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**CAPITAL MARKET REVIEW**

1. **Trends in Primary Market**
2. **Public and Rights Issues**

During April 2018, the primary market witnessed 14 equity issues that mobilised ` 341 crore as compared to 38 equity issues that mobilised ` 15,881 crore during March 2018. There were 12 initial public offerings (IPOs) of equity issues that raised ` 191 crore, two rights issue that raised ` 150 crore and two debt public issue that raised ` 3,214 crore during the month.

**Exhibit 1: Primary Market Trends (Public & Rights Issues)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Items** | **Apr-18** | | **Mar-18** | | **2018-19$** | | **2017-18$** | |
|  | **No. of Issues** | **Amount (**` **crore)** | **No. of Issues** | **Amount (**` **crore)** | **No. of Issues** | **Amount (**` **crore)** | **No. of Issues** | **Amount (**` **crore)** |
|  |
| *1* | *2* | *3* | *2* | *3* | *6* | *7* | *8* | *9* |
| a. Public Issues | 14 | 3,406 | 38 | 16,560 | 14 | 3,406 | 14 | 2,818 |
| (i) Debt | 2 | 3,214 | 2 | 828 | 2 | 3,214 | 1 | 1,969 |
| (ii) Equity, of which |  |  |  |  |  |  |  |  |
| IPOs | 12 | 191 | 36 | 15,732 | 12 | 191 | 13 | 849 |
| FPOs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. Rights Issues | 2 | 150 | 2 | 150 | 2 | 150 | 2 | 450 |
| Total Equity Issues a(ii)+b | 14 | 341 | 38 | 15,881 | 14 | 341 | 11 | 1,298 |
| ***Grand Total (a+b)*** | ***16*** | ***3,555*** | ***40*** | ***16,710*** | ***16*** | ***3,555*** | ***16*** | ***3,267*** |

***Notes:***

*1. IPOs - Initial Public Offers (IPOs include SME IPOs), FPOs - Follow on Public Offers*

*2. Amount raised through debt issues for the last two months are provisional.*

*$ denotes as at the end of April of the respective years*

1. **Private Placement**
2. **QIPs Listed at BSE and NSE**

During April 2018, there were three QIP issues amounting of ` 1,862 crore listed at BSE and NSE compared to four QIP issues amounting ` 3,132 crore during March 2018 **(*Table 10*)**.

1. **Preferential Allotments Listed at BSE and NSE**

There were 59 preferential allotments (amounting to ` 72,436 crore) listed at BSE and NSE together during April 2018, compared to 26 preferential allotments (amounting to ` 4,374 crore) during March 2018 **(*Table 11*)**.

1. **Private Placement of Corporate Debt**

Private placement mechanism dominates the resource mobilization through corporate bonds. During April 2018, ` 69,614 crore was raised through private placement of 272 issues in the corporate bond market. There was two public issue of debt raised ` 3,214 crore during the month. Total amount mobilised through public issues and private placement of both debt and equity combined stood at ` 1,44,253 crore in April 2018 as compared to ` 89,096 crore in March 2018 **(*Table 12 and Exhibit 1A*)**.

**Exhibit 1A: Total Resources Mobilised by Corporate Sector (**` **crore)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Month** | **Equity Issues** | | | **Debt Issues** | | | **Total Resource Mobilisation (4+7)** |
| **Public & Rights** | **Private Placements** | **Total (2+3)** | **Public** | **Private Placements** | **Total (5+6)** |
| ***1*** | ***2*** | ***3*** | ***4*** | ***5*** | ***6*** | ***7*** | ***8*** |
| **2017-18** | **1,05,178** | **1,30,488** | **2,35,666** | **4,953** | **5,99,147** | **6,04,100** | **8,39,766** |
| **2018-19$** | 341 | 74,298 | 74,639 | 3,214 | 66,399 | 69,614 | 1,44,253 |
| Apr-18 | 341 | 74,298 | 74,639 | 3,214 | 66,399 | 69,614 | 1,44,253 |

***Notes:***

* 1. *Private placement of Equity includes amount raised through preferential allotments, QIP and IPP mechanism.*
  2. *Public Equity Issues includes IPO, FPO and Rights issues of common equity shares.*
  3. *Data pertaining to Debt Issue of April 2018 are provisional*

1. **Resource Mobilisation by Mutual Funds**

During April 2018, there was a net inflow of ` 1,37,429 crore to the mutual funds industry as against an out inflow of ` 50,752 crore during March 2018. In the month under review, income / debt oriented schemes mobilised ` 1,21,270 crore followed by Growth / equity oriented schemes (`12,409 crore), Balanced schemes (`3,500 crore) and Exchange traded funds ` 252. The Fund of funds schemes investing overseas recorded liquidation of ` 2 crore. The cumulative net assets under management of all mutual funds increased by 8.9 per cent to ` 23,25,505 crore at the end of April 2018 from ` 21,36,036 crore at the end of March 2018 **(*Tables 56 & 58*).**

1. **Trends in the Secondary Market**

The Indian stock market witnessed positive trends during the month under review. At the end of April 2018, S&P BSE Sensex closed at 35160 witnessing an increase of 6.6 per cent from previous month’s closing at 32969. The Nifty 50 also increased by 6.2 per cent to close at 10739 at the end of April 2018 compared to previous month’s closing at 10114 (***Figure 1***). Both S&P BSE Sensex and Nifty 50 touched their intraday high of 35213 and 10759, respectively on April 30, 2018 and touched their intraday lows of 32973 and 10111, respectively on April 04, 2018.

**Figure 1: Movement of Sensex and Nifty**

Market capitalisation of BSE increased by 7.4 per cent to ` 1,52,79,535 crore at the end of April 2018, from ` 1,42,24,997 crore at the end of March 2018. Market capitalization at NSE also increased to ` 1,50,92,002 crore from ` 1,40,44,152 crore during the same period witnessing an increase of 7.4 per cent. Monthly turnover of BSE fell by 8.6 per cent from ` 78,359 crore in March 2018 to ` 71,630 crore in April 2018. Whereas, monthly turnover of NSE increased by 7.8 per cent to ` 6,41,440 crore in April 2018 from 5,94,852 crore in March 2018. The P/E ratios of S&P BSE Sensex and Nifty 50 were 23.8 and 26.7 respectively at the end of April 2018 compared to 22.7 and 24.7, respectively a month ago (***Exhibit 2***).

**Exhibit 2: The Basic Indicators in Cash Segment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **2018-19$** | **2017-18** | **Apr-18** | **Mar-18** | **Percentage change over previous month** |
| *1* | *2* | *3* | *4* | *5* | *6* |
| **A. Indices** | | | | | |
| S&P BSE Sensex | **35,160** | **32,969** | 35,160 | 32,969 | 6.6 |
| Nifty 50 | **10,739** | **10,114** | 10,739 | 10,114 | 6.2 |
| **B. Market Capitalisation (**` **crore)** | | | | | |
| BSE | **1,52,79,535** | **1,21,54,525** | 1,52,79,535 | 1,42,24,997 | 7.4 |
| NSE | **1,50,92,002** | **1,19,78,421** | 1,50,92,002 | 1,40,44,152 | 7.5 |
| **C. Gross Turnover (**` **crore)** | | | | | |
| BSE | **71,630** | **10,82,968** | 71,630 | 78,359 | -8.6 |
| NSE | **6,41,440** | **72,34,826** | 6,41,440 | 5,94,852 | 7.8 |
| **D. P/E Ratio** | | | | | |
| S&P BSE Sensex | **23.8** | **22.7** | 23.8 | 22.7 | 5.2 |
| Nifty 50 | **26.7** | **24.7** | 26.7 | 24.7 | 8.1 |
| **E. No. of Listed Companies** | | | | | |
| BSE | **5,638** | **5,619** | 5,638 | 5,619 | 0.3 |
| NSE | **1,952** | **1,931** | 1,952 | 1,931 | 1.1 |

***Note:*** *$ denotes as at the end of April 2018*

***Source:*** *BSE, NSE*

**Figure 2: Trends in Average Daily Values of Sensex and BSE Turnover**

**Figure 3: Trends in Average Daily Values of Nifty and NSE Turnover**

Indian securities market witnessed a positive trend during the month under review. Among BSE indices, in April 2018, S&P BSE FMCG index increased by 9.9 per cent, followed by S&P BSE Teck index (9 per cent) and S&P BSE Small Cap Index (8.3 per cent). As regards NSE indices, Nifty IT index increased by 11.8 per cent followed by Nifty FMCG index (10.1 per cent) and Nifty Midcap 50 index (9.8 per cent). Among BSE indices the S&P BSE Metal index recorded the highest daily volatility (1.7 per cent), followed by S&P BSE Teck index (1.3 per cent) and S&P BSE Consumer Durables index (1 per cent). At NSE during the same period, daily volatility of Nifty PSU Bank index was 1.9 per cent, followed by Nifty IT index (1.6 per cent) and Nifty pharma index (1.0 per cent) (***Exhibit 3***).

