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**CAPITAL MARKET REVIEW**

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

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

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Apr-20** | **May-20** |
| ***A. Funds Mobilisation through Public Issue (I+II)*** | **116** | **297** |
| ***I. Equity Public Issue*** | **14** | 0 |
| a. IPOs (i+ii) | 14 | 0 |
| i. Main Board | 0 | 0 |
| ii. SME Platform | 14 | 0 |
| **b. FPOs** | **0** | 0 |
| c. Equity Right Issue | 0 | 0 |
| ***II. Debt Public Issue*** | 102 | 297 |
| ***B. Funds Mobilisation through Private Placement*** | **55,745** | **84,881** |
| 1. QIP/IPP | 0 | 0 |
| 2. Preferential Allotment | 1,106 | 307 |
| 3. Private Placement of Debt | 54,639 | 84,573 |
| **Total Funds Mobilised (A+B)** | **55,861** | **85,178** |

**Notes: Current month data are provisional**

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

* During May 2020, there was no activity observed in IPOs, FPOs and right issues. However, there were three SME IPO equity issuances mobilizing ₹ 14 crore in the month of April 2020.
* During May 2020, there was one public issues of corporate bonds amounting to ₹ 297 crore compared to one public issues of corporate bonds amounting to ₹ 102 crore in the previous month.
* The amount raised through private placement of equity (i.e. preferential allotment and QIP route) stood at ₹ 307 crore in May 2020 compared to ₹ 1,106 crore in April 2020.
* Private placement of corporate debt reported to BSE and NSE increased by 54.8 per cent to ₹ 84,573 crore in May 2020 over ₹ 54,639 crore in April 2020.

1. **Trends in the Secondary Market**

* At the end of May 2020, Nifty 50 closed at 9,580, a decrease by 2.8 per cent as compared to April 2020.
* S&P BSE Sensex closed at 32,424 at the end of May 2020 compared to 33,718 at the end of April 2020, a decrease of 3.8 per cent.
* Nifty and Sensex reached their intraday high at 9,580 and 32,424 respectively on May 29, 2020.
* Further, Nifty and Sensex reached their intraday low at 8,823 and 30,029 on May 18, 2020.
* The P/E ratios of S&P BSE Sensex and Nifty 50 index were 19.5 and 22.4 respectively, at the end of April 2020 compared to the reading of 18.8 and 22.4 respectively a month ago.

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Apr-20** | **May-20** | **Percentage Change Over Month** |
| **Index in Equity Market** |  |  |  |
| Sensex | 33,718 | 32,424 | -3.8 |
| Nifty 50 | 9,860 | 9,580 | -2.8 |
| Nifty 500 | 8,013 | 7,822 | -2.4 |
| BSE 500 | 12,721 | 12,415 | -2.4 |
| Nifty Bank | 21,535 | 19,297 | -10.4 |
| Nifty IT | 14,108 | 14,011 | -0.7 |
| BSE Healthcare | 15,332 | 15,646 | 2.0 |
| BSE FMCG | 10,771 | 10,898 | 1.2 |
| **Market Capitalization (₹ crore)** | |  |  |
| BSE | 1,29,41,621 | 1,27,06,529 | -1.8 |
| NSE | 1,27,38,626 | 1,25,16,960 | -1.7 |
| **P/E Ratio** |  |  |  |
| Sensex | 20.90 | 20.33 | -2.7 |
| Nifty 50 | 22.35 | 22.38 | 0.1 |
| **No of Listed Companies** |  |  |  |
| BSE | 5,380 | 5,369 | -0.2 |
| NSE | 1,705 | 1,701 | -0.2 |
| **Gross Turnover in Equity Segment (₹ crore)** | |  |  |
| BSE | 44,476 | 65,019 | 46.2 |
| NSE | 9,05,802 | 10,00,456 | 10.4 |
| **Gross Turnover in Equity Derivatives Segment (₹ crore)** | | |  |
| BSE | 1,09,150 | 1,17,750 | 7.9 |
| NSE | 2,06,83,378 | 2,48,31,931 | 20.1 |
| **Gross Turnover in Currency Derivatives Segment (₹ crore)** | | | |
| BSE | 2,71,144 | 3,06,145 | 12.9 |
| NSE | 6,96,282 | 7,29,527 | 4.8 |
| MSEI | 1,785 | 1,702 | -4.6 |
| **Gross Turnover in Interest Rate Derivatives Segment (₹ crore)** | | | |
| BSE | 2,395 | 1,899 | -20.7 |
| NSE | 9,734 | 12,198 | 25.3 |

**Source: NSE, BSE and MSEI**

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

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

* The market capitalisation of BSE stood at **₹**1, 27, 06,529 crore as on May 31, 2020, a decrease of 1.8 per cent over previous month.
* The market capitalisation of NSE stood at **₹** 1, 25, 16,960 crore as on May 31, 2020, a decrease of 1.7 per cent over previous month.

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

* During May 2020, the gross turnover in the equity segment of BSE and NSE stood at ₹ 65,019 crore and ₹ 10, 00,456 crore respectively.

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

* Among BSE indices, S&P BSE Healthcare increased by 2.0 per cent, followed by S&P BSE Capital Goods and S&P BSE FMCG (1.2 per cent each) and S&P BSE Teck (1.0 per cent) during the period. The average daily volatility of BSE sectoral indices for May 2020 is given in Figure 4.

**Figure 4: Performance of BSE Indices during May 2020 (per cent)**

* Among NSE sectoral indices, Nifty Pharma increased by 4.7 per cent, followed by Nifty FMCG (2.2 per cent) and Nifty Media (1.6 per cent). The average daily volatility of NSE sectoral indices for the month of May 2020 is given in Figure 5.

**Figure 5: Performance of NSE Indices during May 2020 (per cent)**

1. **Trends in Depository Accounts**

At the end of May 2020, there were 199 lakh demat accounts at NSDL and 223 lakh demat accounts at CDSL. Till the end of May 2020, 5,642 listed companies were signed up with NSDL and 5,696 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** | | |
| **Apr-20** | **May-20** | **Percentage Change Over Month** | **Apr-20** | **May-20** | **Percentage Change Over Month** |
| **A. Turnover (` crore)** | | | | | | |
| (i) Index Futures | 5,94,716 | 6,40,625 | 7.7 | 78 | 326 | 319.7 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 83,85,703 | 99,47,263 | 18.6 | 21,494 | 9,624 | -55.2 |
| *Call* | 1,00,77,298 | 1,22,05,317 | 21.1 | 87,578 | 1,07,800 | 23.1 |
| (iii) Stock Futures | 9,54,969 | 11,18,024 | 17.1 | 0.0 | 0.0 | 0.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 2,24,069 | 3,07,470 | 37.2 | 0.0 | 0.0 | 0.0 |
| *Call* | 4,46,625 | 6,13,232 | 37.3 | 0.0 | 0.0 | 0.0 |
| **Total** | **2,06,83,378** | **2,48,31,931** | 20.1 | **1,09,150** | **1,17,750** | **7.88** |
| **B. No. of Contracts** | | | | | | |
| (i) Index Futures | 1,13,39,332 | 1,28,43,909 | 13.3 | 962 | 4,144 | 330.8 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 17,09,34,639 | 21,10,59,297 | 23.5 | 3,09,028 | 1,42,492 | -53.9 |
| *Call* | 19,45,47,845 | 24,79,31,778 | 27.4 | 9,95,903 | 12,18,595 | 22.4 |
| (iii) Stock Futures | 1,94,76,580 | 2,25,73,353 | 15.9 | 0 | 0 | 0.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 45,93,986 | 61,15,405 | 33.1 | 0 | 0 | 0.0 |
| *Call* | 80,39,630 | 1,08,50,597 | 35.0 | 0 | 0 | 0.0 |
| **Total** | **40,89,32,012** | **51,13,74,339** | **25.1** | **13,05,893** | **13,65,231** | 4.5 |
| **C. Open Interest in Terms of Value ( ` crore)** | | | | | | |
| (i) Index Futures | 11,642 | 2,17,968 | 1,772.3 | 41.0 | 78.7 | 92.1 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 45,435 | 56,064 | 23.4 | 5.5 | 0.0 | -100.0 |
| *Call* | 25,611 | 35,865 | 40.0 | 156.5 | 0.0 | -100.0 |
| (iii) Stock Futures | 75,981 | 85,712 | 12.8 | 0.0 | 0.0 | 0.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 4,890 | 7,082 | 44.8 | 0.0 | 0.0 | 0.0 |
| *Call* | 6,699 | 10,043 | 50 | 0.0 | 0.0 | 0.0 |
| **Total** | **1,70,258** | **4,12,733** | **142.4** | **202.9** | **78.7** | **-61** |
| **D. Open Interest in Terms of number of Contracts** | | | | | | |
| (i) Index Futures | 1,78,404 | 2,16,509 | 21.4 | 486 | 971 | 99.8 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 6,53,641 | 9,03,106 | 38.2 | 65 | 0 | -100.0 |
| *Call* | 3,82,128 | 5,89,447 | 54.3 | 1,856 | 0 | -100.0 |
| (iii) Stock Futures | 14,38,203 | 16,71,650 | 16.2 | 0 | 0 | 0.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 93,127 | 1,35,698 | 45.7 | 0 | 0 | 0.0 |
| *Call* | 1,28,761 | 1,91,084 | 48.4 | 0 | 0 | 0.0 |
| **Total** | **28,74,264** | **37,07,494** | **224.1** | **2,407** | **971** | **-59.7** |
|  | | |  |  |  |  |

**Source: NSE and BSE**

* The notional monthly turnover in the equity derivatives segment of NSE increased by 20.1 per cent to ₹ 248.3 lakh crore in May 2020 from ₹ 206.8 lakh crore in April 2020. Further, the average daily turnover in equity derivative segment during May 2020 increased to ₹ 13, 06,944 crore from ₹ 11, 49,077 crore in April 2020.
* During May 2020, index options accounted for 89.2 per cent of the total notional turnover in the F&O segment of NSE compared to 89.3 per cent in previous month.
* The notional turnover in index options (call and put together) increased to ₹ 221.5 lakh crore in May 2020 from ₹ 184.6 lakh crore in April 2020.
* During May 2020, the percentage share of weekly options of total index options turnover stood at 71.0 per cent compared to 68.0 per cent in April 2020. The percentage share of monthly options in total index options turnover stood at 28.0 per cent in May 2020, decreased from 31.0 per cent in April 2020.

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

* During the month, the notional turnover of index futures increased by 7.7 per cent to **₹** 6,40,625 crore from **₹** 5,94,716 crore in April 2020.
* The notional turnover of stock futures increased by 17.1 per cent to **₹** 11.2 lakh crore in April 2020 from **₹** 9.5 lakh crore in April 2020.
* The notional turnover in stock options (call and put together) increased by 37.3 per cent to ₹ 9.2 lakh crore from ₹ 6.7 lakh crore during the same period.
* As on May 31, 2020, the open interest at NSE stood at ₹ 4, 12,733 crore an increase of 142.4 per cent from ₹ 1, 70,258 crore as on April 30, 2020.
* During May 2020, the equity derivatives segment turnover of BSE increased to ₹ 1, 17,750 crore compared to ₹ 1, 09,150 crore in April 2020, an increase of 7.9 per cent.

