in typical spoofing activities – placing bids and offers for E-mini futures contracts with the intent to cancel the bids and offers before execution. The trader typically placed order(s) that he wanted to get filled (genuine orders), on one side of the market, while on the opposite side of the market, he placed order(s) that the trader intended to cancel before execution (spoof orders).  The spoof orders typically consisted of orders that were five times as many contracts as the genuine orders. Generally, the trader cancelled the spoof orders shortly after placing them, often after the genuine orders were filled.

**Source:** [**https://www.cftc.gov/PressRoom/PressReleases/8105-20**](https://www.cftc.gov/PressRoom/PressReleases/8105-20)

1. **CFTC Orders Commodity Pool Operator, CEO to Pay More Than $10 Million for Misleading Statements, Supervision Failures**

The Commodity Futures Trading Commission (CFTC) issued an order filing and simultaneously settling charges against Catalyst Capital Advisors LLC, of Huntington, New York, and its CEO, Jerry Szilagyi, for materially misleading statements made by Catalyst and one of its portfolio managers, and for failing to implement an adequate supervisory system to prevent such misstatements.  Separately, the CFTC charged the portfolio manager, Edward Walczak, of Madison, Wisconsin, with fraud in a complaint filed in the U.S. District Court for the Western District of Wisconsin.

The order requires Catalyst, a registered commodity pool operator, to pay a $1.3 million civil monetary penalty and $8,908,481 in disgorgement (including pre-judgment interest).  The order also requires Szilagyi to pay a $300,000 civil monetary penalty.  Catalyst and Szilagyi are ordered to cease and desist from further violations of the Commodity Exchange Act (CEA) and CFTC regulations, as charged.

The order finds that Catalyst and its agents made representations regarding risk management of the Catalyst Hedged Futures Strategy Fund (the “fund”) that were materially misleading.  Specifically, Catalyst is found liable for the misstatements of the fund’s portfolio manager regarding his management of the Fund’s risk, as well as Catalyst’s misrepresentations that stop-loss measures were in place to limit losses, when in fact no such measures existed.  Additionally, while Catalyst represented that a dedicated risk manager monitored the fund’s risk metrics daily, the risk manager did not actually do so.  The order concludes that Catalyst failed to implement or maintain adequate procedures to ensure that those acting on its behalf did not make misrepresentations to investors or investment advisors.  Finally, the order finds Szilagyi liable as a control person for Catalyst’s violations.

In the complaint filed against Walczak, the CFTC alleges that, from at least November 2014 to February 2017, Walczak led investors or investment advisors to believe that the fund was a safer investment than it actually was. Among other things, the complaint alleges that that Walczak falsely told investment advisors that he took specific steps to prevent the fund from losing more than 8 percent of its value.  The complaint alleges that Walczak routinely failed to hedge in the manner he said he did, ultimately resulting in at least $500,000,000  of investor losses.

**Source:** [**https://www.cftc.gov/PressRoom/PressReleases/8109-20**](https://www.cftc.gov/PressRoom/PressReleases/8109-20)

1. **SEC Charges Husband and Wife with Nearly $1 Billion Ponzi Scheme**

The Securities and Exchange Commission (SEC) charged a California-based couple with orchestrating a nearly billion-dollar Ponzi scheme involving alternative energy tax credits.

According to the SEC's complaint, Jeffrey and Paulette Carpoff raised approximately $910 million from 17 investors between 2011 and 2018 by offering securities in the form of investment contracts through their two solar generator companies, DC Solar Solutions Inc. and DC Solar Distribution Inc. The Carpoffs allegedly promised investors tax credits, lease payments, and profits from the operation of mobile solar generators. In reality, the complaint alleges, most of the generators were never manufactured, and the vast majority of the purported lease revenue paid to investors in fact came from new investor funds. As part of the scheme, the Carpoffs arranged for investors to receive false documents, including financial statements, lease arrangements, and generator certifications. Throughout the scheme, the Carpoffs allegedly siphoned off investor funds and used at least $140 million of investor money to fund their lavish lifestyle, which included 150 luxury and sports cars, dozens of properties, and a share in a private jet service.

**Source:** [**https://www.sec.gov/news/press-release/2020-18**](https://www.sec.gov/news/press-release/2020-18)

1. **SEC Charges Six Individuals in International Microcap Fraud Schemes**

The Securities and Exchange Commission (SEC) charged six individuals and their companies with participating in schemes that allegedly generated more than $35 million of illegal sales of stock in at least 45 microcap companies. The charges contained in two complaints reflect investigations by staff in the SEC’s New York and Boston offices, and assistance from multiple regulators outside the U.S.

According to one SEC complaint, Steve M. Bajic, a citizen of Canada and Croatia, and Rajesh Taneja, a Canadian citizen, helped shareholders secretly dump large quantities of microcap stock, coordinating the illegal stock sales with Kenneth Ciapala, a citizen of the U.K. and Switzerland, and Anthony Killarney, a U.K. citizen, and Swiss-based company Blacklight SA. The SEC’s complaint also alleges that Christopher McKnight, a Canadian citizen, and Aaron Wise, a U.S. citizen, fraudulently transferred, and hid the sources of, funds used to promote several of the microcap stocks.

A second complaint alleges that Ciapala and Blacklight facilitated the sale of millions of unregistered shares of EMS Find Inc. (EMSF) while the microcap stock’s price was being artificially inflated and dumped into the market. The complaint further alleges that Ciapala and Blacklight engaged in manipulative trading of EMSF stock. In a parallel action, the U.S. Attorney’s Office for the Southern District of New York today announced criminal charges against Ciapala and Blacklight.