**Exhibit 3: Performance of Indices at BSE and NSE during April 2018 (Per cent)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **BSE** | | | **NSE** | | |
| **Index** | **Change over Previous month** | **Volatility** | **Index** | **Change over Previous month** | **Volatility** |
| **1** | **2** | **3** | **4** | **5** | **6** |
| S&P BSE Metal | 7.2 | 1.7 | Nifty PSU Bank | -0.5 | 1.9 |
| S&P BSE Teck | 9.0 | 1.2 | Nifty IT | 11.8 | 1.6 |
| S&P BSE Consumer Durables | 0.5 | 1.0 | Nifty Pharma | 8.4 | 1.0 |
| S&P BSE Bankex | 5.3 | 1.0 | Nifty Media | 2.3 | 0.9 |
| S&P BSE Capital Goods | 5.8 | 1.0 | Nifty Small 100 | 7.7 | 0.9 |
| S&P BSE PSU | 0.0 | 0.9 | Nifty Bank | 5.2 | 0.9 |
| S&P BSE Healthcare | 7.6 | 0.8 | Nifty Midcap 50 | 9.8 | 0.8 |
| S&P BSE Small Cap | 8.3 | 0.8 | Nifty Next 50 | 7.5 | 0.7 |
| S&P BSE Power | 5.3 | 0.7 | Nifty Midcap 100 | 8.2 | 0.7 |
| S&P BSE FMCG | 9.9 | 0.6 | Nifty MNC | 7.0 | 0.7 |
| S&P BSE 500 | 6.5 | 0.6 | Nifty FMCG | 10.1 | 0.7 |
| S&P BSE 200 | 6.6 | 0.6 | Nifty 200 | 6.6 | 0.6 |
| S&P BSE 100 | 6.2 | 0.6 | Nifty 500 | 6.6 | 0.6 |
| S&P BSE Large Cap | 6.2 | 0.5 | Nifty 100 | 6.4 | 0.6 |
| S&P BSE Sensex | 6.6 | 0.5 | Nifty 50 | 6.2 | 0.6 |

***Source:*** *Bloomberg*

1. **Trends in Depository Accounts**

The total number of investor accounts at the end of April 2018 was 172 lakh at NSDL (an increase of 0.35 per cent over March 2018) and 150 lakh at CDSL (an increase of 1.01 per cent over March 2018). The number of investor accounts increased by 9.4 per cent at NSDL and by 20.6 per cent at CDSL over the number of investor accounts at the respective depositories in April 2017 **(*Table 62*)**.

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

India is one of the most vibrant markets for exchange traded equity derivatives in the world. The total monthly turnover in equity derivatives market at NSE decreased by 10.5 per cent to ` 1,56,20,227 crore during April 2018 from ` 1,74,56,826 crore during March 2018 (*Figure 4*). During the month under review options on index accounted for about 81.6 per cent of the total turnover in the F&O segment at NSE. In April 2018, monthly turnover of index futures decreased by 18.5 per cent, however, that of stock futures increased by 19.7 per cent over pervious month. Further, monthly turnover of put options on index and call options on index decreased by 8.3 percent and 20.6 per cent, respectively however, monthly turnover of put options on stock and call options on stock increased by 27.9 per cent and 44.3 per cent, respectively over previous month. The open interest in value terms in the equity derivative segment of NSE increased by 27.8 per cent to ` 3,51,290 crore at the end of April, 2018 from ` 2,74,931 crore at end March 2018 **(Table 35).**

**Figure 4: Trends of Equity Derivatives Segment at NSE (**` **crore)**

The monthly turnover in equity derivatives segment of BSE was ` 4.3 crore in April 2018, compared to ` 3.1 crore in March 2018. The open interest in value terms in equity derivatives segment of BSE stood at ` 0.1 crore as on April 28, 2018 *(****Exhibit 4 and Table 34****)*.

**Exhibit 4: Trends in Equity Derivatives Market**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **NSE** | | | **BSE** | | |
| **Mar-18** | **Apr-18** | **Percentage Change Over Month** | **Mar-18** | **Apr-18** | **Percentage Change Over Month** |
| *1* | *2* | *3* | *4* | *5* | *6* | *7* |
| **A. Turnover (**` **crore)** | | | | | | |
| (i) Index Futures | 5,32,399 | 4,33,691 | -18.5 | 1.3 | 1.7 | 27.9 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 67,27,477 | 61,69,968 | -8.3 | 0.0 | 0.0 | NA |
| *Call* | 82,71,001 | 65,70,818 | -20.6 | 0.0 | 0.0 | NA |
| (iii) Stock Futures | 11,96,720 | 14,31,957 | 19.7 | 1.7 | 2.5 | 46.4 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 2,35,977 | 3,01,816 | 27.9 | 0.0 | 0.0 | NA |
| *Call* | 4,93,251 | 7,11,977 | 44.3 | 0.0 | 0.0 | NA |
| **Total** | **1,74,56,826** | **1,56,20,227** | **-10.5** | **3.1** | **4.3** | **38.4** |
| **B. No. of Contracts** | | | | | | |
| (i) Index Futures | 63,13,352 | 49,93,824 | -20.9 | 19 | 20 | 5.3 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 7,58,91,966 | 6,79,63,276 | -10.4 | 0 | 0 | NA |
| *Call* | 9,01,37,361 | 6,95,99,045 | -22.8 | 0 | 0 | NA |
| (iii) Stock Futures | 1,75,52,966 | 1,99,71,346 | 13.8 | 30 | 39 | 30.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 34,82,172 | 42,47,393 | 22.0 | 0 | 0 | NA |
| *Call* | 66,73,268 | 92,24,410 | 38.2 | 0 | 0 | NA |
| **Total** | **20,00,51,085** | **17,59,99,294** | **-12.0** | **49** | **59** | **20.4** |
| **C. Open Interest in terms of Value (** ` **crore)** | | | | | | |
| (i) Index Futures | 25,464 | 32,983 | 29.5 | 0.0 | 0.0 | NA |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 75,493 | 1,00,564 | 33.2 | 0.0 | 0.0 | NA |
| *Call* | 54,369 | 64,452 | 18.5 | 0.0 | 0.0 | NA |
| (iii) Stock Futures | 1,10,277 | 1,29,011 | 17.0 | 0.1 | 0.1 | 8.3 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 3,558 | 8,706 | 144.7 | 0.0 | 0.0 | NA |
| *Call* | 5,769 | 15,574 | 170.0 | 0.0 | 0.0 | NA |
| **Total** | **2,74,931** | **3,51,290** | **27.8** | **0.1** | **0.1** | **8.3** |
| **D. Open Interest in terms of No of Contracts** | | | | | | |
| (i) Index Futures | 3,23,534 | 3,92,295 | 21.3 | 0 | 0 | NA |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 9,61,669 | 11,72,153 | 21.9 | 0 | 0 | NA |
| *Call* | 6,92,989 | 7,53,920 | 8.8 | 0 | 0 | NA |
| (iii) Stock Futures | 16,81,635 | 18,90,703 | 12.4 | 2 | 2 | 0.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 53,532 | 1,29,324 | 141.6 | 0 | 0 | NA |
| *Call* | 86,907 | 2,28,869 | 163.3 | 0 | 0 | NA |
| **Total** | **38,00,266** | **45,67,264** | **20.2** | **2** | **2** | **0.0** |

1. **VIX Futures at NSE**

India VIX closed at 12.4 at the end of April 2018, lower than 15.8 registered at the end of March 2018 (***Figure 5***). There was no trade in VIX futures contract since March 2016.

**Figure 5: Trends in India VIX at NSE**

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

The monthly turnover of currency derivatives at NSE during April 2018 increased by 33.5 per cent to ` 5,02,657 crore from ` 3,76,612 crore in March 2018. During the same time the monthly turnover of currency derivatives at BSE also increased by 62.3 per cent to ` 5,09,962 crore from ` 3,14,170 crore. However, the monthly turnover of currency derivatives at MSEI fell by 12.2 per cent to ` 6,571 crore from ` 7,481 crore (***Figure 6* *and Tables 41, 42 and 43***).

**Figure 6: Trends of Currency Derivatives at NSE, MSEI and BSE (**` **crore)**

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

During April 2018, the monthly turnover of interest rate futures at NSE increased by 17.6 per cent to ` 27,039 crore from ` 23,000 crore in March 2018. However, the monthly turnover of interest rate futures at BSE, decreased by 68.5 per cent to ` 8,979 crore in April 2018 from ` 28,549 crore in March 2018. There was no trading in interest rate futures at MSEI during the month under review. (***Figure 7* *and Table 51***).

**Figure 7: Trends of Interest Rate Futures at NSE, BSE and MSEI (**` **crore)**

1. **Commodity Derivatives Markets**

**A. Market Trends**

At the end of April 2018, MCX Comdex closed at 3789.40, registering an increase of 3.46 percent over the closing value of 3662.70 at the end of March 2018. On Y-o-Y basis, the MCX Comdex increased by 20.4 percent, mainly on account of increase in prices of base metals, crude oil and gold. On the other hand, NCDEX Dhaanya closed at 2898.52, recording a decrease of 4.56 percent over the closing value of 3036.86 at the end of March 2018. On Y-o-Y basis, the NCDEX Dhaanya Index decreased by 4.01 percent mainly due to decline in prices of Cotton Seed Oilcake, Coriander, Jeera, Maize Rabi, Castor Seed, Barley and Guar Seed. **(Figure 8)**.

During the month, MCX COMDEX recorded an intra-day high of 3887.58 on April 19, 2018 while 3613.55 on April, 06, 2018 was its lowest intra-day level. NCDEX Dhaanya recorded an intra-day high of 3110.84 on April 02, 2018 and an intra-day low of 2881.06 on April 30, 2018 **(Details in Table 66)**.

**Figure 8: Movement of Commodity Derivatives Market Indices**

**Source: MCX and NCDEX**

During April 2018, among the three component indices of MCX Comdex, Energy and Metal indices increased by 7.29 percent and 2.75 percent, respectively while Agri. Index declined by 1.99 percent. MCX Energy index (composed of Crude Oil and Natural Gas) increased on account of gain in Crude Oil and Natural Gas futures prices by 8.2 percent and 2.5 percent, respectively. The uptrend in Metal index in April 2018 was due to 15.2 percent rise in futures prices of Aluminium followed by other Base Metals except Lead and Zinc. The downtrend in MCX Agri. Index was driven by decrease in Cardamom futures prices by 11.9 percent and Mentha Oil by 2.8 percent. A decline of 4.56 percent for NCDEX Dhaanya index may be attributed to the decrease in futures prices of its components namely, Cotton Seed Oilcake (14.4 percent), Chana and Guar Seed (7.7 percent each), Coriander (6.7 percent), RM Seed (6.3 percent), Guar Gum (4.8 percent), Castor Seed (3.3 percent) and Soybean (2.3 percent). Increase in prices of Jeera (8.4 percent), Turmeric (8.0 percent), Barley (6.4 percent) and Wheat FAQ[[1]](#footnote-1) (2.3 percent) resisted further decline of Dhaanya prices.