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

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

* During May 2020, the monthly turnover of currency derivatives in India (NSE, BSE and MSEI together) was **₹** 10, 37,375 crore as compared to **₹** 9, 69,212 crore in April 2020, indicating an increase of 7.0 per cent during the period.
* The trading volumes in currency derivatives at NSE and BSE increased by 4.8 per cent to ₹ 7, 29,527 crore in May 2020 from ₹ 6, 96,282 crore in April 2020.
* The trading volumes in currency derivatives at BSE increased by 12.9 per cent to **₹** 3, 06,145 crore from **₹** 2, 71,144 crore during the same period.
* The trading volumes in currency derivatives at MSEI stood at ₹ 1,702 crore in May 2020 from ₹ 1,785 crore in April 2020, decreased by 4.6 per cent.

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

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

* During May 2020, the monthly turnover of interest rate futures at NSE increased by 25.3 per cent to ₹ 12,198 crore from ₹ 9,734 crore in April 2020.
* The monthly turnover of interest rate futures at BSE decreased by 20.7per cent to ₹ 1,899 crore from ₹ 2,395 crore during the same period.

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

1. **Trading in Corporate Debt Market**

* During May 2020, BSE registered 4,677 trades of corporate debt with a traded value of ₹ 64,965 crore as compared to 3,753 trades of corporate debt with a traded value of ₹ 65,285 crore in the previous month.
* At NSE, 6,004 trades were recorded with a traded value of ₹ 1, 31, 842 crore in May 2020 as compared to 5,173 trades with a traded value of ₹ 1, 49,230 crore in April 2020.

**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 ₹ 70,814 crore in May 2020 compared a net inflow of ₹ 45, 999 crore in April 2020.
* There was a net redemption of ₹ 7, 85,971 crore from open ended schemes during May 2020. Among the open ended schemes, of the total redemptions, ₹7, 66,995 crore were from Income/Debt Oriented Schemes, ₹ 7,693 crore from Growth/Equity Oriented Schemes, ₹ 6,553 crore from Hybrid Schemes, ₹ 69 crore from Solution Oriented Schemes and ₹ 4,661 crore from other schemes during the May 2020.
* There was a net redemption of ₹ 9,341 crore from close ended schemes and ₹ 7.9 crore from Interval schemes during May 2020.
* The net assets under management of all mutual funds stood at ₹ 24.5 lakh crore at the end of May 2020 from ₹ 23.9 lakh crore at the end of April 2020.
* As on May 31, 2020, there were a total of 1,829 mutual fund schemes in the market, of which 967 were Open-ended schemes, 839 were close-ended schemes and 23 interval schemes.
* In the secondary market transaction, during May 2020, mutual funds mobilised ₹ 6,522 crore from equity investments and ₹ 10,699 crore from debt investments. Total ₹17,222 crore was mobilised in May 2020.

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

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

* During May 2020, FPIs made net investment of ₹ 14,569 crore in equity securities as compared to outflow of `6,884 crore from the equity securities in the month of April 2020. FPIs made net investment of ₹11 crore in hybrid securities in the month of May 2020 as compared to `544 crore in the previous month. However, in May 2020, FPI’s withdrew ₹ 21,935 crore from debt securities as compared to withdrawal of `8,519 crore in the month of April 2020. Overall, during the month of May 2020, FPIs withdrew net ₹ 7,356 crore from the Indian securities market compared to net withdrawal of ₹ 14,859 crore in April 2020.
* The assets of the FPIs in India, as reported by the custodians, at the end of May 2020 were ₹ 27, 43,734 crore, out of which the notional value of offshore derivative instruments (including ODIs on derivatives) was ₹ 60,027 crore (or 2.2 per cent of total assets of FPIs).

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

1. **Trends in Portfolio Management Services (PMS)**

* As on March 31 2020, AUM of the portfolio management industry decreased by 2.0 per cent to ₹ 18.2 lakh crore from ₹ 18.5 lakh crore in February 2020. Of the total, AUM of fund managers of EPFO/PFs contributed ₹ 13.9 lakh crore (i.e., 76.7 per cent of total AUM).
* In terms of number of clients in PMS industry at the end of March 2020, discretionary services category topped with 1, 53,232 clients, followed by non-discretionary category with 9, 393 clients and advisory category with 3,923 clients.
* In light of the recent market events due to COVID-19 pandemic, a need has been felt to relax the timeline for compliance with certain requirements for Portfolio Managers. Accordingly, vide circular no. SEBI/HO/IMD/DF1/CIR/P/2020/57 dated March 30, 2020 and circular no. SEBI/HO/IMD/DF6/CIR/P/2020/92 dated June 04, 2020 the timelines for monthly reporting by Portfolio Managers for the periods ending March, April, May and June 2020 were extended. Hence the data of Portfolio Managers is not included for the month of May 2020.

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

During May 2020, there were no offers made under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (SAST) Regulations. However, in the month of April 2020, there were three open offers with offer value of four crore rupees were made to shareholders.

**Figure 13: Details of Open Offers Made under the SEBI**

1. **Commodities Derivatives Markets**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Items** | **2019-20** | **Apr-2020** | **May -2020** | **Percentage Change Over Month** |
| 1. **Indices** | | | | |
| Nkrishi | 3,180 | 3,174 | 3,188 | 0.5 |
| MCX iCOMDEX | 8,256 | 8,007 | 8,706 | 8.7 |
| 1. Turnover | | | | |
| **All-India** | **92,24,839** | **3,04,901** | **5,27,675** | **73.1** |
| **MCX, of which** | **86,89,518** | **2,90,344** | **5,15,107** | 77.4 |
| *Futures* | 83,97,775 | 2,81,846 | 4,99,057 | 77.1 |
| *Options* | 2,91,743 | 8,497 | 16,050 | 88.9 |
| **NCDEX, of which** | **4,42,009** | **12,562** | **11,100** | **-11.6** |
| *Futures* | 4,41,967 | 12,561 | 11,098 | -11.6 |
| *Options* | 42.2 | 0.7 | 1.5 | 119.4 |
| **ICEX** | **40,511** | **936** | **543** | **-42.0** |
| **BSE** | **46,439** | **1,002** | **848** | **-15.3** |
| **NSE** | **6,362** | **57** | **77** | **33.4** |

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

**A. Market Trends**

* During May 2020, MCX icomdex composite index, witnessed a rise of 8.7 per cent (M-o-M) driven by increase in futures prices of energy (crude oil), metal (copper and zinc), bullion segments and CPO contracts in agri. segment. On Y-o-Y basis, MCX icomdex composite index decreased by 13.2 per cent.
* During the month, MCX icomdex crude oil index increased by 60.1 per cent on account of increase in futures price of crude oil by 95.0 per cent. MCX icomdex base metal index increased by 2.5 per cent due to increase in futures price of copper by 0.9 per cent and zinc by 5.0 per cent which were partially offset by decrease in future prices of aluminium by 1.5 per cent, lead (1.8 per cent) and nickel (1.4 per cent). MCX icomdex bullion index increased by 7.8 per cent due to increase in futures prices of gold and silver by 3.9 per cent and 22.3 per cent respectively. Among the agri. segment, futures prices of all the traded commodities except crude palm oil (CPO) declined during the month. Futures prices of cardamom declined by 5.9 per cent, followed by cotton 5.2 per cent and mentha oil by 4.1 per cent. Futures prices of CPO however, increased by 4.1 per cent during the month.
* NKrishi index increased by 0.5 per cent (M-o-M) as futures prices of two out of 10 constituent commodities of the index viz. RM seed and cottonseed oilcake witnessed uptrend. The futures prices of guarseed, soybean, chana, turmeric, jeera, coriander, barley and castorseed registered a downtrend during the month. On Y-o-Y basis NKrishi index declined by 11.8 per cent.

**Figure 14: Movement of Commodity Derivatives Market Indices during May2020**

Source: MCX and NCDEX

**B. Turnover**

* During May 2020, the aggregate turnover in commodity derivatives at all exchanges taken together increased by 73.1 per cent to ₹5, 27,675 crore due to significant increase in turnover at MCX. The agricultural segment contributed 3.1 per cent to the total turnover, while non-agricultural segment accounted for 96.9 per cent.
* The total turnover (futures & options) at MCX increased by 77.4 per cent to ₹5,15,107 crore during May 2020 due to increase in traded value in all the segments. Turnover in futures segments of bullion, metal, energy and agri. segments increased by 107.6 per cent, 81.7 per cent, 29.9 per cent and 11.8 per cent respectively. The notional turnover of options contracts traded at MCX increased by 88.9 per cent during the month, as turnover in bullion segments increased by 134.8 per cent and that of energy segment decreased by 2.6 per cent. The options contracts contributed 3.1 per cent to the total turnover at MCX.
* During the month, the total turnover at NCDEX decreased by 11.6 per cent to ₹11,100 crore, due to decrease in traded value of eight out of total 14 traded commodities. Turnover in options segment at NCDEX increased from ₹0.7 crore to ₹1.5 crore in May 2020.
* In May 2020, turnover at ICEX decreased by 42.0 per cent to ₹543 crore due to decrease in traded value of agri., steel long and gems and stone contracts by 74.8 per cent, 47.8 per cent and 3.0 per cent respectively.
* The commodity derivative turnover at BSE decreased by 15.3 per cent due to decline in turnover in agri. segment. Energy contracts recorded a total turnover of ₹0.6 crore during the month. At NSE, the total turnover during the month increased by 33.4 per cent where only bullion contracts were traded.

