**SEBI**

**BULLETIN**

**October 2019 VOL. 17 NUMBER 10**

**(LOGO)**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**EDITORIAL COMMITTEE**

**Mr. P K Nagpal**

**Dr. Prabhakar R. Patil**

**Mr. Shashikumar Valsakumar**

**Mr. Prabhas Rath**

**Mr. Sahil Malik**

The Securities and Exchange Board of India Bulletin is issued by the Department of Economic and Policy Analysis, Securities and Exchange Board of India under the direction of an Editorial Committee. SEBI is not responsible for accuracy of data/information/interpretations and opinions expressed in the case of signed articles/speeches as authors are responsible for their personal views. SEBI has no objection to the material published herein being reproduced, provided an acknowledgement of the same is made. The soft copy of SEBI Bulletin is available free of cost to the subscribers/readers, who register at [bulletin@sebi.gov.in](mailto:bulletin@sebi.gov.in) along with their complete address. A readable version of SEBI Bulletin is available at <http://www.sebi.gov.in>. Any comments and suggestions on any of the features/sections may be sent to [bulletin@sebi.gov.in](mailto:bulletin@sebi.gov.in)

**CONTENTS**

**USD 5 TRILLION ECONOMY – ROLE OF CAPITAL MARKETS, SHRI AJAY TYAGI, CHAIRMAN, SEBI**

**CORPORATE BOND MARKET, SHRI AJAY TYAGI, CHAIRMAN, SEBI**

**CAPITAL MARKET REVIEW**

**REVIEW OF GLOBAL FINANCIAL MARKETS**

**HIGHLIGHTS OF DEVELOPMENTS IN INTERNATIONAL SECURITIES MARKET**

**POLICY DEVELOPMENTS**

**REGULATORY ACTIONS TAKEN BY SEBI**

**TABLES**

**PUBLICATIONS**

**USD 5 Trillion economy – Role of capital markets**

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

1. Ladies and Gentlemen, it gives me great pleasure to address this august gathering and share my views on the role of capital markets in achieving the larger goal that our country is striving for – a USD 5 trillion economy by the year 2025. I would like to thank FICCI for inviting me to this Conference.
2. In my address today, I would like to briefly recapitulate the role capital markets have been playing in the recent years in economic development as also the expected role towards contributing to the USD 5 trillion target.
3. **Importance of capital markets in economic growth**
4. As per the Economic Survey 2018-19, for a USD 5 Trillion economy by 2024-25, a sustained economic growth rate of real GDP of 8 per cent is needed. This kind of sustained economic growth requires a virtuous cycle of savings and investment. A robust financial sector which can continuously supply capital resources and efficiently allocate the same to seekers of funds is crucial for creating the savings and investment cycle.
5. In this context, the theme of the Conference focusing on increasing robustness of the capital markets is aptly chosen and timed and I hope that the discussions during the Conference would throw up many new ideas.
6. **State of the capital markets and way ahead**
7. **Fund raising:**
8. For achieving the 5 T target, an increase in private investments is crucial. For invigorating such investments, the fund raising activity ought to pick up. This can be by way of equity viz. through IPOs, QIPs, etc. or by way of debt viz. loans, corporate bonds, etc. or by various hybrid instruments viz. convertibles, REITs, InvITs, etc. The role SEBI can play in this arena is by strengthening robustness of the frameworks, easing the process and by providing new avenues for fund raising. Let me further elaborate on this.

**Equity Primary Market**

1. There has been a steady primary market activity in the equity space in the last 2-3 years. The equity capital raised by listed companies through various modes was around **`** 2.4 lakh crore during 2017-18 and 2018-19. During the first five months of this financial year, equity raising is over **`** 1.4 lakh crore. While raising of equity capital through IPOs has been falling, the companies have raised equity capital through other routes such as rights issues or QIPs or preferential allotments.
2. SEBI has been taking measures for boosting investor confidence, ease of capital raising and further refining the primary market framework. We revamped and simplified our base Regulations for equity fund raising- i.e SEBI (Issue of Capital and Disclosure Requirements) Regulations in 2018. We have also recently reviewed and revised our Buyback Regulations.
3. Aimed at reducing the listing time for an IPO from T+6 days to T+3 days, SEBI has introduced the use of UPI with ASBA facility as a new payment mechanism. The implementation of this major initiative is happening in a phased manner so that operational issues are eased out over time.
4. SEBI has also taken measures for new avenues for fund raising. A separate segment called “Innovators Growth Platform”, with easier listing norms, has been set up at stock exchanges to help technology start-ups to raise capital. Considering the demand for Differential Voting Rights (DVRs) especially from companies in the tech space, a framework for DVRs has been recently notified albeit with safeguards to ensure that the governance standards and the interest of the minority shareholders are protected.
5. Going forward, in the spirit of strengthening the robustness of our frameworks, we are working on several initiatives. Rights issues, in particular, have recently seen a pickup in activity. SEBI had put out a consultative paper to reduce the timelines for rights issues. We will be soon taking a view on this subject.
6. The concept of ‘promoters’ has been prevalent in India for a long period of time. Globally, rather than promoters, the concept of ‘controlling shareholders’ is more prevalent. Keeping in mind changing realities of the global and Indian markets, we are examining the relevance of the concept of promoter in today’s times along with whether any changes to SEBI Regulations are warranted in this regard.
7. A framework can only be as robust as the enforcement of its provisions. SEBI has been enforcing many of its regulatory requirements through a Standard Operating Procedure implemented by the stock exchanges. We are in the process of strengthening this procedure further.

**Corporate bond markets**

1. As per one estimate, to achieve a USD 5 trillion GDP goal, credit supply needs to double to **`** 188 trillion from approximately **`** 98 trillion at present. From a corporate’s perspective, this would largely involve raising of debt through two options- either loans or corporate bonds.
2. As there has been a conscious effort to move from Bank Credit to other forms of credit, securities markets will have to further step up and provide the much needed debt capital for fuelling investment and generating the desired growth. In fact, to achieve the necessary credit mobilisation to reach the 5T target, the development of corporate bond market is a sine qua non.
3. Fund mobilisation through corporate bonds has increased from **`** 3.18 lakh crore in 2013-14 to **`** 6.5 lakh crore during 2018-19. In the current financial year, **`** 2.56 lakh Crore has been mobilised till August.
4. The Government and regulators have been taking measures over the period for the development of bond market. Even in the recent budget and subsequently in an announcement by the Hon’ble Finance Minister, several initiatives to develop the bond market have been announced. An important measure by SEBI has been a framework for listed large corporates to mandatorily meet 25 per cent of their financing needs through issuance of debt securities. We are likely to see the outcome of this measure by end of this financial year.
5. Going forward, the corporate bond market needs to expand to cover a larger set of issuers, a wider set of investors and instruments of a wider maturity range.
6. As of now, the corporate bond market is dominated by issuers with ratings of AA and above. The share in issuance of papers rated below AA is around 10 per cent. The creation of an institutional mechanism for providing credit enhancement / credit guarantee support, as announced by the Government, would provide comfort to investors for investing in lower rated bonds and would help such companies to raise funds from bond market. Regulatory relaxations to institutional investors to invest in bonds of such issuers would also be an important measure to improve demand for such securities. Another reason for an averseness towards lower rated bonds is the experience of poor recovery in case of default. An effective implementation of IBC would provide an additional layer of confidence and security to bond investors.
7. On widening the investor base, an often desired goal is to increase retail participation in debt securities including Government securities. The announcement made by the Hon’ble Finance Minister in this year’s Budget, relating to inter-operability of RBI depositories and SEBI depositories, is expected to have a positive impact towards this end. We are also in the process of enabling an App based subscription mechanism and UPI based participation which may facilitate increased retail participation.
8. On wider maturity options, it is necessary to touch upon the issue of a continuous yield curve. Since a corporate bond is generally priced on the basis of price of G- Sec of comparable tenure, it is important to have a robust, continuous G-Sec Yield Curve which is currently lacking.

**New Products for mobilising funds**

**Municipal Bonds**

1. To enable borrowing of funds by municipalities, SEBI had notified SEBI (Issue and Listing of debt securities by Municipalities) Regulations, 2015. However, till date, only 7 municipalities have raised **`** 1489.9 crore through issue of municipal debt securities.
2. We have recently rationalised the framework under these Regulations. The definition of issuer has been expanded to include bodies such as urban development authorities, city planning agencies, etc. performing functions akin to those performed by municipalities. Various requirements such as monitoring agency, project implementation cell, Government backing, maintenance of 100 per cent asset cover, etc. have been relaxed to ease fund raising through the framework. With these measures, we expect an uptake in the issue of municipal bonds.

**REITs and InvITs**

1. Infrastructure and real estate are two sectors where the spill-over to the other sectors of the economy is one of the highest. Therefore, any boost to these two sectors automatically translates into a multiplier effect on the rest of the economy. The Budget 2019-20 has announced that the Government would invest **`** 100 lakh crore on infrastructure in the next five years i.e. **`** 20 lakh crore per year. Considering that the total infrastructure investment during the FY 2018 was about **`** 9.5 lakh crore, the Government announcement amounts to doubling the infrastructure investment per year.
2. 24. During FY 2018, the contribution of Central Government, State Government and private sector funding of infrastructure projects was about 44 per cent, 33 per cent and 23 per cent respectively. Going forward, the share of private sector funding need to increase substantially.
3. While raising equity and debt by private sector for green field infrastructure projects in challenging, one way of enhancing the funding capacity is through giving an exit route from the completed project so that developers, investors and lenders can redeploy the fund in new and under construction project.
4. REITs and InvITs are vehicles through which the funds deployed in completed projects could be provided exit which in turn could be recycled into new and under-construction projects. SEBI has taken several initiatives over the last few years to strengthen the regulatory framework for these two products. We are also analysing a framework for easing the process of preferential issue of units by REITs and InvITs.
5. **Foreign investment**
6. The increase in domestic investment to support a 5 T economy has to be necessarily supplemented by foreign capital inflows.
7. As on March 31, 2019 a total of 9,390 FPIs from 59 different countries were registered with SEBI. FPI Regulations have seen a sea change over the last couple of years. The recently notified regulations inter-alia provide for relaxed requirements for registration and KYC documentation, which are expected to further facilitate FPI investments in India.
8. **Secondary markets**
9. A robust secondary market is essential for a thriving primary market. Turnover in the equity cash segment across all stock exchanges in India increased by about 5 per cent to **`** 87.2 lakh crore in 2018-19 from **`** 83.2 lakh crore in the previous year.
10. NSE ranked 2nd and BSE ranked 11th globally in terms of the number of trades in equity shares. In case of equity derivatives, NSE ranked 1st, 2nd and 8th in the world in terms of number of contracts in stock index options, single stock futures and single stock options respectively.
11. SEBI has taken several initiatives to rationalise and strengthen the secondary market operations, viz. inter-operability of clearing corporations, improving the risk management framework, physical settlement for single stock derivatives, review of eligibility and exit criteria of stock derivatives, measures to strengthen Algorithmic Trading and Co-location / Proximity Hosting framework, measures regarding cyber security, framework for innovation sandbox, etc.

**Mutual Funds**

1. That mutual funds enjoy trust of and have caught fancy of investors is reflective in the fact that the industry AUM has increased from around **`** 11 lakh crore four years ago to around **`** 25 lakh crore now. Number of mutual fund folios have also doubled during the same period from around 4 crore to 8 crore.
2. However, there is much scope for further growth if we compare with global markets. While the global average for industry AUM to GDP ratio is around 60 per cent, the corresponding figure for India is only 11 per cent.
3. In the medium term, especially keeping 2025 as the target year, the outlook for Mutual Funds looks quite positive. We have been working with the industry to improve penetration to the B-30 areas, especially from the retail investors. AMFI has projected a four-fold growth in AUM over the next decade. There has to be an increased focus on penetration, targeting new set of investors, self-governance and investor education & awareness to achieve this.

**Alternative Investment Funds**

1. Another vehicle which can contribute significantly to channelizing funds of investors into the capital markets is Alternative Investment Funds, especially for sophisticated and institutional investors. AIF investments have seen a significant jump in the last few years. On a cumulative basis, the investments made by AIFs stood at **`** 1.1 lakh crore in March 2019 vis-à-vis only around **`** 7300 crore in March 2015.
2. SEBI is in the process of taking steps to further strengthen the framework for AIFs in areas such as standardisation of the private placement memorandum and benchmarking framework for performance disclosures.

**D. Conclusion**

1. To conclude, equities market in India is world class in terms of regulatory framework for primary as well as secondary markets, trading volumes, depth and liquidity. This market is fully geared for meeting the requirements of 5 trillion economy.
2. Measures have been taken for development of corporate bond market. While private placement issuances have seen a rise in the last few years, the secondary market in terms of trading and liquidity is yet to develop. Clearly, much more needs to be done.
3. Increasing the share of private sector investment in infrastructure projects, especially green field projects, is challenging. REITs, InvITs, as vehicles for takeout financing, are likely to gain more and more importance.
4. Mutual funds, Insurance funds, Pension funds and AIFs, supplemented by foreign investment, would provide significant pools of funds for the projected 5 trillion economy.

I convey my best wishes for the event. Thank you.

**Corporate Bond Market**

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

1. Ladies and Gentlemen, it is my pleasure to be addressing and sharing with you today my perspective on the Indian corporate bond market. I would like to thank ASSOCHAM for inviting me to this Conference.
2. Let me start by quoting what James Carville, a prominent political advisor to Bill Clinton, once said about the relevance of bond market - *“I used to think that if there was reincarnation, I wanted to come back as the President or the Pope. But now I would like to come back as the bond market. You can intimidate everybody.”*
3. Policymakers in India are also getting cognizant of the growing importance and relevance of corporate bond market and taking measures in the last few years for its deepening; though, as compared to advanced economies, the bond market here is yet to grow to a consequential size.
4. In my address today, I will be sharing with you my thoughts on the significance of corporate bond market in the financial system; current state of affairs and the vision for the future development of bond market in India.
   1. **Significance of Corporate Bond Market**
5. 5. Corporate bond market is a disclosure-driven one. Issuers have to make timely disclosures of all material information. Even a one-day default by an issuer gets disclosed. This market discipline that is imposed on the issuer is not available in case of bank financing. Corporate bond market, thus, provides timely information about the financial health and creditworthiness of an issuer. This in turn acts as a good ‘signaling indicator’ for all participants in the economy.
6. Signals emanating from real time repricing of new information on corporate bonds, helps, to a large extent, in identifying potential vulnerabilities in various segments of the economy. Mark to market requirement on bonds alert and caution investors on the emerging credit worthiness of a borrower. This helps investors in taking timely risk management measures.
7. Apart from its role as an important means of financing corporate investments, the significance of the corporate bond market lies in its transparency, responsiveness to credit events and thus, contributing to financial stability.
   1. **Corporate Bond market - Present State**
8. Against this backdrop, let me now dwell upon the current state of the corporate bond market in India.
9. Funds raised from corporate bonds, which were around 3.7 trillion rupees during 2012-13, increased to 6.5 trillion rupees during 2018-19. Outstanding corporate bonds as a percentage of GDP moved up from 13 per cent in 2012-13 to 16.3 per cent in 2018-19.
10. This trend indicates that the corporate bond market in India has gained significant traction over the years. It is important, however, to note that corporate bond issuances have remained flat, during the last three years, at an average of approximately 6.4 trillion rupees.
11. Another means of financing corporate investment i.e. credit disbursed by banks, declined from more than 13 trillion rupees during 2012-13 to around 11 trillion rupees in 2018-19. This decline in bank credit, inter-alia, may have been as a result of measures such as asset quality review framework and related provisioning norms for banks which were ushered in towards the later part of 2015.
12. The plateauing of corporate bond issuances and declining bank credit disbursements by banks are inextricably linked to the decline in corporate private investments, resulting in sluggish growth seen in various sectors of the economy.
13. For the economy to move to the next level of growth trajectory, it is essential that all means of financing corporate investments, including corporate bond issuances, fire on all cylinders.
14. Taking into account the NPA problems of banks and inherent asset - liability mismatch problem restricting their capabilities to fund long term projects, it is but obvious that the corporate bond market has to play an increasing significant role in supporting India’s growth story.
    1. **Challenges and likely Policy Prescriptions**
15. To achieve this, inherent challenges in the corporate bond market need to be addressed. I will share with you some of these challenges and my policy prescription for them.