Daily volatility during April 2018 of MCX COMDEX and NCDEX Dhaanya indices was recorded at 0.72 percent and 0.87 percent, respectively. Among the component indices of MCXCOMDEX, MCX Energy recorded highest volatility of 1.24 percent, followed by MCX Metal (0.95 percent) and MCX Agri. (0.61 percent). The daily volatility and variation over the previous month for indices on commodity derivatives is shown in the Figure 9 below:

**Figure 9 : Variation (point-to-point) and daily volatility of India commodity indices in April 2018 (Percent)**

**Source: MCX and NCDEX**

**Turnover**

During April 2018, among the four national commodity derivative exchanges, MCX and ICEX recorded an increase in turnover, whereas, NCDEX and NMCE have recorded a decrease.

The total turnover at all the four national exchanges stood at `6,07,789 crore, an increase of 8.6 percent over the turnover of ₹5,59,751 crore during the previous month. The agricultural segment contributed `50,188 crore (8.26 percent) while the non-agricultural segment contributed `5,57,601 crore (91.7 percent) to the total turnover during the month. Among, the non-agricultural commodities segments, Bullion, Metals and Energy are traded at MCX, whereas, diamond contracts are traded at ICEX.

The total turnover (futures+ options) at MCX increased by 10.10 percent during April 2018 to `5,64,504 crore, over total turnover of `5,12,718 crore recorded in March 2018. The turnover in MCX Gold options, both call and put taken together was ₹2,640 crore in April 2018, an increase of 275.10 percent over ₹704 crore recorded in March 2018. The contribution to the total turnover at MCX from Metal segment was at 44.82 percent followed by Energy segment at 31.11 percent, Bullion segment with 22.29 percent and agricultural commodities had a share of 1.31 percent. Gold Options contributed 0.47 percent to the total turnover.

The total turnover (futures +options) at NCDEX decreased by 8.65 percent to `39,640 crore during April 2018, from `43,393 crore in March 2018. The turnover in Guar Seed options contracts decreased to ₹21 crore in April 2018, a decrease of 46.84 percent over ₹40 crore recorded in March 2018.

The total turnover at NMCE decreased by 1.78 percent to `3,166 crore during April 2018 from `3,223 crore in the previous month.

The total turnover at ICEX in diamond contracts has increased by 15.19 percent to ₹479.26 crore in April 2018 from ₹416.07 crore during last month.

The total turnover of agricultural commodities was the highest at NCDEX (`39,640 crore) followed by MCX (`7,382 crore) and NMCE (`3,166 crore). The turnover of agricultural and non- agricultural commodities at national exchanges is shown in Figures 10 and 11, and the details in Tables 67 to 72.

**Figure 10: Trends in Turnover of Agricultural Commodities Derivatives (**`**crore)**

**Figure 11: Trends in Turnover of Non-Agricultural Commodity Derivatives (**`**crore)**

**B. Commodity Price Trends**

At the end of April 2018, M-o-M returns among the near month contracts of non-agricultural commodities were positive for Aluminium (15.2 percent), followed by Crude Oil, Nickel, Copper, Silver, Natural Gas, Gold and Brass, while the returns decreased the most for Zinc at 2.6 percent, followed by Lead. Among Agricultural Commodities, the M-o-M returns were the highest for Jeera (8.4 percent), followed by Turmeric, Barley, Raw Jute, Wheat FAQ and Cotton. M-o-M returns declined the most for Cotton Seed Oilcake (14.4 percent), followed by Cardamom, Guar Seed, Chana, Coriander, RM Seed, Guar Gum, Pepper, Isabgul Seed, Mentha Oil, Refined Soy Oil, Soybean, Rubber and Crude Palm Oil.

The Y-o-Y returns on futures prices among non-agricultural commodities increased the most for Nickel by 49.4 percent, followed by Crude Oil, Zinc, Aluminium, Copper, Gold and Lead, while it declined the most for Natural Gas (13.3 percent) followed by Silver. Among agricultural commodities, Y-o-Y returns increased the most for Mentha Oil (34.5 percent) followed by Crude Palm Oil, Soybean, Refined Soy Oil, Turmeric, Raw Jute, Wheat FAQ and Guar Gum, while Y-o-Y returns declined the most for Cotton Seed Oilcake (39.8 percent), followed by Pepper (NMCE contracts), Isabgul seed, Coriander, Cardamom, Jeera, Maize Rabi, Castor Seed, Rubber, Barley, Guar Seed, Cotton and RM Seed. **(Exhibit 5)**

**Exhibit 5: Periodic Variation (M-o-M and Y-o-Y) in Futures Closing Prices for Near Month Contracts of Commodities Traded at MCX, NCDEX, ICEX and NMCE**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Commodities traded at MCX and NMCE | Closing value as on 30/04/2018 | Variation in prices as on 30/04/2018 (percent) | | Commodities traded at NCDEX and ICEX | Closing value as on 30/04/2018 | Variation in prices as on 30/04/2018 (percent) | |
| **M-o-M** | **Y-o- Y** | **M-o-M** | **Y-o- Y** |
| MCX | | | | NCDEX |  |  |  |
| Aluminum | 150.1 | 15.2 | 21.8 | Guar Seed | 3802.5 | -7.7 | -1.6 |
| Copper | 453.7 | 3.9 | 21.7 | Guar Gum | 8397 | -4.8 | 0.5 |
| Crude Oil | 4583 | 8.2 | 44.4 | Soybean | 3669 | -2.3 | 25.1 |
| Gold | 31036 | 2.1 | 7.5 | Chana | 3480 | -7.7 | NA |
| Lead | 154.75 | -1.3 | 6.7 | Turmeric | 7144 | 8.0 | 17.9 |
| Natural Gas | 183.8 | 2.5 | -13.3 | RM Seed | 3757 | -6.3 | -0.1 |
| Nickel | 910 | 4.7 | 49.4 | Ref. Soy Oil | 759.1 | -2.6 | 24.4 |
| Silver | 39332 | 2.6 | -0.4 | Cotton Seed Oil cake | 1186.5 | -14.4 | -39.8 |
| Zinc | 208.15 | -2.6 | 22.8 | Wheat | 1714 | 2.3 | 6.5 |
| Cardamom | 935.7 | -11.9 | -22.6 | Jeera | 15745 | 8.4 | -19.2 |
| Cotton | 20720 | 1.4 | -0.5 | Coriander | 4692 | -6.7 | -28.6 |
| CPO | 646 | -0.9 | 32.1 | Barley | 1399.5 | 6.4 | -9.4 |
| Mentha Oil | 1281.9 | -2.8 | 34.5 | Castor Seed | 3997 | -3.3 | -14.8 |
| Brass | 357.35 | 1.7 | NA | Maize Rabi | 1151 | NA | -15.1 |
| NMCE | | | | **ICEX** |  |  |  |
| Castor Seed | 4013 | -2.3 | -14.8 | Diamond 1CT | 1521.75 | 1.5 | NA |
| Rubber | 12000 | -1.1 | -14.2 | Diamond 0.5CT | 3324.5 | 1.8 | NA |
| Raw Jute | 4500 | 3.7 | 12.0 |  | | | |
| Isabgul Seed | 8264 | -3.1 | -28.7 |  |  |  |  |
| RM seed | 691 | -1.3 | 4.6 |  |  |  |  |
| Guar Seed | 3818 | -6.7 | -1.0 |  |  |  |  |
| Pepper | 37510 | -3.9 | -33.4 |  |  |  |  |

Notes: Returns are calculated as percentage change in the closing prices of near month contracts in the current month over those in the previous month and the same month previous year.

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

1. **Trading in Corporate Debt Market**

During April 2018, BSE recorded 3442 trades of corporate debt with a traded value of ` 48,913 crore compared to 3298 trades with a traded value of ` 59,837 crore recorded in March 2018. At NSE, 5588 trades were reported in April 2018 with a traded value of ` 1,13,975 crore compared to 6197 trades with a traded value of ` 1,36,591 crore in the previous month ***(Figure 11 and Table 13*)**.

**Figure 11: Trends in Reported Turnover of Corporate Bonds (**` **crore)**

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

The total net investment in the secondary market by mutual funds was ` 31,458 crore in April 2018, out of which ` 11,293 crore was invested in equity and ` 20,165 crore was invested in debt. This was a decrease from total investment of ` 47,233 crore in March 2018, out of which ` 9,256 crore was invested in equity and ` 37,978 crore was invested in debt (***Figure 12***).

As on April 30, 2018, there were a total of 1890 mutual fund schemes in the market, of which 1250 (66.1 per cent) were income / debt oriented schemes, 513 (27.1 per cent) were growth / equity oriented schemes, 31 (1.6 per cent) were balanced schemes, 68 (3.6 per cent) were exchange traded funds and 28 (1.5 per cent) were fund of funds investing overseas **(*Tables 59 & 60*).**

**Figure 12: Trends in Mutual Funds Investment (**` **crore)**

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

In April 2018, FPIs liquidated ` 15,561 crore in the Indian securities market, out of which ` 5,552 crore was from equity and ` 10,036 crore was from debt. On the other hand, FPIs invested ` 26 crore in hybrid securities (***Figure 13***).

The assets of the FPIs in India, as reported by the custodians, at the end of April 2018 was ` 33,19,175 crore, out of which the notional value of offshore derivative instruments (including ODIs on derivatives) was ` 1,00,245 crore, constituting 3 per cent of the total assets of the FPIs (***Tables 53, 54 & 55***).

**Figure 13: Trends in FPIs Investment (**` **crore)**

***Note:*** *Data on**investment by FPIs in Hybrid securities has been compiled since December 26, 2017.*

1. **Trends in Portfolio Management Services**

Assets under management (AUM) of discretionary portfolio management services (PMS) increased by 1.6 per cent to ` 11,70,311 crore in April 2018 from ` 11,52,123 crore in March 2018. The AUM of Non-discretionary PMS also increased by 2.6 per cent to ` 92,174 crore from ` 89,797 crore, whereas, AUM of Advisory services, decreased by 3.6 per cent to ` 2,17,030crore from ` 2,25,131 crore. In terms of number of clients in PMS industry, discretionary services category topped at with 116430 clients, followed by non-discretionary category with 5,497 clients and advisory category with 2,168 clients at the end of April 2018. ***(Table 61).***

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

In April 2018, 15 open offers with offer value of ` 1,815 crore were made to the shareholders as against four open offers with offer value of ` 9 crore in March 2018(***Figure 14***).

