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**SECURITIES AND EXCHANGE BOARD OF INDIA**

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**CAPITAL MARKET REVIEW**

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

* Resource mobilised through equity issuances stood at ₹6,723 crore during June 2022 compared to ₹49,471 crore in May 2022.
* Overall, 8 IPOs listed during the month garnering ₹ 1,344 crore, comprising of 2 main board issues amounting to ₹ 1,221 crore, and 6 SME/startup listing amounting to ₹ 123 crore.(Table 1)
* In June 2022, there were 4 rights issues and funds raised was ₹ 125 crore.
* Debt-fund raising through public issuances increased to ₹ 842 crore as three public issues of corporate bonds closed during June 2022 as compared to ₹ 339 crore in May 2022.
* Amount raised through preferential allotment and QIPs during June 2022 stood at ₹ 5,254 crore as compared to ₹ 17,152 crore in May 2022.
* Private placement of corporate debt reported on exchanges increased to ₹ 44,869 crore during June 2022, from ₹ 18,040 crore in May 2022.

**Table 1: Fund Mobilisation by Corporates (₹ crore)**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **May-22\*** | **Jun-22** |
| ***I. Equity Issues*** | **49,471** | **6,723** |
| a. IPOs (i+ii) | 31,387 | 1,344 |
| *i. Main Board* | 31,270 | 1,221 |
| *ii. SME Platform* | 117 | 123 |
| b. FPOs | 0 | 0 |
| c. Equity Rights Issues | 932 | 125 |
| d. QIPs/IPPs | 0 | 50 |
| e. Preferential Allotments | 17,152 | 5,204 |
| ***II. Debt Issues*** | **18,379** | **45,712** |
| a. Debt Public Issues | 339 | 842 |
| b. Private Placement of Debt | 18,038 | 44,869 |
| **Total Funds Mobilised (I+II)** | **67,850** | **52,435** |

*\*Revised*

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

1. **Trends in the Secondary Market**

* During June 2022, Nifty 50 touched a high of 16,794 on June 03, 2022, and closed at 15,780 registering a fall of 4.8 per cent over May -end 2022. Similarly, BSE Sensex touched a high of 56,433 on June 3, 2022 and closed at 53,019 falling by 4.6 per cent over the end of May 2022. The P/E ratios of S&P BSE Sensex and Nifty 50 were 21.6 and 19.5 respectively, at the end of June 2022.
* The market capitalization of both BSE and NSE fallen by 5.4 and 5.3 per cent respectively, at the end of June 2022, over the previous month-end.

**Table 2: Snapshot of the Indian Capital Market**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **May-22** | **Jun-22** | **M-o-M variation (%)** |
| **Equity Market indices** | | | |
| Nifty 50 | 16,585 | 15,780 | -4.8 |
| Sensex | 55,566 | 53,019 | -4.6 |
| Nifty Midcap 50 | 7,783 | 7,298 | -6.2 |
| Nifty Smallcap 100 | 9,209 | 8,445 | -8.3 |
| BSE Midcap | 23,144 | 21,713 | -6.2 |
| BSE Smallcap | 26,371 | 24,786 | -6.0 |
| **Market Capitalisation (₹ crore)** | | | |
| BSE | 2,57,78,368 | 2,43,73,733 | -5.4 |
| NSE | 2,55,68,863 | 2,42,03,324 | -5.3 |
| **P/E Ratio** | | | |
| Sensex | 22.5 | 21.8 | -3.3 |
| Nifty 50 | 20.4 | 19.5 | -4.6 |
| **No of Listed Companies** | | | |
| BSE | 5,373 | 5,386.0 | 0.2 |
| NSE | 2,092 | 2,096.0 | 0.2 |
| **Gross Turnover in Equity Cash Segment (₹ crore)** | | | |
| BSE | 88,035 | 62,661 | -28.8 |
| NSE | 12,11,220 | 9,81,367 | -19.0 |
| **Gross Turnover in Equity Derivatives Segment (₹ crore)** | | | |
| BSE | 2,90,697 | 42,67,520 | 1368.0 |
| NSE | 21,86,28,061 | 24,25,60,850 | 10.9 |
| **Gross Turnover in Currency Derivatives Segment (₹ crore)** | | | |
| BSE | 4,34,633 | 5,09,986 | 17.3 |
| NSE | 22,10,792 | 21,72,822 | -1.7 |
| MSEI | 4,865 | 13,006 | 167.3 |
| **Gross Turnover in Interest Rate Derivatives Segment (₹ crore)** | | | |
| BSE | 938 | 2,930 | 212.5 |
| NSE | 1,642 | 1,352 | -17.7 |

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

**Chart 1: Movement of S&P BSE Sensex and Nifty 50**

*Note: The closing values of Nifty 50 and Sensex have been rebased with respective closing values of last day of the previous month.*

**Source:** BSE and NSE

**Chart 2: Trends in Average Daily Turnover of at Equity Cash Segment of Exchanges**

*Note: ADT implies Average Daily Turnover*

**Source:** BSE and NSE

* The gross turnover in the equity cash segment fell by 28.8 per cent at BSE and 19 per cent at NSE in June 2022 over previous month.
* During June 2022, BSE Auto showed positive returns of 1.19 per cent. Among the selected indices the lowest return was shown by Metal (at -14.08) and followed by Consumer Durables (at -8.68) and Realty(at -6.41). The average daily volatility and monthly returns for these select BSE indices for June 2022 are illustrated in Chart 3.

**Chart 3: Trends of BSE Sectoral Indices during June 2022 (per cent)**

**Source:** Refinitiv

* During June 2022, most of the selected indices showed negative returns. Returns of Nifty PSE were negative at -6.42 per cent. Realty (at -6.41), IT (at -6.19), Bank (at -5.81) and PSU (at -5.47) all showed negative returns. The average daily volatility and monthly returns of these select NSE indices for June 2022 are illustrated in Chart 4.