**Fragmented Yield Curve**

1. The fundamental challenge, in my judgment, is the absence of a continuous corporate bond yield curve spanning across different maturities and across different rating buckets. For instance, primary issuances and trading are majorly concentrated in 10 years and 3-5 years bucket. Longer end of the yield curve is predominantly dominated by debt papers of PSUs, FIs and select HFCs. Shorter end is dominated by NBFCs. As regards rating buckets, approximately 90 per cent of the papers are ‘AA and above’ rated.
2. While I will discuss the measures to address the twin problems of concentration of maturity and rating buckets, let me first emphasize the importance of having a continuous government bond yield curve for the development of the corporate bond market.
3. As we all know, a corporate bond is generally priced on the basis of price of G-Sec of comparable tenure. In other words, price of G-Sec is the base on which the spread of a corporate bond gets determined.

**Unification of Bond Markets**

1. Naturally, therefore, it is important for us to have a robust, continuous G-Sec Yield Curve. Unfortunately, however, we do not have the benefit of such a benchmark yield curve. Most of the G-Sec issuances and concomitant liquidity are concentrated in only few maturity buckets.
2. There is a need for seamless transmission of information from G-sec to the corporate bond market. One of the ways to achieve this could be through unification of the G-Sec and the corporate bond market, wherein trading, clearing and settlement takes place on one platform, backed up by an eco-system that provides for seamless transfer of G-Sec and corporate bond holdings.
3. In addition to unification of the bond market, another desired goal should be to encourage retail participation in G-sec. The announcement made by the Hon’ble Finance Minister in this year’s Budget, relating to inter-operability of RBI depositories and SEBI depositories, would facilitate this.

**Enhancing Liquidity**

1. Robust price discovery in corporate bonds remains a challenge, even internationally. Based on reported trading, USA seems to be a positive outlier, with daily trades as a percentage of corporate bond outstanding at 1.06 per cent. The comparable figures for India at 0.23 per cent as well as for many other Asian economies such as Japan at 0.05 per cent, China at 0.07 per cent and South Korea at 0.20 per cent remain poor. In fact, statistically, India seems to be doing better than these countries.
2. Corporate bonds are not as standardized as shares. A company may have bonds of several different maturities and characteristics. In other words, unlike equity instruments, corporate bonds are embedded with many nuances, both at the level of the issuer as also at the level of the instrument. This impedes liquidity.
3. Cross-country comparison also shows that the corporate bond market is predominantly an OTC market, driven by institutional investors. Therefore, unlike trading in shares where buy and sell orders are matched on electronic order books, corporate bonds are traded over the counter. Prices are negotiated off-line, bilaterally and reported / cleared on a DVP-1 basis.
4. Enhancing and coalescing the fragmented liquidity of corporate bonds is a felt need of the market participants. One way in which this could possibly be achieved is to create an electronic platform that enables sophisticated, multi-lateral negotiations to take place i.e. an enhanced ‘Request for Quote (RFQ)’ kind of arrangement. Negotiations that currently take place offline and bilaterally would have to be done on an electronic platform, with straight through processing of clearing and settlement to complete the trade. This is expected to lead to more transparency, centralization and pooling of investor interest and hopefully, a more efficient and liquid market.

**Credit Enhancement**

1. As I have mentioned earlier, approximately 90 per cent of the papers are ‘AA and above’ rated. Lower rated papers, even if they are above investment grade, face difficulty both in terms of issuance and liquidity. This problem gets further compounded for infrastructure companies as most such companies are rated lower, especially in the initial phase of their life cycle.
2. Creating an institutional mechanism for providing appropriate credit enhancement and/or credit guarantee support would go a long way in enabling more companies, including infrastructure companies, to access the bond market as investors would take comfort from the credit support/ guarantee provided by such institutional mechanism.
3. The thinking of the Government is also on similar lines as is evident from the Budget Announcement of 2016-17 on providing credit enhancement to debt securities of infrastructure companies. More recently, Hon’ble Finance Minister has proposed to establish an organization to provide credit enhancement for infrastructure and housing projects. An early establishment and operationalization of such an organization would go a long way in raising of long tenor bonds by infrastructure companies.

**Reducing Cost**

1. I share the concerns of market participants with regard to the cost of bond issuances. Studies carried out by SEBI have revealed that the requirement of creation of a Debenture Redemption Reserve (DRR) accounts for between 20 to 50 per cent of the cost of issuance. The recent Government announcement to remove DRR would, in all likelihood, substantially bring down the cost of issuance for issuers.
2. You may be aware that in India, as is also the case globally, most corporate bond issuances are privately placed. We have mandated that the entire process of corporate bond issuances has to be done through a transparent electronic book building platform (EBP), with the issuance process getting completed within T+2 days. As privately placed corporate bonds have to be listed, this improves disclosures about the issuer, reduces information asymmetry and enhances protection to the creditors.
3. Some of the other complementary measures, in this regard, that have been taken by us are:
4. Doing away with the requirement of 1per cent security deposit for public issue of debt securities.
5. Reduction in time taken for listing of public issue of bonds from 12 days to 6 days.
6. Compulsory ASBA based application for public issue of bonds.
7. We are also in the process of enabling UPI linked payment interface for bond subscription, including an App based subscription mechanism. I hope that the sum total of these measures further reduces the cost of corporate bonds issuances in India.

**New Products**

1. At present, the corporate bond market is dominated by plain vanilla bonds. Market development, however, demands an array of debt instruments to suit the varying needs of different class of market participants. In this context, the market has seen a number of new products such as Tri-partite Repo on exchange platform, bilateral Repo cleared through clearing corporations, interest rate derivatives, security receipts, units of REITs / InvITs, municipal bonds, etc. There is, however, a need for more coordinated and concerted effort to significantly enhance traction in these products.
2. The recent Budget Announcement regarding development of CDS market is one more in the series of policy measures to enhance the availability of products in the corporate bond market.

**Pools of Risk Capital**

1. Institutional investors are the pre-dominant investors in corporate bond market. Institutional investors such as pension funds, provident funds and insurance companies can generate far higher demand for longer dated corporate issuances. They are, however, guided by the investment norms prescribed by their respective sectoral regulators.
2. Relaxation of investment norms to these investors, allowing for a higher allocation by them to the corporate bond market would aid these savings to earn incremental returns and generate demand for corporate bonds. Additionally, as these institutions are long term investors and they generally hold their investments till maturity, they can act as ideal counterparties on the demand side to the infrastructure companies needing to rely on funding through longer dated instruments. The implementation of the Budget announcement of 2018-19 relating to permitting investment by regulated entities in ‘A’ grade bonds would help.
3. At the same time, it is important to note that these institutional investors have fiduciary responsibility and consequently tendency for risk aversion. It is but natural for them to prefer investment in high rated papers.
4. To address the lack of traction in lower rated papers, there is a need to encourage alternate pools of risk capital to the corporate bond market. We are beginning to see some initial interest, in this regard, with the increase in activities of ARCs and AIFs in the recent times. This is an area where policy makers need to focus more and think of providing appropriate incentives to such pools of risk capital.

**D. Conclusion**

1. To conclude, corporate bond market is important as it acts as a good signaling indicator for all participants in the economy. Corporate bond market has to play an enhanced complementary role in supporting higher corporate investments to take India’s growth story to the next level. In this context, I have highlighted some of the important challenges that need to be addressed and my policy prescriptions for them.
2. I look forward to new ideas and suggestions from you all.

Thank you and all the very best for a successful event!

**CAPITAL MARKET REVIEW**

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

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

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Aug-19** | **Sep-19** |
| ***A. Funds Mobilisation through Public Issue (I+II)*** | **6,943** | **295** |
| ***I. Equity Public Issue*** | **4,149** | **34** |
| a. IPOs (i+ii) | 4,047 | 34 |
| i. Main Board | 4,039 | 0 |
| ii. SME Platform | 8 | 34 |
| b. FPOs | 0 | 0 |
| c. Equity Right Issue | 102 | 0 |
| ***II. Debt Public Issue*** | 3,122 | 260 |
| ***B. Funds Mobilisation through Private Placement*** | **42,574** | **64,418** |
| 1. QIP/IPP | 1,930 | 14,300 |
| 2. Preferential Allotment | 335 | 1,489 |
| 3. Private Placement of Debt | 40,309 | 48,629 |
| **Total Funds Mobilised (A+B)** | **49,517** | **64,713** |

**Notes: Current month data are provisional**

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

* During September 2019, there were five public equity issuance (all the issuances were at SME platform) mobilizing **`** 34 crore as compared to four public equity issuance mobilizing **`** 4,047 crore in August 2019.
* During September 2019, there was no right issue as against one right issue for **`** 102 crore in August 2019.
* During September 2019, the amount raised through private placement of equity (i.e. preferential allotment and QIP route) stood at **`** 15,789 crore comparing with **`** 2,265 crore in August 2019.
* During September 2019, there were two issues amounting **`** 260 crore from the Public Issue of Corporate Bonds comparing with five issues amounting **`** 3,122 crore in August 2019.
* During September 2019, Private Placement of Corporate Debt Reported to BSE and NSE increased by 20.6 per cent to **`** 48,629 crore over **`** 40,309 crore in August 2019.

1. **Trends in the Secondary Market**

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Aug-19** | **Sep-19** | **Change during the Month** |
| **Index in Equity Market** |  |  |  |
| Sensex | 37,333 | 38,667 | 3.6 |
| Nifty 50 | 11,023 | 11,474 | 4.1 |
| Nifty 500 | 8,978 | 9,341 | 4.0 |
| BSE 500 | 14,234 | 14,810 | 4.0 |
| Nifty Bank | 27,428 | 29,103 | 6.1 |
| Nifty IT | 16,010 | 15,540 | -2.9 |
| BSE Healthcare | 12,875 | 12,494 | -3.0 |
| BSE FMCG | 11,077 | 11,767 | 6.2 |
| **Market Capitalisation (` crore)** | |  |  |
| BSE | 1,40,98,452 | 1,47,17,456 | 4.4 |
| NSE | 1,39,76,168 | 1,45,73,003 | 4.3 |
| **P/E Ratio** |  |  |  |
| Sensex | 26.3 | 26.4 | 0.7 |
| Nifty 50 | 27.3 | 27.0 | -0.8 |
| **No of Listed Companies** |  |  |  |
| BSE | 5317 | 5,332 | 0.3 |
| NSE | 1952 | 1955 | 0.2 |
| **Gross Turnover in Equity Segment (` crore)** | |  |  |
| BSE | 50,805 | 52,690 | 3.7 |
| NSE | 6,73,633 | 7,10,498 | 5.5 |
| **Gross Turnover in Equity Derivatives Segment (` crore)** | | |  |
| BSE | 20 | 350 | 1679.9 |
| NSE | 3,04,77,779 | 2,89,19,316 | -5.1 |
| **Gross Turnover in Currency Derivatives Segment (` crore)** | | |  |
| BSE | 6,24,311 | 5,84,638 | -6.4 |
| NSE | 10,27,025 | 8,79,828 | -14.3 |
| MSEI | 2,369 | 3,329 | 40.5 |
| **Gross Turnover in Interest Rate Derivatives Segment (` crore)** | | |  |
| BSE | 11,924 | 11,213 | -6.0 |
| NSE | 32,496 | 28,898 | -11.1 |

**Source: NSE, BSE and MSEI**

* Indian benchmark indices Sensex and Nifty50 registered a biggest single session gain in the last 10 years after Finance minister slashed corporate tax rate to 25.2 per cent from 34.9 per cent. On September 20, 2019, the Sensex closed at 38,014 up by 1,921.2 points (5.3 per cent), while Nifty was up by 569.4 points (5.3 per cent) closed at 11274.
* At the end of September 2019, Nifty 50 closed at 11,474, increased by 451 points (4.1 per cent) over August’s closing.
* S&P Sensex closed at 38,667 on September 30, 2019, an increase of 1,335 points (3.6 per cent) over previous month.
* Nifty touched high at 11,600 on September 23, 2019 and Sensex touched high of 39,097 on September 24, 2019.
* Nifty touched its low at 10,705 on September 13, 2019 while Sensex touched its low at 36,093 on September 19, 2019.

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

**Note: The closing value of Nifty 50 and Sexsex have been normalised to100 on September 03, 2019.**

* The market capitalisation of BSE stood at **`** 1,47,17,456 crore as on September 30, 2019, increased by 4.4 per cent over previous month.
* The market capitalisation of NSE stood at **`** 1,45,73,003 crore as on September 30, 2019, increased by 4.3 per cent over previous month.

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

* During September 2019, the gross turnover in the equity segment of BSE increased by 3.7 per cent to **`** 52,690 crore from **`** 50,805 crore in August 2019.
* During September 2019, the gross turnover in the equity segment of NSE increased by 5.5 per cent to **`** 7,10,498 crore from **`** 6,73,633 crore in August 2019.
* The P/E ratios of S&P BSE Sensex and Nifty 50 index were 26.4 and 27 respectively, at the end of September 2019 compared to the reading of 26.3 and 27.3 respectively a month ago.

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

* During the month of September 2019, most of the sectoral indices witnessed upward trends after Finance minister slashed corporate tax rate to 25.2 per cent from 34.9 per cent. Among BSE indices, S&P BSE Consumer Durables increased by 10.5 per cent, followed by S&P BSE Capital Goods (10.4 per cent), S&P BSE Metal (6.6 per cent), S&P BSE Bankex (6.3 per cent), S&P BSE FMCG (6.2 per cent), S&P BSE Small Cap (5.1 per cent) and S&P BSE PSU (4.1 per cent). On the other hand, S&P BSE Healthcare and S&P BSE Teck decreased by 3 per cent and 2.5 per cent respectively during the period. The average daily volatility for the month of September 2019 is given in Figure 4.

**Figure 4: Performance of BSE Indices during September 2019**

* Among select NSE sectoral indices, Nifty MNC increased by 9 per cent during September 2019, followed by Nifty FMCG (6.4 per cent), Nifty Bank (6.1 per cent), Nifty Next 50 (4.2 per cent), Nifty 100 (4.1 per cent), Nifty 500 (4.1 per cent), Nifty 200 (3.9 per cent) and Nifty Midcap 50 (3.1 per cent). On the other hand, Nifty PSU Bank decreased by 7.3 per cent followed by Nifty Pharma (6.5 per cent), Nifty Media (6 per cent) and Nifty IT (2.9 per cent). The average daily volatility for the month of September 2019 is given in Figure 4.