**Figure 14: Details of Open Offers Made under the SEBI (SAST) Regulations (**` **crore)**

**Monthly Review of Global Financial Markets[[2]](#footnote-2) May 2018**

**Snapshots**

**United States:**

* GDP expanded by 2.9 per cent (annualised) in Q1 2018, higher than 2.6 percent in the previous quarter.
* Annual CPI inflation was 2.5 per cent in April 2018, higher than 2.4 percent in the previous month
* Unemployment rate declined further to 3.9 per cent during April 2018.

**United Kingdom**

* Real GDP growth rate came down to 1.2 per cent (Y-o-Y) in Q1 2018.
* Annual CPI inflation was 2.5 per cent in March 2018.
* Unemployment rate was 4.2 per cent during the period January to March 2018.

**Japan:**

* GDP expanded by 0.9 per cent (Y-o-Y) in Q1 2018.
* Annual CPI inflation remained unchanged at 1.1 per cent in April 2018.
* Unemployment rate was 2.5 per cent in March 2018.

**Euro Zone (EA19):**

* GDP expanded by 2.5 per cent (Y-o-Y) in Q1 2018.
* Annual CPI inflation was 1.2 per cent in April 2018.
* Unemployment rate was 8.5 per cent in March 2018.

**BRICS Nations:**

* Real GDP of Brazil grew by 2.1 per cent (Y-o-Y) in Q4 2017. Annual CPI inflation increased to 2.76 per cent in April 2018. Unemployment rate was 13.1 per cent in March 2018.
* Russia’s GDP expanded by 1.3 per cent (Y-o-Y) in Q1 2018. Annual CPI inflation was 2.4 per cent in March 2018. Unemployment rate was 5.0 per cent in March 2018.
* India’s real GDP grew by 7.2 per cent (Y-o-Y) in Q4, 2017-18. Annual CPI inflation rose to 4.58 per cent in April 2018.
* GDP of China expanded by 6.8 per cent (Y-o-Y) in Q1 of 2018. Annual CPI increased by 1.8 per cent in April 2018. Unemployment rate was 3.9 percent in Q4 of 2017.
* GDP of South Africa grew by 1.5 per cent (Y-o-Y) in Q4 of 2017. Annual CPI increased by 3.8 per cent in March 2018. Unemployment rate in South Africa remained at 26.7 percent in Q4 2017.

1. **Introduction:**
   1. The upswing in the global economic growth has been continuing since mid-2016 backed by faster growth in the euro area, Japan, China and the United States, along with some recovery in commodity exporters. The International Monetary Fund (IMF) projects that advanced economies will continue to expand above their potential growth rates during 2018 and 2019 and might decelerate afterwards, while growth in emerging market and developing economies will rise before levelling off.
   2. However, there are plenty of downside risks too. The present tempo of growth may fade as central banks tighten monetary policy, US fiscal stimulus subsides and China’s slowdown continues. Besides, a full-blown trade war remains one of the biggest worries. Many empirical studies suggest that the monetary policy induced inflation first shows up in the asset prices and later in consumer prices with some lag. However, from current scenario, it seems that the equity markets are underestimating the threat of an inflation shock in the US despite witnessing strong rally in the equity market in the past decade or so. Moreover, the rise in crude oil prices above $80 per barrel, has posed further risk to the rising inflation levels and worsening trade balances, especially for the net oil importing countries.
2. **The World Economy:**
   1. The International Monetary Fund in its recent World Economic Outlook has highlighted the strengthening of the global growth during 2017 driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. As per the IMF estimates, the world economy would grow at 3.9 per cent in 2018 as well as in 2019. However, as the US fiscal stimulus gets over the upswing of the advanced nations would be subdued given their weak potential growth. Climate change, geopolitical tensions, and cyber security breaches pose additional threats to the subdued medium-term global outlook.

**Exhibit 1: Overview of the World Economic Outlook Projections**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country / Region** | **Year over Year** | | | |
|  |  | **Projections** | |
| **2016** | **2017** | **2018** | **2019** |
| **World Output** | **3.2** | **3.8** | **3.9** | **3.9** |
| **Advanced Economies** | **1.7** | **2.3** | **2.5** | **2.2** |
| United States | 1.5 | 2.3 | 2.9 | 2.7 |
| Euro Area | 1.8 | 2.3 | 2.4 | 2.0 |
| Germany | 1.8 | 2.5 | 2.5 | 2.0 |
| France | 1.2 | 1.8 | 2.1 | 2.0 |
| Italy | 0.9 | 1.5 | 1.5 | 1.1 |
| Spain | 3.3 | 3.1 | 2.8 | 2.2 |
| Japan | 0.9 | 1.7 | 1.2 | 0.9 |
| United Kingdom | 1.9 | 1.8 | 1.6 | 1.5 |
|  |  |  |  |  |
| **Emerging Market and Developing Economies** | **4.4** | **4.8** | **4.9** | **5.1** |
| Brazil | -3.5 | 1.0 | 2.3 | 2.5 |
| Russia | -0.2 | 1.5 | 1.7 | 1.5 |
| India\* | 7.1 | 6.7 | 7.4 | 7.8 |
| China | 6.7 | 6.9 | 6.6 | 6.4 |
| South Africa | 0.6 | 1.3 | 1.5 | 1.7 |

**Note:** \* For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

**Source:** IMF

* 1. Advanced economies are expected to grow at 2.5 per cent in 2018 and at 2.2 per cent in 2019. Strong investment spending underscored the bright outlook for the advanced economies. Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets and an improved outlook helping release pent-up demand for capital goods.
  2. As regards the emerging economies, growth is expected to be 4.9 per cent in 2018 and 5.1 per cent in 2019. Growth in the emerging market and developing economies is supported by acceleration in private consumption. However, the picture is mixed within the group. Higher fixed investment growth also supported the growth performance of other emerging market and developing economies, alongside stronger private consumption.

**The Organisation for Economic Co-operation and Development (OECD)[[3]](#footnote-3):**

* 1. As per the provisional estimates, the real gross domestic product (GDP) in the OECD area grew at 0.6 per cent quarter-on-quarter (Q-o-Q) in the fourth quarter of 2017 as compared to 0.7 per cent growth in the previous quarter. Real GDP of the OECD area decelerated to 2.6 per cent year-on-year (Y-o-Y) in the fourth quarter of 2017 from 2.8 per cent in the previous quarter.
  2. Real GDP in the G20 area grew by 1.0 per cent in the fourth quarter of 2017; unchanged from the two previous quarters but with wide variation across countries, according to provisional estimates. Year-on-year (Y-o-Y) GDP growth for the G20 area was stable at 4.0 per cent in the fourth quarter of 2017. For 2017 as a whole, real GDP growth in the G20 area picked up to 3.8 per cent, from 3.2 per cent in 2016.
  3. Annual inflation in the OECD area rose to 2.3 per cent in March 2018 from 2.2 per cent in February 2018. Excluding food and energy, the OECD annual inflation rate also increased, to 2.0 per cent in March 2018, compared with 1.9 per cent in the previous month. The OECD unemployment rate was stable at 5.4 per cent in March 2018.

**Exhibit 2: Major Macroeconomic Indicators:**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Country / Region** | **Quarterly Growth in Real GDP** | | | | **Annual CPI Inflation** | | **Unemployment Rate** | | **Benchmark Interest Rate** |
|  | **Y-o-Y** | **Period** | **Q-o-Q** | **Period** | **Rate** | **Period** | **Rate** | **Period** |
| **Developed Countries** | United States | 2.90 | Q1 | 2.30\* | Q1 | 2.50 | Apr-18 | 3.90 | Apr-18 | 1.75 |
| United Kingdom | 1.20 | Q1 | 0.10 | Q1 | 2.50 | Mar-18 | 4.20 | Mar-18# | 0.50 |
| Eurozone | 2.50 | Q1 | 0.40 | Q1 | 1.20 | Apr-18 | 8.50 | Mar-18 | 0.00 |
| Germany | 2.30 | Q1 | 0.30 | Q1 | 1.60 | Apr-18 | 3.40 | Apr-18 | 0.00 |
| France | 2.10 | Q1 | 0.30 | Q1 | 0.60 | Apr-18 | 8.90 | Mar-18 | 0.00 |
| Japan | 0.90 | Q1 | -0.20 | Q1 | 1.10 | Apr-18 | 2.50 | Mar-18 | -0.10 |
| **BRICS** | Brazil | 2.10 | Q4 | 0.10 | Q4 | 2.76 | Apr-18 | 13.1 | Mar-18# | 6.50 |
| Russia | 1.30 | Q1 | -0.38 | Q1 | 2.40 | Apr-18 | 5.00 | Mar-18 | 7.25 |
| India | 7.20 | Q4 | 1.80 | Q4 | 4.58 | Apr-18 | NA | NA | 6.00 |
| China | 6.80 | Q1 | 1.40 | Q1 | 1.80 | Apr-18 | 3.89 | Q4 of 2017 | 4.35 |
| South Africa | 1.50 | Q4 | 3.10\* | Q4 | 3.80 | Mar-18 | 26.7 | Q4 of 2017 | 6.50 |
| **Other Ems** | South Korea | 2.80 | Q1 | 1.10 | Q1 | 1.60 | Apr-18 | 3.80 | Apr-18 | 1.50 |
| Indonesia | 5.06 | Q4 | -0.42 | Q4 | 3.41 | Apr-18 | 5.13 | Q3 of 2017 | 4.50 |
| Turkey | 7.30 | Q4 | 1.80 | Q4 | 10.9 | Apr-18 | 10.6 | Feb-18 | 8.00 |

Note: Q1 refers to Jan - Mar 2018; Q4 refers to Oct - Dec 2017; \* Q-o-Q GDP growth figures are in annualised terms, # for trailing three months period.