**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 `. Crore).**

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

**OVERVIEW OF THE GLOBAL FINANCIAL MARKETS**

* The COVID-19 pandemic and measures taken to contain it had caused widespread disruption to the economic activity in the many countries. The World Bank in its [Global Economic Prospects](https://www.worldbank.org/en/publication/global-economic-prospects) June 2020 issue had forecasted that the [COVID-19](https://www.un.org/coronavirus) pandemic will cause the global economy to shrink by 5.2 per cent in 2020, representing the deepest recession since World War II, and triggering a dramatic rise in extreme poverty. The IMF too had forecasted the global economy to shrink by three percentage points in 2020, causing the worst recession since the Great Depression of 1930s. However, with the daily infection rate slowing down in Europe and U.S, countries and states are gradually easing their restrictions.
* Despite gloomy predictions for economic recovery, the equity market remained buoyant in May 2020. Majority of the global equity markets continued its rally in May 2020 as economies around the globe started to reopen and government provides fiscal and monetary stimulus. The rally was further aided by the accommodative monetary stance of Federal Reserve, news of some early-stage results for COVID-19 vaccines and on hopes of speedy economic recovery. The Dow Jones Industrial Average jumped 4.3 per cent in May 2020 over previous month. The S&P 500 Index increased by 4.5 per cent, and the NASDAQ Composite rose by 6.8 per cent in May 2020 over previous month.
* For the second consecutive month, developed market outperformed emerging market. MSCI world index increased by 4.8 per cent in May 2020 over the previous month, while MSCI EM index was up 0.7 per cent during same period. Amongst BRIC countries, the benchmark indices of Russia (RTS index) and Brazil (iBovespa index) rose by 8.4 per cent and 8.6 per cent, respectively, during May 2020 over previous month, while those of India (Nifty index) and China (Shanghai Composite) fell by 3.0 per cent and 0.3 per cent, respectively.
* The volatility in the equity markets declined further during May 2020 in both advanced as well as emerging markets. The CBOE VIX index decreased to 27.5 on May 31, 2020, from 34.2 on April 30, 2020.
* The bond markets mostly remained flat in the advanced economies, as the most central banks took a pause from aggressive monetary easing undertaken during March and April 2020. US 10-year government bond yield remained unchanged at 0.62 per cent.
* The crude oil prices increased by $1.5 per barrel to $37 per barrel in May 2020, on falling inventories in USA and production cut by OPEC and on hopes of economic recovery. Gold prices increased by nearly $57 (or by 3.4 per cent) to $1,751 as investors flocked to a commodity that historically has provided a safe-haven and hedge against inflation.
* The USA economy contracted by 5.0 per cent Q-o-Q (in Annualised terms) in the Q1 of 2020, compares to growth of 2.1 per cent in the previous quarter. This was the sharpest reduction since an 8.4 per cent drop in the fourth quarter of 2008. The USA unemployment rate improved a bit to 13.3 per cent in May 2020 from 14.7 per cent in April 2020, as the COVID-19 crisis threw millions out of work. The USA PMI data indicate the economic activity continued to contract in May 2020, albeit at the slower pace compared to previous month. The IHS Market’s USA Composite PMI increased to 37.0 in May 2020 from 27.0 in April 2020. The Manufacturing PMI rose to 39.8 in May 2020 (from 36.1 in April 2020), while that of Services PMI rose to 36.9 (from 26.7 in April 2020). The inflation in US eased to 0.1 per cent in May of 2020 from 0.3 per cent in April.
* The UK economy contracted by 1.6 per cent (Y-o-Y) in Q1 of 2020, the biggest fall since Q4 of 2009. In May, the government began to further ease lockdown measures and allowed a phased reopening of the retail industry. The prospect of negative interest rates in UK increased as Bank of England governor hinted at review of “negative interest rates”.
* The Eurozone’s economy contracted by 3.6 per cent Q-o-Q in Q1 of 2020. The four worst hit countries in terms of infections in Eurozone saw their GDP growth plummeting in Q1 of 2020, with France (5.8 per cent decline), Spain (5.2 per cent decline), Italy (4.7 per cent decline) and Germany (2.2 per cent decline).
* The European Central Bank (ECB) is considering a proposal to increase its Pandemic Emergency Purchase Programme (PEPP) by an additional €500 to €750 billion to help the Eurozone cope with the consequences of the coronavirus outbreak. The PEPP, first initiated in March 2020, is a temporary asset purchase program of private and public securities. This additional package would be over and above €750 billion package initiated in March 2020.
* GDP growth of China contracted by 6.8 per cent year-on-year in Q1 of CY 2020, compared to 6.0 per cent growth in Q4 of 2019. In the 2019, the Chinese economy expanded by 6.1 per cent year-on-year which is expected to slow down to 1.2 per cent in 2020 before recovering to strong growth of 9.2 per cent in 2021, according to IMF projections.
* India’s GDP growth slowed down to 3.1 per cent in Q4 of 2019-20, compared to 4.1 per cent in Q3 of 2019-20. For the full financial year 2019-20, GDP of India grew by 4.2 per cent, compared to 6.1 per cent growth in 2018-19. As in April, India’s May months’ CPI inflation data was not released as the nationwide lockdown prevented officials from collecting price data from various centers. The CPI inflation figure for March 2020 was 5.9 per cent, lowest in four months, on account of lower food prices.
* The World Bank had reduced India’s GDP growth forecasts for 2020-21 to -3.2 per cent, citing stringent measures introduced to restrict the spread of the virus, which heavily curtailed the short-term activity in the economy. In April, the [International Monetary Fund](https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020)  had cut its growth projection for India to 1.9 per cent from the earlier estimated 5.6 per cent for the financial year 2020-21.

**Table 1A: GDP forecasts for India by select Multi-National agencies.**

|  |  |
| --- | --- |
| **Organization** | **GDP Growth Forecast for 2020-21 (in per cent)** |
| IMF | 1.9 |
| World Bank | -3.2 |
| ADB | 4.0 |
| Moody’s | 0.0 |
| S&P Global | 1.8 |
| Fitch | 0.8 |
| ICRA | -1 to -2 |

**Source**: Press releases by the respective agencies

**Market Trends[[1]](#footnote-1) –**

**Equity Markets (Chart 1-2, Table A1)-**

* In the month of May 2020, highest annualized volatility amongst the BRICS countries was observed in Russia CRTX (36.0) followed by India Sensex (31.6), India Nifty (30.9) and Brazil IBOV (30.1). The lowest annualized volatility among BRICS was observed in China (10.0). Among the developed markets highest annualized volatility was observed in France CAC 40 (32.0) and the lowest was observed at Taiwan (15.6).
* In most of the analyzed markets monthly growth was observed in securities market during May 2020. In BRICS nations the highest growth was observed in Russia (9.1 per cent) followed by Brazil (8.6 per cent). The lowest monthly growth was observed in India (-3.8 per cent for Sensex, -2.8 per cent for Nifty) followed by Shanghai Composite (-0.3 per cent). Among the developed economies, in the month of May, highest growth was observed in Nikkei 225 (8.3 per cent). The lowest monthly growth was observed in Hong Kong (-6.8 per cent). CAC (France) grew at 2.7 per cent and FTSE (UK) grew at 3.0 per cent.
* The MSEI emerging market index rose by 0.6 per cent and the MSEI developed market index rose by 5.1 per cent during May.

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

Note: All indices have been normalised to 100 on 31 May, 2019.

Source: Bloomberg

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

Source: Bloomberg

Note: All indices have been normalised to 100 on 31 May, 2019.

**BOND Market (Chart 3 - 4)**

* 10-year bond yield showed a downward trend over the month except for US (Chart 3) among developed nations. In US it grew by 2 per cent during May 2020. Among the BRIC nations (Chart 4) bond yield showed a downward trend for all countries except for China and Brazil, May 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

**Fund Mobilisation by Issuance of Equity and Bond (Table A2) –**

* There was a 140 per cent increase in the fund mobilization by the selected exchanges world-wide during Apr-20 (at 7,73,449 million USD) against Mar-20 (at 3,23,971 million USD) for the analyzed exchanges world over. Only 5.6 per cent of the total fund mobilization in Apr 2020 was in equity and remaining was in debt.
* As per the WFE data, highest amount mobilized through equities and bonds in Apr-2020 was at Deutsche Boerse AG (3,69,729 million USD) followed by LSE Group (1,51,325 million USD) and BME Spanish Exchanges (62,643 million USD).
* At Deutsche Boerse AG, the entire amount mobilized in April 2020 was through bond. At LSE Group equity comprised of 4,158 million USD of the total amount mobilized. At BME Spanish Exchanges equity comprised of 1,010 million USD.
* Maximum fund mobilization through equities is at Shanghai Stock Exchange (12,532 million USD) followed by ASX Australian Securities Exchange (8,681 million USD).

**Market Capitalisation of Major Exchanges (Table A3) –**

* Most of the analysed markets including developed markets, showed an increase in market capitalization in the month of May 2020 as compared to previous month.
* Among the developed markets highest increase in market capitalization was observed for Australia (8.3 per cent) followed by Japan (6.2 per cent) and Germany (6.1 per cent) in May 2020 as compared to previous month. A decrease was observed for Singapore (3.4 per cent), Hong Kong (3.1 per cent) and UK (0.9 per cent).
* Among BRICS nations the highest increase was observed for Russia (9.4 per cent), while a decrease was observed for India (-2.4 per cent).

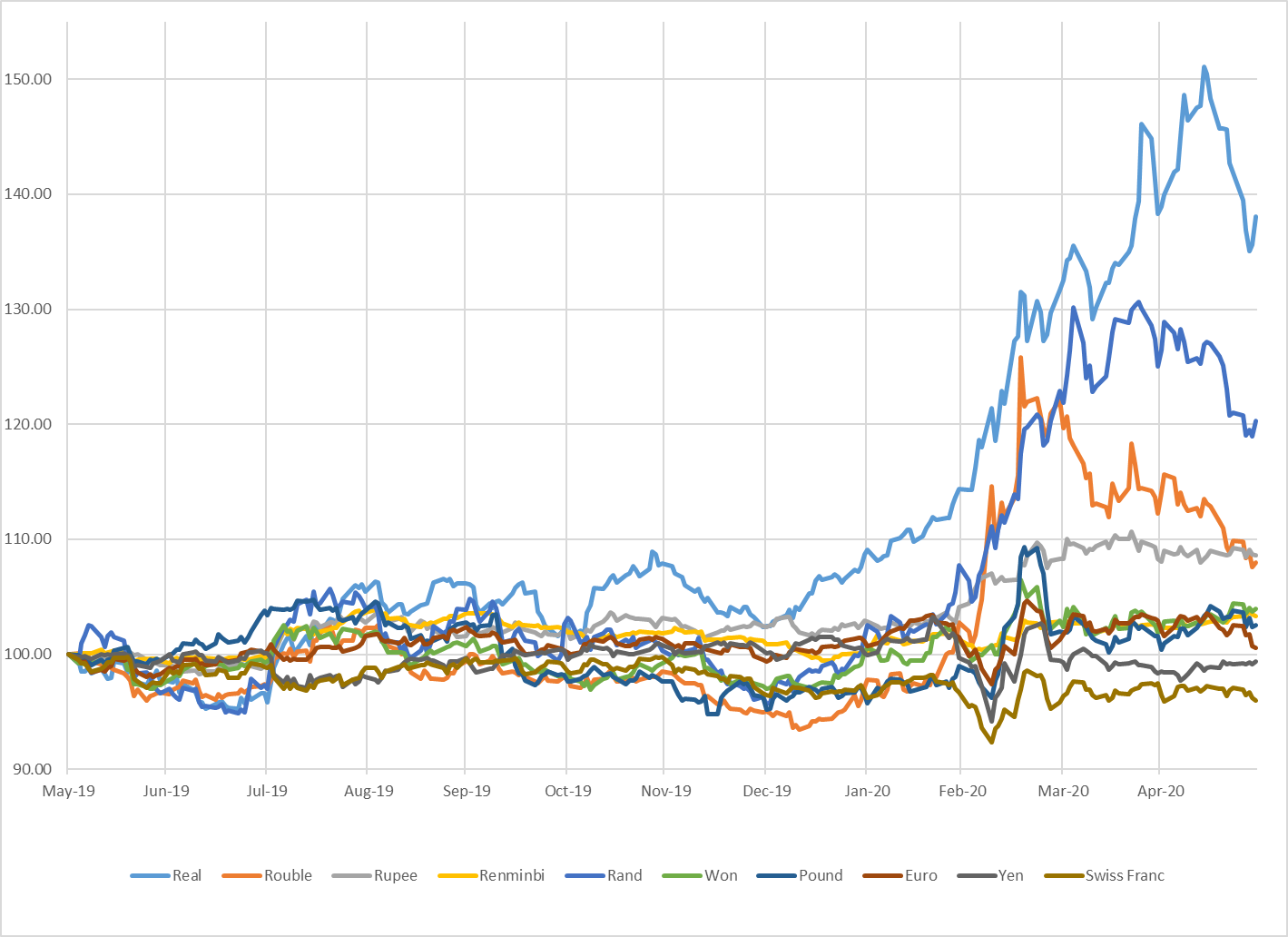
**Derivatives (Chart 5-6, Table A4–A8) –**