**Chart 4: Trends of NSE Sectoral Indices during June 2022 (per cent)**

**Source:** Refinitiv

1. **Trends in Depository Accounts**

During June 2022, NSDL added 9 lakh demat accounts while CDSL added 14 lakh demat accounts. At the end of June 30, 2022, NSDL had 280 lakh demat accounts while CDSL had 685 lakh demat accounts.

**Chart 5: Monthly New Demat Accounts Added (in lakh)**

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

**BSE**

* During June 2022, the notional turnover of the equity derivatives segment at BSE exhibited increase of 1368 per cent to ₹42.68 lakh crore.

**NSE**

* The monthly notional turnover in the equity derivatives segment at NSE showed a significant rise of 10.9 per cent to ₹2,425 lakh crore in June 2022.

**Chart 6: Trends of Average Daily Notional Turnover at BSE and NSE (₹ crore)**

**Note:** ADNT implies Average Daily Notional Turnover

**Source:** BSE and NSE

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **NSE** | | | **BSE** | | |
| **May-22** | **Jun-22** | **Percentage Change Over Month** | **May -22** | **Jun-22** | **Percentage Change Over Month** |
| **A. Turnover (₹crore)** | | | | | | |
| **(i) Index Futures** | 9,02,431 | 8,49,300 | -5.9 | 7 | 8 | 2.8 |
| **(ii) Options on Index** |  |  |  |  |  |  |
| ***Put*** | 9,83,41,379 | 10,98,24,972 | 11.7 | 62,655 | 2,00,212 | 219.5 |
| ***Call*** | 11,33,02,958 | 12,63,65,630 | 11.5 | 22,80,34 | 40,67,301 | 1,683.6 |
| **(iii) Stock Futures** | 16,48,830 | 14,74,311 | -10.6 | 0 | 0 | - |
| **(iv) Options on Stock** |  |  |  |  |  |  |
| ***Put*** | 13,62,741 | 13,51,615 | -0.8 | 0 | 0 | - |
| ***Call*** | 30,69,720 | 26,95,020 | -12.2 | 0 | 0 | - |
| **Total** | 21,86,28,061 | 24,25,60,849 | **10.9** | **2,90,697** | **42,67,520** | **1,368.0** |
| **B. No. of Contracts** | | | | | | |
| **(i) Index Futures** | 1,08,21,703 | 1,04,19,989 | -3.7 | 87 | 90 | 3.4 |
| **(ii) Options on Index** |  |  |  |  |  |  |
| ***Put*** | 1,18,41,69,628 | 1,35,04,57,249 | 14.0 | 7,43,696 | 24,46,071 | 228.9 |
| ***Call*** | 1,32,19,41,949 | 4,13,39,384 | -96.9 | 25,30,382 | 4,51,99,781 | 1,686.3 |
| **(iii) Stock Futures** | 2,68,41,230 | 2,46,97,731 | -8.0 | 0 | 0 | - |
| **(iv) Options on Stock** |  |  |  |  |  |  |
| ***Put*** | 2,19,12,688 | 2,24,00,674 | 2.2 | 0 | 0 | - |
| ***Call*** | 4,51,18,696 | 4,13,39,384 | -8.4 | 0 | 0 | - |
| **Total** | **2,61,08,05,894** | **1,49,06,54,411** | **-42.9** | **32,74,165** | **4,76,45,942** | **1,355** |
|  | | | | | | |

**Source:** BSE and NSE

1. **Currency Derivatives**

During June 2022, the monthly notional turnover of currency derivatives in India (NSE, BSE, and MSEI together) stood at ₹ 26,95,814 crore as compared to ₹ 26,50,290 crore in May 2022, registering a rise of 1.72 per cent.

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

**Source:** BSE, NSE and MSEI

1. **Interest Rate Derivatives**

During June 2022, the monthly notional turnover of interest rate derivatives at NSE decreased by 17.7 per cent to ₹1,352 crore and increased by 212.5 per cent at BSE to ₹ 2,930 crore.

**Chart 8: Trends of Interest Rate Derivatives at NSE and BSE (₹ crore)**

**Source:** BSE and NSE

1. **Trading in the Corporate Debt Market**

* During June 2022, in corporate bond segment at BSE , 13,053 trades were reported with traded value of ₹54,593 crore, which 33 per cent higher compared to May 2022.
* At NSE, 6,332 trades were reported with a traded value of ₹79,608 crore in June 2022 which was 20 per cent higher compared to May 2022.

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

**Source:** BSE and NSE

1. **Trends in Institutional Investments**
2. **Trends in Fund Mobilisation/Transactions by Mutual Funds**

* The mutual fund industry saw a net outflow of ₹ 69,852 crore during June 2022 compared to net outflow of ₹ 7,532 crore during May 2022.
* Gross funds mobilised by open-ended schemes during June 2022 was ₹ 9,25,583 crore as against redemption/repurchase of ₹ 9,91,365 crore, resulting in a net outflow of ₹ 65,781 crore from open-ended schemes. Of the gross fund mobilisation, ₹8,67,260 crore was mobilised through income/debt oriented schemes, ₹ 27,537 crore through growth/equity oriented schemes, ₹ 13,045 crore through hybrid schemes, ₹257 crore through solution oriented schemes and ₹17,484 crore through other schemes.
* During June 2022, ₹ 4,002 crore were matured/ repurchased[[1]](#footnote-1) by close-ended schemes while in the interval schemes, ₹168 crore were matured/redeemed.
* The cumulative net assets under management of mutual funds decreased by 4.2 per cent to ₹35.6 lakh crore as at the end of June 2022.
* In the secondary market, during June 2022, mutual funds invested ₹22,051 crore in equity schemes and redeemed ₹8,681 crore in debt schemes.