**Figure 5: Performance of NSE Indices during September 2019**

1. **Trends in Depository Accounts**

At the end of September 2019, there were 205 lakh demat accounts at NSDL and 188 lakh demat accounts at CDSL. Till the end of September 2019, 5,682 listed companies were signed up with NSDL 5,622 listed companies were signed up with CDSL to make their shares available in dematerialised form.

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

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **NSE** | | | **BSE** | | |
| **Aug-19** | **Sep-19** | **Percentage Change Over Month** | **Aug-19** | **Sep-19** | **Percentage Change Over Month** |
| **A. Turnover (` crore)** | | | | | | |
| (i) Index Futures | 6,06,554 | 6,40,331 | 5.6 | 0.8 | 271.5 | 32519 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 1,22,58,488 | 1,16,07,223 | -5.3 | 0.0 | 0.0 | NA |
| *Call* | 1,53,70,795 | 1,43,86,400 | -6.4 | 0.0 | 0.0 | NA |
| (iii) Stock Futures | 12,06,917 | 12,46,228 | 3.3 | 18.8 | 43.0 | 128.7 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 3,80,210 | 3,71,253 | -2.4 | 0.0 | 14.8 | NA |
| *Call* | 6,54,814 | 6,67,880 | 2.0 | 0.0 | 266.0 | NA |
| **Total** | **3,04,77,779** | **2,89,19,316** | **-5.1** | **19.6** | **595.3** | **2,931.1** |
| **B. No. of Contracts** | | | | | | |
| (i) Index Futures | 87,43,443 | 91,92,584 | 5.1 | 9 | 2,883 | 31,933.3 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 19,19,54,279 | 18,03,49,807 | -6.0 | 0 | 0 | NA |
| *Call* | 23,57,38,134 | 21,95,69,955 | -6.9 | 0 | 0 | NA |
| (iii) Stock Futures | 2,22,57,696 | 2,22,34,125 | -0.1 | 357 | 921 | 158.0 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 68,83,458 | 66,29,230 | -3.7 | 0 | 197 | NA |
| *Call* | 1,10,25,879 | 1,09,44,617 | -0.7 | 0 | 266 | NA |
| **Total** | **47,66,02,889** | **44,89,20,318** | **-5.8** | **366** | **4,267** | **1,065.8** |
| **C. Open Interest in Terms of Value ( ` crore)** | | | | | | |
| (i) Index Futures | 24,119 | 21,816 | -9.6 | 0 | 2 | NA |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 68,441 | 71,009 | 3.8 | 0 | 0 | NA |
| *Call* | 57,404 | 74,294 | 29.4 | 0 | 0 | NA |
| (iii) Stock Futures | 1,06,618 | 1,12,872 | 5.9 | 2.8 | 1.9 | -33.4 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 7,195 | 8,024 | 11.5 | 0 | 0.1 | NA |
| *Call* | 9,981 | 12,563 | 25.9 | 0 | 0.0 | NA |
| **Total** | **2,73,758** | **3,00,577** | **9.8** | **2.8** | **4.4** | **54.2** |
| **D. Open Interest in Terms of No of Contracts** | | | | | | |
| (i) Index Futures | 3,16,635 | 2,75,775 | -12.9 | 0 | 24 | NA |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 8,99,271 | 9,10,048 | 1.2 | 0 | 0 | NA |
| *Call* | 7,93,381 | 9,98,177 | 25.8 | 0 | 0 | NA |
| (iii) Stock Futures | 18,60,658 | 19,25,242 | 3.5 | 49 | 31 | -36.7 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 1,36,086 | 1,48,158 | 8.9 | 0 | 2 | NA |
| *Call* | 1,86,570 | 2,36,769 | 26.9 | 0 | 0 | NA |
| **Total** | **41,92,601** | **44,94,169** | **7.2** | **49** | **57** | **16.3** |

**Source: NSE and BSE**

* Among the three exchanges in the equity derivative market ecosystem, viz., NSE, BSE and MSEI, NSE has a market share of almost 100 per cent and BSE registered an insignificant volumes however, MSEI has no trading during September 2019.
* The notional monthly turnover in the equity derivatives segment of NSE increased by 5.1 per cent from **`** 304.8 lakh crore in August 2019 to **`** 289.2 lakh crore in September 2019.
* Index options accounted for 89.9 per cent of the total notional turnover in the F&O segment of NSE during the month compared to 90.7 per cent during last month.
* The notional turnover in index options (call and put together) decreased by 5.9 per cent to **`** 259.9 lakh crore in September 2019 from **`** 276.3 lakh crore in August 2019.
* During the month, the notional turnover of index futures increased by 19.3 per cent to**`** 6,40,331 crore from **`** 6,06,554 crore in August 2019.
* The notional turnover of stock futures increased by 0.4 per cent to **`** 10,39,134 crore from **`** 10,35,025 crore in August 2019.
* The notional turnover in stock options (call and put together) increased by 3.3 per cent to **`** 12.5 lakh crore crore from **`** 12.1 lakh crore crore during the period.
* As on September 30, 2019 the open interest at NSE stood at **`** 3,00,577 crore from **`** 2,73,758 crore, an increase of 9.8 per cent over previous month.
* In September 2019, the equity derivatives segment turnover of BSE increased significantly to ₹595.3 crore compared to ₹ 19.6 crore in August 2019.

**Figure 6: Trends of Equity Derivatives Segment at NSE (₹ crore)**

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

* During September 2019, the monthly turnover of currency derivatives in India (NSE, BSE and MSEI together) stood at **`** 14.7 lakh crore from **`** 16.5lakh crore in August 2019, a decrease of 10.9 per cent.
* The trading volumes in Currency Derivatives at NSE decreased by 14.3 per cent to **`** 8,79,828 crore in September 2019 from **`** 10,27,025 crore in August 2019.
* The trading volumes in Currency Derivatives at BSE decreased by 6.4 per cent to **`** 5,84,638 crore from **`** 6,24,311 crore during the same period.
* The trading volumes in Currency Derivatives at MSEI stood at **`** 3,329 crore in September 2019 from **`** 2,369 crore in August 2019, increase of 40.5 per cent.

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

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

* During September 2019, the monthly turnover of interest rate futures at NSE decreased by 11.1 per cent to **`** 28,898 crore from **`** 32,496 crore in August 2019.
* The monthly turnover of interest rate futures at BSE decreased by 6 per cent to **`** 11,213 crore from **`** 11,924 crore during the same period.

**Figure 8: Trends of Interest Rate Futures at NSE and BSE (₹** **crore)**

1. **Trading in Corporate Debt Market**

* During September 2019, BSE noted 3,550 trades of corporate debt with a traded value of ₹ 43,012 crore as compared to 4,175 trades of corporate debt with a traded value of ₹ 58,482 crore in August 2019.
* At NSE, 5,297 trades were noted with a traded value of ₹ 97,677 crore in September 2019 as compared to 6,095 trades were noted with a traded value of ₹ 1,04,532 crore in August 2019.

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

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

* The mutual fund industry saw a net outflow of **`** 1,51,790 crore in September 2019 compared to a net inflow of **`** 1,02,538 crore in August 2019.
* In terms of category of scheme, during September 2019, open ended schemes liquidated **`** 1,47,735 crore of which **`** 1,58,033 crore mobilised through Income/Debt Oriented Schemes. Further, growth/equity oriented schemes mobilized by **`** 6,609 crore, Hybrid Schemes mobilized **`** 2,028 crore, other schemes (ETFs) mobilised **`** 1,521 crore and **`** 140 crore mobilized through Solution Oriented Schemes.
* There was a net redemption of **`** 4,032 crore and **`** 24 crore from closed ended schemes and interval schemes during September 2019.
* The net assets under management of all mutual funds stood at ₹ 25.5 lakh crore at the end of September 2019.
* As on September 30, 2019, there were a total of 1,903 mutual fund schemes in the market, of which 1,138 were income / debt oriented schemes (314 open ended and 824 closed ended), 439 were growth / equity oriented schemes (318 open ended and 121 closed ended), 141 were open ended other schemes (ETFs), 129 were open ended Hybrid schemes, 30 were open ended Solution Oriented Schemes and 26 interval schemes.
* In the secondary market transaction, during September 2019, mutual funds made an investment of **`** 42,384 crore (**`** 11,029 crore in equity and **`** 31,354 crore in debt) compared to an investment of **`** 67,723 crore (**`**17,407 crore in equity and **`** 50,316 crore in debt) in August 2019.

**Figure 10: Trends of Mutual Funds Investment in Secondary Market (₹ crore)**

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

* During September 2019, FPIs invested **`** 7,548 crore in equity market as compared to **`** 17,592 crore liquidation in August 2019.
* FPIs withdrawn **`** 990 crore during September 2019 from debt securities as against an investment of **`** 11,672 crore in debt securities in August 2019.
* FPIs invested **`** 25 crore in hybrid securities compared to an investment of **₹** 49 crore during the period.
* FPIs were a net buyer of **`** 6,582 crore in September 2019 compared to a net seller of **`** 5,871 crore in August 2019.
* The assets of the FPIs in India, as reported by the custodians, at the end of September 2019 was ₹ 32,91,703 crore, out of which the notional value of offshore derivative instruments (including ODIs on derivatives) was ₹ 75,916 crore (or 2.3 per cent of total assets of FPIs).

**Figure 11: Trends in FPIs Investment (₹ crore)**

1. **Trends in Portfolio Management Services**

* As on September 30, 2019, AUM of the portfolio management industry increased by 2.1 per cent to ₹ 17.1 lakh crore from ₹ 16.7 lakh crore in August 2019. Of the total, AUM of fund managers of EPFO/PFs contributed ₹ 12.3 lakh crore (i.e., 73.6 per cent of total AUM).
* In terms of number of clients in PMS industry at the end of September 2019, discretionary services category topped with 1,47,638 clients, followed by non-discretionary category with 7,705 clients and advisory category with 4,075 clients.

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

During September 2019, 12 open offers with offer value of ₹ 1,502 crore was made to the shareholders as against five open offers with offer value of ₹ 4,733 crore made in August 2019. All the offers were for change in control of management.

**Figure 12: Details of Open Offers Made under the SEBI (SAST) Regulations**

1. **Commodities Derivatives Markets**

**A. Market Trends**

* During September 2019, MCX icomdex composite index, witnessed a fall of 1.8 per cent (M-o-M) driven by decrease in prices of base metals (aluminium, copper and lead), energy (crude oil), bullion (gold and silver) and agri. (cotton, CPO and mentha oil) segments. On Y-o-Y basis, MCX icomdex composite index decreased by 6.2 per cent, mainly on account of decline in prices of eight out of 13 traded commodities viz. aluminium, copper, crude oil, natural gas, zinc, cotton, CPO and mentha oil over the past year.
* During the month, MCX icomdex crude oil composite index, decreased by 0.1 per cent on account of decrease in futures price of crude oil by 1.8 per cent. Further, the downtrend in MCX icomdex base metal index (-1.0 per cent) was due to decrease in futures prices of aluminium (-2.2 per cent), copper (-0.3) per cent and lead (-0.1 per cent), which were partially offset by increase in futures prices of nickel and zinc by 6.4 per cent and 0.4 per cent respectively.
* MCX icomdex bullion index decreased by 3.3 per cent as futures prices of both gold and silver decreased by 4.5 per cent and 5.6 per cent respectively, during the month.
* At MCX, in the agri. segment, futures prices of cotton, CPO and mentha oil decreased by 2.8 per cent, 0.7 per cent and 2.0 per cent respectively, which was partially offset by increase in futures price of cardamom (5.1 per cent).
* NKrishi index decreased by 3.7 per cent (M-o-M) as 5 out of 10 constituent commodities (guar seed, turmeric, cottonseed oilcake, coriander and castorseed) witnessed a downtrend in futures prices. On Y-o-Y basis, the NKrishi index registered a gain of 8.2 per cent at the end of September 2019 mainly on account of significant increase in prices of six of its actively traded constituent commodities viz. cottonseed oilcake (28.7 per cent), soybean (20.4 per cent), coriander (15.0 per cent), castorseed (5.6 per cent), chana (4.0 per cent) and wheat (1.8 per cent).

**Figure 13: Movement of Commodity Derivatives Market Indices**

**Note: MCX icomdex composite index are upto 27th Sep 2019 only as MCX has discontinued dissemination of its co-branded TR icomdex indices since Sep 27, 2019**.

**Source: MCX and NCDEX**

* During September 2019, average daily volatility in MCX icomdex composite and NCDEX NKrishi indices was recorded at 1.0 per cent and 0.6 per cent respectively. The daily volatility and price variation over the previous month for benchmark commodity indices are shown in the Figure 14 below:

**Figure 14: Variation (point-to-point) and daily volatility of commodity indices in September 2019 (per cent)**

**Source: MCX and NCDEX**

**Table 1: Snapshot of Indian Commodity Derivative Markets**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Items** | **2018-19** | **Aug-2019** | **Sep -2019** | **Percentage variation M-o-M** |
| **A. Indices** | | | | |
| Nkrishi | 3,414 | 3,559 | 3,429 | -1.8 |
| MCX iCOMDEX | 600 | 610 | 599\* | - 3.7 |
| **B. Total Turnover (in Rs. crore)** | | | | |
| **All-India** | **73,77,944** | **8,05,020** | **8,59,269** | **6.7** |
| **MCX, of which** | **67,72,372** | **7,57,572** | **8,17,553** | **7.9** |
| *Futures* | 65,91,428 | 7,34,243 | 7,86,095 | 7.1 |
| *Options* | 1,80,944 | 23,330 | 31,458 | 34.8 |
| **NCDEX, of which** | **5,31,588** | **38,311** | **35,117** | **- 8.3** |
| *Futures* | 5,31,414 | 38,311 | 35,116 | -8.3 |
| *Options* | 174 | 0.5 | 0.8 | 53.7 |
| **ICEX** | **37,376** | **2,635** | **1,761** | **-33.1** |
| **BSE** | **32,804** | **5,013** | **3,902** | **-22.1** |
| **NSE** | **3,444** | **1,489** | **535** | **-37.2** |

**\*upto 27th Sept.2019. Source: MCX, NCDEX, ICEX, BSE and NSE.**

**B. Turnover**

* During September 2019, the aggregate turnover of all commodity exchanges increased by 6.7 per cent to ₹8,59,269 crore due to increase in turnover at MCX. However, the turnover at other four exchanges viz. NCDEX, ICEX, BSE and NSE decreased during the month. The agricultural segment contributed 5.1 per cent to the total turnover, while non-agricultural segment accounted for 94.9 per cent.
* The total turnover (futures & options) at MCX increased by 7.9 per cent to ₹8,17,553 crore during September 2019. The turnover in futures segment increased by 7.1 per cent due to rise in volume and traded value of bullion, metal and energy segment. While turnover in bullion, metal and energy futures rose by 7.3 percent, 7.1 per cent and 7.5 per cent respectively, further agri. futures declined by 27.1 per cent in September. The notional turnover of options contracts traded at MCX increased by 34.8 per cent during the month as options turnover in all the three segments increased. Options turnover in energy segment increased by 50.8 per cent, followed by bullion (24.2 per cent) and metal (13.8 per cent). The options contracts contributed 3.8 per cent to the total turnover at MCX.
* MCX added one more commodity in its agri. basket by launching futures trading in kapas on 30th September 2019 and recorded a total turnover of ₹7 crore during the month.
* During the month, the total turnover (futures & options contracts) at NCDEX decreased by 8.3 per cent to ₹35,117 crore, due to decrease in volumes and traded value of all the traded commodities (total 18) except castorseed, chana, kapas, soybean and turmeric. Turnover in option segments at NCDEX increased from ₹0.5 crore to ₹0.8 crore (+ 53.7 per cent) in September 2019. Out of the five permitted commodities, trading took place in guarseed and chana options contracts during the month.
* In September 2019, turnover at ICEX decreased significantly by 33.1 per cent to ₹1,761 crore due to decrease in traded value of gems and stone, metal (steel long) and agri. segments by 40.8 per cent, 27.8 per cent and 23.5 per cent respectively. Traded value of gems and stone segment declined significantly from ₹1,331 crore to ₹788 crore in September.
* Following the similar trend, the total turnover at BSE and NSE decreased by 22.1 per cent and 37.2 per cent respectively. Turnover in BSE decreased due to significant decline in volume and traded value in agri. segment by 16.3 per cent and 24.8 per cent respectively. At NSE, turnover decreased in both bullion and energy segments by 37.7 per cent and 29.8 per cent respectively
* The turnover of agricultural and non-agricultural commodities at exchanges is shown in Figures 15, 16 and the details are given in Tables 66 to 70.