The SEC’s complaints charge Bajic, Taneja, Killarney, Ciapala, and their companies with violating the antifraud and registration provisions of the federal securities laws and with acting as unregistered broker-dealers. McKnight and Wise were charged with aiding and abetting the fraudulent stock sales and McKnight was also charged with violating an antifraud provision of the federal securities laws. The SEC is seeking permanent injunctions, disgorgement of allegedly ill-gotten gains plus interest, penalties, and penny stock bars.

**Source:** [**https://www.sec.gov/news/press-release/2020-1**](https://www.sec.gov/news/press-release/2020-1)

1. **Over $63 Million to Be Returned to Investors in Alleged Real Estate Investment Fraud**

The Securities and Exchange Commission (SEC) announced that it has obtained a court order authorizing the distribution of over $63 million to investors in connection with a previously filed action.  This amount represents the full return of funds to those who invested.

The SEC’s complaint, filed in May 2019, alleged that Robert C. Morgan, a New York residential and commercial real estate developer, and two of his entities, Morgan Mezzanine Fund Manager LLC and Morgan Acquisitions LLC, engaged in a fraudulent real estate investment scheme.  As alleged, Morgan financed his real estate development projects through, among other ways, the sales of securities to more than 200 retail investors, many of whom invested through their retirement accounts.  Morgan represented to investors that their money would be used to improve multifamily properties.  Instead, as alleged in the complaint, Morgan and his entities diverted investor funds to facilitate payments to earlier investors and made misrepresentations to later investors about prior fund performance.  Upon filing this action, the SEC sought and obtained certain emergency relief, including the appointment of a receiver responsible for maximizing the monetary recovery for investors.  Since filing, Morgan voluntarily liquidated certain assets to generate funds for collection by the receiver.  On Jan. 21, 2020, the court approved the receiver’s plan to distribute over $63 million to harmed investors.

**Source:** [**https://www.sec.gov/news/press-release/2020-16**](https://www.sec.gov/news/press-release/2020-16)

1. **The FCA commences civil proceedings in relation to alleged unauthorised deposit takers**

The FCA has commenced civil proceedings in the High Court against Bright Managment Solution Limited (“Bright”), Soccer League International Limited (Soccer League International), Soccer League UK Limited (Soccer League UK), and senior individuals at these firms. The FCA alleges the defendants have been carrying on unauthorised deposit taking by accepting money from the public for different projects, including forex trading and crypto-assets.

The FCA has secured an interim injunction, by consent, stopping these activities from continuing and freezing up to £1.3 million in assets pending further hearing.

The FCA also alleges that Soccer League International and Soccer League UK, Mr Mohammed Zakir Hussain, Mr Mohammed Kabir, Mr Mohammed Abdul Kahhar and Mr Kayes Miah, who held senior positions at the companies, were each knowingly concerned in Bright’s contraventions.

**Source:**[**https://www.fca.org.uk/news/press-releases/fca-commences-civil-proceedings-alleged-unauthorised-deposit-takers**](https://www.fca.org.uk/news/press-releases/fca-commences-civil-proceedings-alleged-unauthorised-deposit-takers)

1. **FCA acts to help customers get better rates for cash savings**

The Financial Conduct Authority (FCA) proposed to reform the easy access cash savings market. Under new rules all firms will have to set a single easy access rate (SEAR) across all easy access accounts. Firms will have flexibility to offer multiple introductory rates for up to 12 months, then they will need to choose one SEAR for their easy access cash savings accounts, and one for their easy access cash savings ISAs.

The FCA has previously raised concerns that competition is not working well for many of the 40 million consumers who hold either an easy access savings account or easy access cash ISA. Many longstanding customers currently receive poor outcomes and the FCA wants firms to focus more on these savers. The FCA’s proposals aim to improve competition in the market, encouraging firms to increase the interest rates they offer as well as protecting those consumers that currently receive the lowest interest rates. The FCA estimates that consumers will benefit by £260m from higher interest payments.

The FCA expects that longstanding customers will benefit from higher interest rates because firms will compete on the SEAR. The SEAR works by requiring firms to pay the same rate to longstanding customers as to customers who have recently come off an introductory offer and are deciding whether to switch or stay with their current product. To retain customers coming off introductory offers, it is expected that firms will set their SEARs higher than the current rates offered to longstanding customers.

**Source:** [**https://www.fca.org.uk/news/press-releases/fca-acts-help-customers-get-better-rates-cash-savings**](https://www.fca.org.uk/news/press-releases/fca-acts-help-customers-get-better-rates-cash-savings)

**POLICY DEVELOPMENTS**

1. **Contribution by a non-defaulting member in the Default waterfall of Clearing Corporations**

SEBI came out with a new framework for core settlement guarantee fund and liability of non-defaulting members of clearing corporations. The move has been taken following deliberations made by SEBI's risk management review committee and various stakeholders. A core Settlement Guarantee Fund (SGF) is a corpus used for settlement of trades during defaults and all intermediaries.

**Source: SEBI/HO/MRD2/DCAP/CIR/P/2020/01 January 03, 2020**

1. **Strengthening of the rating process in respect of ‘INC’ ratings**

SEBI said if the companies are not cooperating with credit rating agencies (CRAs) on disclosure of loan defaults, then the latter should issue INC (Issuer not cooperating) ratings. SEBI’s move to issue INC ratings comes with an aim to tighten the noose around the corporates and it will come into effect from July 1, 2020. SEBI also modified norms with respect to withdrawal of ratings assigned to an instrument.