**Chart 10: Trends in Mutual Funds Transactions in Secondary Market (₹ crore)**

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

* The foreign portfolio outflow continued in June 2022 as FPIs withdrew a total of ₹51,422 crore from the Indian securities market. In June 2022, the net outflows from equity segment were to the tune of ₹50,203 crore, while that in debt segment (including Debt VRR) was ₹1,327 crore.
* Within equity segment, FPI investment via primary market route witnessed a net outflow of ₹57 crore. In the secondary market, FPIs remained net sellers in equity with net outflow of ₹ 50,145 crore.
* The AUC of FPIs in India, as at the end of June 2022 was ₹ 45,42,305 crore, out of which the notional value of offshore derivative instruments (ODIs) (including ODIs on derivatives) was ₹ 80,092 crore which constituted 1.8 per cent of total AUC of FPIs.

**Chart 11: Trends in FPIs’ Investments (**₹ crore)

**Source: NSDL**

1. **Trends in Portfolio Management Services**

* As at end of June 2022, AUM of the portfolio management industry stood at ₹ 24.8 lakh crore as compared to ₹24.3 lakh crore at the end of May 2022. On a year on year basis, the total AUM of portfolio management services witnessed a growth of 15.1 per cent.
* There were 1,43,579 clients in portfolio management industry as at the end of June 2022, of which 1,34,618 clients were of discretionary services category, 7,073 clients in non-discretionary services category and 1,882 clients availed advisory services of portfolio managers.

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

During June 2022, 14 open offers with offer value of ₹ 2,589 crore were closed under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

**Chart 12: Details of Open Offers Closed under the SEBI (SAST) Regulations**

**IX. Commodity Derivatives Markets**

1. **Market Trends**

* At the end of June 2022, MCX iCOMDEX composite index decreased by -8.7 per cent (M-o-M). This decrease was mainly driven by downward trend in futures prices of natural gas (-31.5 per cent) and crude oil (-5.4 per cent).
* Amongst sectorial indices, MCX iCOMDEX Energy Index decreased by 15.9 percent, while MCX iCOMDEX Base Metal and MCX iCOMDEX Bullion index decreased by 11.1 per cent and 1.7 per cent, respectively.
* Movement of domestic commodity indices during the last 12 months is given in ***Chart 14.*** The monthly data of MCX’s iCOMDEX composite index is provided in ***Table 64.***

**Chart 13: Movement of Domestic Commodity Derivatives Market Indices**

Source: MCX

**Table 4: Snapshot of Indian Commodity Derivatives Markets**

|  |  |  |  |
| --- | --- | --- | --- |
| **Items** | **May-22** | **Jun-22** | **Percentage variation M-O-M** |
| **A. Indices** |  |  |  |
| MCX iCOMDEX | 14,560 | 13,290 | *-8.7* |
| **B. Turnover Exchange-wise (₹crore)** | | | |
| **All-India, of which** | **10,04,019** | **10,66,909** | *6.3* |
| **Agri** | 22,873 | 19,638 | *-14.1* |
| **Non-agri** | 9,81,146 | 10,47,271 | *6.7* |
| **MCX, of which** | **9,82,647** | **10,46,687** | *6.5* |
| Futures | 5,50,739 | 5,69,504 | *3.4* |
| Options | 4,31,908 | 4,77,182 | *10.5* |
| **BSE, of which** | **709** | **1,987** | *180.1* |
| Futures | 469 | 394 | *-15.9* |
| Options | 241 | 1,593 | *561.7* |
| **NCDEX, of which** | **19,204** | **16,784** | *-12.6* |
| Futures | 18,726 | 16,266 | *-13.1* |
| Options | 478 | 518 | *8.3* |
| **NSE, of which** | **1,460** | **1,452** | *-0.6* |
| Futures | 1 | 1 | *4.5* |
| Options | 1,458 | 1,450 | *-0.6* |

***Note: The values have been rounded to nearest integer in a spreadsheet software. Due to rounding, per cent change for small values may appear very large or incorrect.***

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

1. **Commodity Derivatives Turnover**

* During June 2022, pan- India turnover of commodity derivatives increased by 6.3 per cent to ₹10.7 lakh crore over the previous month.
* The percentage share of agri and non-agri segments in overall turnover accounted for 1.8 per cent and 98.2 per cent, respectively. The turnover of agri. segment decreased by 14.1 per cent while that of non-agri segment increased by 6.7 per cent.
* The percentage share of futures and options contracts in overall turnover stood at 54.8 per cent and 45.2 per cent, respectively. The turnover of both futures and options contracts increased by 2.8 percent and by 10.7 per cent, respectively, over the previous month.
* At exchange level, the turnover increased at BSE (180.1%) and MCX (6.5%), while it decreased at NCDEX (12.6%) and NSE (0.6%).
* In terms of percentage share of commodity derivatives turnover among exchanges, the MCX has the highest market share of 98.1 per cent, followed NCDEX (1.6 per cent), BSE (0.2 per cent), NSE (0.1 per cent).
* At MCX, the turnover of agri. segment decreased by 24.1 per cent while it increased for non-agri by 6.6 per cent.
* At NCDEX, the overall turnover decreased by 12.6 per cent to ₹16,784 crore over the previous month. The turnover in agricultural index GUAREX decreased to ₹353.4 crore from ₹533.8 crore. The steel long, the only non-agri commodity traded at NCDEX, recorded turnover of ₹3.1 crore during the month.
* The BSE recorded turnover of ₹1,987 crore, an increase of 180.1 per cent over the previous month. The agri futures contracts contributed 16.2% (₹321 crore) while options contract contributed 19.8% (₹394 crore) to the total turnover. Among options contract, almost all the turnover took place in gold mini contracts.
* NSE recorded turnover of ₹1,452 crore, a decrease of 0.6 percent over the previous month. The options on gold mini contract contributed almost all the turnover of commodity derivatives segment.
* The trends in turnover of commodity derivatives at exchanges are shown in Charts 15, 16 and 17 and the details are given in Tables 65 to 69.