***Source:*** *Bloomberg*

**Chart 1: Year-on-Year Real GDP Growth Rates of Developed Countries/ Region (Percent)**

***Source:*** *Trading Economics*

**Chart 2: Year-on-Year Real GDP Growth Rates of BRICS Countries/ Region (Per cent)**

***Source:*** *Trading Economics*

**Chart 3: Year-on-Year Consumer Price Inflation for Developed Countries (Per cent)**

***Source:*** *Bloomberg*

**Chart 4: Year-on-Year Consumer Price Inflation for BRICS Countries (Per cent)**

***Source:*** *Bloomberg*

**United States:**

* 1. As per the “advance” estimate released by the Bureau of Economic Analysis, the real GDP of US grew at an annual rate of 2.3 per cent Q-o-Q during the first quarter of 2018 against 2.9 per cent growth recorded in the previous quarter. The deceleration in real GDP growth in the first quarter was caused by a downturn in personal consumption expenditure, fixed investment and government spending. On a Y-o-Y basis, the real GDP increased by 2.3 per cent during first quarter of 2018 compared to the corresponding quarter in the previous year.
  2. As per data released by the Bureau of Labor Statistics, the annual consumer prices inflation in USA rose to 2.5 per cent in April 2018 from 2.4 per cent in March 2018. Core inflation, i.e. inflation of all items less food and energy was flat at 2.1 per cent during the month. In April 2018, the unemployment rate fell to 3.9 per cent from 4.1 per cent in the previous month. The Federal Open Market Committee (FOMC) in its May 2018 meeting left the target range for the federal funds rate at 1.5 to 1.75 per cent.

**United Kingdom:**

* 1. As per the preliminary estimate by Office for National Statistics, the British economy grew at 0.1 per cent Q-o-Q in Q1 of 2018, compared to 0.4 per cent growth in the previous quarter. It was the weakest growth rate since a 0.1 percent contraction recorded in the fourth quarter of 2012.  On a Y-o-Y basis, GDP expanded 1.2 per cent in the Q1 2018 following a 1.4 per cent expansion in the previous quarter.
  2. The annual CPI Inflation in the UK fell to 2.5 per cent in March 2018, its lowest level in a year, from 2.7 per cent in February 2018. UK unemployment rate fell to 4.2 per cent during the period January - March 2018, its lowest level in 42 years, from 4.3 in the previous period. The Bank of England Monetary Policy Committee decided to keep the Bank Rate at 0.50 per cent.

**Japan:**

* 1. The Japanese economy contracted 0.2 per cent (Q-o-Q) in the first quarter of 2018 as private consumption and capital expenditure slowed, compared to 0.4 per cent expansion in the previous period. Japanese economy grew by 0.9 per cent (Y-o-Y) during Q1 2018 as compared to 2.0 per cent in previous period.
  2. Consumer price inflation in Japan fell to 0.6 per cent in April 2018, from 1.1 per cent in the previous month. The seasonally adjusted unemployment rate in Japan remained unchanged at 2.5 per cent in March 2018.
  3. The Bank of Japan left its key short-term interest rate unchanged at -0.1 per cent at its April 2018 meeting. The policymakers also decided to keep its 10 year Government bond yield target around 0 per cent and offered a more upbeat view on private consumption and capital expenditure.

**Euro Area (EA19)[[4]](#footnote-4):**

* 1. The Eurozone economy lost steam in the first quarter of 2018. According to preliminary estimate by the Eurostat, the seasonally adjusted GDP rose by 0.4 per cent Q-o-Q in the euro area during the first quarter of 2018, slower than GDP growth of 0.7 per cent in previous quarter. Among Eurozone's countries, the GDP expanded at a softer pace in Germany (0.3 percent), France (0.3 percent), the Netherlands (0.5 percent), Austria (0.7 percent), Belgium (0.4 percent), Portugal (0.4 percent), Lithuania (0.8 percent) and Cyprus (0.8 percent). Meanwhile, GDP growth was unchanged in Italy (at 0.3 percent), Spain (at 0.7 percent) and Slovakia (at 0.9 percent); and picked up in Finland (1.1 percent) and Latvia (1.7 percent). Eurozone economy grew by 2.5 per cent (Y-o-Y) during Q1 2018 as compared to 2.8 per cent in previous period.
  2. According to the flash estimate by Eurostat, the Eurozone annual inflation was 1.2 percent in April 2018, slightly below 1.3 percent in previous month. Among Eurozone's largest economies, the highest annual rate was registered in France (1.8 percent), followed by Germany (1.4 percent), Spain (1.1 percent) and Italy (0.6 percent).
  3. The unemployment rate in the Eurozone was unchanged at 8.5 per cent in March 2018, lowest since December 2008. Among the Member States, the lowest unemployment rates in March 2018 were recorded in the Czech Republic (2.2 percent), Malta (3.3 percent) and Germany (3.4 percent). The highest unemployment rates were observed in Greece (20.6 percent in January 2018) and Spain (16.1 percent).

**Brazil:**

* 1. Real GDP of Brazil advanced by 0.1 per cent Q-o-Q in the fourth quarter of 2017, following an upwardly revised 0.2 per cent expansion in the previous quarter. During 2017, the economy expanded 1 per cent, following a 3.5 per cent contraction in both 2016 and 2015.
  2. Consumer prices in Brazil increased 2.76 per cent year-on-year in April 2018, up from 2.68 per cent in previous month. The Central Bank of Brazil cut its key Selic rate by 25 basis points to 6.50 percent on 21 March 2018 following a 25-bps slash on 7 February 2018. The cut, widely anticipated and unanimous, was the eleventh straight, bringing borrowing costs to the lowest in modern history amid below-target inflation and a gradually improving economy. The jobless rate in Brazil increased to 13.1 per cent in the three months to March 2018.

**China:**

* 1. The Chinese economy expanded 6.8 per cent Y-o-Y in the first quarter of 2018, the same as in the previous quarter. On Q-o-Q, the Chinese economy grew by 1.4 per cent first quarter of 2018, compared to an advance of 1.6 per cent in the previous quarter. Considering full year, the economy grew 6.9 per cent in 2017, above the 6.7 per cent recorded in 2016.

* 1. China's consumer prices rose by 1.8 per cent year-on-year in April 2018, compared to 2.1 per cent recorded in previous month. The People's Bank of China’s benchmark one-year lending rate remained at 4.35 per cent, since last cut of 25 basis point in October, 2015. Unemployment Rate in China decreased to 3.90 percent in the fourth quarter of 2017 from 3.95 percent in the third quarter of 2017.

**Russia:**

* 1. Russia's gross domestic product grew by 1.3 per cent year-on-year in the first quarter of 2018, following a 0.9 percent expansion reported in the previous period. The Bank of Russia recently lowered its estimate of annual GDP growth for the first quarter to 1.3-1.5 percent, from 1.5-1.8 percent previously estimated, due to the weakening of business activity in March amid unusual cold weather
  2. Russia's consumer price inflation remained unchanged at 2.4 per cent year-on-year in April 2018. Russian unemployment rate fell to 5 per cent in March 2018 from 5.4 per cent in the same month of the previous year, and in line with market expectations.
  3. The Bank of Russia held its benchmark one-week repo rate at 7.25 percent on April 27, 2018, following five consecutive cuts, saying that a weaker ruble amid geopolitical tensions will boost inflation.

**South Africa**

* 1. The South African economy advanced 1.5 per cent (Y-o-Y) in the fourth quarter of 2017, above an upwardly revised 1.3 per cent expansion in the previous quarter. The expansion was supported by a rebound in manufacturing and utilities and strong growth in services.
  2. Consumer prices in South Africa rose 3.8 per cent year-on-year in March of 2018, slowing from a 4.0 per cent gain in the previous month. It was the lowest inflation rate since March 2015. The South African Reserve Bank cut its benchmark repo rate by 25 bps to 6.5 per cent on March 28th 2018, in line with market expectations, mentioning lower inflation expectations. South Africa's unemployment rate decreased to 26.7 per cent in the fourth quarter of 2017 from 27.7 per cent in the previous quarter.

1. **Review of Global Financial Markets:** 
   1. Most of the indexes ended slightly higher in April 2018 after late weakness drained away mid-month gains. The ongoing trade worries kept strong earnings from driving a corresponding rally in stock price. Actual tariff increases remained limited, however, which helped stocks rally back at mid-month. The economic data appeared to have a mixed impact on the market. An overall sense that business and economic conditions could not get any better seemed to weigh on sentiment toward the end of the month.
   2. MSCI World Index, which is a leading indicator for tracking the overall performance of stock markets in developed markets witnessed an increase of 1.0 per cent during the month. On the other hand, MSCI Emerging Market Index registered a decrease of 0.6 per cent. MSCI India Index registered an increase of 6.5 per cent over the previous month. (Chart 5).

**Chart 5: Movement in MSCI World, MSCI Emerging Market and MSCI India Index**

*Source: Bloomberg*

**Bond Markets:**

* 1. US Treasury yields continued to rise at a robust pace as strong jobs data gave further fuel to growth and inflation expectations during April 2108. Treasuries were impacted by the volatility spike early in the month, with yields oscillating significantly over the first few days. The 10-year Treasury note’s yield increased from 2.74 per cent to 2.95 per cent at the end of April 2018.The German government 10-year note’s yield increased from 0.50 per cent to 0.66 per cent during the month.
  2. Chinese 10-year yields declined from 3.75 per cent to 3.65 per cent, while Spain’s yield went up from 1.16 per cent to 1.28 percent. UK 10-year gilt yields went up from 1.35 to 1.42 per cent. Indian yield went up from 7.40 and 7.77 per cent.

**Chart 6: Movement in 10 Year Bond Yield of Major Countries**

***Source****: Bloomberg*

**Currency Market:**

* 1. During April 2018 (by comparing the closing prices of the last trading days of March and April), the U.S. dollar (USD) gained against all 7 currencies (i.e. INR, YEN, GBP, EURO, Real, Yuan and Ruble) evaluated against it. The change in the currencies against dollar was Yuan (-0.90 percent), Euro (-2.02 percent), INR (-2.30 percent), GBP (-2.31 percent), Yen (-2.73 percent), Real (-5.29 percent) and Ruble (-10.38 percent) respectively.
  2. US Dollar Index, an index representing the strength of dollar against basket of other major currencies was observed to be at 91.84 on close of April 2018. It appreciated 2.08 percent against the basket of major currencies during April 2018 and was 0.31 percent below the close of the last trading day of 2017.