**Figure 15: Trends in turnover of agricultural commodity derivatives (₹crore)**

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

**Figure 16: Trends in turnover of non-agricultural commodity derivatives - futures and options**

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

The following chart provides a snapshot of the percentage gain/loss in futures prices in near month contracts of the commodities traded at the exchanges.

**Figure 17: Movement of Near Month futures prices (M-o-M) for commodities traded on domestic exchanges during September 2019 (per cent)**

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

**OVERVIEW OF THE GLOBAL FINANCIAL MARKETS**

* The global economic growth has softened in the 2nd quarter of 2019. According to World Bank, global growth is expected to slow to 2.6 percent in 2019, reflecting weaker-than-expected trade and investment since the start of the year. Subdued investment in emerging market and developing economies is dampening potential growth prospects. Risks to the outlook remain firmly on the downside, including the possibility of escalating trade tensions. Growth is projected to gradually rise to 2.8 percent by 2021.
* In the major political development, tensions in the Middle East surged following attacks on two major oil facilities in Saudi Arabia. The pre-dawn attacks on September 14 knocked out more than half of the top global exporter's output - five per cent of the global oil supply - or about 5.7 million barrels per day. The oil prices surged as much as 15 per cent to US$ 69 per barrel. The crude prices corrected subsequently to settle near US$ 56 per barrel by the end of September 2019, as Saudi Arabia announces restoration of 75 per cent of crude output lost and no break out of war.
* The US-China trade war concerns appear to have eased for the time being after both parties showed intention to resume talks in October 2019. China exempted certain U.S. agricultural products from additional tariffs, and President Donald Trump delayed a scheduled 5 per cent increase in tariffs on US$ 250 billion Chinese goods from October 1 to October 15.
* The US Federal Reserve cut the fed fund rates by 25bps in September 2019, for the second time this year (with policy rates now between 1.75 – 2.0 per cent), on the back of lack of inflationary pressures, slow business investment growth and a struggling exports sector. The Fed stated that it is willing to cut rates even further if economic conditions weaken further.
* Mario Draghi, The President of the European Central Bank (ECB), introduced a fresh round of monetary stimulus in an effort to bolster growth and inflation expectations. He relaunched a quantitative easing programme which will purchase $20bn of bonds a month starting from November 2019, cut the main deposit rate from -0.4 per cent to -0.5 per cent and introduced a third round of targeted longer-term refinancing for banks (TLTRO).
* The House of Commons in the UK (UK Parliament) passed a bill designed to prevent a no-deal exit from the European Union and requires Prime Minister Johnson to seek a delay on Brexit date by three months if the government failed to secure a deal with the EU by 31st October.
* Major central banks across the globe changed their monetary policy stance towards accommodative, on the concerns of slower than expected global growth. Many countries including Brazil, Russia, and India lowered their policy interest rate. Bank of England (BOE) and Bank of Japan (BOJ) held rates steady at 0.75 per cent and -0.1 per cent respectively.
* The global equities, led by US stocks, rallied strongly in the first half of September 2019, as improvements in the outlook for U.S.–China trade talks supported risk markets. MSCI World Index gained over 3 per cent in the first part of September, but gave up some gains in the second half to close up only 1.9 per cent. MSCI Europe index gained 2.1 per cent. MSCI Emerging Market index was up 1.7 per cent.
* Since the start of September there has been a broad-based increase in nominal bond yields, although most gains were lost in the second half of September 2019. The U.S. 10-year Treasury yield rose 17 bps to 1.66 per cent, the 10-year German bund yield rose 13 bps to –0.57 per cent, the 10-year Japanese government bond rate rose 6 bps to 0.21 per cent, and the 10-year U.K gilt yield moved marginally higher (1 bp) to 0.49 per cent.
* The U.S. dollar ended the month stronger (up 0.5 per cent). The euro weakened 0.8 per cent versus the dollar on rate cut and announcement of further QE. The Japanese Yen weakened 1.7 per cent on monetary easing expectations. In contrast, the British pound strengthened 1.1 per cent against the dollar on somewhat positive Brexit-related news as the odds of a no-deal Brexit appeared to diminish
* The US economy slowed down a bit in the 2nd quarter of 2019, as the GDP grew at an annual rate of 2.0 per cent in Q2 of 2019 (compared to 3.1 per cent in the previous quarter and 3.5 per cent in the same quarter last year), as the uncertainty over the trade with the partners primarily weighed on the growth.
* The quarter-on-quarter (Q-o-Q) GDP growth rate of the Euro Area softened to 0.2 per cent in Q2 of 2019 from 0.4 per cent in previous quarter, pulled down mainly by Germany, United Kingdom and Sweden.
* Japan's quarterly economic growth was revised lower to 0.3 per cent in the second quarter of 2019 from a preliminary estimate of 0.4 per cent and compared to the previous period's 0.5 per cent growth.
* The Chinese economy has been hit by the ongoing trade war with the US. China’s GDP grew at a pace of 6.2 per cent Y-o-Y during the second quarter of 2019 which is the weakest growth rate in at least 27 years (since 1992). The Q-o-Q GDP growth rate for Q2 was 1.6 per cent, slightly up from the Q1 figure of 1.4 per cent.
* The Brazilian economy grew by 0.4 per cent in Q2 compared to a contraction of 0.1 percent in Q1 and on year-on-year basis, it expanded 1.0 per cent in the second quarter, recording a growth of 0.5 per cent from Q1.
* On the domestic front, India’s GDP grew by 5.0 per cent in Q1 2019-20, continuing the slowdown in the growth rate since Q4 2017-18. The slowdown in growth rate has been on account of global as well as domestic factors. Retail inflation in India, measured by y-o-y change in the CPI, edged up to 3.21 per cent in August from 3.15 per cent in September. The Reserve Bank of India cut the interest rate further by 25 bps to 5.15 per cent, on growth concerns and also lowered its growth projection for 2019-20 to 6.1 percent from the earlier projection of 6.9 per cent. Meanwhile, World Bank has lowered its 2019-20 growth projection for India to 6 per cent from earlier forecast of 7.5 percent. On the positive side, Indian equities staged strong recovery as the government lowered basic corporate tax rate for domestic companies to 22 per cent from 30 per cent while for new manufacturing companies it has been cut down to 15 per cent from 25 per cent. The government also withdrew enhanced surcharge levied on long and short-term capital gains for individuals and trusts earning more than Rs. 2 crore. The stock market welcomed the announcements, as both Nifty and Sensex gained over 5 per cent in a day.

**Equity Markets:**

* The stock market returns have improved in September 2019 and the select indices of developed markets as well as in BRICS nations posted positive returns during September 2019, except the South African Index which fell by 0.8 per cent.
* The Indian indices, Nifty and Sensex first time turned month-on-month positive in September 2019 since June 2019. Both the indices were bearish for last few months. Nifty gained 4.1 per cent and Sensex gained 3.6 per cent during September. However, they are yet to catch up with the June 2019 level. The positivity could be attributed measures government has taken during the month to lift up the slowing down economy. The government had slashed the Corporate Tax Rate from 34.9 per cent to 25.2 per cent and Minimum Alternate Tax from 18.5 per cent to 15 per cent.
* Amongst the developed nations, Japan recorded the highest return of 5.1 percent during September while South Korea followed with 4.8 per cent. The Indian index NSE Nifty led the stock indices of BRICS nations, with 4.1 per cent followed by BSE Sensex and Brazil IBovespa with 3.6 per cent each.
* There was a complete reversal in the behaviour of MSCI indices too during September 2019 as against August 2019. All the indices recorded positive returns in September 2019 over the previous month. The MSCI Emerging Markets Index underperformed the MSCI World.

**Table A2: Performance of Stock Indices**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Name of the Index** | **Closing Value as on** | **Closing Value before** | | | | **Annualised Volatility (%)** | **P/E Ratio** |
| **August 31, 2019** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRICS Nations** | | | | | | | | |
| Brazil | BRAZIL IBOVESPA | 104745.3 | 101134.6 | 100967.2 | 95414.6 | 79342.4 | 18.3 | 16.2 |
| Russia | RUSSIAN TRADED | 1949.7 | 1904.7 | 2044.5 | 1758.9 | 1762.0 | 16.9 | 5.3 |
| India | Nifty 50 | 11474.5 | 11023.3 | 11788.9 | 11623.9 | 10930.5 | 15.3 | 26.4 |
| India | S&P BSE SENSEX | 38667.3 | 37332.8 | 39394.6 | 38672.9 | 36227.1 | 15.2 | 27.0 |
| China | SHANGHAI SE COMPOSITE | 2905.2 | 2886.2 | 2978.9 | 3090.8 | 2821.4 | 19.2 | 14.1 |
| South Africa | FTSE/JSE AFRICA ALL SHR | 54825.0 | 55259.6 | 58203.8 | 56462.6 | 55708.5 | 12.4 | 14.3 |
| **Developed Markets** | | | | | | | | |
| USA | NASDAQ COMPOSITE | 7999.3 | 7962.9 | 8006.2 | 7729.3 | 8046.4 | 16.3 | 31.4 |
| USA | DOW JONES INDUS. AVG | 26916.8 | 26403.3 | 26600.0 | 25928.7 | 26458.3 | 12.5 | 18.0 |
| France | CAC 40 | 5677.8 | 5480.5 | 5539.0 | 5350.5 | 5493.5 | 13.3 | 19.5 |
| Germany | DAX | 12428.1 | 11939.3 | 12398.8 | 11526.0 | 12246.7 | 13.6 | 20.2 |
| UK | FTSE 100 | 7408.2 | 7207.2 | 7425.6 | 7279.2 | 7510.2 | 10.7 | 18.0 |
| Hong Kong | HANG SENG | 26092.3 | 25724.7 | 28542.6 | 29051.4 | 27788.5 | 15.5 | 10.2 |
| South Korea | KOSPI | 2063.1 | 1967.8 | 2130.6 | 2140.7 | 2343.1 | 12.3 | 20.3 |
| Japan | NIKKEI 225 | 21755.8 | 20704.4 | 21275.9 | 21205.8 | 24120.0 | 13.4 | 20.2 |
| Singapore | STRAITS TIMES STI | 3120.0 | 3106.5 | 3321.6 | 3212.9 | 3257.1 | 10.0 | 11.6 |
| Taiwan | TAIWAN TAIEX | 10829.7 | 10618.1 | 10730.8 | 10641.0 | 11006.3 | 10.4 | 15.5 |

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

**Source:** Bloomberg, BSE and NSE

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

**Source:** Bloomberg

**Note:** All indices have been indexed with base as January 01, 2019

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

**Source:** Bloomberg

**Note:** All indices have been indexed with base as January 01, 2019.

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

* As per the data available from WFE, there is a reduction in resource mobilization during August 2019, both in Equity and Debt. Data is not available for certain stock exchanges.
* Among the developed nations, Korea Exchange raised $ 42.8 billion ($0.2 billion in equity and 42.6 billion in debt) followed by Deutsche Boerse AG with $ 32 billion merely through bond issuance.
* Among the BRICS nations, National Stock Exchange raised $ 38.7 billion ($37.7 billion through bond issuance and $1.0 billion through equity issuance), followed by Moscow Stock Exchange with $ 14.5 billion through bond issuance, during August 2019.

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

(US$ Million)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Exchange** | **Jun-19** | | | **Jul-19** | | |
| **Equity** | **Bond** | **Total** | **Equity** | **Bond** | **Total** |
| **Developed** | Nasdaq - US | 2,761 | NA | 2,761 | 594 | NA | 594 |
| Nasdaq Nordic and Baltics | 13 | 2,367 | 2,380 | 1 | 2,648 | 2,649 |
| NYSE | 3,384 | NA | 3,384 | 5,121 | NA | 5,121 |
| LSE Group | 2,309 | 50,209 | 52,518 | 319 | 25,281 | 25,600 |
| Euronext | 3,970 | NA | 3,970 | 1,810 | NA | 1,810 |
| Deutsche Boerse AG | 199 | 29,502 | 29,701 | NA | 31,974 | 31,974 |
| BME Spanish Exchanges | 1,495 | 29,691 | 31,186 | 1,222 | 17,598 | 18,820 |
| Japan Exchange Group | NA | NA | NA | NA | NA | NA |
| Singapore Exchange | 11 | 44,653 | 44,664 | 4 | 28,443 | 28,447 |
| ASX Australian Securities Exchange | 3,083 | 48 | 3,132 | 2,166 | 51 | 2,217 |
| Hong Kong Exchanges and Clearing | 2,742 | 20,342 | 23,084 | 1,793 | 7,094 | 8,887 |
| Korea Exchange | 350 | 45,373 | 45,723 | 219 | 42,649 | 42,868 |
| **BRICS** | B3 - BrasilBolsaBalcão | 511 | NA | 511 | NA | NA | NA |
| Moscow Exchange | 2,187 | 30,478 | 32,664 | NA | 14,462 | 14,462 |
| BSE India Limited | NA | NA | NA | NA | NA | NA |
| National Stock Exchange of India Limited | 1,305 | 40,592 | 41,897 | 1,029 | 37,718 | 38,747 |
| Shanghai Stock Exchange | 10,274 | NA | 10,274 | 1,965 | NA | 1,965 |
| Shenzhen Stock Exchange | 13,776 | 3,273 | 17,050 | 3,069 | 2,836 | 5,906 |
| Johannesburg Stock Exchange | NA | 272,761 | 272,761 | NA | NA | NA |

**Note:** Fund mobilisation data for equities are (i) excluding investment funds and (ii) including Alternative and SME Markets except the following exceptions:

1. Australian Securities Exchange: including investment funds
2. BME: Including investment companies listed (open-end investment companies).
3. Bolsa de Valores de Lima: Includes 26 foreign companies with shares negotiated under a special modality
4. Euronext: includes Belgium, England, France, Netherlands and Portugal
5. Korea Exchange: including Kosdaq market data
6. LSE Group: includes London Stock Exchange and BorsaItaliana
7. Nasdaq Nordic Exchanges include Copenhagen, Helsinki, Iceland, Stockholm, Tallinn, Riga and Vilnius Stock Exchanges
8. NSE India: including “Emerge” market data
9. Singapore Exchange: market capitalization includes domestic listings and a substantial number of foreign listings, defined as companies whose principal place of business is outside of Singapore. Inactive secondary foreign listings are excluded.