**Chart 14: Trends in Turnover of Agricultural Commodity Derivatives**

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

**Chart 15: Trends in Turnover of Non-Agricultural Futures contracts**

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

**Chart 16: Trends in Turnover of Non-Agricultural Options contracts**

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

**OVERVIEW OF THE GLOBAL FINANCIAL MARKETS**

1. **State of Economy**

**Global**

* According to OECD Economic Outlook, June 2022, global GDP growth is projected to slow sharply to 3% in 2022, well below the pace of recovery in December 2021. Europe, highly exposed to the war and through energy imports would be the most impacted region.
* Owing to high food and energy prices and the continued worsening of supply-chain problems, consumer price inflation has peaked in many countries. Inflation has touched 40-year highs in Germany, the United Kingdom and the United States.
* The JP Morgan Global Composite Output Index, marginally increased to 53.5 in June 2022, from 51.5 in previous month, the highest reading since February 2022.

**United States**

* Third estimate of GDP released by Bureau of Economic Analysis, US Department of Commerce, on June 28, 2022, shows that the real GDP in US decreased at an annual rate of 1.6 per cent (Q-o-Q) in Q1, 2022, as compared to growth of 6.9 per cent in Q4, 2021.
* Seasonally adjusted CPI (All Urban Consumers) increased by 1.3 per cent (M-o-M) in June 2022, after rising 1.0 per cent in May 2022. Over past 12 months, the inflation index increased by 9.1 per cent in June 2022, the largest annual increase since 1981. The unemployment rate was unchanged at 3.6 per cent in June 2022, as in previous month.
* S&P global US Manufacturing PMI decreased to 52.7 in June 2022, as compared to 57.0 in previous month , the lowest for two years pointing to a subdued growth outlook.

**United Kingdom**

* As per latest monthly estimates of GDP released by Office of National Statistics on July 13, 2022, UK GDP increased by 0.5 per cent in May 2022, as compared to a decline of 0.2 per cent in April, 2022.
* During June 2022, CPI rose by 9.4 per cent (Y-o-Y) as compared to 9.1 per cent in previous month.
* The UK unemployment rate fell by 0.1 percentage points to 3.8 per cent for March 2022 to May 2022 period as compared to previous quarter.
* In its Monetary Policy meeting held in June 2022, Bank of England increased the bank rate by 0.25 percentage points to 1.25 per cent.
* S&P UK Manufacturing PMI fell to two year low of 53.4 in June 2022, from 54.6 in previous month.

**Euro area**

* As per estimates of GDP released by Eurostat (the statistical office of the European Union) on June 29, 2022, in 2021the real GDP of EU  increased by 5.4 per cnet, even though economic activities were affected by the containment measures. GDP increased by 0.3 per cent (Q-o-Q) in Euro area in Q1 of 2022, same as in in Q4 of 2021.
* Estimates of inflation released by Eurostat, indicate Euro area annual inflation increased to 8.6 per cent in June 2022, from 8.1 per cent in previous month. European Union annual inflation was 9.6 per cent in June 2022, up from 8.8 per cent in May 2022.

**India**

* As per provisional estimates of National Income for 2021-22 released by MOSPI on May 31, 2022, real GDP growth for 2021-22 is estimated at 8.7 per cent as compared to a contracted of 6.6 per cent (Y-o-Y) in 2020-21.
* CPI inflation (provisional), moderated to 7.01 per cent in June 2022 from 7.04 per cent in previous month.
* As per quick estimates released by MOSPI on July 12, 2022, IIP increased by 19.6 per cent (Y-o-Y) in May 2022 as compared to 7.1 per cent rise in previous month.

1. **Market Trends –**

**Equity Markets**

* During June 2022, amongst the BRICS countries (excluding Russia), highest annualized volatility was observed in FTSE/JSE Africa All Share index of South Africa (23.4 per cent), while Shanghai Composite index of China recorded the lowest volatility of 13.5 per cent.
* In terms of monthly movement in indices, Shanghai Composite recorded highest increase of 6.7 per cent, while Brazil Ibovespa index recoded steepest decline of 11.5 per cent during June 2022.
* Among select developed markets[[2]](#footnote-2), Nasdaq Composite index of the U.S. was most volatile index (35.8 per cent, annualized volatility) during June 2022, while, Straits Times index of the Singapore exhibited least volatility (8.9 per cent).
* During June 2022, Hang Seng index of the Hong Kong was top gainer with an increase of 2.1 per cent, while Kospi index of South Korea registered highest decline of 13.2 per cent, among the select developed market indices.
* The MSCI World Index, which is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets, decreased by 8.8 per cent in June 2022.
* MSCI All Country World Price Index (MSCI ACWI), which represent performance of set of large- and mid-cap stocks across 23 developed and 27 emerging markets, moved down by 8.6 per cent during the month.

**Table 1: Performance of Stock Indices**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Index** | **Closing Value as on** | **Percentage Change in Closing Value over period** | | | | **Annualised**  **Volatility** | **P/E Ratio** |
| **30-Jun-22** | **1-Month** | **3-Month** | **6-Month** | **1-Year** | **(%)** |  |
| **BRICS Nations** | | | | | | | | |
| Brazil | BRAZIL IBOVESPA | 98,542 | -11.5 | -17.9 | -6.0 | -22.3 | 18.1 | 5.5 |
| India | Nifty 50 | 15,780 | -4.8 | -9.6 | -9.1 | 0.4 | 16.6 | 19.5 |
| India | S&P BSE SENSEX | 53,019 | -4.6 | -9.5 | -9.0 | 1.0 | 16.7 | 21.6 |
| China | SHANGHAI COMPOSITE | 3,399 | 6.7 | 4.5 | -6.6 | -5.4 | 13.5 | 12.0 |
| South Africa | FTSE/JSE AFRICA | 66,223 | -8.1 | -12.3 | -10.2 | 0.0 | 23.4 | 7.6 |
| **Developed Markets** | | | | | | | | |
| USA | NASDAQ COMPOSITE | 11,029 | -8.7 | -22.4 | -29.5 | -24.0 | 35.8 | NA |
| USA | DOW JONES INDUS. AVG | 30,775 | -6.7 | -11.3 | -15.3 | -10.8 | 22.5 | 16.6 |
| France | CAC 40 | 5,923 | -8.4 | -11.1 | -17.2 | -9.0 | 22.3 | 11.1 |
| Germany | DAX | 12,784 | -11.2 | -11.3 | -19.5 | -17.7 | 22.8 | 11.7 |
| UK | FTSE 100 | 7,169 | -5.8 | -4.6 | -2.9 | 1.9 | 20.8 | 12.4 |
| Hong Kong | HANG SENG | 21,860 | 2.1 | -0.6 | -6.6 | -24.2 | 26.1 | 10.5 |
| South Korea | KOSPI | 2,333 | -13.2 | -15.4 | -21.7 | -29.2 | 21.9 | NA |
| Japan | NIKKEI 225 | 26,393 | -3.3 | -5.1 | -8.3 | -8.3 | 19.2 | 15.2 |
| Singapore | STRAITS TIMES STI | 3,102 | -4.0 | -9.0 | -0.7 | -0.9 | 8.9 | 12.3 |
| Taiwan | TAIWAN TAIEX | 14,826 | -11.8 | -16.2 | -18.6 | -16.5 | 19.6 | 10.1 |