**Source: SEBI/HO/MIRSD/CRADT/CIR/P/2020/2 January 03, 2020**

1. **Annual System Audit of Market Infrastructure Institutions**

SEBI came out with new framework on system audit for market infrastructure institutions (MIIs), stock exchanges, clearing corporations and depositories, wherein they need to inform about major non-compliances. The decision has been taken based on discussions with stock exchanges, clearing corporations and depositories along with recommendations of SEBI's Technical Advisory Committee.

**Source: SEBI/HO/MRD1/ICC1/CIR/P/2020/03 January 07, 2020**

1. **Operating Guidelines for Investment Advisers in International Financial Services Centre**

SEBI came out with guidelines for entities for operating as investment advisers in International Financial Services Centre (IFSC), under which such advisers need to have a net worth of at least USD 1.5 million. The decision has been taken following the representations received from various stakeholders, SEBI said in circular.

**Source: SEBI/HO/IMD/DF1/CIR/P/2020/04 January 09, 2020**

1. **Options in Goods - Product Design and Risk Management Framework**

SEBI allowed stock exchanges to launch ‘option in goods’ in their commodity derivatives segment. This is in addition to ‘options on commodity futures’. Norms for options on goods are liberal compared to those on options on futures. SEBI has also permitted exchanges to allow option on goods and options on futures with the same underlying commodities simultaneously. However, position limits for both will have to be clubbed together and contract specifications for option on goods have to be same as commodity futures.

**Source: SEBI/HO/CDMRD/DMP/CIR/P/2020/05 January 16, 2020**

1. **Exemption from clubbing of investment limit for foreign Government agencies and its related entities**

SEBI said certain overseas government agencies and their related entities will be exempted from clubbing of investment limit that is applicable for foreign portfolio investors. The exemption would be applicable where the Indian government has entered into agreements or treaties with overseas governments or there is an order.

**Source: IMD/FPI&C/CIR/P/2020/07 January 16, 2020**

1. **Format for Statement indicating Deviation or Variation in the use of proceeds of issue of listed non-convertible debt securities or listed non-convertible redeemable preference shares (NCRPs)**

SEBI came out with a disclosure format for listed companies which have issued debt securities, under which they need to disclose on half-yearly basis about deviation in the use of proceeds from the objects stated in the offer documents. The first such submission should be made by the listed entities for the half-year ended March 31, 2020, SEBI said in circular. "Listed entities which have issued non-convertible debt securities or non-convertible redeemable preference shares (NCRPs), shall submit the statement indicating deviation or variation, if any, in the (prescribed) format...on half-yearly basis," it added.

**Source: SEBI/HO/DDHS/08/2020 January 17, 2020**

1. **Guidelines for rights issue of units by a listed Real Estate Investment Trust (REIT)**

SEBI put in place a framework for the rights issue of units by listed REIT, calling for disclosure of objects of the issue, financial details in the offer document by such investment instruments. In the circular, SEBI specified the manner of issuance of units under the rights issue by listed real estate investment trust (REIT). SEBI said the issuer will have to disclose objects of the issue, related-party transactions, valuation, financial details, review of credit rating and grievance redressal mechanism in the placement document.

**Source: SEBI/HO/DDHS/DDHS/CIR/P/2020/09 January 17, 2020**

1. **Guidelines for rights issue of units by a listed Infrastructure Investment Trust (InvIT)**

SEBI put in place a framework for the rights issue of units by listed InvITs, calling for disclosure of objects of the issue, financial details in the offer document by such investment instruments. In the circular, SEBI specified the manner of issuance of units under the rights issue by listed Infrastructure Investment Trust (InvIT). SEBI said the issuer will have to disclose objects of the issue, related-party transactions, valuation, financial details, review of credit rating and grievance redressal mechanism in the placement document.

**Source: SEBI/HO/DDHS/DDHS/CIR/P/2020/10 January 17, 2020**

1. **Non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Standard Operating Procedure for suspension and revocation of trading of specified securities**

SEBI put in place a stricter mechanism to deal with non-compliance of listing conditions under which stock exchanges will have powers to slap penalties of upto Rs.50,000/- for certain violations. At present, a stock exchange is allowed to charge a maximum amount of Rs.10,000/- for each violation of listing norms that need to be complied with by companies. The new framework would come into force with effect from compliance periods ending on or after March 31, 2020.

**Source: SEBI/HO/CFD/CMD/CIR/P/2020/12 January 22, 2020**

1. **Streamlining the process of Rights Issue**

SEBI has reduced certain reporting timelines for rights issues. “The period for advance notice to stock exchange(s) under Regulation 42(2) of LODR Regulations has been reduced from at least seven working days to at least three working days (excluding the date of intimation and the record date), for the purpose of rights issue” SEBI said in circular.

**Source: SEBI/HO/CFD/DIL2/CIR/P/2020/13 January 22, 2020**

1. **Review of Margin Framework for Commodity Derivatives Segment**

SEBI rationalised margin framework for the commodity derivatives segment, wherein clearing corporations will have to categorise commodities as per their realised volatility. In addition, clearing corporations have been asked to prescribe floor values of initial margin as well as margin period of risk (MPOR) depending upon their categories, SEBI said in circular.