* 1. Comparing the closing prices of currencies in 2017 with the closing price of April 2018, Yen changed by 3.07 percent followed by Yuan (2.46 percent), GBP (1.77 percent), Euro (0.66 percent), INR (-4.37 percent), Real (-5.22 percent) and Ruble (-9.44 percent) respectively.
  2. Since the beginning of April 2016 till April 2018 (closing prices of the last trading days of March 2016 and April 2018 were compared), Brazilian Real and Russian Ruble changed 2.21 and 6.26 percent respectively against USD. During the same period, INR depreciated 0.74 percent. Other currencies such as Yen gained 3 percent against USD. Euro gained 5.95 percent against USD while GBP depreciated 4.56 percent against USD. Chinese Yuan has gained 1.64 percent against USD.

**Chart 7: Movement of Major Currencies against US Dollar ($)**

**Source**: Bloomberg

**Trend in Market Indices:**

* 1. Major stock indices all over the world exhibited a positive trend during April 2018. Amongst the developed markets, CAC 40 of France witnessed an increase of 6.8 per cent, followed by FTSE 100 of UK by 6.4 per cent and Straits Times of Singapore by 5.4 per cent during the month.
  2. As regards the emerging market indices, IGBC General of Colombia led the way with an increase of 9.7 per cent, followed by Sensex and Nifty 50of India which increased by 6.6 per cent and 6.2 per cent respectively. On the contrary, a fall of 9.3 per cent was registered by ISE National 100 of Turkey followed by Russian Traded of Russia and Jakatra Composite of Indonesia declining by 6.8 per cent and 3.1 per cent, respectively during the same period.

**Chart 8: Trend in Major Developed Market Indices**

**Source**: Bloomberg

**Chart 9: Trend in Market Indices of BRICS Nations**

**Source**: Bloomberg

**Market Capitalisation:**

* 1. Market capitalisation of major countries in the world, at the end of April 2018, is given in table A6 and is illustrated in Chart 10. The market capitalisation of most of the major countries showed a positive trend during the month of April 2018.
  2. Among major developed markets, the increase of 4 per cent in market capitalisation observed for UK. Followed by an increase of 3.1 per cent for France, an increase of 2.3 per cent for Singapore, an increase of 1.7 per cent for Australia, an increase of 1.2 per cent for USA, an increase of 0.4 per cent for Germany, an increase of 0.4 per cent for Japan and a decrease of 0.1 per cent for Hong Kong during April 2018.
  3. As regards the emerging markets, the decrease of 8.8 per cent in market capitalisation observed for Turkey. Followed by a decrease of 7.4 per cent for Russia, an increase of 6.5 per cent for Colombia, a decrease of 4.8 per cent for Argentina, a decrease of 4.6 per cent for Taiwan, an increase of 4.5 per cent for India, a decrease of 4 per cent for China, a decrease of 3.8 per cent for Brazil and a decrease of 3.8 per cent for South Africa during April 2018.

**Chart 10: Trend in Market Capitalisation of Major Exchanges (US$ Trillion)**

***Source****: Bloomberg*

**Derivatives Market:**

* 1. Among the major stock exchanges covered in the review (Table A4 & A5), during April 2018, the monthly notional turnover of index futures in EUREX was the highest at USD 35,103 billion followed by CME Group (USD 7,141 billion), Hong Kong Exchanges and Clearing (USD 1,197 billion) and Japan Exchange Group (USD 890 billion). In case of Index options, EUREX recorded the monthly turnover of USD 37,361 billion followed by Korea Exchange (USD 3,644 billion) and CME Group (USD 2,657 billion). Korea Exchange recorded highest number of contracts traded in Index option category, with 52.1 million contracts traded in April 2018, followed by Chicago Board Options Exchange (41.9 million contracts), CME Group (16.7 million contracts) and EUREX (16.1 million contracts).
  2. In case of Stock Options, Nasdaq - US recorded highest volume (52.2 million contracts) in terms of contracts traded on the major world exchanges followed by Chicago Board Options Exchange (38 million contracts), NYSE (32.5 million contracts), Hong Kong Exchanges and Clearing (9.8 million contracts) and Euronext (6.1 million contracts). In case of Stock Futures, EUREX remains the number one exchange in terms of number of contracts traded with monthly volume of 56.2 million contracts, followed by Korea Exchange (34.8 million contracts), Moscow Exchange (24 million contracts) and Borsa Istanbul (5 million contracts).

1. **Review of Indian Economy**
   1. As per the latest available release of Ministry of Statistics and Programme Implementation for quarterly estimates of GDP, for Q3 of 2017-18, quarterly GVA (Gross Value Added) at basic price of 2011-12 has shown a growth rate of 6.7 per cent (Y-o-Y) against 6.9 percent of same quarter of previous fiscal year. Agriculture sector's GVA at basic price has been estimated at 4.1 percent as against 7.5 per cent of same quarter of previous fiscal year. Manufacturing sector grew by 8.1 percent same as in Q3 of previous fiscal year. For the financial, real estate and professional services sector, quarterly GVA at basic prices, grew by 6.7 percent as compared to growth of 2.8 percent in previous fiscal year.
   2. GDP in FY 2016-17 has shown a growth rate of 7.1 percent (Y-o-Y). The World Bank has held forecast India to grow by 7.3 per cent in 2018.

**Exhibit 3: Quarterly Estimates of GVA (Y-o-Y) (at 2011-12 prices)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Items** | **2016-17** | | | | **2017-18** | | |
| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| 1. Agriculture & allied activities | 4.3 | 5.5 | 7.5 | 5.2 | **2.7** | 2.7 | 4.1 |
| 2. Mining & Quarrying | 10.5 | 9.1 | 12.1 | 6.4 | 1.8 | 7.1 | -0.1 |
| 3. Manufacturing | 9.9 | 7.7 | 8.1 | 5.3 | -1.8 | 6.9 | 8.1 |
| 4. Electricity, Gas, Water Supply & Other Utility Services | 12.4 | 7.1 | 9.5 | 6.1 | 7.1 | 7.7 | 6.1 |
| 5. Construction | 3 | 3.8 | 2.8 | -3.7 | 1.5 | 2.8 | 6.8 |
| 6. Trade, Hotel, Transport, Communication and services related to broadcasting | 8.9 | 7.2 | 7.5 | 6.5 | 8.4 | 9.3 | 9 |
| 7. Financial, Real Estate & Professional Services | 10.5 | 8.3 | 2.8 | 2.2 | 8.9 | 6.4 | 6.7 |
| 8. Public Administration, Defense and Other services | 7.7 | 8 | 10.6 | 17 | 13.2 | 5.6 | 7.2 |
| **Gross Value Added at Basic Price** | **8.3** | **7.2** | **6.9** | **5.6** | **5.6** | **6.2** | **6.7** |
| **GDP** | **8.1** | **7.6** | **6.8** | **6.1** | **5.7** | **6.5** | **7.2** |

***Source:*** *CSO*

**Index of Industrial Production**

* 1. India’s General Index of Industrial Production (IIP) increased by 4.4 per cent in March 2018, same as of March 2017 (both over the corresponding period in the previous year), with manufacturing growing by 4.4 per cent as compared to its 3.3 per cent growth in previous year. Electricity grew at 5.9 per cent as compared to 6.2 per cent growth in previous year. Mining grew by 2.8 per cent, compared to 10.1 per cent growth in previous year. During April - March of current financial year, the IIP grew 4.3 per cent, against 4.6 per cent growth recorded in corresponding period in previous financial year.

**Inflation**

* 1. India's CPI inflation Grew by 4.58 per cent in April, against 4.28 per cent of previous month. Food prices (as measured by CFPI) showed an increase of 2.8 per cent as compared to 2.81 per cent in last month. The Repo rate currently stands at 6 per cent.

**Trade – Exports and Imports**

* 1. Exports during April 2018 grew 5.17 per cent in dollar terms valued USD 25.91 billion as compared to USD 24.64 billion during same month of last year. Imports grew by 4.6 per cent to USD 39.63 billion from 37.88 billion during the same month of last year. The merchandise trade deficit was USD 13.72 billion in April 2018, against the deficit of USD 13.25 billion of April 2017. Taking merchandise and services together, overall trade deficit for April-March 2017-18 was estimated at USD 80.61 billion, against the deficit of USD 41.79 billion during April-March 2016-17.

**Foreign Exchange Reserves**

* 1. Since End–March 2018, forex reserves have decreased by about USD 4,178.5 million. The reserves were recorded at USD 420.4 billion as on April 27, 2018. (Exhibit 4)

**Exhibit 4: Foreign Exchange Reserves (USD billion)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **27 Apr 2018** | **30 Mar 2018** | **23 Feb 2018** | **26 Jan 2018** |
| **Total Reserves** | 420.4 | 424.4 | 420.6 | 417.8 |
| **Foreign Currency Assets** | 395.3 | 399.1 | 395.5 | 393.7 |
| **Gold** | 21.5 | 21.6 | 21.5 | 20.4 |
| **SDRs** | 1.5 | 1.5 | 1.5 | 1.5 |
| **Reserve Position in the IMF** | 2.1 | 2.1 | 2.1 | 2.1 |