Note: P/E Ratios are as on the last trading day of month. NA: Not Available

Data for Sensex and Nifty was taken from respective exchange website.

Source: Refinitiv, BSE and NSE

**Chart 1: Trends in Stock Indices**

**Note**: All indices have been normalised to 100 on 30 June 2021.

**Source**: Refinitiv

**Bond Market**

* Among BRIC Nations, 10-year government bond yield of Brazil increased further to 13.6 per cent, as at end of June 2022 from 12.6 per cent in May and 12.3 per cent in April 2022.
* Indian 10-year government bond yield rose to 7.5 per cent in June 2022, from 7.4 per cent in previous month. The Indian g-sec yield remained elevated in 2022, as compared to 6.5 per cent observed in December 2021.
* Among select developed countries[[3]](#footnote-3), 10-year government bond yield in U.S. increased to 3.0 per cent in June 2022 from 2.8 per cent as at end of May 2022.
* Germany reported 10-year government bond yield of 1.4 per cent in June 2022 as compared to 1.1 per cent recorded in previous month and a low of 0.01 per cent in January 2022.

**Table 2: 10-year Government Bond Yields**

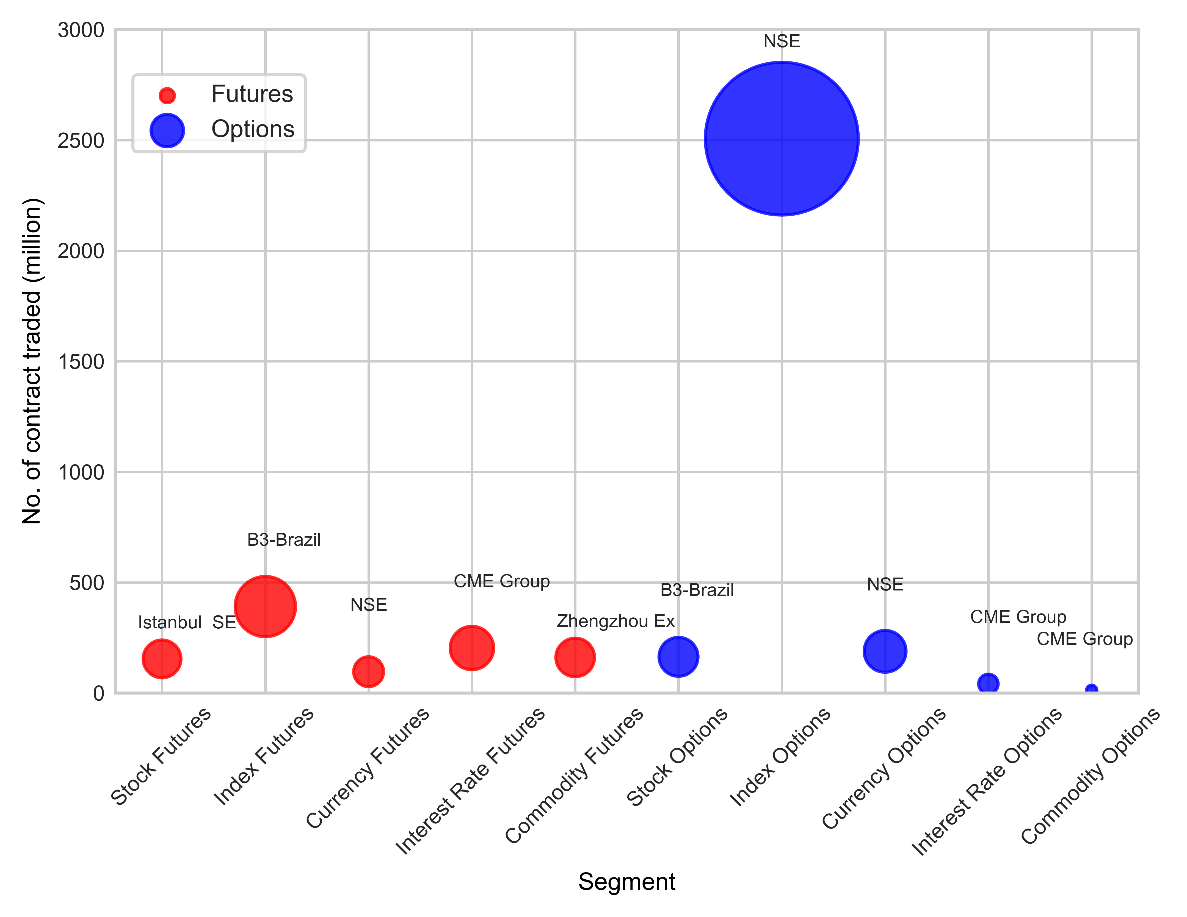
|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **Yield as on** | **Bond Yield in previous period** | | | |
| **30-Jun-22** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRIC Nations** | | | | | | |
| Brazil | **13.1** | 12.6 | 11.6 | 10.3 | 9.1 |
| Russia | **9.1** | 9.5 | 11.1 | 8.4 | 7.2 |
| India | **7.5** | 7.4 | 6.8 | 6.5 | 6.1 |
| China | **2.8** | 2.8 | 2.8 | 2.8 | 3.1 |
| **Developed Markets** | | | | | | |
| USA | **3.0** | 2.8 | 2.3 | 1.5 | 1.5 |
| UK | **2.2** | 2.1 | 1.6 | 1.0 | 0.7 |
| Germany | **1.4** | 1.1 | 0.5 | -0.2 | -0.2 |
| Spain | **2.5** | 2.2 | 1.4 | 0.6 | 0.4 |
| Japan | **0.2** | 0.2 | 0.2 | 0.1 | 0.1 |