For Funds mobilised through issuance of bonds, due to different reporting rules & calculation methods, turnover figures are not entirely comparable. The sale & purchase of a share are counted as one transaction

NA = Not Available

**Source:** World Federation of Exchanges

**Market Capitalisation of Major Exchanges:**

* Market capitalisation of all economies of Developed as well as BRICS declined during August, 2019.
* Among developed nations, market cap of the Singapore Exchange fell the most in percentage terms 7.09 per cent ($50 billion), followed by NYSE of the US by 7.04 per cent ($1717 billion) and Hong Kong Exchanges and Clearing by 6.69 per cent ($274 billion).
* Among BRICS nations, market capitalisation of B3-Brasil BolsaBalcão declined by 7.94 per cent ($86 billion) followed by Moscow Exchange by 5.68 per cent ($40.5 billion) and Shanghai Stock Exchange by 5.09 per cent ($ 244 billion). BSE India Limited fell by 3.94 per cent or by $ 80 billion in value.

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

(US$ Million)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Country** | **Exchange** | **Jul-19** | **Aug-19** | **% Change** |
| **Developed Markets** | USA | Nasdaq - US | 11,893,399 | 11,675,199 | (1.83) |
| USA | NYSE | 24,382,730 | 22,666,010 | (7.04) |
| UK | LSE Group | 3,812,153 | 3,669,728 | (3.74) |
| Pan Europe\* | Euronext | 4,329,940 | 4,200,985 | (2.98) |
| Germany | Deutsche Boerse AG | 1,888,897 | 1,841,977 | (2.48) |
| Spain | BME Spanish Exchanges | 737,907 | 723,047 | (2.01) |
| Japan | Japan Exchange Group | 5,629,343 | 5,560,111 | (1.23) |
| Singapore | Singapore Exchange | 711,911 | 661,457 | (7.09) |
| Hong Kong | Hong Kong Exchanges and Clearing | 4,098,837 | 3,824,495 | (6.69) |
| South Korea | Korea Exchange | 1,319,127 | 1,260,570 | (4.44) |
| Australia | ASX Australian Securities Exchange | 1,459,396 | 1,397,740 | (4.22) |
| **BRICS** | Brazil | B3 - BrasilBolsaBalcão | 1,082,680 | 996,672 | (7.94) |
| Russia | Moscow Exchange | 712,927 | 672,437 | (5.68) |
| India | BSE India Limited | 2,054,029 | 1,973,108 | (3.94) |
| India | National Stock Exchange of India Limited | 2,033,454 | 1,955,995 | (3.81) |
| China | Shanghai Stock Exchange | 4,798,975 | 4,554,659 | (5.09) |
| China | Shenzhen Stock Exchange | 3,052,613 | 2,986,345 | (2.17) |
| South Africa | Johannesburg Stock Exchange | 958,471 | NA | NA |

**Notes:**

1. Euronext: includes Belgium, England, France, Netherlands and Portugal
2. Johannesburg Stock Exchange: figures include the market capitalization of all listed companies, but exclude listed warrants, convertibles and investment funds
3. Korea Exchange: including Kosdaq market data
4. LSE Group: includes London Stock Exchange and BorsaItaliana
5. NSE India: including “Emerge” market data
6. Singapore Exchange: market capitalization includes domestic listings and a substantial number of foreign listings, defined as companies whose principal place of business is outside of Singapore.

NA - Not available

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

**Equity Derivatives:**

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

**Single Stock Futures:**

* In Asia-Pacific region, the Korean Exchange registered trades in 50.9 million contracts, which declined by 12 per cent over the previous month. During the month, National Stock Exchange of India Ltd registered 22.3 million trades as against 0.08 million during July 2019.
* Amongst exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded 16.5 million contracts while Borsa Istanbul recorded trading of 13.8 million contracts.

**Single Stock Options:**

* Amongst exchanges in the Americas, B3 - Brasil Bolsa Balcão recorded 84.7 million contracts and Chicago Board Options Exchange recorded 71.9 million during August 2019, which is 36.9 per cent and 16.18 per cent increase respectively, over the past month.
* Amongst exchanges in the Europe - Africa - Middle East, Tehran Stock Exchange recorded trading of 0.3 million contracts and Tehran Stock Exchange 0.2 million contracts, which is a decline of 22.2 per cent and 99.7 percent, respectively over July 2019.
* Amongst exchanges in the Asia Pacific, the National Stock Exchange of India recorded trading of 17.9 million contracts and Hong Kong Exchanges and Clearing 10.1 contracts, an increase of 23.3 per cent and 40.3 per cent respectively.

**Index Futures:**

* Amongst exchanges in the Americas, B3 - Brasil Bolsa Balcão recorded trades in 176.5 million during August 2019. CME Group recorded a 71.4 per cent increase in August 2019, with 88.5 million trades.
* Amongst exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 10.9 million contracts and Borsa Istanbul (5.4 million contracts). The exchanges recorded 41.7 per cent and 10.6 per cent increase over the last month.
* Amongst exchanges in the Asia Pacific, Japan Exchange Group recorded trading of 32.6 million contracts and Singapore Exchange (16.7 million contracts), which is an increase of 64.5 per cent and 24.2 per cent increase respectively.

**Index Options:**

* Amongst exchanges in the Americas, Chicago Board Options Exchange recorded trading of 50.1 million contracts and CME Group (20.7 million contracts) during August 2019, with 28.9 per cent and 86.5 per cent increase over July 2019, respectively.
* Amongst exchanges in the Europe - Africa - Middle East, Tel-Aviv Stock Exchange recorded trading of 2.6 million contracts and Moscow Exchange (2.2 million contracts). Trading in both the exchanges increased by 21.7 per cent and 65.1 per cent during August 2019.
* Amongst exchanges in the Asia Pacific, National Stock Exchange of India recorded trading of 427.7 million contracts and Korea Exchange (58.8 million contracts). Number of contracts traded in NSE during August 2019 increased by 15.6 per cent while it decreased for Korea Exchange by 4.2 per cent.

**Currency Derivatives:**

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

**Currency Futures:**

* Amongst exchanges in the Americas, B3 - Brasil Bolsa Balcão recorded trading of 48.5 million contracts and CME Group (16.9 million contracts). Both the exchanges recorded an increase of 41.9 per cent and 19.5 per cent respectively over July 2019.
* Amongst exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 51.5 million contracts and Borsa Istanbul (5.1 million contracts) with 53 per cent and 2.6 per cent growth over July 2019.
* Amongst exchanges in the Asia Pacific, National Stock Exchange of India recorded trading of 67.2 million contracts and BSE India Ltd. (36.5 million contracts) with 49.9 per cent and 21.1 per cent growth respectively over July 2019.

**Currency Options:**

* Amongst exchanges in the Americas, CME Group recorded trading of 1.2 million contracts and B3 - Brasil Bolsa Balcão (0.9 million contracts). This recorded 15.6 per cent and 30.6 per cent growth respectively.
* Amongst exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 2.5 million contracts and Tel-Aviv Stock Exchange (1.2 million contracts), with 72.4 per cent and 75.3 per cent growth over July 2019.
* Amongst exchanges in the Asia Pacific, The National Stock Exchange recorded trading of 76.3 million contracts which increased by 63.8 per cent and BSE India Ltd recorded 51.7 million contracts which declined by 15.2 per cent during August 2019, over July 2019.

**Interest Rate Derivatives:**

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

**Interest Rate Futures:**

* Among exchanges in the Americas, CME Group recorded trading of 234.8 million contracts, and B3 - Brasil Bolsa Balcão (51.3 million contracts), with 68.4 per cent and 22.6 per cent increase in number of contracts traded over July 2019.
* Among exchanges in the Asia Pacific, Australian Securities Exchange recorded trading of 11.6 million contracts and Korea Exchange (4.1 million contracts), with 15.3 per cent and 25.5 per cent increase over July 2019.
* The National Stock Exchange and BSE India Ltd recorded trading of 1.5 million and 0.5 million contracts during August 2019, which decreased by 29.6 per cent and 26.2 per cent, respectively, over July 2019.

**Interest Rate Options:**

* Among exchanges in the Americas, CME Group recorded trading of 67.6 million contracts and B3 - Brasil Bolsa Balcão (0.4 million contracts); for CME Group the number of trades increased by 23.5 per cent and declined for B3 - Brasil Bolsa Balcão by 81.8 per cent in August 2019 over July 2019.
* Among exchanges in the Asia Pacific, Australian Securities Exchange recorded trading of 140 thousand contracts and Japan Exchange Group (64 thousands contracts), trading in number of contracts increased in both the exchanges, in Australian Securities Exchange by 141.4 per cent and in Japan Exchange Group by 69.8 per cent.

**Commodity Derivatives:**

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

**Commodity Futures:**

* Among exchanges in the Americas, CME Group recorded trading of 91.6 million contracts and ICE Futures US (6.0 million contracts). Trading of contracts in both the exchanges increased by 13.61 per cent and 20.67 per cent respectively over July 2019.
* Among exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 74.0 million contracts and London Metal exchange (14.1 million contracts). Number of contracts traded in Moscow Exchange increased by 30.3 per cent and it declined for London Metal Exchange by 7.6 per cent.
* Among exchanges in the Asia – Pacific, Shanghai Futures Exchange recorded trading of 158.0 million contracts and Dalian Commodity Exchange (128.3 million contracts), registering 16.6 per cent increase for the former and 0.47 per cent decline for the latter.