***Source:*** *RBI*

1. **Annex Tables:**

**Table A1: Trend in Major International Indices**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **Index** | **As on** | **As on** | **As on** | **As on** |
| **March\*,2016** | **March\*,2017** | **March\*, 2018** | **April\*, 2018** |
|  |  |  |  |
| *1* | *2* | *3* | *4* | *5* | *6* |
| Australia | All Ordinaries | 5151.8 | 5903.8 | 5868.9 | 6071.6 |
| France | CAC 40 | 4385.1 | 5089.6 | 5167.3 | 5520.5 |
| Germany | Dax | 9965.5 | 12256.4 | 12096.7 | 12612.1 |
| Hong Kong HSI | Hang Seng | 20776.7 | 24111.6 | 30093.4 | 30808.5 |
| Japan NIKKEI | Nikkei 225 | 16758.7 | 18909.3 | 21454.3 | 22467.9 |
| Singapore STI | Straits Times | 2840.9 | 3175.1 | 3428.0 | 3613.9 |
| UK | FTSE 100 | 6174.9 | 7322.9 | 7056.6 | 7509.3 |
| USA DOW JONES | Dow Jones Industrial Average | 17685.1 | 20663.2 | 24103.1 | 24163.2 |
| USA NASDAQ Composite | Nasdaq Composite | 4869.8 | 5911.7 | 7063.4 | 7066.3 |
| India (BSE) | Sensex | 25341.9 | 29620.5 | 32968.7 | 35160.4 |
| India (NSE) | Nifty 50 | 7738.4 | 9173.8 | 10113.7 | 10739.4 |
| Brazil | Bovespa | 50055.3 | 64984.1 | 85365.6 | 86115.5 |
| Chile | Stock Market Select | 3937.5 | 4783.4 | 5542.2 | 5710.9 |
| China | Shanghai SE Composite IX | 3003.9 | 3222.5 | 3168.9 | 3082.2 |
| Colombia | IGBC General | 9871.5 | 10150.7 | 11320.4 | 12414.6 |
| Egypt | Hermes | 687.3 | 1167.8 | 1659.8 | 1738.2 |
| Hungary | Budapest Stock Exchange | 26451.0 | 31634.3 | 37258.9 | 38295.7 |
| Indonesia | Jakatra Composite | 4845.4 | 5568.1 | 6189.0 | 5994.6 |
| Malaysia | FTSE Bursa Malaysia KLCI | 1717.6 | 1740.1 | 1863.5 | 1870.4 |
| Mexico | Bolsa | 45881.1 | 48541.6 | 46124.9 | 48358.2 |
| Pakistan | Karachi 30 | 19167.5 | 25615.6 | 22801.3 | 22394.8 |
| Russia | Russian Traded | 1203.3 | 1509.7 | 1771.9 | 1652.0 |
| South Africa | FTSE/JSE Africa All Share | 52250.3 | 52056.1 | 55474.5 | 58252.1 |
| Taiwan | Taiwan Taiex | 8744.8 | 9811.5 | 10919.5 | 10657.9 |
| Thailand | Stock Exchange of Thai | 1407.7 | 1575.1 | 1776.3 | 1780.1 |
| Turkey | ISE National 100 | 83268.0 | 88947.4 | 114930.2 | 104282.8 |

\*Indices are as on last trading day of the month,

**Source**: Bloomberg

**Table A2: Volatility and P/E Ratio of Major International Indices**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **Index** | **Volatility (per cent)** | | **P/E Ratio** | |
|
| **Mar-18** | **Apr-18** | **Mar-18** | **Apr-18** |
| **1** | **2** | **3** | **4** | **5** | **6** |
| **Developed Markets** |  |  |  |  |  |
| Australia | All Ordinaries | 1.0 | 0.7 | 16.5 | 15.9 |
| France | CAC 40 | 1.2 | 0.9 | 14.7 | 14.3 |
| Germany | Dax | 1.2 | 1.2 | 12.9 | 12.6 |
| Hong Kong HSI | Hang Seng | 1.8 | 1.3 | 12.0 | 11.6 |
| Japan NIKKEI | Nikkei 225 | 1.7 | 1.6 | NA | NA |
| Singapore STI | Straits Times | 1.0 | 1.0 | 14.2 | 13.7 |
| UK | FTSE 100 | 1.0 | 0.8 | 13.7 | 13.3 |
| USA DOW JONES | Dow Jones Industrial Average | 1.9 | 1.3 | 16.9 | 16.3 |
| USA NASDAQ Composite | Nasdaq Composite | 1.8 | 1.5 | 22.1 | 21.6 |
| **Emerging Markets** |  |  |  |  |  |
| India (BSE) | S&P Sensex | 0.9 | 0.9 | 24.5 | 24.1 |
| India (NSE) | Nifty 50 | 0.9 | 0.9 | 23.0 | 22.5 |
| Argentina | Indice Bolsa General | 2.3 | 1.2 | 14.9 | 13.4 |
| Brazil | Bovespa | 1.5 | 0.9 | 13.1 | 12.9 |
| Chile | Stock Market Select | 0.9 | 0.6 | 18.7 | 17.4 |
| China | Shanghai SE Composite IX | 1.7 | 1.0 | 12.8 | 12.3 |
| Colombia | IGBC General | 1.3 | 0.8 | 14.1 | 14.2 |
| Egypt | Hermes | 0.8 | 0.8 | 11.4 | 12.2 |
| Hungary | Budapest Stock Exchange | 1.1 | 1.4 | 10.8 | 10.5 |
| Indonesia | Jakatra Composite | 0.7 | 0.8 | 16.9 | 15.8 |
| Malaysia | FTSE Bursa Malaysia KLCI | 0.8 | 0.4 | 16.5 | 16.6 |
| Mexico | Bolsa | 0.9 | 0.8 | 16.1 | 15.9 |
| Pakistan | Karachi 30 | 1.0 | 0.7 | 9.3 | 9.9 |
| Russia | Russian Traded | 1.6 | 1.3 | 6.5 | 6.3 |
| South Korea | Kospi Index | 1.2 | 1.1 | NA | NA |
| South Africa | FTSE/JSE Africa All Share | 1.4 | 1.0 | 16.3 | 15.4 |
| Taiwan | Taiwan Taiex | 1.9 | 0.8 | 13.1 | 13.2 |
| Thailand | Stock Exchange of Thai | 0.6 | 0.6 | 16.6 | 16.0 |
| Turkey | ISE National 100 | 1.2 | 0.7 | 8.6 | 8.2 |

NA.: Not Available

**Source**: Bloomberg,

**Table A3: Investment Flows – New Capital Raised by Shares and Bonds in the Major Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Stock Exchange** | **Mar-18** | | | **Apr-18** | | |
| **Bonds (USD Million)** | **Equity (USD Million)** | **Total (USD Million)** | **Bonds (USD Million)** | **Equity (USD Million)** | **Total (USD Million)** |
| Australian Securities Exchange | NA | 4,053 | 4,053 | NA | 4,818 | 4,818 |
| BME Spanish Exchanges | 33,356 | 166 | 33,522 | 21,713 | 69 | 21,782 |
| Bolsa de Comercio de Buenos Aires | 11,357 | 0 | 11,357 | 6,821 | 0 | 6,821 |
| Borsa Istanbul | 5,896 | 122 | 6,018 | 4,510 | 34 | 4,544 |
| Euronext | NA | 7,375 | 7,375 | NA | 5,396 | 5,396 |
| Hong Kong Exchanges and Clearing | 10,381 | 5,430 | 15,811 | 13,289 | 1,598 | 14,887 |
| Irish Stock Exchange | 1,941 | 98 | 2,039 | 4,929 | 6 | 4,934 |
| Japan Exchange Group Inc. | 6,364 | 3,817 | 10,181 | NA | NA | NA |
| Johannesburg Stock Exchange | 3,651 | 206 | 3,857 | 2,567 | 631 | 3,198 |
| Korea Exchange | 45,620 | 238 | 45,858 | 48,126 | 84 | 48,210 |
| London SE Group | 56,438 | 4,384 | 60,822 | 28,483 | 3,025 | 31,508 |
| Moscow Exchange | 33,647 | NA | 33,647 | 23,691 | NA | 23,691 |
| Nasdaq - US | NA | 1,830 | 1,830 | NA | 1,665 | 1,665 |
| Nasdaq Nordic Exchanges | 4,063 | 888 | 4,950 | 4,200 | 25 | 4,226 |
| NYSE | NA | 5,318 | 5,318 | NA | 7,611 | 7,611 |
| Oslo Bors | 613 | 1,951 | 2,564 | 745 | 367 | 1,112 |
| Shanghai Stock Exchange | NA | 6,668 | 6,668 | NA | 6,091 | 6,091 |
| Shenzhen Stock Exchange | 2,335 | 5,728 | 8,062 | 2,959 | 4,807 | 7,766 |
| Singapore Exchange | 46,456 | 572 | 47,027 | 35,317 | 134 | 35,451 |
| SIX Swiss Exchange | 6,942 | 1,104 | 8,045 | 4,117 | 0 | 4,117 |
| Tel-Aviv Stock Exchange | 2,799 | 97 | 2,896 | 1,722 | 67 | 1,789 |
| TMX Group | 76 | 1,930 | 2,006 | 233 | 2,520 | 2,753 |
| Warsaw Stock Exchange | NA | 65 | 65 | NA | 60 | 60 |

NA: Not Available

**Source**: World Federation of Exchanges

**Table A4: Monthly Turnover in Derivatives (Stock Options and Stock Futures) in major Stock Exchanges**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Exchange** | **Apr-18** | | | |
| **Stock options** | | **Stock futures** | |
| **Number of contracts traded** | **Notional turnover (USD Million)** | **Number of contracts traded** | **Notional turnover (USD Million)** |
| **Americas** |  |  |  |  |
| BM&FBOVESPA | NA | NA | NA | NA |
| Bolsa de Comercio de Buenos Aires | 26,40,877 | 0 | 0 | 0 |
| Chicago Board Options Exchange | 3,80,24,685 | NA | NA | NA |
| Nasdaq - US | 5,21,89,994 | NA | NA | NA |
| NYSE | 3,24,68,415 | 10,019 | NA | NA |
|  |  |  |  |  |
| **Asia - Pacific** |  |  |  |  |
| Australian Securities Exchange | 55,92,567 | 10,353 | 32,941 | 47 |
| Hong Kong Exchanges and Clearing | 98,10,916 | 35,524 | 25,736 | 112 |
| Japan Exchange Group | 24,453 | NA | NA | NA |
| Korea Exchange | 16,23,633 | NA | 3,47,50,671 | 32,074 |
| TAIFEX | 16,472 | 86 | 16,15,540 | 11,896 |
| Thailand Futures Exchange | NA | NA | 33,44,471 | NA |
|  |  |  |  |  |
| **Europe - Africa - Middle East** |  |  |  |  |
| Athens Derivatives Exchange | 834 | 1 | 9,25,255 | 142 |
| BME Spanish Exchanges | 12,38,310 | 1,106 | 6,37,720 | 394 |
| Borsa Istanbul | 2,99,375 | 63 | 50,00,615 | 1,454 |
| EUREX | 21 | 1,81,06,300 | 5,62,05,956 | 4,28,20,500 |
| Euronext | 60,81,790 | 24,714 | 13,940 | 149 |
| Johannesburg Stock Exchange | 2,99,752 | 32 | 3,14,834 | 377 |
| Moscow Exchange | 1,02,773 | 34 | 2,39,98,249 | 7,473 |
| Nasdaq Nordic Exchanges | 20,63,197 | 2,986 | 2,00,381 | 218 |
| Oslo Bors | 1,99,557 | 330 | 44,601 | 60 |
| Tehran Stock Exchange | 51 | 0 | 0 | 0 |
| Tel-Aviv Stock Exchange | 39,325 | 257 | NA | NA |