Source: Refinitiv

**Derivatives**

* Among select exchanges (as given in Table A1), during May 2022, CME Group recorded highest number of contracts traded in interest rate futures, interest rate options segment.
* While, NSE recorded highest number of contracts traded in index options, currency futures and currency options segment.

**Chart 2: Number of contracts traded at major exchanges\* in different derivatives segment in May 2022**



Note: 1. \*Major Exchanges: For each derivatives segment, exchange with highest no. of contracts traded (in that segment) among select exchanges (as given at Table A1) and for which data is available as on July 26, 2022 is considered as top exchange for the segment.

Source: World Federation of Exchanges

**Currency Market**

* During June 2022, among BRICS nations, Rouble (Russia) appreciated against USD by 12.9 per cent, while, Real (Brazil), Rand (S. Africa), Rupee (India) and Renminbi (China) depreciated by 11.1 per cent, 4.1 per cent, 1.8 per cent and 0.4 per cent, respectively, during the month.
* Among developed market, major currencies viz., Franc appreciated against USD by 0.4 per cent, while, Yen, Pound and Euro depreciated by 5.5 per cent, 3.5 per cent and 2.4 per cent, respectively, during the month.

**Table 3: Movement in Major Currencies across developing and developed markets**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Currency** | **Value as on** | **Percentage change in Currency Value over period** | | | |
|  | **30-Jun-22** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRICS Nations** | | | | | | | |
| Brazil | Real | 5.3 | 11.1 | 10.9 | -5.6 | 5.8 |
| Russia | Rouble | 52.5 | -12.9 | -33.8 | -29.6 | -28.1 |
| India | Rupee | 79.0 | 1.8 | 4.0 | 6.0 | 6.2 |
| China | Renminbi | 6.7 | 0.4 | 5.7 | 5.4 | 3.7 |
| S. Africa | Rand | 16.3 | 4.1 | 11.4 | 1.8 | 14.0 |
| **Developed Markets** | | | | | | | |
| UK | Pound | 0.8 | 3.5 | 7.9 | 11.1 | 13.6 |
| Europe | Euro | 1.0 | 2.4 | 5.6 | 8.4 | 13.1 |
| Japan | Yen | 135.7 | 5.5 | 11.6 | 17.9 | 22.2 |
| France | Franc | 1.0 | -0.4 | 3.5 | 4.7 | 3.2 |
| US | Dollar Index | 104.7 | 2.9 | 6.5 | 9.1 | 13.3 |

Note: 1. All Currency rates are against USD (excluding USD Index)

2. Negative sign (in percentage change Charts) indicates appreciation of quote currency against the base currency (USD)

Source: Refinitiv

**Chart 3: Movement of the USD-INR, US Dollar Index and MSCI EM Currency Index**

Note:

1. All indices have been normalised to 100 on 30 June 2021.
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: Refinitiv

**US Treasury Securities- Foreign holdings**

* At the end of May 2022, Japan was the biggest foreign holder of US Treasury Securities, holding 16.3 per cent of the total US Treasury Securities, followed by China (13.5 per cent). The total foreign holding of US Treasury Securities at the end of May 2022 was USD 7,422 billion. The holdings of US Treasury Securities by India stood at 2.7 per cent (USD 204 billion) of the total US treasury Securities, as at the end of May 2022.
* As compared to previous month, India’s holding of US Treasury Securities increased by 2.4 per cent and was lower by 5.9 per cent (Y-o-Y), as at end of May 2022**.**

**Table 4: Major Foreign Holders of US Treasury Securities (USD billion)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **May-22** | **Percentage change over Period** | | **Country** | **May-22** | **Percentage change over Period** | |
| **1-Month** | **1-Year** |  |  | **1-Month** | **1-Year** |
| Japan | 1213 | -0.5 | -4.2 | Germany | 92 | -0.6 | 19.8 |
| China, Mainland | 981 | -2.2 | -9.1 | Bermuda | 75 | 0.3 | 13.4 |
| United Kingdom | 634 | 3.4 | 35.6 | Netherlands | 64 | 2.6 | -0.2 |
| Ireland | 289 | -6.7 | -5.1 | Thailand | 50 | -13.8 | -12.3 |
| Luxembourg | 292 | -0.5 | 1.7 | Australia | 55 | -3.7 | 20.9 |
| Cayman Islands | 293 | 0.4 | 27.8 | Israel | 52 | -0.4 | -11.1 |
| Switzerland | 294 | 8.1 | 11.1 | Philippines | 51 | -0.8 | 0.8 |
| Belgium | 268 | 4.8 | 13.5 | Mexico | 47 | 0.6 | -3.7 |
| France | 244 | 0.0 | 124.3 | Sweden | 43 | -9.6 | -1.2 |
| Brazil | 233 | -0.1 | -7.6 | Kuwait | 46 | 0.7 | 0.9 |
| Taiwan | 231 | 1.5 | -2.1 | Italy | 42 | -2.3 | 9.9 |
| Canada | 211 | -4.1 | 74.2 | United Arab Emirates | 38 | -8.8 | -33.2 |
| **India** | 204 | 2.4 | -5.6 | Vietnam | 39 | -2.3 | 0.5 |
| Hong Kong | 187 | -4.3 | -16.7 |  |  |  |  |
| Singapore | 179 | -2.3 | 1.4 | Poland | 36 | -2.7 | -33.3 |
| Korea | 114 | -3.3 | -7.4 | Chile | 40 | 8.1 | 1.5 |
| Saudi Arabia | 115 | -1.1 | -9.9 | Colombia | 35 | -0.3 | -2.5 |
| Norway | 114 | -0.9 | 0.4 | Iraq | 33 | NA | NA |
|  |  |  |  |  |  |  |  |
| All Other | 488 | 7.2 | 3.7 |  |  |  |  |
| Grand Total | 7,422 | -0.4 | 3.9 |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Of which: |  |  |  |  |  |  |  |
| For. Official | 3,913 | -1.0 | -7.4 |  |  |  |  |
| Treasury Bills | 249 | -3.3 | -16.0 |  |  |  |  |
| T-Bonds & Notes | 3,664 | -0.8 | -6.8 |  |  |  |  |