**Source: SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 January 27, 2020**

1. **IPF Trust and Committees at Market Infrastructure Institutions (MIIs)**

SEBI provided more clarity on norms related to composition and functioning of Investor Protection Fund (IPF) Trust with regard to stock exchanges and depositories. SEBI said the norms for composition of IPF Trust are uniformly applicable across exchanges and depositories, while those related to functions of the trust will be applicable only to bourses. The trust, created for the administration of the Investor Protection Fund, will have maximum 5 trustees comprising 3 public interest directors, one representative from investor associations and principal regulatory compliance officer of the market infrastructure institution (MII).

**Source: SEBI/HO/MRD/DDAP/CIR/P/2020/16 January 28, 2020**

*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 January 03, 2020, in the matter of Sumangal Industries Ltd, directing Soumen Ghosh and others to wind up the collective investment scheme offered by SIL and refund the money collected by the said company under the schemes with returns which are due to the investors as directed vide order dated July 9, 2013, failing which the Recovery Officer shall proceed with recovery of the sums due in terms of Recovery Certificate No. 672 of 2015 drawn in the matter and are restrained from accessing the securities market, directly or indirectly, and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly.
* SEBI passed an order, dated January 07, 2020, in the matter of HBJ Capital Services Private Limited, directing Kumar Harendra and all other director to refund the money collected by it from its clients in the form of fees within a period of three months from the date of service of this Order, refund to be made through ‘Bank Demand Draft’ or ‘Pay Order’ both of which should be crossed as “Non-Transferable” or through any other appropriate banking channels, with clear identification of beneficiaries and supporting bank documents; and are restrained from accessing the securities market and prohibited from buying, selling or otherwise dealing in securities market, directly or indirectly and restrained from accessing the securities market and prohibited from buying, selling or otherwise dealing in securities market; also restrained from holding positions as Directors or key managerial personnel of any listed company or any intermediary registered with SEBI and they shall be restrained from associating themselves with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI, for a period equal to the period of their debarment from the date of this order.
* SEBI passed an order, dated January 08, 2020, in the matter of Adamina Traders Private Limited, restraining Adamina Traders Private Limited from accessing the securities market and further prohibit it from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of three years.
* SEBI passed an order, dated January 08, 2020, in the matter of Vrise Securities Pvt Ltd, prohibiting Vrise Securities Pvt. Ltd. from registering any new/fresh client for a period of six months.
* SEBI passed an order, dated January 13, 2020, in the matter of Jagruti Securities Ltd, suspending the certificate of registration of Jagruti Securities Ltd. - a Stock Broker (SEBI Registration No. INB 230930432) for a period of one year.
* SEBI passed an order, dated January 13, 2020, in the matter of Click2trade Capital Limited, directing to cancel the certificates of registration (Nos. INB / INF 010771237, INB / INF 230771235, INE 260771235, INB260771234, INF260771234) with immediate effect.
* SEBI passed an order, dated January 14, 2020 in the matter of Fingravy Wealth Creation Services Pvt Ltd. directing them not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders. If Fingravy Wealth Creation Services Pvt Ltd .and its directors, named in this order, have any open position in any exchange traded derivative contracts, they are permitted to closeout/square off such open positions within one month from the date of receipt/knowledge of this order.
* SEBI passed an order, dated January 15, 2020 in the matter of Polar Pharma India Limited directing DPK Stock & Securities Limited and others to disgorge an amount of Rs. 41,62,572/-as ascertained in paragraph 60 ion the order along with simple interest calculated at the rate of 4 per cent per annum from the date of end of investigation period i.e. September 13, 2005, till the date of payment within 45 days from the date of service of this order. In case of failure to pay the disgorgement amount within 45 days from the date of service of this order, interest at the rate of 12 per cent per annum shall be applicable for the period, starting from the end of 45 days from the date of service of this order, till the date of payment.
* SEBI passed an order, dated January 15, 2020 in the matter of M/s. Money Desire Research directing Mr Anop kumar Tiwari and others to cease and desist from acting as an investment advisor including the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly, 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 ;not to access the securities market and buy, sell or otherwise deal in securities or associate themselves with securities market, either directly or indirectly, in any manner whatsoever, until further orders; if Money Desire Research and its partners ,named in this order have any open position in any exchange traded derivative contracts, they are permitted to closeout/square off such open positions within one month from the date of receipt/knowledge of this order; not to divert any funds raised from investors, kept in bank account(s)and/or in their custody until further orders.
* SEBI passed an order, dated January 16, 2020, in the matter of Unisys Software and Holding Industries Ltd restraining Deepa Saurabh Shah and others from being associated with the Securitas Market and accordingly, and restraining all the Noticees 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, for a period of 03 years from the date of this order. During the period of restraint, the existing holding of securities including the holding of units of mutual funds of the Noticees shall remain frozen.