* During April-2020 the highest number of single stock futures contracts traded was at Korea Exchange (7,55,02,526) followed by Borsa Istanbul (3,80,90,086). The highest number of single stock options were traded at Nasdaq – US (11,18,56,243) followed by CBOE Global Markets (8,80,61,429).
* In the same period, in the Index Futures Trades the highest number of contracts were traded at B3 - Brasil Bolsa Balcão (41,67,54,554) followed by CME Group (9,39,76,529). Among the Stock index options the highest number of contacts were traded at National Stock Exchange of India (36,54,82,484) followed by Korea Exchange (4,53,30,628).
* For the same period, in the currency derivatives the highest number of currency futures contracts were traded at Moscow Exchange (5,50,14,232) followed by B3 - Brasil Bolsa Balcão (5,03,71,782). The highest number of Currency options were traded at National Stock Exchange of India (4,23,95,125) followed by BSE India Limited (1,73,68,942).
* Among the Interest Rate (IR) derivatives highest number of IR futures during the month of March 2020 were traded at CME Group (9,96,85,896) followed by B3 - Brasil Bolsa Balcão (4,04,99,316). Among the Interest rate options highest number of contracts were traded at CME Group (4,32,84,448) followed by Deutsche Boerse AG (38,01,340).
* The highest number of Commodity Futures contracts were traded at Shanghai Futures Exchange (19,63,04,190) followed by Dalian Commodity Exchange (19,17,34,265). Among the Commodities options the highest number of contracts were traded at CME Group (1,27,26,507) followed by Dalian Commodity Exchange (35,31,787).
* In May 2020, most depreciating currency was Pound followed by Won. Rouble was most appreciating currency against dollar followed by Rand.

**US Treasury Securities (Table A9)**

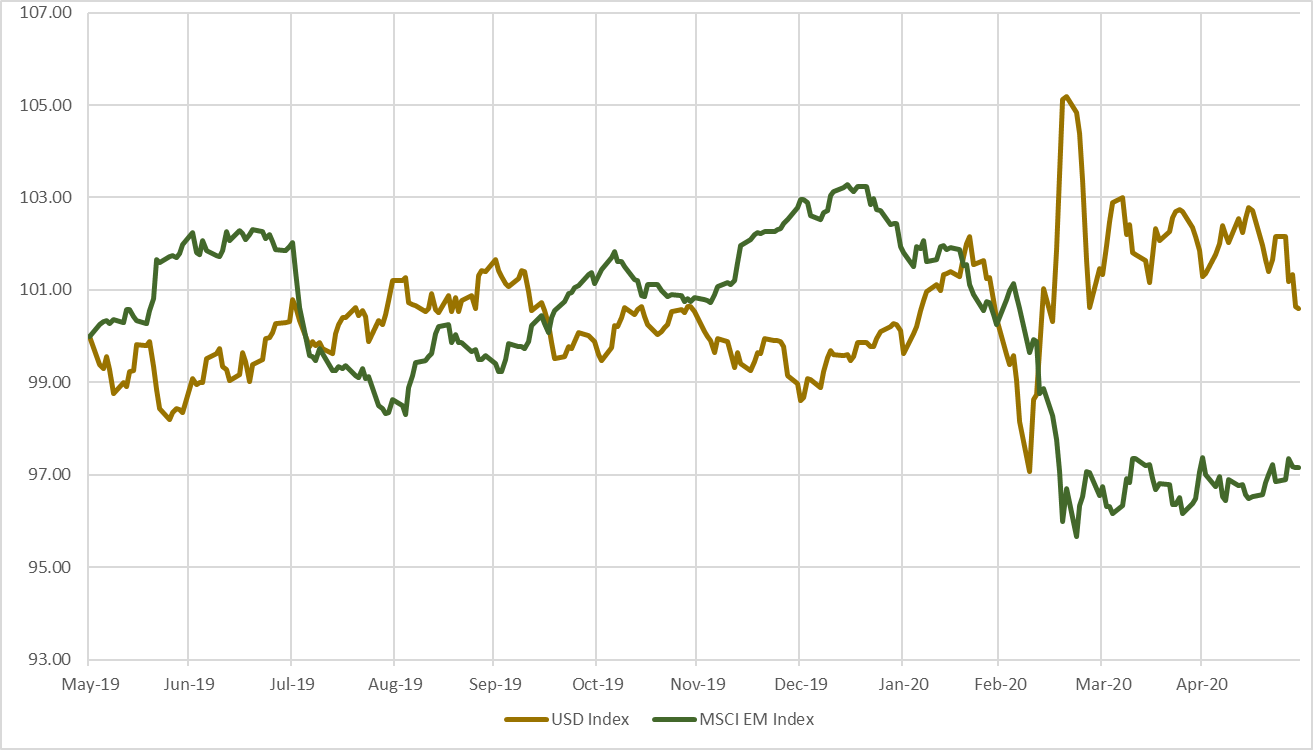
* At the end of Apr 2020, Japan was the biggest foreign holder of US Treasury Securities with 18.7 per cent followed by China with 15.9 per cent. The total major foreign holding of US Treasury Securities was US$ 6766 billion. The holdings of US Treasury Securities by India slightly increased to 2.33 per cent at the end of March 2020 from 2.3 per cent a month earlier.

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



Note: All currencies have been normalised keeping 31 May, 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 31 May, 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

**Table A1: Performance of Stock Indices**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Name of the Index** | **Closing Value as on** | **Closing Value before** | | | | **Monthly Volatility (Annualised)** | **P/E Ratio** |
| **31-May-20** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRICS Nations** | | | | | | | | |
| Brazil | BRAZIL IBOVESPA | 87402.6 | 80505.9 | 104171.6 | 108233.3 | 97030.3 | 30.1 | 32.7 |
| Russia | RUSSIAN TRADED | 1678.0 | 1538.1 | 1856.2 | 2109.2 | 1925.3 | 36.0 | 5.6 |
| India | Nifty 50 | 9580.3 | 9859.9 | 11201.8 | 12056.1 | 11922.8 | 30.9 | 22.4 |
| India | S&P BSE SENSEX | 32424.1 | 33717.6 | 38297.3 | 40793.8 | 39714.2 | 31.6 | 20.3 |
| China | SHANGHAI SE COMPOSITE | 2852.4 | 2860.1 | 2880.3 | 2872.0 | 2898.7 | 10.0 | 14.5 |
| South Africa | FTSE/JSE AFRICA ALL SHR | 50483.0 | 50336.7 | 51038.2 | 55349.0 | 55650.4 | 23.9 | 15.6 |
| **Developed Markets** | | | | | | | | |
| USA | NASDAQ COMPOSITE | 9489.9 | 8889.6 | 8567.4 | 8665.5 | 7453.1 | 21.6 | 37.7 |
| USA | DOW JONES INDUS. AVG | 25383.1 | 24345.7 | 25409.4 | 28051.4 | 24815.0 | 24.9 | 18.8 |
| France | CAC 40 | 4695.4 | 4572.2 | 5309.9 | 5905.2 | 5207.6 | 32.0 | 18.7 |
| Germany | DAX | 11586.9 | 10861.6 | 11890.4 | 13236.4 | 11726.8 | 31.9 | 22.8 |
| UK | FTSE 100 | 6076.6 | 5901.2 | 6580.6 | 7346.5 | 7161.7 | 25.0 | 21.4 |
| Hong Kong | HANG SENG | 22961.5 | 24643.6 | 26129.9 | 26346.5 | 26901.1 | 28.6 | 10.0 |
| South Korea | KOSPI | 2029.6 | 1947.6 | 1987.0 | 2088.0 | 2041.7 | 17.3 | 30.1 |
| Japan | NIKKEI 225 | 21877.9 | 20193.7 | 21143.0 | 23293.9 | 20601.2 | 20.6 | 32.7 |
| Singapore | STRAITS TIMES STI | 2510.8 | 2624.2 | 3011.1 | 3193.9 | 3117.8 | 15.9 | 10.0 |
| Taiwan | TAIWAN TAIEX | 10942.2 | 10992.1 | 11292.2 | 11489.6 | 10498.5 | 15.6 | 17.8 |

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

Source: Bloomberg, BSE and NSE

**Table A2: Fund Mobilisation by Issuance of Equity and Bond in Major Exchanges (US$ Million)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Month** | **Mar-20** | | | **Apr-20** | | |
| **Exchange Name** | **Bond** | **Equity** | **Total** | **Bond** | **Equity** | **Total** |
| B3 - Brasil Bolsa Balcão | 0 | 0 | 0 | 0 | 0 | 0 |
| Nasdaq – US | 0 | 0 | 0 | 0 | 0 | 0 |
| NYSE | 0 | 1,425 | 1,425 | 0 | 4,666 | 4,666 |
| ASX Australian Securities Exchange | 152 | 1,299 | 1,451 | 68 | 8,681 | 8,749 |
| Hong Kong Exchanges and Clearing | 10,721 | 3,608 | 14,329 | 10,136 | 2,811 | 12,947 |
| Japan Exchange Group | 10,805 | 2,206 | 13,010 | 5,626 | 493 | 6,119 |
| Korea Exchange | 55,821 | 0 | 55,821 | 52,253 | 0 | 52,253 |
| National Stock Exchange of India | 51,007 | 8,105 | 59,112 | 40,816 | 1 | 40,816 |
| Shanghai Stock Exchange | 0 | 7,780 | 7,780 | 0 | 12,532 | 12,532 |
| Shenzhen Stock Exchange | 10,795 | 3,852 | 14,646 | 9,614 | 7,037 | 16,650 |
| Singapore Exchange | 7,280 | 0 | 7,280 | 12,948 | 0 | 12,948 |
| BME Spanish Exchanges | 46,996 | 36 | 47,032 | 61,633 | 1,010 | 62,643 |
| Deutsche Boerse AG | 30,195 | 0 | 30,195 | 3,69,729 | 0 | 3,69,729 |
| Euronext | 0 | 502 | 502 | 0 | 2,091 | 2,091 |
| Johannesburg Stock Exchange | 3,947 | 107 | 4,054 | 2,200 | 9 | 2,208 |
| LSE Group | 48,995 | 1,591 | 50,586 | 1,47,167 | 4,158 | 1,51,325 |
| Moscow Exchange | 15,020 | 0 | 15,020 | 17,755 | 17 | 17,772 |
| **Grand Total** | **2,91,733** | **30,510** | **3,22,243** | **7,29,943** | **43,506** | **7,73,449** |