NA: Not Available

**Source**: World Federation of Exchanges

**Table A5: Monthly Turnover in Derivatives (Index Options and Index Futures) in major Stock Exchanges**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Exchange** | **Apr-18** | | | |
| **Stock index options** | | **Stock index futures** | |
| **Number of contracts traded** | **Notional turnover (USD Million)** | **Number of contracts traded** | **Notional turnover (USD Million)** |
| **Americas** |  |  |  |  |
| BM&FBOVESPA | NA | NA | NA | NA |
| Chicago Board Options Exchange | 4,19,38,763 | NA | NA | NA |
| CME Group | 1,67,38,457 | 26,56,500 | 5,53,35,808 | 71,41,410 |
| ICE Futures US | 0 | 0 | 21,66,224 | 1,38,054 |
| MexDer | 411 | 11 | 43,754 | 1,123 |
| Nasdaq - US | 2,76,481 | NA | NA | NA |
|  |  |  |  |  |
| **Asia - Pacific** |  |  |  |  |
| Australian Securities Exchange | 9,14,573 | 40,777 | 9,01,312 | 98,069 |
| Hong Kong Exchanges and Clearing | 26,66,199 | 3,10,254 | 97,68,524 | 11,96,840 |
| Japan Exchange Group | 27,18,646 | NA | 2,25,42,489 | 8,89,652 |
| Korea Exchange | 5,20,92,495 | 36,44,410 | 63,18,078 | 3,54,951 |
| Singapore Exchange | 10,05,643 | NA | 1,19,48,384 | NA |
| TAIFEX | 1,44,65,147 | 2,63,237 | 66,77,394 | 3,23,298 |
| Thailand Futures Exchange | 61,810 | NA | 25,99,601 | NA |
|  |  |  |  |  |
| **Europe - Africa - Middle East** |  |  |  |  |
| Athens Derivatives Exchange | 9,121 | 47 | 49,077 | 259 |
| BME Spanish Exchanges | 1,28,990 | 1,528 | 5,69,032 | 56,318 |
| Borsa Istanbul | 20,134 | 68 | 54,77,916 | 18,229 |
| EUREX | 1,61,20,572 | 3,73,61,300 | 4,11,25,431 | 3,51,03,400 |
| Euronext | 13,52,815 | 88,688 | 28,40,778 | 2,28,107 |
| Johannesburg Stock Exchange | 3,35,297 | 256 | 7,18,043 | 20,012 |
| Moscow Exchange | 35,99,923 | 7,946 | 1,35,53,956 | 28,429 |
| Nasdaq Nordic Exchanges | 4,04,605 | 7,259 | 33,30,293 | 58,138 |
| Oslo Bors | 1,39,677 | 1,311 | 2,39,305 | 2,322 |
| Tel-Aviv Stock Exchange | 30,14,265 | NA | NA | NA |
| Warsaw Stock Exchange | 16,491 | 109 | 3,03,023 | 3,977 |

NA: Not Available

**Source**: World Federation of Exchanges

**Table A6: Market Capitalisation of Major Stock Exchanges** (US$ Million)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stock Exchange** | **Feb-18** | **Mar-18** | **Apr-18** | **M-o-M change(%)** |
| *1* | *2* | *3* | *4* | *5* |
| **Developed Markets** |  |  |  |  |
| Australia | 14,04,789 | 13,26,639 | 13,49,486 | 1.7 |
| France | 26,08,779 | 25,82,570 | 26,62,644 | 3.1 |
| Germany | 24,05,860 | 24,39,646 | 24,49,090 | 0.4 |
| Hong Kong | 55,68,750 | 56,40,924 | 56,36,531 | -0.1 |
| Japan | 65,30,628 | 63,68,031 | 63,95,091 | 0.4 |
| Singapore | 5,75,190 | 5,64,966 | 5,77,903 | 2.3 |
| UK | 36,91,487 | 36,50,244 | 37,97,857 | 4.0 |
| USA | 3,04,13,918 | 2,93,53,555 | 2,96,94,007 | 1.2 |
|  |  |  |  |  |
| **Emerging Markets** |  |  |  |  |
| India | 22,70,798 | 21,87,156 | 22,84,769 | 4.5 |
| Argentina | 1,11,769 | 1,06,097 | 1,00,983 | -4.8 |
| Brazil | 10,19,294 | 10,02,482 | 9,63,906 | -3.8 |
| Chile | 3,08,772 | 2,98,516 | 3,01,639 | 1.0 |
| China | 78,24,166 | 76,82,781 | 73,74,088 | -4.0 |
| Colombia | 1,29,129 | 1,30,412 | 1,38,931 | 6.5 |
| Egypt | 53,712 | 58,051 | 59,352 | 2.2 |
| Hungary | 31,319 | 30,956 | 31,179 | 0.7 |
| Indonesia | 5,29,610 | 4,95,571 | 4,80,884 | -3.0 |
| Malaysia | 4,75,170 | 4,71,177 | 4,63,293 | -1.7 |
| Mexico | 3,87,029 | 3,92,128 | 3,91,042 | -0.3 |
| Pakistan | 81,231 | 80,886 | 81,666 | 1.0 |
| Russia | 6,67,977 | 6,40,863 | 5,93,121 | -7.4 |
| South Korea | 16,90,138 | 17,50,077 | 17,82,720 | 1.9 |
| South Africa | 6,16,329 | 5,71,433 | 5,49,989 | -3.8 |
| Taiwan | 12,42,423 | 12,68,179 | 12,10,400 | -4.6 |
| Thailand | 5,73,540 | 5,61,978 | 5,55,564 | -1.1 |
| Turkey | 2,39,353 | 2,26,086 | 2,06,254 | -8.8 |

*M-o-M: Month on Month.*

***Source****: Bloomberg*

**Sources:**

1. OECD database
2. Bureau of Economic Analysis (US)
3. Bureau of Labor Statistics (US)
4. The Conference Board (US)
5. The Federal Reserve System (US)
6. Institute for Supply Management (US)
7. Office for National Statistics (UK)
8. Bank of England (UK)
9. The Cabinet Office (Japan)
10. Statistics Bureau, Director-General for Policy Planning (Statistical Standards) (Japan)
11. Bank of Japan
12. Eurostat (EA18 and EU27)
13. European Central Bank (EA18)
14. *InstitutoBrasileiro de Geografia e Estatística* (Brazilian Institute of Geography and Statistics)
15. *Banco Central do Brasil* (Central Bank of Brazil)
16. Federal State Statistics Service (Russian Federation)
17. The Central Bank of the Russian Federation
18. The Central Statistical Office (India)
19. Office of the Economic Adviser to the Government of India
20. The Reserve Bank of India
21. National Bureau of Statistics of China
22. Peoples Bank of China
23. Markit Financial Information Services
24. World Federation of Exchanges
25. Bloomberg
26. BSE Ltd.
27. The National Stock Exchange
28. The Bank of Korea
29. Bank Indonesia
30. Central Bank of The Republic of Turkey
31. IMF
32. World Bank

HIGHLIGHTS OF DEVELOPMENTS IN

INTERNATIONAL SECURITIES MARKETS

1. **CPMI and IOSCO issue guidance on supervisory stress testing of central counterparties (CCPs)**

*10 April 2018* The Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) published the Framework for supervisory stress testing of central counterparties (CCPs). The framework provides authorities with guidance to support their design and implementation of supervisory stress tests for CCPs.

The CCP supervisory stress testing framework is designed to support tests conducted by one or more authorities that examine the potential macro-level impact of a common stress event affecting multiple CCPs. Among other things, such supervisory stress tests could help authorities better understand the scope and magnitude of the interdependencies between markets, CCPs and other entities such as participants, liquidity providers and custodians.

*Source: IOSCO* <http://www.iosco.org/news/pdf/IOSCONEWS494.pdf>

1. **IOSCO issues recommendations to improve regulatory reporting and transparency in corporate bond markets**

*05 April 2018* The recommendations seek to ensure that regulators have better access to information so they can perform their functions more effectively, and to enhance cross-border information sharing and understanding. The transparency recommendations aim to support the price discovery process and facilitate better informed investment choices.

Updating IOSCO´s 2004 report on Transparency of Corporate Bond Markets, the Regulatory Reporting and Public Transparency in the Secondary Corporate Bond Markets report makes seven recommendations that emphasize the importance of ensuring the availability of information to regulators, through reporting, and to the public, through transparency requirements.

*Source: IOSCO* <http://www.iosco.org/news/pdf/IOSCONEWS492.pdf>

1. Fair Average Quality (FAQ) [↑](#footnote-ref-1)
2. *Prepared by the Department of Economic and Policy Analysis-I of SEBI based on latest available data/information. Views expressed in the review are not of SEBI.* [↑](#footnote-ref-2)
3. The Organisation for Economic Co-operation and Development (OECD) was born on 30 September 1961. It is an organisation of 35 member countries worldwide. Most OECD members are high-income economies with a very high Human Development Index (HDI) and are regarded as developed countries. [↑](#footnote-ref-3)
4. The Eurozone or the Euro area is a monetary union of 19 of the 28 European Union (EU) member states which have adopted the euro as their common currency. The Eurozone consists of Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, and Spain. [↑](#footnote-ref-4)