**Commodity Options:**

* Among exchanges in the Americas, CME Group recorded trading of 14.1 million contracts and ICE Futures US (0.9 million contracts), registering 10.4 per cent increase for the former and 22.1 per cent decline for the latter.
* Among exchanges in the Europe - Africa - Middle East, Moscow Exchange recorded trading of 1.1 million contracts and London Metal Exchange (0.5 million contracts), registering 97.9 per cent increase for the former and 11.7 per cent decline for the latter.
* Among exchanges in the Asia – Pacific, Dalian Commodity Exchange recorded trading of 2.5 million contracts, followed by Zhengzhou Commodity Exchange (0.7 million contracts), registering a decline of 2.6 per cent and 45.4 per cent, respectively for the exchanges.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A5: Stock Futures and Stock Options Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Aug-19** | | | | | |
| **Single Stock Futures** | | | **Single Stock Options** | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | **Notional Value** | **Open Interest** |
| **Americas** | **296,497** | **16** | **206,819** | **242,217,804** | **400,065** | **207,469,639** |
| B3 - Brasil Bolsa Balcão | NA | NA | NA | 84,742,223 | 102,245 | 24,785,390 |
| Bolsa de Valores de Colombia | 9,105 | 12 | 23,486 | NA | NA | NA |
| Bolsa Mexicana de Valores | NA | NA | NA | NA | NA | NA |
| Cboe Global Markets | NA | NA | NA | 71,855,996 | NA | 178,643,508 |
| **Asia - Pacific** | **80,003,535** | **206,654** | **9,559,950** | **36,372,070** | **188,239** | **17,159,437** |
| ASX Australian Securities Exchange | 32,594 | 75 | 674,185 | 6,085,749 | 12,113 | 7,095,278 |
| Hong Kong Exchanges and Clearing | 52,216 | 213 | 16,834 | 10,139,778 | 31,214 | 9,216,413 |
| Japan Exchange Group | NA | NA | NA | 69,012 | NA | 168,997 |
| Korea Exchange | 50,863,455 | 22,099 | 4,195,154 | 2,153,628 | NA | 351,379 |
| National Stock Exchange of India Limited | 22,257,696 | 168,911 | 1,860,832 | 17,909,337 | 144,854 | 322,688 |
| Taiwan Futures Exchange | 1,782,889 | 15,356 | 130,375 | 14,566 | 58 | 4,682 |
| Thailand Futures Exchange | 4,851,478 | NA | 2,632,612 | NA | NA | NA |
| **Europe - Africa - Middle East** | **43,441,028** | **158,121** | **15,345,701** | **24,903,244** | **112,150** | **94,537,528** |
| Athens Stock Exchange | 634,254 | 156 | 388,477 | 1,422 | 0 | 2,529 |
| Borsa Istanbul | 13,778,015 | 2,313 | 1,190,152 | 331,370 | 40 | 554,201 |
| Budapest Stock Exchange | 9,231 | 64 | 7,294 | NA | NA | NA |
| Dubai Gold and Commodities Exchange | 104,164 | NA | 523 | NA | NA | NA |
| Johannesburg Stock Exchange | NA | NA | NA | NA | NA | NA |
| Moscow Exchange | 16,478,021 | 5,302 | 2,072,552 | 196,535 | 54 | 571,840 |
| Tehran Stock Exchange | NA | NA | NA | 235,368 | 1 | NA |
| Tel-Aviv Stock Exchange | NA | NA | NA | 108,800 | 764 | 63,554 |
| **Grand Total** | **123,741,060** | **364,791** | **25,112,470** | **303,493,118** | **700,453** | **319,166,604** |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A6: Index Futures and Index Options Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Aug-19** | | | | | |
| **Stock Index Futures** | | | **Stock Index Options** | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | **Notional Value** | **Open Interest** |
| **Americas** | **277,821,617** | **11,229,413** | **7,446,206** | **76,758,481** | **3,444,501** | **34,898,288** |
| B3 - Brasil Bolsa Balcão | 176,459,207 | 945,476 | 881,004 | 5,655,178 | 40,244 | 465,666 |
| Bolsa de Valores de Colombia | 1,177 | 5 | 415 | NA | NA | NA |
| Bolsa Mexicana de Valores | NA | NA | NA | NA | NA | NA |
| Cboe Futures Exchange | 7,936,967 | NA | 353,349 | NA | NA | NA |
| Cboe Global Markets | NA | NA | NA | 50,105,980 | NA | 29,445,572 |
| CME Group | 88,494,231 | 10,082,654 | 4,258,569 | 20,703,844 | 3,404,161 | 4,911,087 |
| ICE Futures US | 4,197,318 | 201,278 | 1,635,128 | NA | NA | NA |
| **Asia - Pacific** | **96,483,945** | **3,853,078** | **7,157,472** | **513,849,564** | **7,632,451** | **14,546,893** |
| ASX Australian Securities Exchange | 1,204,700 | 129,817 | 433,187 | 921,448 | 39,446 | 916,422 |
| Bursa Malaysia Derivatives | 214,167 | 3,977 | 27,622 | 964 | 0 | 566 |
| China Financial Futures Exchange | 4,718,581 | 662,013 | 323,546 | NA | NA | NA |
| Hong Kong Exchanges and Clearing | 11,504,878 | 1,144,500 | 651,469 | 4,261,117 | 418,411 | 3,261,336 |
| Japan Exchange Group | 32,583,679 | 1,201,376 | 1,971,463 | 3,157,003 | NA | 2,055,283 |
| Korea Exchange | 8,844,547 | 317,117 | 810,095 | 58,837,908 | 3,016,421 | 3,650,836 |
| National Stock Exchange of India Limited | 8,743,443 | 84,889 | 316,703 | 427,692,413 | 3,866,777 | 1,692,839 |
| Singapore Exchange | 16,734,488 | NA | 2,125,364 | 1,256,851 | NA | 2,207,077 |
| Taiwan Futures Exchange | 7,419,753 | 309,389 | 162,036 | 17,469,283 | 291,396 | 677,009 |
| Thailand Futures Exchange | 4,515,709 | NA | 335,987 | 252,577 | NA | 85,525 |
| **Europe - Africa - Middle East** | **71,070,236** | **2,868,413** | **14,538,536** | **46,450,923** | **1,619,485** | **60,101,315** |
| Athens Stock Exchange | 75,878 | 342 | 16,442 | 5,601 | 26 | 2,708 |
| Borsa Istanbul | 5,411,147 | 11,385 | 439,247 | 22,681 | 49 | 34,480 |
| Budapest Stock Exchange | 34,452 | 45 | 17,093 | NA | NA | NA |
| Johannesburg Stock Exchange | NA | NA | NA | NA | NA | NA |
| Moscow Exchange | 10,891,724 | 26,446 | 417,910 | 2,171,388 | 5,477 | 631,096 |
| Tehran Stock Exchange | 347 | 1 | NA | NA | NA | NA |
| Tel-Aviv Stock Exchange | NA | NA | NA | 2,640,847 | 118,029 | 166,716 |
| **Grand Total** | **445,375,798** | **17,950,905** | **29,142,214** | **637,058,968** | **12,696,438** | **109,546,496** |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A7: Currency Futures and Options Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Aug-19** | | | | | |
| **Currency Futures** | | | **Currency Options** | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | **Notional Value** | **Open Interest** |
| **Americas** | 87,230,917 | 2,520,049 | 10,668,031 | 2,052,243 | 138,165 | 1,652,528 |
| B3 - Brasil Bolsa Balcão | 48,481,146 | 866,100 | 6,685,140 | 879,803 | 536 | 963,668 |
| Bolsa de Valores de Colombia | 47,582 | 2,128 | 3,466 | 358 | 0 | 1,152 |
| Bolsa Mexicana de Valores | NA | NA | NA | NA | NA | NA |
| CME Group | 16,898,041 | 1,593,098 | 1,887,352 | 1,169,493 | 137,603 | 683,452 |
| ICE Futures US | 461,409 | 37,300 | 115,443 | 265 | 26 | 3,078 |
| **Asia - Pacific** | 115,360,217 | 216,433 | 4,533,980 | 127,969,739 | 127,283 | 2,659,435 |
| BSE India Limited | 36,524,837 | 36,437 | NA | 51,709,724 | 50,937 | NA |
| Hong Kong Exchanges and Clearing | 236,023 | 23,323 | 28,191 | 2,032 | 202 | 4,057 |
| Korea Exchange | 8,678,620 | 86,781 | 733,022 | NA | NA | NA |
| National Stock Exchange of India Limited | 67,172,392 | 67,725 | 3,611,422 | 76,252,863 | 76,009 | 2,650,991 |
| Singapore Exchange | 2,623,893 | NA | 126,020 | NA | NA | NA |
| Taiwan Futures Exchange | 83,568 | 2,167 | 6,191 | 5,120 | 135 | 4,387 |
| Thailand Futures Exchange | 40,884 | NA | 29,134 | NA | NA | NA |
| **Europe - Africa - Middle East** | 60,127,768 | 57,109 | 6,362,824 | 3,923,074 | 14,784 | 2,802,550 |
| Borsa Istanbul | 5,140,967 | 5,085 | 2,089,656 | 234,958 | 232 | 183,612 |
| Budapest Stock Exchange | 462,757 | 490 | 760,984 | 7,500 | 8 | 13,000 |
| Dubai Gold and Commodities Exchange | 3,050,189 | NA | 393,334 | 3,302 | NA | 550 |
| Johannesburg Stock Exchange | NA | NA | NA | NA | NA | NA |
| Moscow Exchange | 51,473,855 | 51,533 | 3,118,850 | 2,463,200 | 2,443 | 2,108,170 |
| Tel-Aviv Stock Exchange | NA | NA | NA | 1,214,114 | 12,101 | 497,218 |
| **Grand Total** | 262,718,902 | 2,793,590 | 21,564,835 | 133,945,056 | 280,232 | 7,114,513 |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A8: Interest Rate Futures and Options Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Aug-19** | | | | | |
| **Interest Rate Futures** | | | **Interest Rate Options** | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | **Notional Value** | **Open Interest** |
| **Americas** | 292,965,862 | 40,866,661 | 88,999,679 | 67,945,975 | 12,701,104 | 95,180,904 |
| B3 - Brasil Bolsa Balcão | 51,303,508 | 1,124,732 | 58,494,000 | 40,680 | 3 | 24,276,763 |
| Bolsa de Valores de Colombia | 18,842 | 1,510 | 12,914 | NA | NA | NA |
| Bolsa Mexicana de Valores | NA | NA | NA | NA | NA | NA |
| CME Group | 234,808,812 | 39,740,419 | 30,191,816 | 67,604,346 | 12,701,101 | 70,603,192 |
| ICE Futures US | NA | NA | NA | NA | NA | NA |
| **Asia - Pacific** | 19,884,339 | 3,697,700 | 5,607,335 | 204,718 | 9,455 | 34,934 |
| BSE India Limited | 578,510 | 1,669 | NA | NA | NA | NA |
| ASX Australian Securities Exchange | 11,606,423 | 3,084,103 | 4,644,883 | 140,310 | 9,455 | 32,000 |
| China Financial Futures Exchange | 1,213,914 | 194,159 | 115,208 | NA | NA | NA |
| Hong Kong Exchanges and Clearing | 136 | 21 | 200 | NA | NA | NA |
| Japan Exchange Group | 784,910 | NA | 134,104 | 64,408 | NA | 2,934 |
| Korea Exchange | 4,134,799 | 413,200 | 512,285 | NA | NA | NA |
| National Stock Exchange of India Limited | 1,543,335 | 4,548 | 179,226 | NA | NA | NA |
| Singapore Exchange | 22,312 | NA | 21,429 | NA | NA | NA |
| Taiwan Futures Exchange | NA | NA | NA | NA | NA | NA |
| Thailand Futures Exchange | NA | NA | NA | NA | NA | NA |
| **Europe - Africa - Middle East** | 81,975,099 | 35,547,861 | 17,279,562 | 15,123,753 | 7,261,639 | 21,405,517 |
| Johannesburg Stock Exchange | NA | NA | NA | NA | NA | NA |
| Moscow Exchange | 26,920 | 13 | 74,754 | NA | NA | NA |
| **Grand Total** | 394,825,300 | 80,112,221 | 111,886,576 | 83,274,446 | 19,972,198 | 116,621,355 |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A9: Commodity Futures and Options Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Aug-19** | | | | | |
| **Commodity Futures** | | | **Commodity Options** | | |
| **Number of Contracts Traded** | **Notional Value** | **Open Interest** | **Number of Contracts Traded** | **Notional Value** | **Open Interest** |
| **Americas** | 97,883,515 | 5,156,349 | 17,984,152 | 15,052,885 | 779,323 | 12,273,207 |
| B3 - Brasil Bolsa Balcão | 119,451 | 806 | 66,455 | 53,334 | 7 | 98,104 |
| Bolsa de Valores de Colombia | 45 | 0 | 269 | NA | NA | NA |
| CME Group | 91,638,102 | 5,031,327 | 15,829,364 | 14,065,112 | 759,110 | 11,006,455 |
| ICE Futures US | 5,973,719 | 124,215 | 2,042,719 | 925,630 | 20,205 | 1,146,292 |
| **Asia - Pacific** | 419,320,069 | 2,754,245 | 18,991,121 | 4,205,078 | 4,697 | 2,207,251 |
| ASX Australian Securities Exchange | 41,733 | 2,771 | 92,266 | 6,463 | 1,217 | 36,819 |
| Bursa Malaysia Derivatives | 998,582 | 13,123 | 170,434 | 7,700 | NA | 9,050 |
| Dalian Commodity Exchange | 128,256,752 | 919,050 | 6,523,643 | 2,458,540 | 125 | 534,839 |
| Hong Kong Exchanges and Clearing | 85,343 | 3,395 | 3,016 | NA | NA | NA |
| Indonesia Commodity and Derivatives Exchange | 5,869 | NA | 129 | NA | NA | NA |
| Multi Commodity Exchange of India | 28,694,742 | 102,759 | 239,457 | 288,287 | 3,265 | 14,103 |
| NZX Limited | 35,348 | 123 | 43,886 | 8,224 | 29 | 15,563 |
| Shanghai Futures Exchange | 158,034,336 | 1,678,785 | 6,773,711 | NA | NA | NA |
| Singapore Exchange | 2,049,995 | NA | 853,620 | 689,267 | NA | 1,409,785 |
| Taiwan Futures Exchange | 22,655 | 394 | 1,425 | 5,952 | 54 | 947 |
| Thailand Futures Exchange | 925,704 | NA | 54,070 | NA | NA | NA |
| Zhengzhou Commodity Exchange | 100,151,577 | 33,637 | 4,234,558 | 740,645 | 8 | 186,145 |
| **Europe - Africa - Middle East** | 136,986,911 | 3,430,887 | 16,045,758 | 4,951,097 | 58,426 | 6,048,707 |
| Borsa Istanbul | 8,474,251 | 1,617 | 567,230 | NA | NA | NA |
| Dubai Gold and Commodities Exchange | 65,396 | NA | 1,401 | NA | NA | NA |
| Johannesburg Stock Exchange | NA | NA | NA | NA | NA | NA |
| London Metal Exchange | 14,071,454 | 1,308,369 | 2,229,254 | 476,997 | 52,595 | 350,247 |
| LSE Group | 40 | 2 | 112 | NA | NA | NA |
| Moscow Exchange | 74,000,538 | 45,430 | 1,302,644 | 1,146,082 | 670 | 279,980 |
| **Grand Total** | 654,190,495 | 11,341,481 | 53,021,031 | 24,209,060 | 842,446 | 20,529,165 |

NA: Not Available

**Source: World Federation of Exchanges**

**Debt Market:**

* Yields for the first half of September remained high compared to the second half. The continuing geopolitical developments and growth concerns are affecting the bond market for some time.
* The Federal Reserve reduced the policy rate by 25 basis points in September 2019. The European Central Bank has cut its deposit rates to a record low of -0.5% from -0.4 per cent. The ECB has also approved a fresh stimulus package and would be restarting the bond repurchase of 20 billion euros a month from November 2019.
* For US, the 10 year bond yield has hit 3 years low in September 2019. On September 3, 2019 the yield was 1.46. The yield has dropped for all the developed economies compared to September 2018.
* In the developed nations bond yields gained marginally for some economies, the yield went up for US by 17bps, for Japan by 6bps and in the BRICS group, Indian bond yields gained by 14bps and China by 8bps.

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

**Source:** Bloomberg

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

**Source:** Bloomberg

* As of July 2019, Japan and China accounted for 17.1 per cent and 16.8 per cent of total foreign holding of US Treasury Securities. India accounted for 2.4 per cent of total foreign holding of US Treasury Securities (Table A10).

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2019** | | | | | |
| **Country/Month** | **Jul** | **Jun** | **May** | **Apr** | **Mar** | **Feb** | **Jan** |
| Japan | 1130.8 | 1122.9 | 1101 | 1064 | 1078.1 | 1068.8 | 1064.9 |
| China, Mainland | 1110.3 | 1112.5 | 1110.2 | 1113 | 1120.5 | 1130.9 | 1126.7 |
| United Kingdom | 334.7 | 341.1 | 323.1 | 300.8 | 317.1 | 302.5 | 290.1 |
| Brazil | 309.9 | 311.7 | 305.7 | 306.7 | 311.7 | 307.7 | 305.1 |
| Ireland | 258.2 | 262.1 | 270.7 | 269.7 | 277.6 | 274 | 270.1 |
| Luxembourg | 229.6 | 231 | 229.6 | 223.7 | 230.2 | 228.9 | 226.7 |
| Switzerland | 228.5 | 232.9 | 231.4 | 226.9 | 226.4 | 221.4 | 227 |
| Cayman Islands | 218.4 | 226.6 | 216.1 | 217.2 | 219.5 | 210.1 | 209.2 |
| Hong Kong | 210.4 | 215.6 | 204 | 205.9 | 207.6 | 202.4 | 200.9 |
| Belgium | 206.1 | 203.6 | 190.5 | 179.8 | 186.6 | 181.3 | 191.5 |
| Saudi Arabia | 180.8 | 179.6 | 179 | 176.6 | 170 | 167.6 | 163.3 |
| Taiwan | 178.7 | 175.1 | 172 | 171.1 | 168.8 | 164.9 | 168.3 |
| **India** | 159.9 | 162.7 | 156.9 | 155.3 | 152 | 144.3 | 144.9 |
| Singapore | 137.9 | 139.6 | 150.4 | 139.3 | 138.8 | 130.5 | 127.8 |
| France | 136.2 | 131.6 | 125.1 | 124.7 | 109.6 | 115.9 | 112.5 |
| Korea | 117 | 115.2 | 117.3 | 115.1 | 119.9 | 115.5 | 117.3 |
| Canada | 108.7 | 111.6 | 100.5 | 102.1 | 99.7 | 97.6 | 99.3 |
| Norway | 96.9 | 99.3 | 99.3 | 97.1 | 99.5 | 97.1 | 90.9 |
| Thailand | 89.5 | 83.8 | 81.4 | 82.2 | 84.4 | 90.9 | 83.7 |
| Germany | 85.9 | 79.2 | 77.8 | 72.8 | 78.1 | 76.2 | 73.6 |
| Bermuda | 68.6 | 73.9 | 69.1 | 66.4 | 68.1 | 66.9 | 66.4 |
| Mexico | 51.2 | 49 | 49.9 | 47.6 | 44.7 | 40.5 | 41.2 |
| United Arab Emirates | 49.3 | 51.5 | 53.2 | 55.7 | 55.6 | 54.5 | 55.9 |
| Netherlands | 49.2 | 47.9 | 44.4 | 45 | 44.5 | 42.9 | 43 |
| Sweden | 47.7 | 49.4 | 48.5 | 46.5 | 47.9 | 48.2 | 43.4 |
| Italy | 45.6 | 45.4 | 42.5 | 43.7 | 44 | 42.1 | 41.1 |
| Kuwait | 44 | 44.4 | 41.4 | 40.2 | 40.2 | 42.2 | 40.7 |
| Spain | 42.9 | 42.6 | 42 | 41 | 40.9 | 37.7 | 36.6 |
| Australia | 42.3 | 39.2 | 39.7 | 39.1 | 39.3 | 39.5 | 41.4 |
| Israel | 40.1 | 39.5 | 36.1 | 36.2 | 34.8 | 35.4 | 30 |
| Iraq | 34.9 | 34.7 | 34.4 | 35.4 | 36.2 | 34.7 | 34 |
| Philippines | 33.9 | 32.2 | 30.7 | 27.3 | 25.1 | 21.2 | 21.1 |
| Colombia | 30.7 | 31.1 | 29.6 | 29.7 | 31.5 | 27.2 | 26.8 |
| Chile | 30.6 | 29.2 | 29.8 | 29 | 28.6 | 30 | 29.4 |
| All Other | 491.1 | 488.5 | 505.7 | 506.6 | 495.8 | 483 | 480.1 |
| **Grand Total** | **6630.5** | **6636.3** | **6538.9** | **6433.5** | **6473.3** | **6374.8** | **6324.7** |
|  |  |  |  |  |  |  |  |
| Of which: |  |  |  |  |  |  |  |
| For. Official | 4133.5 | 4135.9 | 4103.9 | 4062.5 | 4072.7 | 4024.9 | 3980.4 |
| Treasury Bills | 282.2 | 279.2 | 292.7 | 302.3 | 313.4 | 315.3 | 305.1 |
| T-Bonds & Notes | 3851.2 | 3856.8 | 3811.3 | 3760.2 | 3759.4 | 3709.6 | 3675.2 |

**Note:**

1. The data in this table are collected primarily from U.S.-based custodians and broker-dealers. Since U.S. securities held in overseas custody accounts may not be attributed to the actual owners, the data may not provide a precise accounting of individual country ownership of Treasury securities.
2. Estimated foreign holdings of U.S. Treasury marketable and non-marketable bills, bonds, and notes reported under the Treasury International Capital (TIC) reporting system are based on monthly data on holdings of Treasury bonds and notes as reported on TIC Form SLT, Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents and on TIC Form BL2, Report of Customers' U.S. Dollar Liabilities to Foreign Residents.