* SEBI passed an order, dated January 16, 2020, in respect of System Support Services bearing SEBI Registration No. INR000000502, prohibiting the notices from accepting any new clients for a period of two (2) months from the date of this order and the certificate of registration of the Noticee be suspended for a period of one (1) month.
* SEBI passed an order, dated January 16, 2020, in the matter of ICL Multitrading India Ltd prohibiting Corporate Capital Ventures Private Limited from taking up any new assignment relating to merchant banking activities in the securities market, till further orders from SEBI.
* SEBI passed an order dated January 21, 2020 in the matter of The Equicom Financial Research Private Limited directing Mr Amit Kukda and others to cease and desist from acting as an investment advisor including the activity of acting and representing through any media (physical or digital) as an investment advisor, directly or indirectly, 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; not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, until further orders; not to divert any funds raised from investors, kept in bank account(s) and/or in their custody; 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; provide a full inventory of all assets held in its /their name, whether movable or immovable, or any interest or investment or charge on any of such assets, including details of all bank accounts, demat accounts and mutual fund investments, immediately but not later than 5 working days from the date of receipt of this order.
* SEBI passed an order dated January 21, 2020 in the matter of Bishal Horticulture and Animal Projects directing Shri Sujit Acharjee and Shri Sumanta Modak not to, directly or indirectly, access the securities market, by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner for a period of 4 (four) years from the date of this Order. The above said Directors are also restrained from associating themselves with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI for a period of 4 (four) years from the date of this order. It is also clarified that the period of restraint already suffered by Shri Sujit Acharjee and Shri Sumanta Modak shall be taken into account for calculating the period of restraint now imposed.
* SEBI passed an order dated January 23, 2020 in the matter of Orient Tradelink Limited directing Aushim Khetarpal that the amount of ₹14,00,000 (Rupees Fourteen Lakhs) deposited by Aushim Khetarpal in the Escrow Account opened with ICICI Bank (Current Account no. 000405118154) shall stand attached with immediate effect and shall be utilised for payment of consideration to the eligible and identifiable investors of Orient Tradelink who have tendered their shares in acceptance of the Open Offer.
* SEBI passed an order dated January 21, 2020 in respect of Legal Representatives of Late Sh.Y.N.Saxena in the matter of SICCL directing legal representatives of Late Sh.Y.N.Saxena, in discharge liability under section73(2) of Companies Act,1956,jointly and severally with SICCL and other directors as per the Order dated October 31, 2018, forthwith refund the money collected by the Company through the issuance of OFCDs including the application money collected from investors, pending allotment of securities, if any, with an interest of 15 per cent per annum, from the eighth day of collection of funds, up to the extent of the assets inherited, to the investor still the date of actual payment to the extent of assets inherited by the LRs.
* SEBI passed a confirmatory order dated January 24, 2020 in the matter of Fairwealth Securities Limited confirming the directions issued in the interim order date October 11, 2019 against all Noticee except Roop Lal Aggarwal and Kamla Prasad Shukla restraining others from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, either directly or indirectly, or being associated with the securities market in any manner whatsoever, till further directions.
* SEBI passed a confirmatory order dated January 24, 2020 in the matter of Raghukul Shares India Pvt. Ltd. restraining Mr Gangaram Khandelwal from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, either directly or indirectly, or being associated with the securities market in any manner whatsoever, till further directions.
* SEBI assed an order dated January 24, 2020 in the matter of Raghukul Shares India Pvt. Ltd. restraining Mr. Sandesh Khandelwal and Mr. Dhruvesh Patel, from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, either directly or indirectly, or being associated with the securities market in any manner whatsoever till further directions.
* SEBI passed an order, dated January 29, 2020 in the matter of Idol India Projects Limited directing Mr. Shribas Chandra Das not to directly or indirectly, access the securities market, by issuing prospectus, offer document or advertisement soliciting money from the public and is further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this Order. Mr. Shribas Chandra Das is also restrained from associating himself with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI from the date of this Order coming into effect till the expiry of 4 (four) years from the date of completion of refunds to investors.
* SEBI passed an order, dated January 30, 2020 in the matter of MI Research (Proprietor Mr. Ashish Jain) directing him to mention the disclosure on the website of MI Research that Mr. Ashish Jain is prohibited from accepting any fresh clients until further orders.
* SEBI passed an order, dated January 31, 2020 in the matter of Highbrow Market Research Private Limited (Ways2Capital) restraining Highbrow and its directors (present and past) from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner whatsoever, till further directions.