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

**Table A3: Domestic Market Capitalisation of Major Exchanges (USD million)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Markets** | **Country** | **Apr-20** | **May-20** | **% Change MoM** |
| **Developed Markets** | USA | 31,006 | 32,344 | 4.3 |
| UK | 2,611 | 2,587 | -0.9 |
| Germany | 1,904 | 2,021 | 6.1 |
| France | 534 | 551 | 3.1 |
| Japan | 5,429 | 5,768 | 6.2 |
| Singapore | 377 | 365 | -3.4 |
| Hong Kong | 5,035 | 4,880 | -3.1 |
| South Korea | 1,233 | 1,274 | 3.3 |
| Australia | 1,068 | 1,157 | 8.3 |
| **BRICS** | Brazil | 602 | 632 | 5.0 |
| Russia | 545 | 596 | 9.4 |
| India | 1,694 | 1,653 | -2.4 |
| China | 7,394 | 7,443 | 0.7 |
| South Africa | 280 | 288 | 2.9 |

Source: Bloomberg

**Table A4: Stock Futures and Stock Options Traded in Major Exchanges**

Notional Turnover in (US$ Million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Apr-20** | | | | | |
| **Single stock futures** | | | **Single stock options** | | |
| **Number of** | **Notional** | **Open** | **Number of** | **Notional** | **Open** |
| **contracts traded** | **turnover** | **interest** | **contracts traded** | **turnover** | **interest** |
| B3 - Brasil Bolsa Balcão | 40,95,800 | 18.96 | 10,02,600 | 6,60,21,628 | 25,871 | 2,20,42,327 |
| Bolsa de Valores de Colombia | 2,039 | 3.19 | 2,950 | 0 | 0 | 0 |
| Bolsa Mexicana de Valores | 2,140 | 0.2 | 2,000 | 0 | 0 | 16,000 |
| Cboe Global Markets | 0 | 0 | 0 | 8,80,61,429 | 0 | 17,31,22,451 |
| Nasdaq – US | 0 | 0 | 0 | 11,18,56,243 | 0 | 0 |
| MIAX Exchange Group | 0 | 0 | 0 | 3,31,56,594 | 5,33,259 | 0 |
| ASX Australian Securities Exchange | 56,615 | 53.88 | 5,24,894 | 37,56,116 | 6,533 | 64,40,080 |
| Hong Kong Exchanges and Clearing | 53,314 | 228.84 | 13,679 | 72,90,545 | 26,492 | 81,21,504 |
| Japan Exchange Group | 0 | 0 | 0 | 12,471 | 0 | 51,900 |
| Korea Exchange | 7,55,02,526 | 36252.22 | 48,03,908 | 1,85,674 | 0 | 88,090 |
| National Stock Exchange of India | 1,94,76,580 | 127193.53 | 15,41,864 | 1,26,33,616 | 89,331 | 4,73,160 |
| Singapore Exchange | 95,437 | 0 | 14,926 | 0 | 0 | 0 |
| Taiwan Futures Exchange | 18,02,095 | 14500.11 | 1,58,750 | 13,073 | 50 | 5,187 |
| Thailand Futures Exchange | 23,67,095 | 0 | 10,76,586 | 0 | 0 | 0 |
| Athens Stock Exchange | 4,36,671 | 62.77 | 1,70,671 | 1,312 | 1 | 1,315 |
| BME Spanish Exchanges | 10,72,486 | 341.73 | 12,36,435 | 4,15,231 | 450 | 69,20,312 |
| Borsa Istanbul | 3,80,90,086 | 4143.21 | 28,41,199 | 1,20,103 | 7 | 4,32,896 |
| Budapest Stock Exchange | 9,313 | 45.82 | 5,858 | 0 | 0 | 0 |
| Deutsche Boerse AG | 90,44,469 | 31030.01 | 68,17,049 | 1,15,50,227 | 51,749 | 6,41,02,778 |
| Euronext | 57,66,805 | 15255.2 | 41,41,837 | 47,29,700 | 14,542 | 1,52,54,305 |
| Moscow Exchange | 1,53,21,193 | 3735.16 | 8,35,786 | 95,724 | 15 | 1,16,486 |
| Nasdaq Nordic and Baltics | 2,57,235 | 751.15 | 3,37,677 | 10,85,211 | 1,664 | 27,27,563 |
| Tehran Stock Exchange | 0 | 0 | 0 | 3,80,364 | 10 | 0 |
| Tel-Aviv Stock Exchange | 0 | 0 | 0 | 82,137 | 387 | 51,967 |
| Warsaw Stock Exchange | 2,06,356 | 269.59 | 38,248 | 0 | 0 | 0 |
| Dubai Gold and Commodities Exchange | 5,305 | 8.5 | 139 | 0 | 0 | 0 |
| **Grand Total** | **17,36,63,560** | **2,33,894** | **2,55,67,056** | **34,14,47,398** | **7,50,361** | **29,99,68,321** |

NA: Not Available; data for Oslo Bors and Bolsa y Mercados Argentinos were not updated till the time of finalization of this report.Source: World Federation of Exchanges

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

Notional Turnover in (US$ Million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Apr-20** | | | | | |
| **Stock index futures** | | | **Stock index options** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| B3 - Brasil Bolsa Balcão | 41,67,54,554 | 16,91,282 | 10,79,231 | 96,84,304 | 15,235 | 4,97,405 |
| Bolsa de Valores de Colombia | 6,883 | 5 | 2,701 | 0 | 0 | 0 |
| Bolsa Mexicana de Valores | 23,815 | 342 | 37,191 | 163 | 2 | 347 |
| Cboe Global Markets | 0 | 0 | 0 | 3,28,83,985 | 0 | 2,77,19,594 |
| Nasdaq – US | 0 | 0 | 0 | 1,86,586 | 0 | 0 |
| MIAX Exchange Group | 0 | 0 | 0 | 1 | 0 | 0 |
| Matba Rofex | 1,39,242 | 79 | 2,550 | 809 | 0 | 227 |
| CME Group | 9,39,76,529 | 82,79,713 | 49,96,310 | 1,26,67,421 | 19,38,771 | 40,71,558 |
| Cboe Futures Exchange | 23,42,964 | 0 | 2,15,758 | 0 | 0 | 0 |
| ASX Australian Securities Exchange | 11,90,287 | 1,02,106 | 3,62,477 | 4,49,263 | 15,481 | 8,35,388 |
| Hong Kong Exchanges and Clearing | 80,06,798 | 7,00,629 | 6,03,874 | 27,15,718 | 1,40,374 | 29,36,656 |
| Japan Exchange Group | 3,22,26,658 | 10,50,985 | 22,48,992 | 23,11,944 | 0 | 21,67,697 |
| Korea Exchange | 1,21,85,893 | 4,25,796 | 8,07,883 | 4,53,30,628 | 22,79,181 | 20,29,538 |
| National Stock Exchange of India | 1,13,39,332 | 79,211 | 2,41,328 | 36,54,82,484 | 24,59,110 | 22,40,398 |
| Singapore Exchange | 1,22,60,116 | 0 | 17,87,875 | 8,04,403 | 0 | 22,83,167 |
| Taiwan Futures Exchange | 93,98,481 | 3,55,975 | 1,54,515 | 1,50,16,783 | 2,59,990 | 6,06,556 |
| Thailand Futures Exchange | 43,00,344 | 0 | 2,61,658 | 54,160 | 0 | 34,260 |
| Bursa Malaysia Derivatives | 3,04,873 | 4,806 | 29,792 | 658 | 0 | 357 |
| China Financial Futures Exchange | 58,03,786 | 8,54,896 | 4,05,511 | 8,01,727 | 748 | 79,708 |
| Athens Stock Exchange | 30,312 | 97 | 3,512 | 1,995 | 6 | 1,624 |
| BME Spanish Exchanges | 4,00,063 | 24,801 | 1,00,778 | 1,03,086 | 796 | 6,03,644 |
| Borsa Istanbul | 1,01,84,148 | 16,650 | 5,11,831 | 24,920 | 46 | 35,749 |
| Budapest Stock Exchange | 48,281 | 49 | 12,885 | 0 | 0 | 0 |
| Deutsche Boerse AG | 3,92,54,358 | 15,86,760 | 1,19,38,635 | 2,94,43,003 | 8,87,311 | 5,76,51,225 |
| Euronext | 23,16,087 | 3,92,175 | 6,59,026 | 12,33,110 | 61,275 | 8,70,650 |
| Moscow Exchange | 1,56,16,863 | 32,749 | 4,64,528 | 12,87,261 | 2,732 | 2,66,908 |
| Nasdaq Nordic and Baltics | 32,79,657 | 50,015 | 4,16,022 | 4,28,482 | 6,647 | 7,20,571 |
| Tel-Aviv Stock Exchange | 0 | 0 | 0 | 19,40,057 | 75,123 | 1,66,395 |
| Warsaw Stock Exchange | 5,21,157 | 3,989 | 47,596 | 23,169 | 90 | 19,739 |
| **Grand Total** | **68,19,11,481** | **1,56,53,109** | **2,73,92,459** | **52,28,76,120** | **81,42,917** | **10,58,39,361** |

NA: Not Available; data for Oslo Bors and Bolsa y Mercados Argentinos were not updated till the time of finalization of this report.Source: World Federation of Exchanges

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

Notional Turnover in (US$ Million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Apr-20** | | | | | |
| **Currency futures** | | | **Currency options** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| B3 - Brasil Bolsa Balcão | 5,03,71,782 | 7,57,449 | 43,54,908 | 3,01,824 | 305 | 8,29,206 |
| Bolsa de Valores de Colombia | 17,995 | 861 | 10,590 | 0 | 0 | 194 |
| Bolsa Mexicana de Valores | 1,97,228 | 1,989 | 4,45,146 | 72 | 1 | 10,623 |
| Bolsa y Mercados Argentinos | NA | NA | NA | NA | NA | NA |
| Matba Rofex | 79,32,733 | 8,673 | 16,52,247 | 1,009 | 0 | 0 |
| CME Group | 1,15,38,125 | 9,92,666 | 14,46,147 | 6,62,649 | 70,836 | 6,94,799 |
| BSE India Limited | 1,81,56,395 | 18,490 | 11,95,582 | 1,73,68,942 | 17,624 | 78,363 |
| Hong Kong Exchanges and Clearing | 85,910 | 7,997 | 24,147 | 421 | 42 | 2,889 |
| Korea Exchange | 83,41,682 | 84,126 | 6,96,115 | 0 | 0 | 0 |
| National Stock Exchange of India | 4,80,12,637 | 49,575 | 28,96,019 | 4,23,95,125 | 43,164 | 21,29,212 |
| Singapore Exchange | 17,14,406 | 0 | 1,29,058 | 0 | 0 | 55 |
| Taiwan Futures Exchange | 24,497 | 701 | 3,096 | 2,962 | 73 | 1,128 |
| Thailand Futures Exchange | 2,40,011 | 0 | 24,512 | 0 | 0 | 0 |
| Borsa Istanbul | 54,18,428 | 5,382 | 8,42,153 | 57,141 | 54 | 63,331 |
| Budapest Stock Exchange | 4,12,726 | 448 | 6,57,660 | 100 | 0 | 200 |
| Moscow Exchange | 5,50,14,232 | 56,754 | 20,95,308 | 14,81,784 | 1,529 | 12,17,932 |
| Tel-Aviv Stock Exchange | 0 | 0 | 0 | 12,02,531 | 12,297 | 3,99,521 |
| Dubai Gold and Commodities Exchange | 7,82,730 | 5,265 | 2,44,718 | 0 | 0 | 0 |
| **Grand Total** | **20,82,61,517** | **19,90,376** | **1,67,17,406** | **6,34,74,560** | **1,45,925** | **54,27,453** |