**Source:** Department of the Treasury/Federal Reserve Board / September 17, 2019

**Currency Market:**

* Currency markets across the globe were volatile owing to some international developments. During September 2019, the currencies marginally strengthened against the US dollar compared to August 2019.
* The dollar index remained in the range of 98.25 and 99.38 August 2019 and recorded the highest close price on September 30, 2019 at 99.38, since January 2019. This indicates that the dollar index has strengthened against its constituent foreign currencies during the period. US Dollar Index contains six developed market currencies.
* The strengthening of the global currencies has reflected in the performance of MSCI EM Currency Index. The currency index gained 0.8 per cent as on September 30, 2019 over the closing as on August 30, 2019.
* The INR did not fluctuate much during the month under review.

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

**Note:** All currencies have been normalised keeping December 31, 2018 as base.

**Source:** Bloomberg

**Chart 6: Movement of the US Dollar Index and MSCI EM Currency Index**

**Note:**

1. All currencies have been normalised keeping December 31, 2018 as base.
2. The U.S. Dollar Index is an index of the value of the United States dollar relative to a basket of foreign currencies. The Index goes up when the U.S. dollar gains value compared to other currencies. The index is maintained and published by Intercontinental Exchange. It is a weighted geometric mean of the dollar's value relative to following select currencies: Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona, Swiss franc.
3. The MSCI Emerging Markets (EM) Currency Index tracks the performance of twenty-five emerging-market currencies relative to the US Dollar.

**Source:** Bloomberg

**HIGHLIGHTS OF DEVELOPMENTS IN INTERNATIONAL SECURITIES MARKET**

1. **SEC Adopts New Rules and Amendments under Title VII of Dodd-Frank**

The Securities and Exchange Commission (SEC) undertook a significant step toward establishing the regulatory regime for security-based swap dealers by adopting a package of rules and rule amendments under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). These actions establish recordkeeping and reporting requirements for security-based swap dealers and major security-based swap participants and amend the recordkeeping and reporting requirements for broker-dealers. Under these rules, these companies will be required to create and retain fundamental business records to document and track their operations, facilitating the Commission's ability to monitor compliance and reducing risk to the market.

These rules address seven key areas:

* They establish record making requirements for security-based swap dealers (SBSDs) and major security-based swap participants (MSBSPs) and amend the existing record making requirements for broker-dealers to account for their security-based swap activities.
* They establish record preservation requirements for SBSDs and MSBSPs and amend the existing record preservation requirements for broker-dealers to address records relating to their security-based swap activities.
* They establish periodic reporting and annual audit requirements for SBSDs and MSBSPs and amend the existing reporting requirements for broker-dealers to account for their security-based swap activities.
* They establish early warning notification requirements for SBSDs and MSBSPs.
* They establish security count requirements for SBSDs that are not registered as broker-dealers and do not have a prudential regulator (stand-alone SBSDs).
* They amend the Commission's existing cross-border rule to provide a means to request substituted compliance with respect to the recordkeeping and reporting requirements for SBSDs and MSBSPs.
* They amend a rule that permits certain SBSDs that are registered as swap dealers and predominantly engage in a swaps business to comply with CFTC requirements in lieu of Commission requirements. The amendment adds the recordkeeping and reporting requirements being adopted today to this alternative compliance mechanism.

**Source:** [**https://www.sec.gov/news/press-release/2019-182**](https://www.sec.gov/news/press-release/2019-182)

1. **SEC Proposes Rules to Update Statistical Disclosures for Banking Registrants**

The Securities and Exchange Commission (SEC) proposed rules to update the statistical disclosures that bank and savings and loan registrants provide to investors, and eliminate disclosures that overlap with Commission rules, U.S. GAAP or IFRS.  The proposed rules would replace Industry Guide 3, Statistical Disclosure by Bank Holding Companies, with updated disclosure in a new subpart of Regulation S-K.

The proposal will have a 60-day public comment period following its publication in the Federal Register.

The proposed rules would apply to bank holding companies, banks, savings and loan holding companies, and savings and loan associations (“banking and savings and loan registrants”).

The Commission’s proposed rules would require disclosure about the following:

* Distribution of assets, liabilities and stockholders’ equity, the related interest income and expense, and interest rates and interest differential;
* Weighted average yield of investments in debt securities by maturity;
* Maturity analysis of the loan portfolio including the amounts that have predetermined interest rates and floating or adjustable interest rates;
* An allocation of the allowance for credit losses and certain credit ratios; and
* Information about bank deposits including amounts that are uninsured.

**Source:** [**https://www.sec.gov/news/press-release/2019-179**](https://www.sec.gov/news/press-release/2019-179)

1. **SEC Proposes Amendments to Enhance Retail Investor Protections**

The Securities and Exchange Commission (SEC) voted to propose amendments to Exchange Act Rule 15c2-11, which sets out certain requirements with which a broker-dealer must comply before it can publish quotations for securities in the over-the-counter (“OTC”) market.  The proposed amendments are designed to modernize the Rule, which was last substantively amended in 1991, and to enhance investor protection by requiring that current and publicly available issuer information is accessible to investors.  The proposed amendments would provide greater transparency to the investing public by requiring that information about the issuer and the security be current and publicly available before a broker-dealer can begin quoting that security.

Securities that trade on the OTC market are primarily owned by retail investors.  Because broker-dealers play an integral role in facilitating investor access to OTC securities and serve an important gatekeeper function under Rule 15c2-11, the Rule requires that a broker-dealer review basic information about an issuer before quoting securities to investors in the OTC market.  Certain of the Rule’s exceptions, however, permit broker-dealers to continue to publish quotations when there is no current information about the issuer available to the public or the broker-dealer.  The Commission is concerned that, in today’s OTC market, market participants can take advantage of these exceptions to the detriment of retail investors.

Therefore, the Commission is proposing to limit eligibility for some of the exceptions where an issuer’s information becomes unavailable to the public or is no longer current.  The proposed amendments would also add new exceptions for broker-dealers quoting certain OTC securities that may be less susceptible to fraud or manipulation.

The proposed amendments contribute to the Commission’s ongoing efforts to better address risks to investors, particularly retail investors.  The Commission believes that investors who have access to current and publicly available issuer information are better equipped to make informed decisions about how to allocate their capital.

**Source:** [**https://www.sec.gov/news/press-release/2019-189**](https://www.sec.gov/news/press-release/2019-189)

1. **SEC Adopts New Rule to Modernize Regulation of Exchange-Traded Funds**

The Securities and Exchange Commission (SEC) voted to adopt a new rule and form amendments that are designed to modernize the regulation of exchange-traded funds (ETFs), by establishing a clear and consistent framework for the vast majority of ETFs operating today.  The adoption will facilitate greater competition and innovation in the ETF marketplace, leading to more choice for investors.  It also will allow ETFs to come to market more quickly without the time or expense of applying for individual exemptive relief.  In addition, the Commission voted to issue an exemptive order that further harmonizes related relief for broker-dealers.

ETFs are hybrid investment products not originally allowed under the U.S. securities laws.  Their shares trade on an exchange like a stock or closed-end fund, but they also allow identified large institutions to transact directly with the fund.  Since 1992, the Commission has issued more than 300 exemptive orders allowing ETFs to operate under the Investment Company Act.  ETFs have grown substantially in that period, and today there are approximately 2,000 ETFs with over $3.3 trillion in total net assets.  Investors use ETFs for a variety of purposes, including core components of long-term investment portfolios, investment of temporary cash holdings, and for hedging portfolios.

ETFs relying on the rule and related exemptive order will have to comply with certain conditions designed to protect investors, including conditions regarding transparency and disclosure.  To help create a consistent ETF regulatory framework, one year after the effective date of the rule, the Commission is rescinding exemptive relief previously granted to certain ETFs, including those that will be permitted to operate in reliance on the rule.  The rule and form amendments will be effective 60 days after publication in the Federal Register, but there will be a one-year transition period for compliance with the form amendments.

**Source:** [**https://www.sec.gov/news/press-release/2019-190**](https://www.sec.gov/news/press-release/2019-190)

1. **IOSCO reviews member efforts to deter mis-selling of complex financial products**

IOSCO published a Thematic Review report (Report) indicating that most of the participating jurisdictions have implemented the necessary rules aimed at preventing the misselling of complex financial products, consistent with IOSCO standards. The Thematic Review was conducted by the IOSCO Assessment Committee (AC), with the participation of 29 IOSCO members from both developed and emerging market jurisdictions. A Thematic Review offers a snapshot of implementation of IOSCO Principles, which enables the AC to identify gaps in implementation and examples of good practice. The AC reviewed implementation of the nine Principles set out in the 2013 IOSCO report Suitability Requirements with respect to the Distribution of Complex Financial Products. The nine Principles are aimed at promoting robust customer protection by preventing the misselling of complex financial products. The Principles focus on the application of suitability and related disclosure requirements to intermediary services, including selling, advising, recommending and managing discretionary accounts or portfolios, as well as the regulator’s role in supervision and enforcement. The Report includes several findings and observations from the Thematic Review, including for instance, that most jurisdictions have standards for how to treat customers fairly and for addressing conflicts of interest. In addition, the majority of jurisdictions require intermediaries to distinguish between complex and non-complex products despite the fact that what constitutes a complex financial product differs among jurisdictions. Notably, none of the participating jurisdictions reported having a suitability regime specifically for complex products. The Report found that with respect to customer classification, most jurisdictions allow intermediaries to classify certain types of customers as “non-retail” (or its equivalent), based on the nature of the entity or specified monetary thresholds alone. However, these practices do not consider the complexity and riskiness of different products, as required by the Principles. The review also found that FinTech developments related to digital advisors and online platforms have created new suitability-related challenges. In light of the findings and observations, the Report indicates that jurisdictions must have effective supervisory and enforcement mechanisms to support suitability regimes for complex products and to ensure that intermediaries take corrective action where their behavior falls short of supervisory or regulatory expectations. The Report also urges jurisdictions to consider enhancing disclosure requirements to help customers make informed investment decisions and understand the advice they receive from intermediaries. IOSCO will continue conducting other Thematic Reviews on topics that are relevant for achieving the organization’s objectives, including investor protection

**Source:** [**https://www.iosco.org/news/pdf/IOSCONEWS544.pdf**](https://www.iosco.org/news/pdf/IOSCONEWS544.pdf)

1. **Financial Services Commission (FSC) proposes measures to boost Venture Capital Investment**

FSC unveiled measures to boost venture capital investment in innovative business at a meeting with executives from securities, asset management and venture capital companies. The measures include the introduction of a Business Development Company (BDC) and diversification of fund raising channels with exclusive private offerings for professional investors and small-scale public offerings.

Proposed Measures

INTRODUCTION OF BUSINESS DEVELOPMENT COMPANY (BDC):

Business Development Company (BDC) is a collective investment vehicle which raises funds from investors to be listed on the KRX and then invest in unlisted companies.

The BCD is required to invest more than 60 per cent of its total assets in unlisted, KONEX-listed, KOSDAQ-listed companies (whose market capitalization of less than KRW200 billion) or SME & venture investment funds.

Securities, asset management and venture capital companies that meet certain requirements1will be granted a license to operate a BDC.

The minimum capital of KRW20 billion is required to establish a BDC. The operator of a BDC is required to hold 5 per cent or more of its total equity investment.

The BDC is allowed to leverage up to 100 per cent of its net assets, increase capital and provide management advisory services.

DIVERSIFICATION OF FUNDRAISING CHANNELS:

Private offering channels will be expanded with a new track exclusive for professional investors, which allows to attract subscribers through public recommendation and general advertisement.

The maximum amount of fundraising via a small public offering, currently KRW1 billion, will be increased to KRW3 billion in Tier 1 and KRW10 billion in Tier 2.For Tier 2, additional investor protection measures will be required (e.g. investment cap for general investors, reporting and public disclosure requirements, etc. )

**Source: http://meng.fsc.go.kr/common/pdfjs/web/viewer.html?file=/upload/press1/20190927154810\_82e66f99.pdf**

1. **CFTC Charges Former Floor Broker with Misappropriating Client Funds, Registration Violations, and Making False Statements**

The U.S. Commodity Futures Trading Commission issued an order filing and settling charges against Coby Tresner of Andover, Kansas, for failing to register with the CFTC as an associated person and as a commodity trading advisor as required, misappropriating client funds, and making false or misleading statements to the CFTC during its investigation into his misconduct.

The order requires Tresner to pay a $250,000 civil monetary penalty to the CFTC as well as restitution to clients whose funds he misappropriated. The order also permanently bans Tresner from trading on or subject to the rules of any CFTC-registered exchange or other CFTC-registered entity. In addition, the order permanently prohibits Tresner from entering into any transactions involving commodity interests, on behalf of himself or others, and from applying for registration with the CFTC, among other prohibitions.

The order covers Tresner’s conduct during various periods of time between December 2014 and July 2018. The order finds that Tresner solicited and received funds from clients to trade cattle futures on their behalf, but instead of using the funds for trading, Tresner misappropriated the funds and used them to pay personal debts and living expenses.

The order also finds that Tresner solicited and accepted orders for futures contracts from customers of a registered introducing broker when he was not registered as required with the CFTC as an associated person of that firm or as a floor broker. The order further states that Tresner acted, and held himself out to the public, as a commodity trading advisor when he was not registered as such with the Commission.

Finally, the order finds that Tresner, in response to a subpoena and in an interview, knowingly provided misleading information to CFTC staff by failing to identify all persons or entities from whom he had obtained funds to trade cattle futures.

**Source:** [**https://www.cftc.gov/PressRoom/PressReleases/8027-19**](https://www.cftc.gov/PressRoom/PressReleases/8027-19)

1. **CFTC Orders Chicago Trading Firm and Its Co-Founder to Pay $2.5 Million in Penalties for Spoofing and Manipulative Trading Scheme**

The U.S. Commodity Futures Trading Commission announced today the filing and settling of enforcement actions against Hard Eight Futures, LLC and Igor Chernomzav for spoofing – bidding or offering with the intent to cancel the bid or offer before execution – and for engaging in a manipulative and deceptive trading scheme. Hard Eight is a proprietary trading firm located in Chicago, Illinois. Chernomzav is a founder, partner of, and trader for, Hard Eight, and resides in Monsey, New York.