* 41. SEBI passed an order, dated January 31, 2020 matter of GDR issue of Rana Sugars Ltd restraining the company from accessing the securities market including by way of issuing prospectus, offer document or advertisement soliciting money from the public and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of five (5) years from the date of this order.
* SEBI passed an order, dated January 02, 2020, imposing a total penalty of Rs. 1,00,000 /- (Rupees One Lakh Only) on Jackard Products Ltd for the violation of the provision of sections 15HB and 15C of SEBI Act 1992.
* SEBI passed an order, dated January 06, 2020, imposing a total penalty of Rs. 2,00,000/-(Rupees Two Lacs) on Shreeji Phosphate Limited in the matter of Scores authentication for the violation of the SEBI circulars dated August 13, 2012 and April 17, 2013 .
* SEBI passed an order, dated January 07, 2020, imposing a total penalty of Rs. 1,00,000 /-(Rupees One Lakh Only) on Electric Control Gears India Limited for the violation of the provision of sections 15HB and 15C of SEBI Act.
* SEBI passed an order, dated January 07, 2020, imposing a total penalty of Rs. 2,00,000 /-(Rupees Two Lakh Only) on Global Securities Limited for the violation of the provision of sections 15C and 15A (a) of SEBI Act, 1992.
* SEBI passed an order, dated January 09, 2020, in the matter of Dhanleela Investment and Trading Company Limited imposing a total penalty of Rs. 1,83,00,000/-(Rupees One Crore Eighty Three Lakh only) on Paras Vinod Jain and others for the violation of provision of regulation 3 (a), (b), (c), (d), regulation 4(1), 4 (2)(a), (d) and (e) of the PFUTP Regulations.
* SEBI passed an order, dated January 13, 2020, in the matter of dealing in Illiquid Stocks Options at BSE imposing a total penalty of Rs. 5,00,000/- (Rupees Five Lakh only) on M/s. Universal Enterprises Ltd. 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 January 14, 2020, in the matter of SCORES authentication imposing a total penalty of Rs. 2,00,000/- (Rupees Two Lacs) on Patel Food Products Ltd for the violation of the provisions of SEBI Circular No. CIR/OIAE/1/2012 dated August 13, 2012, CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated January 14, 2020, in the matter of dealing in illiquid stocks options at BSE imposing a total penalty of Rs. 5,00,000/- (Rupees Five Lakh only) on Gyandeep Khemka for the violation of the provisions of regulations 3(a), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated January 14, 2020, in the matter of dealing in illiquid stocks options at BSE imposing a total penalty of Rs. 5,00,000/- (Rupees Five Lakh only) on Himadri Steel Private Limited for the violation of the provisions of Regulations 3(a), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated January 15, 2020, in the matter of V S G Leasing and Finance Company Limited imposing a total penalty of Rs. 5,00,000/- (Rupees Five Lakh only) on Wrinkle Marketing Pvt. Ltd 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 January 16, 2020, in the matter of Zee Media Corporation Ltd. imposing a total penalty of Rs. 9,00,000/- (Rupees Nine Lakh only) on 25FPSMedia Private Limited and others for the violation of the provisions of regulations 7(2)(a) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) & Regulation 31(2) read with Regulation 31(3) of SAST Regulations and Regulation 7(2)(b) of PIT Regulations.
* SEBI passed an order dated January 23, 2020 in the matter of GDR issue by Jindal Cotex Limited imposing a penalty of Rs. 10,70,00,000/-(Rupees Ten Crore Seventy Lakh Only) on M/s Jindal Cotex 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(3 instances); Section 21 of SCRA, 1956 read with Clauses 32 and 50 of Listing Agreement(1 instance);Section 21 of SCRA, 1956 read with Clause 50 of Listing Agreement(2 instances); and 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 January 23, 2020, in the matter of Peers Allied Corporation Limited imposing a penalty of ₹25,00,000/- (Twenty Five Lakh only) for the violation of (Section 12(1B) of the SEBI Act and Regulation 3 of the CIS Regulations; Regulation 4(2)(t) of the PFUTP Regulations.
* SEBI passed an order dated January 23, 2020, in the matter of trading in illiquid stock options on BSE imposing a penalty of ₹18,80,000/- (Rupees Eighteen Lakh Eighty Thousand only) on Scan Steels Limited for the violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order dated January 24, 2020 in the matter of Siddarth Businesses Limited imposing a penalty of₹ ₹500,000 /- (Rupees Five Lakh Only) on Viju Babulal Jain for the violation of the provisions of regulations 7(2) (a) of PIT Regulations and violation of clause 3(e) of the code of conduct adopted by the company for insider trading as required under regulation 9(1) of PIT Regulations.
* SEBI passed an order dated January 24, 2020 in the matter of Tricom Fruit Products Limited imposing a penalty of ₹1, 00,000/-(Rupees One Lakh only). Tricom Fruit Products Limited for the violation of Regulation 77 (5) of ICDR Regulations.
* SEBI passed an order dated January 24, 2020 in the matter of Sarang Chemicals Limited imposing a penalty of Rupees 1,71,00,000/- (Rupees One Crore Seventy-One Lakh only) on Amrut Securities Ltd and others for the violation of 3 (a), (b), (c), (d), 4 (1) & 4 (2) (a) (e) and (g) of the PFUTP Regulations and Regulation 13(3) read with 13(5) of SEBI( PIT regulations), 1992 and Clause A(2) of the Code of Conduct prescribed under Schedule II read with Regulation 7 of SEBI (Stock Brokers and Sub Brokers) Regulations, 1992.
* SEBI passed an order, dated January 28, 2020 in the matter of Siddarth Businesses Limited (currently known as Shivamshree Businesses Limited) imposing a penalty of Rupees 4, 00,000/- (Rupees Four Lakh only) on Prafulbhai Parshottambhai Bavishiya and others for the violation of Clause 3(a) of the code of conduct adopted by the company for insider trading, as required under regulation 9(1) of PIT Regulations.