NA: Not Available

Source: World Federation of Exchanges

**Table A7: Interest Rate Futures and Options Traded in Major Exchanges**

Notional Turnover in (US$ Million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Apr-20** | | | | | |
| **Interest rate futures** | | | **Interest rate options** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| B3 - Brasil Bolsa Balcão | 4,04,99,316 | 8,95,541 | 2,31,67,190 | 100 | 0 | 33,000 |
| Bolsa de Valores de Colombia | 840 | 57 | 7,220 | 0 | 0 | 0 |
| Bolsa Mexicana de Valores | 0 | 0 | 6,940 | 0 | 0 | 0 |
| CME Group | 9,96,85,896 | 7,00,65,034 | 2,55,83,524 | 4,32,84,448 | 5,66,37,173 | 3,28,87,670 |
| ASX Australian Securities Exchange | 66,66,234 | 11,77,268 | 34,63,100 | 5,050 | 329 | 0 |
| BSE India Limited | 1,17,135 | 319 | 22,389 | 0 | 0 | 0 |
| Japan Exchange Group | 2,44,981 | 0 | 70,411 | 11,624 | 0 | 807 |
| Korea Exchange | 30,08,086 | 2,94,896 | 4,48,449 | 0 | 0 | 0 |
| National Stock Exchange of India | 4,62,985 | 1,255 | 0 | 15,183 | 41 | 0 |
| Singapore Exchange | 13,680 | 0 | 12,928 | 0 | 0 | 0 |
| China Financial Futures Exchange | 19,87,433 | 3,16,556 | 1,47,508 | 0 | 0 | 0 |
| Deutsche Boerse AG | 2,58,38,554 | 42,04,517 | 41,34,630 | 38,01,340 | 5,94,986 | 19,30,835 |
| Moscow Exchange | 30,026 | 7 | 54,626 | 0 | 0 | 0 |
| Nasdaq Nordic and Baltics | 8,76,679 | 89,757 | 14,33,168 | 3,78,544 | 38,756 | 0 |
| **Grand Total** | **17,94,31,845** | **7,70,45,206** | **5,85,52,083** | **4,74,96,289** | **5,72,71,285** | **3,48,52,312** |

NA: Not Available

Source: World Federation of Exchanges

**Table A8: Commodity Futures and Options Traded in Major Exchanges**

Notional Turnover in (US$ Million)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Exchange** | **Apr-20** | | | | | |
| **Commodities futures** | | | **Commodities options** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| B3 - Brasil Bolsa Balcão | 1,67,047 | 837 | 65,775 | 2,37,617 | 844 | 3,51,795 |
| Matba Rofex | 1,62,001 | 886 | 41,185 | 6,407 | 5 | 8,245 |
| CME Group | 9,91,96,021 | 31,90,793 | 1,40,80,446 | 1,27,26,507 | 4,56,181 | 1,21,62,793 |
| ASX Australian Securities Exchange | 65,666 | 1,667 | 1,00,508 | 6,189 | 835 | 29,097 |
| Hong Kong Exchanges and Clearing | 9,168 | 91 | 3,842 | 0 | 0 | 0 |
| National Stock Exchange of India | 1,256 | 8 | 17 | 0 | 0 | 0 |
| NZX Limited | 32,845 | 140 | 54,025 | 2,733 | 15 | 15,413 |
| Singapore Exchange | 14,11,153 | 0 | 8,45,195 | 3,17,630 | 0 | 10,76,440 |
| Taiwan Futures Exchange | 31,678 | 508 | 1,781 | 3,655 | 38 | 576 |
| Thailand Futures Exchange | 7,08,076 | 0 | 24,850 | 0 | 0 | 0 |
| Bursa Malaysia Derivatives | 11,97,634 | 15,277 | 2,17,411 | 950 | 0 | 15,823 |
| Zhengzhou Commodity Exchange | 12,51,66,369 | 5,41,520 | 55,56,037 | 20,82,373 | 256 | 5,23,191 |
| Dalian Commodity Exchange | 19,17,34,265 | 11,51,677 | 72,08,089 | 35,31,787 | 514 | 8,09,388 |
| Multi Commodity Exchange of India | 1,06,21,767 | 37,539 | 1,22,686 | 1,64,231 | 1,132 | 11,690 |
| Shanghai Futures Exchange | 19,63,04,190 | 11,43,941 | 64,57,171 | 0 | 0 | 0 |
| Indian Commodity Exchange | 6,81,401 | 125 | 14,307 | 0 | 0 | 0 |
| Borsa Istanbul | 1,56,78,940 | 3,096 | 10,02,647 | 0 | 0 | 0 |
| Deutsche Boerse AG | 5,39,402 | 21,050 | 21,80,236 | 5,29,327 | 1,828 | 2,60,611 |
| Euronext | 12,47,124 | 14,713 | 4,60,897 | 1,20,778 | 1,353 | 2,18,531 |
| LSE Group | 35 | 2 | 110 | 0 | 0 | 0 |
| Moscow Exchange | 13,78,09,424 | 41,836 | 19,57,020 | 12,17,709 | 364 | 2,20,380 |
| Dubai Gold and Commodities Exchange | 18,884 | 176 | 1,221 | 0 | 0 | 0 |
| London Metal Exchange | 1,17,53,261 | 8,96,770 | 21,30,232 | 5,36,039 | 47,258 | 4,69,831 |
| The Saint-Petersburg International Mercantile Exchange | 1,675 | 3,60,18,924 | 415 | 0 | 0 | 0 |
| **Grand Total** | **79,45,39,282** | **4,30,81,576** | **4,25,26,103** | **2,14,83,932** | **5,10,622** | **1,61,73,804** |

NA: Not Available

Source: World Federation of Exchanges

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

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country/ Month** |  |  | **2019** |  |  |  |  |  | **2020** |  |  |
| **Jun** | **Jul** | **Aug** | **Sep** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **Mar** | **Apr** |
| Japan | 1122.8 | 1130.7 | 1174.6 | 1145.8 | 1168 | 1160.6 | 1154.9 | 1211.6 | 1268.3 | 1271.7 | 1266 |
| China, Mainland | 1112.5 | 1110.3 | 1103.5 | 1102.4 | 1101.5 | 1089.1 | 1069.9 | 1078.6 | 1092.3 | 1081.6 | 1072.8 |
| United Kingdom | 341.1 | 334.6 | 349.8 | 346.2 | 334.1 | 328.3 | 332.6 | 372.7 | 403.2 | 395.3 | 368.5 |
| Ireland | 261.8 | 257.1 | 272.1 | 273.8 | 285.4 | 289.7 | 281.7 | 271.4 | 282.7 | 271.5 | 300.2 |
| Luxembourg | 230.5 | 229.2 | 244.2 | 252.3 | 263 | 261.9 | 254.6 | 255.2 | 260.8 | 246.1 | 265.5 |
| Brazil | 311.7 | 309.9 | 313.4 | 303 | 298.5 | 293.3 | 281.8 | 283.3 | 285.9 | 264.4 | 259.5 |
| Hong Kong | 217.3 | 211.8 | 224.5 | 224.1 | 222.6 | 223.9 | 223.3 | 229.6 | 249.8 | 245.3 | 242.8 |
| Switzerland | 232.4 | 228.3 | 233 | 231.1 | 233.2 | 233.4 | 237.5 | 238.1 | 243.7 | 244.6 | 241.3 |
| Belgium | 200.1 | 203.3 | 215 | 215.5 | 205.6 | 202.4 | 207.4 | 206.5 | 218 | 206.1 | 210.2 |
| Cayman Islands | 225 | 218 | 236.3 | 238.6 | 225.1 | 222.3 | 229.6 | 216.1 | 219.4 | 207.2 | 206.8 |
| Taiwan | 175.1 | 178.7 | 185.9 | 189 | 191.2 | 188.6 | 193.1 | 199.2 | 201.9 | 205 | 201.7 |
| **India** | **162.7** | **159.9** | **162.2** | **160.7** | **161.4** | **159.2** | **162** | **164.3** | **177.5** | **156.5** | **157.4** |
| Singapore | 139.6 | 137.9 | 145.5 | 141.8 | 138.8 | 150.6 | 147.9 | 160.7 | 165.4 | 151.5 | 146.1 |
| France | 131.5 | 135.7 | 133.4 | 131.5 | 132.9 | 122.9 | 127.5 | 133.7 | 147.4 | 154.9 | 137.2 |
| Saudi Arabia | 179.6 | 180.8 | 183.8 | 181.5 | 178.9 | 179.7 | 179.8 | 182.9 | 184.4 | 159.1 | 125.3 |
| Korea | 115.2 | 116.8 | 117.8 | 118.5 | 117.1 | 117.2 | 121.9 | 121.1 | 116.1 | 110.8 | 120 |
| Canada | 111.3 | 108.5 | 117.9 | 119 | 116 | 116.6 | 110.8 | 115.9 | 113.9 | 102.9 | 104.6 |
| Norway | 98.6 | 96.9 | 101 | 99.2 | 100.3 | 96 | 90.1 | 97.7 | 103.3 | 98 | 93.2 |
| Thailand | 83.8 | 89.5 | 94.1 | 93.5 | 95.2 | 91.2 | 90.5 | 96 | 91.3 | 81.8 | 80.5 |
| Germany | 79 | 85.7 | 86.3 | 84.8 | 84 | 79.7 | 78.3 | 83.6 | 85.7 | 77 | 77.5 |
| Bermuda | 69 | 68.5 | 74.4 | 69.6 | 65.4 | 68.2 | 71.3 | 64.8 | 65.9 | 64.2 | 65.5 |
| Netherlands | 47.8 | 48.4 | 50.2 | 49.7 | 48.1 | 48.2 | 50.1 | 51.5 | 52.8 | 52 | 51.8 |
| Mexico | 48.8 | 51.1 | 53 | 51.5 | 49.1 | 49.1 | 45.3 | 45.8 | 47.5 | 40.9 | 45.4 |
| Kuwait | 44.4 | 44 | 44.1 | 44.1 | 43.8 | 43 | 43.3 | 41.9 | 43.6 | 40.1 | 44.5 |
| Israel | 39.5 | 40.1 | 42.9 | 46 | 45.4 | 45.6 | 43.1 | 45.6 | 45.1 | 41.1 | 43.2 |
| Philippines | 32.2 | 33.9 | 33.9 | 34 | 34.6 | 37.4 | 34.8 | 40.4 | 41.8 | 43.1 | 42.7 |
| Italy | 45.4 | 45.6 | 46.7 | 47.2 | 47.1 | 45.7 | 45.3 | 44.6 | 46.8 | 44.8 | 41.5 |
| Spain | 42.6 | 42.9 | 43.1 | 43.1 | 44.8 | 44.4 | 44.6 | 43.4 | 45.1 | 43.8 | 41.5 |
| Australia | 39.7 | 42.3 | 38.2 | 36 | 41.7 | 41 | 38.2 | 41.5 | 40.1 | 42.9 | 41.5 |
| Sweden | 49.4 | 47.7 | 48.4 | 47.3 | 46.9 | 49.5 | 48.7 | 45 | 45.4 | 39.5 | 36.5 |
| Poland | 28.1 | 28.8 | 38.8 | 36.8 | 35.7 | 38.5 | 38.8 | 37.7 | 38.8 | 35.6 | 34.4 |
| Iraq | 34.7 | 34.9 | 35.1 | 32.5 | 32.7 | 31 | 32.9 | 31.9 | 30.9 | 30.7 | 32.5 |
| All Other | 572.5 | 575.2 | 608.8 | 583.4 | 585.5 | 586.3 | 579.2 | 601.4 | 611.9 | 560.5 | 567.5 |
| **Grand Total** | **6625.9** | **6626.9** | **6852.1** | **6773.4** | **6773.8** | **6734.4** | **6690.8** | **6854** | **7066.7** | **6810.3** | **6765.6** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Of which: |  |  |  |  |  |  |  |  |  |  |  |
| For. Official | 4146.1 | 4139.3 | 4200.2 | 4150.9 | 4122.9 | 4101.2 | 4076.9 | 4169.9 | 4264.9 | 4117.9 | 4047.4 |
| Treasury Bills | 287.3 | 285.8 | 295.2 | 290.8 | 288.1 | 273.6 | 268.6 | 294.8 | 306.1 | 283.2 | 331 |
| T-Bonds & Notes | 3858.7 | 3853.5 | 3905 | 3860.1 | 3834.8 | 3827.6 | 3808.3 | 3875.1 | 3958.8 | 3834.6 | 3716.4 |