**Note**:

1. Data available as on July 18, 2022
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**: U.S. Department of the Treasury

**HIGHLIGHTS OF DEVELOPMENTS IN**

**INTERNATIONAL SECURITIES MARKET**

* + - 1. **SEC, USA**

In June 2022**,** SEC:

* Unveiled a game show-themed [public service campaign](https://www.investor.gov/additional-resources/spotlight/investomania) to help investors make informed investment decisions and avoid fraud. Recognizing that sometimes investing may look and feel like a game, the campaign titled “Investomania” reminds investors to do their due diligence when making investment decisions.
* Adopted amendments to require certain forms that currently are permitted to be filed or submitted in paper format to be filed or submitted electronically. The amendments also amend certain forms to require structured data reporting and remove outdated references.
* Requested information and public comment on matters related to the activities of certain “information providers,” including whether, under particular facts and circumstances, information providers are acting as “investment advisers” under the Investment Advisers Act of 1940 .The Request specifically focuses on index providers, model portfolio providers, and pricing services.
* Adopted amendments to require certain documents filed by investment advisers, institutional investment managers, and certain other entities to be filed or submitted electronically.
  + - 1. **FCA, UK**

Financial Conduct Authority (FCA) is using data to tackle online fraud faster by scanning approximately 100,000 websites created every day to identify those that appear to be scams. Where the FCA identifies fraudulent websites, it is proactive in requesting the website host shut them down, though it does not have the powers to force them to. Between May 2021 and April 2022, the FCA added 1,966 possible scams to its consumer warning list – over a third more than during the same period the previous year.

* + - 1. **Monetary Authority of Singapore**

The Monetary Authority of Singapore issued [revised Guidelines](https://www.mas.gov.sg/regulation/guidelines/guidelines-on-business-continuity-management) on Business Continuity Management (BCM) for financial institutions (FIs), to help FIs strengthen their resilience against service disruptions arising from IT outages, pandemic outbreaks, cyber-attacks and physical threats. The revisions take into account learnings from the handling of the COVID-19 pandemic and increased digitalisation in the financial sector.

The Singapore Government published the Singapore Green Bond Framework a governance framework for sovereign green bond issuances. It details the Singapore Government’s (i) intended use of green bond proceeds, (ii) governance structure to evaluate and select eligible projects, (iii) operational approach to manage green bond proceeds, and (iv) commitment to post-issuance allocation and impact reporting.

* + - 1. **FSB**

The Financial Stability Board (FSB) published a report to mark the completion of the second phase of the G20 Data Gaps Initiative. This report also lays out priorities for a new initiative led by the IMF to address gaps relating to emerging policy needs.

**POLICY DEVELOPMENTS IN INDIAN SECURITIES MARKET**

1. **Procedure for seeking prior approval for change in control of Portfolio Managers**

To streamline the process of providing approval to the proposed change in control of a Portfolio Manager, modifications were made to the SEBI circular dated May 12, 2021.

*Source: SEBI/HO/IMD-1/DOF1/P/CIR/2022/77 dated June 02, 2022.*

1. **Investor Grievance Redressal Mechanism**

In order to strengthen the Investor Grievance Redressal Mechanism, SEBI Circular dated November 6, 2020, was amended with reference to the arbitration mechanism of the stock exchanges.

*Source: SEBI/HO/MIRSD/DOS3/P/CIR/2022/78 dated June 03, 2022.*

1. **Extension of the facility for conducting annual meetings and other meetings of unitholders of REITs and InvITs through Video Conferencing (VC) or through Other Audio-Visual means (OAVM)**

Based on the representations received from stakeholders and also MCA circular, the facility to conduct annual meetings of unitholders in terms of provisions of REIT and InvIT through VC or OAVM has been extended till December 31, 2022.

*Source: SEBI/HO/DDHS/DDHS\_DIV2/P/CIR/2022/079 dated June 03, 2022.*

1. **Modification in Cyber Security and Cyber Resilience framework for Stock Brokers/ Depository Participants**

Framework for cyber security and cyber resilience for Stock Brokers/Depository Participants has been revised. Along with other revisions, Stock Brokers /Depository Participants are also mandated to conduct a comprehensive cyber audit at least once in a financial year.

*Source: SEBI/HO/MIRSD/TPD/P/CIR/2022/80 dated June 7, 2022.*

1. **Modification in Cyber Security and Cyber Resilience framework for Mutual Funds/Asset Management Companies**

Framework for cyber security and cyber resilience for Mutual Funds/ Asset Management Companies has been revised. Along with other revisions, Mutual Funds/ Asset Management Companies are also mandated to conduct the Vulnerability Assessment and Penetration Testing (VAPT) at least once in a financial year. Mutual Funds/ AMCs

are also mandated to conduct comprehensive cyber audit at least 2 times in a financial year.