* SEBI passed an order, dated January 28, 2020 in the matter of Inspection of Books of M/S Inventure Merchant Banker Services Private Limited imposing a penalty of Rupees 10,00,000/-(Rupees Ten Lakh only)on Inventure Merchant Banker Services Private Limited for the violation of the provisions of Regulation57(1) and 64(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Regulation 28(2) of SEBI (Merchant Bankers) Regulations, 1992 and Clauses 4, 6, and 20 of the Code of Conduct prescribed under Schedule III read with Regulation 13 of SEBI (Merchant Bankers) Regulations, 1992.
* SEBI passed an order, dated January 28, 2020 in the matter of M/s. Dwitiya Trading Limited imposing a penalty of Rupees 95,00,000/- (Rupees Ninety Five Lakh only) on Panchshree Logistics Private Limited and others for the violation of Regulations 3(a),(b),(c),(d), 4(1), 4(2)(a), and 4(2)(e) of PFUTP Regulations.
* SEBI passed an order, dated January 28, 2020 in the matter of Sunshine India Land Developers Limited imposing a penalty of Rupees 25,00,000/-(Rupees Twenty Five Lakh only) on Sunshine India Land Developers Limited and others for the violation of Regulations 4(2) & (7), 5, 6, 20(1), 25, 26, 36, 37,46, 57 and 59 of ICDR Regulations.
* SEBI passed an order, dated January 29, 2020 in respect of GEPL Capital Private Limited imposing a penalty of Rupees 1,00,000/-(Rupees One Lakh only) on M/s GEPL Capital Private Limited for the violations of Section 23D of SCR Act, 1956 read with SEBI Circular No. SMD-1/23341 dated November 18, 1993.
* SEBI passed an order, dated January 29, 2020 in the matter of Non redressal of Investor Grievances imposing a penalty of Rupees 1,00,000/- (Rupees One Lakh only) on Advance Bio Coal (India) Ltd for the violation of SEBI Circulars No.CIR/OIAE/2/2011dated June03,2011,CIR/OIAE/1/2012datedAugust13,2012andCIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated January 29, 2020 in the matter of Incap Financial Services Limited imposing a penalty of Rupees 3,50,000/-(Rupees Three Lakh Fifty Thousand only) on Dharmendra Bhojak for the violations of provisions of regulations7(1)& 7(1A) and regulations 10 & 11(1)of SAST Regulations, 1997, Section12A(a), (b), (c) of SEBI Act r/w Regulation 3(a), (b), (c) & (d) and Reg.4(1), 4(2)(a) & (g) of SEBI (PFUTP) Regulations, 2003; Section 16 of SCR Act, 1956 read with SEBI Notification G.S.R.219(E)dated March 2, 2000, Section 13 and Section 18 of SCR Act, 1956 read with Section 2(i) of SCR Act, 1956 and Regulation 13(1) & 13(3) of PIT Regulation, 1992 read with Regulation 12(2)of the PIT Regulation, 2015.
* SEBI passed an order, dated January 29, 2020 in the matter of G V Films Ltd imposing a penalty of Rupees 1,00,00,000/- (Rupees One Crore only) on M/s. GV Films Ltd and others for the violation of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (f), (k) and (r) of SEBI PFUTP Regulations, 2003, Section 21 of SCRA, 1956 read with Clause 36(7)of the Listing Agreement and Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1) of SEBI PFUTP Regulations, 2003.
* SEBI passed an order, dated January 29, 2020 in the matter of D S Kulkarni Developers Ltd imposing a penalty of Rupees. 10, 00,000/-(Rupees. Ten Lakh only) on D S Kulkarni Developers Ltd for the violation of Regulation 30 (1), 30(3) and 30(6) read with clause 8 of Para B of Part A of Schedule III of LODR Regulations read with clause 8 of Para B of Part A of Schedule III of LODR Regulations and clause 8 of Para B of Annexure I to the SEBI circular.
* SEBI passed an order, dated January 29, 2020 in the matter of DBFS Securities Ltd imposing a penalty of Rupees 300,000/- (Rupees Three Lakhs only) on DBFS Securities Ltd for violation of SEBI Circular No. SMD/SED/CIR/93/23321 dated November 18, 1993.
* SEBI passed an order, dated January 30, 2020 imposing a penalty of Rupees. 5,00,000/-(Rupees Five Lakh only) on SW Capital Private Limited for violating the provisions of the SEBI Circular SEBI/MIRSD/SE/Cir-19/2009 dated December 03, 2009, and Circular No. SEBI/HO/ MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016.
* SEBI passed an order, dated January 30, 2020 in the matter of non redressal of investor grievances imposing a penalty of Rupees 1, 00,000/- (Rupees One Lakh only) on Rams transformers Ltd for the violation of the provisions of the 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 January 30, 2020 in the matter of dealings in illiquid stock options at BSE imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh Only) on M/s. Cheminare Trade Comm 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 January 30, 2020 in the matter of dealings in illiquid stock options at BSE imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh Only) on Voltaire Leasing and Finance Ltd. 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 January 30, 2020 in the matter of Fort Share Broking Private Limited imposing a penalty of Rupees 3,00,000/-(Rupees Three Lakh Only) under Section15 HB of SEBI Act 1992 and Section 23D of SCRA for the failure to comply with the provisions of SEBI Circulars ref. nos (a)SMD/SED/CIR/93/23321, 1993; MRD/DoP/SE/Cir-11/2008 and MIRSD/SE/Cir-19/2009.
* SEBI passed an order, dated January 30, 2020 in the matter of Polar Pharma India Ltd imposing a penalty of Rupees 50,00,000/- (Rupees Fifty Lakh only) on DPK Stock and Securities and others for violation of the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4(2) (a), 4 (2) (e)and 4(2) (g) of SEBI(PFUTP) Regulations.
* SEBI passed an order, dated January 30, 2020 imposing a penalty of Rupees 3,00,000/-(Rupees Three Lakh Only) on VRise Securities Private Limited for the failure to comply with the provisions of SEBI Circulars ref. No. SMD/SED/CIR/93/23321 dated November 18, 1993.