Note:

1. Data available as on 15 June, 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

**HIGHLIGHTS OF DEVELOPMENTS IN INTERNATIONAL SECURITIES MARKET**

**1) SEC Directs Equity Exchanges and Financial Industry Regulatory Authority to Improve Governance of Market Data Plans**

The Securities and Exchange Commission (SEC) directed the equity exchanges and the Financial Industry Regulatory Authority (FINRA) (the participants) to submit a new National Market System plan (NMS plan) with a modernized governance structure for the production of public consolidated equity market data and the dissemination of trade and quote data from trading venues.

Millions of main street investors, whether individually or collectively through mutual funds or pension funds, had invested their savings in equity securities. The consolidated equity market data produced pursuant to NMS plans is a critical component of the national market system through which these investments are priced and traded. Recent market developments had given rise to concerns about whether, as currently structured, the existing NMS plans for equity market data continue to fulfill their regulatory purpose to ensure the availability of information with respect to quotations for and transactions in securities. SECs order addresses conflicts of interest inherent in the current governance structure of the existing equity data plans and is designed to improve the efficiency of NMS plan operations and the responsiveness of the plan to the concerns of non-SRO market participants.

***Source: https://www.sec.gov/news/press-release/2020-103***

**2) SEC Adopts Amendments to Improve Financial Disclosures about Acquisitions and Dispositions of Businesses**

The Securities and Exchange Commission announced that it has voted to adopt amendments to its rules and forms to improve for investors the financial information about acquired or disposed businesses, facilitate more timely access to capital, and reduce the complexity and costs to prepare the disclosure. The amendments will update SEC rules which were not comprehensively addressed since their adoption, some over 30 years ago.

The amendments to the rules and forms are intended to assist registrants in making more meaningful determinations of whether a subsidiary or an acquired or disposed business is significant, and improve the financial disclosure requirements applicable to acquisitions and dispositions of businesses, including real estate operations and investment companies.

***Source: https://www.sec.gov/news/press-release/2020-118***

**3) Financial Policymakers Discuss Responses to COVID-19 with the Private Sector**

Financial policymakers and international standard setters met virtually with private sector executives to discuss international policy responses to COVID-19. Organised by the Financial Stability Board’s Standing Committee on Supervisory and Regulatory Cooperation (SRC), in cooperation with Basel Committee on Banking Supervision (BCBS), the Committee on Payments and Market Infrastructures (CPMI), the International Association of Insurance Supervisors (IAIS) and the International Organization of Securities Commissions (IOSCO), the meeting brought together senior representatives from central banks, regulatory authorities and finance ministries as well as about 30 international banks, insurance firms, asset managers, market infrastructures and credit rating agencies. The meeting was chaired by Himino Ryozo, Chair of the SRC and Vice Minister for International Affairs, Japan Financial Services Agency.

The meeting explored the effectiveness of prudential and other financial policy measures taken to date, including experiences with their implementation. Participants also discussed policy issues going forward, notably how financial institutions can better cope with the challenges resulting from rising solvency risks, and exchanged views on potential areas that may warrant further policy coordination.

***Source: https://www.iosco.org/news/pdf/IOSCONEWS566.pdf***

**4) IOSCO Encourages Issuers’ Fair Disclosure about COVID-19 Related Impacts**

The Board of the International Organization of Securities Commissions (IOSCO) issued a public statement highlighting the importance to investors and other stakeholders of having timely and high quality information about the impact of COVID-19 on issuers´ operating performance, financial

position and prospects.

The pandemic and the uncertainty it caused had material implications for financial reporting and auditing, including issuers’ disclosures of current and reliable information material to investment decisions. Current circumstances may make disclosures outside the financial statements more challenging and hence make high quality disclosures that much more important. In light of COVID19, IOSCO confirms its commitment to the development, consistent application and enforcement of high-quality reporting standards and disclosure regulations, which are critical to the proper functioning of the capital markets.

***Source: https://www.iosco.org/news/pdf/IOSCONEWS568.pdf***

**POLICY DEVELOPMENTS AT SEBI**

**1) Notification on COVID-19**

Various entities providing the capital and debt market services were notified that the notification dated April 15, 2020 issued by SEBI will continue to remain in force for two weeks with effect from May 04, 2020.

**Source: SEBI/HO/MIRSD/RTAMB/CIR/P/2020/77 dated May 03, 2020**

**2) Relaxations Relating to Procedural Matters – Issues and Listing**

Certain relaxations were provided to companies from compliance with procedural norms pertaining to rights issues opening up to July 31 amid the coronavirus lockdown. As per the relaxations, the abridged letter of offer, application form and other issues material to shareholders were allowed to be undertaken by electronic transmission as already provided under the ICDR (Issue of Capital and Disclosure Requirements) norms.

**Source: SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020**

**3) Additional Relaxation in Relation to Compliance with Certain Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – COVID-19 pandemic**

Listed companies were allowed to conduct their annual general meetings through video conferencing while banks and insurance companies were given the option of submitting only the standalone numbers instead of consolidated financials. Further, norms related to sending physical copies of annual reports or publishing certain statutory advertisements were also relaxed due to COVID-19 pandemic.

**Source: SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020**

**4) Entities Permitted to Undertake e-KYC Aadhaar Authentication Service of UIDAI in Securities Market**

Eight entities were permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in the Securities Market. BSE, CDSL (Central Depository Services India Ltd) and NSDL (National Securities Depository Ltd), CDSL Ventures Ltd, NSDL Database Management Ltd, NSE Data and Analytics Ltd, CAMS Investor Services Pvt Ltd, and Computer Age Management Services Pvt Ltd had been allowed to carry out e-KYC authentication using Aadhaar number.

**Source: SEBI/HO/MIRSD/DOP/CIR/P/2020/80 dated May 12, 2020**

**5) Relaxation from the Applicability of SEBI Circular dated October 10, 2017 on Non-Compliance with the Minimum Public Shareholding (MPS) requirements**

The 25 per cent minimum public shareholding norm was relaxed and exchanges were advised not to take penal action till August 2020 in case of non-compliance. This was aimed at easing such compliance rules amid the disruptions caused by the COVID-19 pandemic.

**Source: SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated May 14, 2020**

**6) Relaxations Relating to Procedural Matters – Takeovers and Buy-back**

Procedural requirements for listed entities with respect to open offers and buyback offers opening up to till July 31, 2020 were relaxed amid the coronavirus pandemic.

**Source: SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020**

**7) Relaxation in Timelines for Compliance with Regulatory Requirements**

Deadline for brokers to submit reports on client funding and daily margin for the month of March and April quarter was extended till June 30, 2020 in the wake of the COVID-19 pandemic.

**Source: SEBI/HO/MIRSD/DOP/CIR/P/2020/82 dated May 15, 2020**

**8) Advisory on Disclosure of Material Impact of COVID-19 Pandemic on Listed Entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Listed entities were asked to evaluate the impact of COVID-19 pandemic on their business, performance and financials, both qualitatively and quantitatively, to the extent possible and disseminate the same to investors.

**Source: SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**

**9) Circular on Listing of Mutual Fund schemes that are in the Process of Winding up**

Units of mutual fund schemes that are in the process of winding up were allowed to be listed on the stock exchanges. The move was aimed at giving investors an option to exit from such products, which were illiquid.

**Source: SEBI/HO/IMD/DF3/CIR/P/2020/086 dated May 20, 2020**

**10) Review of Post-Default Curing Period for CRAs**

Credit rating agencies (CRAs) were allowed to deviate from the 90-day period required to upgrade the rating of an entity from default to non-investment grade. The credit rating agencies were allowed to take the decision on case-to-case basis.

**Source: SEBI/ HO/MIRSD/CRADT/CIR/P/2020/87 dated May 21, 2020**

**11) Implementation of Circular on `Margin obligations to be given by way of Pledge / Re-pledge in the Depository System’ - Extension**

Shares in depository account, which may be pledged or repledged, were allowed to be used as margin for another three months i.e. till August 31, 2020 in the wake of coronavirus pandemic.

**Source: SEBI/HO/MIRSD/DOP/CIR/P/2020/88 dated May 25, 2020**

**12) Guidelines for Identification and Selection of Location as a Delivery Centre(s) for Commodity Derivatives Contracts**

Uniform guidelines to be followed by stock exchanges were issued while identifying and selecting a location as a delivery centre for commodity derivatives contracts. The decision was taken based on the recommendations of Commodity Derivatives Advisory Committee and in consultation with the stock exchanges.

**Source: SEBI/HO/CDMRD/DNPMP/CIR/P/2020/89 dated May 26, 2020**

**13) Implementation of Provision regarding Power of Attorney in Circular Dated February 25, 2020 – Extension**

Date for implementing norms pertaining to power of attorney given by clients to trading members or clearing members was extended the date to August 1, 2020 .