*Source: SEBI/HO/IMD/IMD-1/DOF2/P/CIR/2022/81 dated June 9, 2022.*

1. **Nomination for Mutual Fund Unit Holders**

In order to bring uniformity in practices across all constituents in the securities market, it is decided Investors subscribing to mutual fund units on or after August 1, 2022, shall have the choice of providing nomination in specified format /opt out of nomination.

*Source: SEBI/HO/IMD/IMD-II DOF3/CIR/2022/82 dated June 15, 2022*

1. **Streamlining the Process of Naming/Tagging of Demat Accounts maintained by stock Brokers**

In order to maintain uniformity, it has been decided that all Demat accounts maintained by stock brokers should be appropriately tagged within the timeline of June 30, 2022.

*Source: SEBI/HO/MIRSD\_DPIEA/P/CIR/2022/83 dated June 20, 2022.*

1. **Modification in the Operational Guidelines for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors – Bank account details to which the payment is to be done electronically**

In order to facilitate faster confirmation of remittances by the abovementioned intermediaries, the necessary arrangement with regard to the foreign inward remittances has been made to which payment is to be done electronically.

*Source: SEBI/HO/IMD/FPI&C/CIR/P/2022/84 dated June 21, 2022*

1. **Introduction of Unified Payments Interface (UPI) mechanism for Real Estate Investment Trusts**

It has been decided to provide an additional option to individual investors from August 01,2022, to apply in public issues of units of REITs with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto Rs. 5 lakh.

*Source: SEBI/HO/DDHS\_DIV3/P/CIR/2022/086 dated June 24, 2022.*

1. **Introduction of Unified Payments Interface (UPI) mechanism for Infrastructure Investment Trusts**

It has been decided to provide an additional option to individual investors from August 01,2022, to apply in public issues of units of InvITs with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto Rs. 5 lakh.

*Source: SEBI/HO/DDHS\_DIV3/P/CIR/2022/085 dated June 24, 2022.*

1. **Reduction of timelines for listing of units of privately placed Infrastructure Investment Trust (InvIT)**

As a part of the continuing endeavour to streamline the process of allotment and listing of units, it has been decided to reduce the time taken for allotment and listing of units of privately placed InvIT, after the closure of issue to six working days as against the present requirement of thirty working days.

*Source: SEBI/HO/DDHS\_DIV3/P/CIR/2022/087 dated June 24, 2022.*

1. **Implementation of circular on “Guidelines in pursuance of amendment to SEBI KYC (Know Your Client) Registration Agency (KRA) Regulations, 2011**

Based on requests from the KRAs , the timelines for applicability of the clause 9 and clause 13 of SEBI circular dated April 06, 2022, it has been decided that: KYC records of all existing clients (who have used Aadhaar as an OVD) shall be validated within a period of 180 days from August 01, 2022. The validation of all KYC records (new and existing) shall commence from August 01, 2022.

*Source: SEBI/HO/MIRSD/DoP/P/CIR/2022/89 dated June 24, 2022*

1. **Guidelines for Large Value Fund for Accredited Investors under SEBI (Alternative Investment Funds) Regulations, 2012 and requirement of Compliance Officer for Managers of all AIFs**

Pursuant to introduction of framework for “Accredited Investors” in the securities market, SEBI (Alternative Investment Funds) Regulations, 2012 have been amended to provide certain relaxations from regulatory requirements to ‘Large Value Fund (LVF) for Accredited Investors’. Vide the present circular, guidelines for LVF for Accredited Investors under AIF Regulations and requirement of Compliance Officer for Managers of all AIFs have been specified.

*Source: SEBI/HO/AFD/RAC/CIR/2022/88 dated June 24, 2022.*

1. **Adjustment in derivative contracts for dividend announcements**

Based on the recommendations of SMAC, the framework for adjustment in derivatives contracts for dividend announcements shall be carried out in cases where dividends are at or above 2 per cent of the market value of an underlying stock.

*Source: SEBI/HO/MRD2/MRD2\_DCAP/P/CIR/2022/90 dated June 28, 2022.*

1. **Implementation of circular on “Execution of ‘Demat Debit and Pledge Instruction’ (DDPI) for transfer of securities towards deliveries/settlement obligations and pledging /re-pledging of securities ‘- Extension**

In view of the representation received from Depositories and that the changes to the

systems are still under process, it has been decided to extend the implementation date

of the aforesaid circular to September 01, 2022.

*Source: SEBI/HO/MIRSD/DoP/ P/CIR/2022/91 dated June 30, 2022.*

1. **Modification in Cyber Security and Cyber Resilience framework for Stock Brokers/ Depository Participants**

Framework for cyber security and cyber resilience for Stock Brokers/Depository Participants, has been modified. All cyber-attacks, threats, cyber-incidents and breaches experienced by stock brokers / depositories participants shall be reported to stock exchanges / depositories & SEBI within 6 hours of noticing / detecting such incidents.

*Source: SEBI/HO/MIRSD/TPD/P/CIR/2022/93 dated June 30, 2022.*

1. **Disclosure of holding of specified securities and holding of specified securities in dematerialized form**

In the interest of providing further clarity and transparency in the disclosure of shareholding pattern to the investors in the securities market, SEBI circular dated November 30,2015 has been modified to include disclosure of names of the shareholders holding 1 per cent or more than 1 per cent of shares of the listed entity.

*Source: SEBI/HO/CFD/PoD-1/ P/CIR/2022/92 dated June 30, 2022.*

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

**LATEST PUBLICATIONS**

1. SEBI Annual Report: 2020-21

2. Handbook of Statistics on Indian Securities Market: 2020

Please visit SEBI website at the following URL to refer/download the publications.

<https://www.sebi.gov.in/reports-and-statistics.html>

1. *In case of close ended schemes, at the time of maturity, AMC repurchases the units.* [↑](#footnote-ref-1)
2. USA, USA, France, Germany, UK, Hong Kong, South Korea, Japan, Singapore and Taiwan [↑](#footnote-ref-2)
3. US, UK, Germany, Spain, Japan [↑](#footnote-ref-3)