* SEBI passed an order, dated January 30, 2020 imposing a penalty of Rupees 9,50,000/- (Rupees Nine Lakh Fifty Thousand only) on Kesar Petroproducts Ltd for violating of the provisions of Clause 40A of the Listing Agreement read with Rule 19(2) (b) & 19A of SCR Rules read with Regulation 38 of LODR Regulations further read with section 21 of SCR Act; Rules19(2)(b) and 19A of SCRR and Clause 40A of the Listing Agreement read with Regulation 38 of LODR Regulations read with SEBI Circular CIR/CFD/CMD/14/2015 dated November 30,2015 read with SEBI Circular CIR/CFD/DIL/11/2012 dated August 29,2012 read with SEBI Circular CIR/CFD/DIL/1/2012 dated February 8,2012 read with SEBI Circular CIR/CFD/DIL/10/2010 dated December 16, 2010.
* SEBI passed an order, dated January 30, 2020 in the matter of Kesar Petroproducts Ltd imposing a penalty of Rupees 2,00,000 (Rupees. Two Lakh only) on Raj Kumar for the violations of Regulation 31A (2) of LODR Regulations.
* SEBI passed an order, dated January 30, 2020 in the matter of non redressal of investor grievances imposing a penalty of Rupees 1,00,000 /-(Rupees One Lakh only.) on Karnavati Alfa Limited for the violation of the provisions of the 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 January 31, 2020 imposing a penalty of Rupees 3,00,000/-(Rupees Three Lakh only) on Maheshwari Datamatics Private for violation of Clause 3C of the then Listing Agreement for equity, SEBI Circular No CIR/MIRSD/8/2012 dated July 05, 2012 and Guideline No.6 of General guidelines for processing of documents issued under RRTI Circular no. 1 (2000-2001) dated May 09, 2001, read with Clauses 2 and 3 of Code of Conduct prescribed under Regulation 13 of RTA Regulations, Clause 2(vii) of the RRTI Circular No. 1 (94 –95)dated October 11, 1994 read with regulation 14(3) of RTA Regulations and Regulation 53A of DP Regulations.
* SEBI passed an order, dated January 31, 2020 imposing a penalty of Rupees 1, 00,000/-(Rupees One Lakh only) upon Alcobex Metals Limited for violation of SEBI Circulars No. CIR/OIAE/2/2011 dated June 03, 2011, CIR/OIAE/12012 dated August 13, 2012 and CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated January 31, 2020 in the matter of trading activities of Pankaj J. Shah HUF and connected entities imposing a penalty of Rupees 25,000/-(Rupees Twenty Five Thousand only) on Umang D Patel, HUF for violations of provision of section 2(i)(a) of SCRA r/w sections 13, 16 and 18 of SCRA.
* SEBI passed an order, dated January 31, 2020 in the matter of trading activities of Pankaj J. Shah HUF and connected entities imposing a penalty of Rupees 25,000/-(Rupees Twenty Five Thousand only) on Geetaben Dilip bhai Patel for violations of provision of section 2(i)(a) of SCRA r/w sections 13, 16 and 18 of SCRA.
* SEBI passed an order, dated January 31, 2020 in the matter of trading activities of Pankaj J. Shah HUF and connected entities imposing a penalty of Rupees 25,000/-(Rupees Twenty Five Thousand only) on Yogeshkumar Pannalal Shah for violations of provision of section 2(i)(a) of SCRA r/w sections 13, 16 and 18 of SCRA.
* SEBI passed an order, dated January 31, 2020 in the matter of trading activities of Pankaj J. Shah HUF and connected entities imposing a penalty of Rupees 25,000/-(Rupees Twenty Five Thousand only) on Yogeshkumar Pannalal Shah HUF for violations of provision of section 2(i)(a) of SCRA r/w sections 13, 16 and 18 of SCRA.
* SEBI passed an order, dated January 31, 2020 in the matter of trading activities of Pankaj J. Shah HUF and connected entities imposing a penalty of Rupees 25,000/-(Rupees Twenty Five Thousand only) on Vijaykumar Mangaldas Shah for violations of provision of section 2(i)(a) of SCRA r/w sections 13, 16 and 18 of SCRA.
* SEBI passed an order, dated January 31, 2020 in the matter of trading activities of Pankaj J. Shah HUF and connected entities imposing a penalty of Rupees 25,000/-(Rupees Twenty Five Thousand only) on Maulik Dilipbhai Patel for violations of provision of section 2(i)(a) of SCRA r/w sections 13, 16 and 18 of SCRA.
* SEBI passed an order, dated January 31, 2020 in the matter of trading activities of Pankaj J. Shah HUF and connected entities imposing a penalty of Rupees 25,000/-(Rupees Twenty Five Thousand only) on Umang Dilipbhai Patel for violations of provision of section 2(i)(a) of SCRA r/w sections 13, 16 and 18 of SCRA.
* SEBI passed an order, dated January 31, 2020 in the matter of trading in illiquid stock options imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh only) on North Eastern Publishing and Advertising Company Limited for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated January 31, 2020 in the matter of trading in illiquid stock options imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh only) on Mainstream Dealers Private Limited for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated January 31, 2020 in the matter of trading in illiquid stock options imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh only) on Mudrika Goods Private Limited for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated January 31, 2020 in the matter of trading in illiquid stock options imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh only) on M/s N R Ispat and Power Private Limited for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated January 31, 2020 in the matter of trading in illiquid stock options imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh only) on Mamta Jain for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated January 31, 2020 in the matter of trading in illiquid stock options imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh only) on Mukut Behari Agarwal for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated January 31, 2020 in the matter of trading in illiquid stock options imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh only) on Murari Lal Saraogi for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated January 31, 2020 in the matter of trading in illiquid stock options imposing a penalty of Rupees 5,00,000/-(Rupees Five Lakh only) on Murugan Karthik Meiyappan for violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.

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

1. \* at **National Institute of Securities Markets (NISM) Campus, Patalganga, Maharashtra on January 23, 2020** [↑](#footnote-ref-1)