**Source: SEBI/HO/MIRSD/DOP/CIR/P/2020/90 dated May 29, 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**

* Vide an order dated May 05, 2020, Finalysis Credit & Guarantee Co. Ltd. and five others were restrained from accessing the securities market, and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, and associating with the securities market in any manner, whatsoever, for a period of 5 years. Further, Bipin Divecha and four others were restrained from holding any position of director or key managerial personnel in any listed company or any intermediary registered with SEBI, and they should be restrained from associating themselves with any listed public company or a public company which intends to raise money from the public or any intermediary registered with SEBI.
* Vide an order dated May, 05, 2020, Kanchan Kitchen Aid Pvt. Ltd and others were directed to make an open offer for the target company Kanchan International Ltd., within 45 days from the date of this order and further directed to pay interest at the rate of 10 per cent per annum along with the offer price, for the period starting from the date when the Kanchan Kitchen Aid Pvt. Ltd and others incurred the liability to make the public announcement and till the date of payment of consideration, to the shareholders who were holding shares in the target company on the date of violation and whose shares are accepted in the open offer, after adjustment of dividend paid, in the matter of Kanchan International Ltd.
* Vide an order dated May 18, 2020, URO Autotech Ltd was directed to refund a sum of ` 1,75,00,000 /-(Rupees One Crore Seventy Five Lakh Only), which is the money collected through the offer and allotment of shares of URO Autotech Ltd., with an interest of 15 per cent per annum within a period of 90 days. In case the company failed to refund, then its present and past directors were to be liable to refund the aforesaid amount with the interest, within 90 days from expiry of the above deadline. Till the refund, URO Autotech Ltd. and its directors are restrained from accessing the securities market, and further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly. They are further restrained from associating themselves, with any listed public company or any public company which intends to raise money from the public for a period of four years from the date of completion of the refund.
* Vide an order dated May 18, 2020, the certificate of permanent registration of Mennen Financial Services Ltd, Registrar to an Issue and Share Transfer Agent was cancelled for failing to submit periodic reports as per CIR/MIRSD/7/12 and for violation of regulations 9A(c) and 12(1) of the RTA regulations for non-payment of fees in orderly manner, in the matter of Mennen Financial Services Ltd.
* Vide an order dated May 28, 2020, BP Fintrade Pvt. Ltd. and BP Comtrade Pvt. Ltd. were prohibited from accessing the securities market, directly or indirectly, and also restrained from buying, selling or otherwise dealing in the securities including units of mutual funds, either directly or indirectly or in any other manner whatsoever, for a period of four weeks, in the matter of Blue Blends (India) Ltd.
* Vide an order dated May 28, 2020, Mr. Sanatan Benerjee was prohibited from accessing the securities market by issue of prospectus/ offer document/ advertisement or otherwise in any manner whatsoever, and was further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a period of four years from the date of this order or till the completion of refund to the investors of Ganga Sagar Food & Beverages India Ltd., in the matter of Ganga Sagar Food & Beverages India Ltd.
* Vide an order dated May 28, 2020, Mr. Subrat Kumar Routray and Mrs. Snigdha Biswal were prohibited from accessing the securities market by issue of prospectus, offer document / advertisement or otherwise in any manner whatsoever, and were further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, directly or indirectly, for a period of four years from the date of this order or till the completion of refund to the investors of Shrivallis Securities Ltd, in the matter of Shrivallis Securities Ltd.
* Vide an order dated May 05, 2020, a penalty of ₹ 5,00,000/- (Rupees Five Lakh Only) was imposed on BP Fintrade Private Ltd. and BP Comtrade Private Ltd. for the violation of sections 12A(a), (b) & (c) of SEBI Act, regulations 3(a), (b), (c) & (d), 4(1), 4(2) (a) and 4(2) (e) of PFUTP Regulations, in the matter of Blue Blends (India) Limited.
* Vide an order dated May 18, 2020, a total penalty of ` 21,00,000/-(Rupees Twenty One Lakh only) was imposed on Rajiv R Kotia and others for violating the provisions of the regulations 10, 3(4) and 7 of SAST Regulations, 1997, read with Regulation 35(2) of SAST Regulations, 2011, in the matter of Sungold Capital Limited.
* Vide an order dated May 19, 2020, a penalty of ` 5,00,000/-(Rupees Five Lakh Only) was imposed on Dewdrops Mercantiles Private Limited for violating the provisions of the regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of PFUTP Regulations, in the matter of dealings in illiquid stock options at BSE.
* Vide an order dated May 19, 2020, a penalty of ` 5,00,000/-(Rupees Five Lakh Only) was imposed on Clan Laboratories Private Limited for violating the provisions of regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) of PFUTP Regulations, in the matter of dealing in illiquid stock options at BSE.
* Vide an order dated May 19, 2020, a penalty of ` 5,00,000/- (Rupees Five Lakh Only) was imposed on Baba Commercial & Finvest Private Limited for the violation of the provisions of regulations 3(a), (b), (c), (d) and 4(1), 4(2) (a) of PFUTP Regulations.
* Vide an order dated May 26, 2020, a penalty of `11,00,00,000/- (Rupees Eleven Crore only) was imposed on Asahi Infrastructure & Projects Ltd. and a penalty of ` 15,00,000/- (Rupees Fifteen Lakh only) on Laxminarayan Jainarayan Rathi for the violation of the provisions of SEBI Act, PFUTP Regulations and Listing Agreement, in the matter of GDR issues of Asahi Infrastructure & Projects Ltd.
* Vide an order dated May 26, 2020, a penalty of ` 3,00,000/-(Rupees Three Lakh Only) was imposed on Semwal Govindram Dhanesh for the violation of provisions of Regulation 12(1) read with Clause 1.2 of Schedule 1, Part A of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015 and (ii) Regulation of 13(2) and Regulation 13(4) read with Regulation 13(5) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015, in the matter of Alexander Stamps and Coin Limited.
* Vide an order dated May 26, 2020, a penalty of ` 7,00,000/-(Rupees Seven Lakh Only) was imposed on National Highway Authority of India for the violation of Regulation 52(1) of the SEBI (LODR) Regulation, 2015.
* Vide an order dated May 27, 2020, a penalty of ` 10,00,000/-(Rupees Ten Lakh) was imposed on Adamina Traders Private Limited for the violation of the provisions of Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities Market) Regulations, 2003, in the matter of Trading activities of Certain Entities in the Scrip of Secunderabad Healthcare Limited.
* Vide an order dated May 28, 2020, a penalty of ` 5,00,000/-(Rupees Five Lakh only) was imposed on Tradebulls Enterprise Private Limited for the violation of the provision of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of PFUTP Regulations, in the matter of dealing in illiquid stock options at BSE.
* Vide an order dated May 28, 2020, a penalty of ` 25,00,000/-(Rupees Twenty Five Lakh Only) was imposed on Topmost commercial private limited for the violation of the provisions of Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of PFUTP Regulations in the matter of dealing in illiquid stock options at BSE.
* Vide an order dated May 28, 2020, a Penalty of ` 2,00,000/-(Rupees Two lakh) was imposed on RCG Finance Private Limited for the violation of the provision of Regulation 29 of the SEBI (SAST) Regulations, 2011, in the matter of GFL Financials India Limited.
* Vide an order dated May 28, 2020, a penalty of ` 2,00,000/-(Rupees Two Lakh only) was imposed on Twentyfirst Century Shares and Securities Ltd for the violation of Clauses A (2) of the Code of Conduct for Brokers as specified under Schedule II read with Regulation 9 of Stock Broker Regulations, in the matter of trading activities of certain entities in the scrip of Zylog Systems Ltd .
* Vide an order dated May 29, 2020, a penalty of ` 1,00,000/-(Rupees One Lakh only) was imposed on Supriya pharmaceuticals Limited for non-compliance, in the matter of Non Redressal of Investor Grievances on SCORES.
* Vide an order dated May 29, 2020, a total penalty of ` 35,00,000/-(Rupees Thirty Five Lakh only) was imposed on Shreejesh Harindranath and Sandeep AC for the violation of the provisions of Regulation 4 (1) of SEBI (PIT) Regulations and Section 12 A (d) and 12 A(e) of SEBI Act, Regulation 3(2) of SEBI (PIT) Regulations, 2015 and section 12 A (d) and 12 A (e) of SEBI Act , 1992, and provision of Clause 6 & 10 of Minimum Standard of Code of Conduct Contained in schedule B read with Regulation 9 (1) of SEBI (PIT) Regulations, Regulation 7 (2) (a) of SEBI (PIT) Regulations in the matter of Spice Jet Ltd.
* Vide an order dated May 29, 2020, a penalty of ` 28,00,000/-(Rupees Twenty Eight Lakh Only) was imposed on Motilal Ahuja and others for the violation of the provisions of regulations 3(a), (b), (c) & (d) and 4(1), 4(2)(a) & (g) of PFUTP Regulations, in the matter of Gallantt Ispat Limited.
* Vide an order dated May 29, 2020, a penalty of ` 20,00,000/-(Rupees Twenty Lakh only) was imposed on Dewan Housing Finance Corporation Ltd. for the violation of provision of regulation 16(1) of ILDS Regulations, 2008 r/w rules 18(7)(b)(ii) and 18(7)(c) of SCD Rules, 2014 and regulations 52(1) and 52(4) of LODR Regulations, 2015.
* Vide an order dated May 29, 2020, a penalty of ` 3,00,00,000/-(Rupees Three Crore ) was imposed on Rohit Premkumar Gupta and others for the violation of section 12A(d) and (e) of the SEBI Act and Regulations 3(i), 3(ii), 3A (violation of Regulation 3A is only applicable to Advik Textile) & 4 of the PIT Regulations, 1992 r/w Regulation 12 of PIT Regulations, 2015, in the matter of Insider Trading in the scrip of Bank of Rajasthan.
* Vide an order dated May 29, 2020, a penalty of ` 15,00,000/-(Rupees Fifteen Lakhs only) was imposed on Shruti Vishal Vora for the violation of the Sections 12 A (d) & 12 A (e) of the Securities and Exchange Board of India Act, 1992 and Regulation 3 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, in the matter of circulation of UPSI through WhatsApp messages in the scrip of Asian Paints Limited.
* Vide an order dated May 29, 2020, a penalty of ` 15,00,000/-(Rupees Fifteen Lakhs only) was imposed each on Parthiv Dalal and Shruti Vishal Vora for the violation of Sections 12A(d) & 12A(e) of the SEBI Act, 1992 and Regulation 3 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, in the matter of Circulation of UPSI through Whatsapp messages with respect to Wipro Limited.
* Vide an order dated May 29, 2020, a penalty of ` 15,00,000/-(Rupees Fifteen Lakhs only) was imposed on Shruti Vishal Vora for the violation of Sections 12 A(d) & 12A(e) of the SEBI Act, 1992 and Regulation 3 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, in the matter of Circulation of UPSI through Whatsapp messages with respect to Mindtree Limited.

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

1. Based on data available on World Federation of Exchanges as on 12 June, 2020. [↑](#footnote-ref-1)