“This case is about maintaining fair markets,” said CFTC Director of Enforcement James McDonald. “Market integrity in today’s electronically traded markets starts with making sure bids and offers represent real buying and selling interest, not fake order flow intended to manipulate other market participants.”

The orders require Hard Eight and Chernomzav to pay civil monetary penalties of $1.75 million and $750,000, respectively, for total penalties of $2.5 million. In addition, Chernomzav is barred from trading in any market regulated by the CFTC for a period of nine months.

The orders state that from March 2014 through March 2015, Chernomzav placed bids and offers for E-mini futures contracts on Globex, the CME’s electronic trading platform, with the intent to cancel those orders before execution. At the time Chernomzav placed and cancelled the orders, they constituted a substantial percentage of the best bid or offer.

The CFTC orders find that Chernomzav placed the orders to create a false impression of significant buying or selling interest. Chernomzav used this false impression of buying or selling interest, or the sudden and dramatic removal thereof, to induce other market participants to transact with orders that he wanted to be executed at prices or in quantities favorable to him.

Chernomzav engaged in this conduct on more than a thousand occasions between March 2014 and March 2015.

**Source:** [**https://www.cftc.gov/PressRoom/PressReleases/8024-19**](https://www.cftc.gov/PressRoom/PressReleases/8024-19)

**POLICY DEVELOPMENTS**

1. **Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957**

SEBI asked listed companies to settle their outstanding dues of SEBI, stock exchanges and depositories before filing ‘schemes of arrangement’ such as mergers and demergers with the exchanges.

**Source: SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated September 12, 2019**

1. **Additional commodities as Eligible Liquid Assets for Commodity Derivatives Segment**

SEBI said that “Considering the introduction of compulsory delivery-based diamond and base metal derivatives contracts and feedback received from the stakeholders, it has been decided to include diamond, base metals and alloys in the list of permissible liquid assets”.

This is subject to minimum applicable haircut and concentration limits, which clearing corporations may accept. The minimum applicable haircut is 40 per cent for diamond and 30 per cent for base metals and alloys. Besides, it also mentioned that the minimum haircut stipulated for steel stands revised to 30 per cent from the current applicable level of 60 per cent since steel is an alloy.

**Source: SEBI/HO/CDMRD/DRMP/CIR/P/2019/100 dated September 13, 2019**

1. **Risk management framework for liquid and overnight funds and norms governing investment in short term deposits**

The SEBI circular said, “Liquid assets shall include cash, government securities, T-bills and repo on government securities. In case, the exposure in such liquid assets falls below 20per cent of net assets of the scheme, the asset management company (AMC) shall ensure compliance with the above requirement before making any further investments”. This provision will come into effect from April 1, 2020.

**Source: SEBI/HO/IMD/DF2/CIR/P/2019/101 dated September 20, 2019**

1. **Valuation of money market and debt securities**

SEBI has made changes to the valuation matrix of money market and debt securities. In this circular, to bring in consistency in valuation, SEBI said a money market or debt security shall be considered as traded when, on the date of valuation, there are trades (in marketable lots) in that security on any recognised stock exchange or there are trades reported (in marketable lots) on the trade reporting platform of recognised stock exchanges or the clearing corporation. In this regard, the marketable lots shall be defined by AMFI, the mutual fund body, in consultation with SEBI.

**Source: SEBI/HO/IMD/DF2/CIR/P/2019/102 dated September 24, 2019**

1. **Position Limits in Interest Rate Derivatives (IRD)**

SEBI revised the position limits for interest rate derivatives falling in the 8-11 years maturity bucket. The decision to review the position limit has been taken after consulting stock exchanges, SEBI said in this circular.

SEBI said position limits for the 8-11 year maturity bucket would be 10 per cent of open interest or Rs 1,200 crore, whichever is higher, for trading members, banks, primary dealers, insurance companies, pension funds and housing finance companies.

**Source: SEBI/HO/MRD/CIR/P/2019/103 dated September 26, 2019**

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

**REGULATORY ACTION TAKEN BY SEBI**

* SEBI passed an order, dated 11 September 2019, in the matter of Religare Enterprises Limited (REL) directing REL and Religare Finvest Limited to continue with the steps to recall the loans, amounting to Rs. 2065.09 Crores (approx.) extended, either directly or indirectly to other notices along with due interest. Platinum Infrastructure Pvt. Ltd. and others were directed not to dispose of or alienate any of their assets or divert any funds, except for meeting expenses of day-to-day business operations, without the prior permission of SEBI.
* SEBI passed an order, dated 13 September 2019, in the matter of Datsons Labs Ltd. (formerly known as Aanjaneya Lifecare Ltd.) restraining Kashi Vishwanathan and others from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities market, directly or indirectly in any manner, for various time periods. They were further restrained from associating themselves with any public listed company and/or any public company which intends to raise money from the public, and were further restrained from holding or occupying position as Director or any Key Managerial personnel in any other listed company or any registered intermediaries.
* SEBI passed an order, dated 17 September 2019, in the matter of CG Power and Industrial Solutions Limited restraining Gautam Thapar, V. R. Venkatesh, Madhav Acharya and B. Hariharan from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, either directly or indirectly, till further orders. There were further restrained from being associated with any intermediary registered with SEBI or any listed entity or its material unlisted subsidiary. Avantha Holdings Limited, Acton Global Private Limited and Solaris Industrial Chemicals Limited were directed to retain funds/other assets to the extent of receivables shown as outstanding to CG Power and Industrial Solutions Limited.
* SEBI passed an order, dated 18 September 2019, in respect of Nirmal Kotecha in the matter of Usher Agro Limited restraining Nirmal Kotecha from accessing the securities market and further prohibiting from buying, selling or otherwise dealing in securities, directly or indirectly, or shall not associate with the securities market in any manner, whatsoever, for a period of two years for the violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations, Regulation 7(1) of the SAST Regulations and Regulation 13(1) of the PIT Regulations.
* SEBI passed an order, dated 30 September 2019, in the matter of delisting of equity shares of U.P. hotels ltd granting U.P. Hotels Ltd., providing relaxation from the applicability of regulation 8(1B)(i) (limited to the extent of compliance with minimum public shareholding norms) for the specific purpose of seeking voluntary delisting of its equity shares subject to specified conditions.
* SEBI passed an order, dated 30 September 2019, in the matter of M/s. Chromatic India Limited restraining the Company from accessing the Securities Market including by issuing prospectus, offer document or advertisement soliciting money from the public and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of five years (05) from the date of this order. Further, Mr. Vinod Kumar Kaushik, Mr. Vipin Sharma, Mr. Ajay Sethi are restrained from accessing the Securities Market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for three and one year each respectively from the date of this order.
* SEBI passed an order, dated 30 September 2019, in the matter of Vas Infrastructure Limited directing Vasparr Shelter Limited and others to make a public announcement to acquire shares of the target company, within a period of 45 days from the date of the order and shall along with the offer price, pay interest at the rate of 10per cent per annum, for the period starting from the date when they incurred the liability to make the public announcement and till the date of payment of consideration, to the shareholders who were holding shares in the target company on the date of violation and whose shares are accepted in the open offer, after adjustment of dividend paid, if any.
* SEBI passed an order, dated 30 September 2019, in the matter of Deep Industries Ltd issuing directions for Mr. Rupeshbhai Kantilal Savla to disgorge the amount of wrongful gain amounting to ₹1,74,57,816, as computed in the interim order qua the Noticee and lying deposited in the escrow account and shall be restrained from accessing the securities market and further prohibited them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of six months for the alleged violations of Regulation 4(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Sections 12A(d) and (e) of the SEBI Act, 1992.
* SEBI passed an order, dated 30 September 2019, in the matter of Sumeet Industries Limited in respect of Somani Overseas Limited and others directing them to disgorge the amounts of wrongful gains against each of them, along with interest @12per cent per annum from March 12, 2007 till the date of payment, to be calculated by excluding the period from order of Hon’ble SAT, i.e., June 30, 2016 till the date of present order. The Banks and Depositories with whom they hold accounts and demat accounts, are directed that no debit shall be made, without permission of SEBI, in respect of their respective bank/demat accounts except for the purposes of compliance of this order; and they are also directed not to dispose of or alienate any of their assets/ properties/ securities, till such time the direction of this order is complied with. Further, they are directed to provide, within 15 days of this order, a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/ securities, if held in physical form and details of companies in which they hold substantial or controlling interest.
* SEBI passed an order, dated 09 September 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Nihalchand G. Kasliwal for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 09 September 2019, in the matter of Cerebra Integrated Technologies Limited imposing a total penalty of Rs 6,00,000 (Rupees Six Lakh Only) on SRU Securities Limited for the violation of regulation 3 (a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations, and clause A (1), (2) and D (4) of the Code of Conduct for Sub-Brokers provided in Schedule II read with regulation 15 of broker Regulations.
* SEBI passed an order, dated 12 September 2019, in the matter of Bank of Rajasthan imposing a total penalty of Rs 12,00,000 (Rupees Twelve Lakh Only) on ICICI Bank Ltd and Sandeep Batra for the violation of Regulation 12 (2) of PIT Regulations, 1992 read with Regulation 12 of PIT Regulations, 2015, Clause 36 of the equity listing agreement read with Section 21 of the SCRA.
* SEBI passed an order, dated 12 September 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Sai Ram Services for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 12 September 2019, in the matter of dealings in illiquid stock options at Bombay Stock Exchange Limited imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on GCM Capital Advisors Ltd for the violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 13 September 2019, in the matter of its dealings in illiquid stock options at the BSE Limited imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Dowell Fiscal Services Private Limited for the violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 13 September 2019, in the matter of its dealings in illiquid stock options at the BSE Limited imposing a total penalty of Rs 7,00,000 (Rupees Seven Lakh Only) on Sarwottam Ispat Limited for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 16 September 2019, in the matter of dealing in illiquid stock option at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Ajeit P S Rajbans HUF for the violation of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 16 September 2019, in the matter of dealing in illiquid stock option at BSE imposing a total penalty of Rs 14,20,000 (Rupees Fourteen Lakh Twenty Thousand Only) on Akashganga Agencies Pvt Ltd for the violation of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 17 September 2019, in the matter of Onward Technologies Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Desai Finwealth Investments Securities Private Limited for the violation of Regulation 13(4A) read with Regulation 13(5) of PIT Regulations.
* SEBI passed an order, dated 18 September 2019, in the matter of trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on A S Advertisers for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 18 September 2019, in the matter of Infrastructure Leasing & Financial Services Limited imposing a total penalty of Rs 10,00,000 (Rupees Ten Lakh Only) on Infrastructure Leasing & Financial Services Limited for the violation of Clause A (14) (b), Clause A (16) of Part B of Schedule III read with regulation 51 of the LODR Regulations, section 21 of the SCRA and section 11A (2) of the SEBI Act.
* SEBI passed an order, dated 18 September 2019, in the matter of R. T. Exports Limited imposing a total penalty of Rs 35,00,000 (Rupees Thirty Five Lakh Only) on Bhavik Bhimjyani and others for the violation of regulation 23(4) and regulation 23(7) of LODR Regulations.
* SEBI passed an order, dated 19 September 2019, in the matter of dealings in illiquid stock options at Bombay Stock Exchange Limited imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Geo Fresh Organic for the violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 20 September 2019, in the matter of Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Atul Singal for the violation of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 23 September 2019, in the matter of non redressal of investor grievances and non updation of ATR on SCORES imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Nihon Nirman Limited for failure to redress the grievance and for filing the ATR with SEBI.
* SEBI passed an order, dated 23 September 2019, in the matter of non redressal of investor grievances and non updation of ATR on SCORES imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Neelkanth Motels and Hotels Limited for non redressal of investor grievances and non updation of ATR on SCORES.
* SEBI passed an order, dated 23 September 2019, in the matter of Aurobindo Pharma Ltd. imposing a total penalty of Rs 22,70,00,000 (Rupees Twenty Two Crore Seventy Lakh Only) on PV Ramprasad Reddy and others for the violation of Regulations 3 and 4 of PIT Regulations, Clause 36 of the Equity Listing Agreement read with Section 21 of the SCRA and Regulation 12 (1) read with Clause 3.2.1 of Schedule I of the PIT Regulations, 1992, regulation 12 (2) of the PIT Regulations, 2015 and Regulation 12 (2) read with Clause 2.1 of Schedule II of the PIT Regulations, 1992 and Regulation 12 (2) of the PIT Regulations 2015.
* SEBI passed an order, dated 23 September 2019, in the matter of Ujaas Energy Ltd. imposing a total penalty of Rs 6,00,000 (Rupees Six Lakh Only) on Ujaas Energy Ltd. and others for failure to comply with the relevant provisions of ICDR Regulations.
* SEBI passed an order, dated 23 September 2019, in respect of Kanchan Udyog Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Kanchan Udyog Limited for failure to comply with the SEBI circular dated April 17, 2013.
* SEBI passed an order, dated 24 September 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Ocean International for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 24 September 2019, in respect of Synergy Infrastructure Ltd imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Synergy Infrastructure Ltd for its failure to comply with the disclosure requirement under Regulation 8(3) of the SAST Regulations.
* SEBI passed an order, dated 24 September 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Meenakshi Bright Steel Pvt. Ltd for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 24 September 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Ranmak Works Pvt. Ltd. for the violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 25 September 2019, against Kshitish Trading Co Ltd. imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Kshitish Trading Co Ltd for the violation of failed to comply with the SEBI Circulars for obtaining SCORES authentication.
* SEBI passed an order, dated 25 September 2019, in the matter of dealings in illiquid stocks options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Universal Enterprises Ltd for the violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 25 September 2019, in the matter of SMC Global Securities Ltd. imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on SMC Global Securities Ltd. for the violation of Regulation 9(f) read with Clause A (2) of the Code of Conduct as specified in Schedule II of the SBSB Regulations.
* SEBI passed an order, dated 25 September 2019, against Kumi Agro Industries Ltd. imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) for its failure to comply with the SEBI Circulars for obtaining SCORES authentication.
* SEBI passed an order, dated 26 September 2019, Order against Konark Properties Ltd. imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Konark Properties Ltd. for its failure to obtain SCORES Authentication.
* SEBI passed an order, dated 26 September 2019, in the matter of Hero Motocorp Ltd. imposing a total penalty of Rs 9,00,000 (Rupees Nine Lakh Only) on Ilam C Kamboj and Alka Kamboj for the violation of provisions of Para 3.2.2, 3.3, 4.2 and 5 of Code of Conduct given in Part A of Schedule 1 read with Regulation 12 (1) of PIT Regulations, provisions of Regulation 7(2)(a) read with regulation 6(2) of PIT Regulations 2015 and provisions of Clause 10 of Code of Conduct given in Schedule B under Regulation 9 of PIT Regulations 2015.
* SEBI passed an order, dated 26 September 2019, in respect of Toheal Pharmachem Limited imposing a total penalty of Rs 3,00,000 (Rupees Three Lakh Only) on Toheal Pharmachem Limited for the violation of provisions of SEBI Circulars No. CIR/OIAE/2/2011 dated June 03, 2011, CIR/OIAE/1/2012 dated August 13, 2012 and CIR/OIAE/1/2013 dated April 17, 2013 relating to timely redressal of investor grievances.
* SEBI passed an order, dated 26 September 2019, in respect of Odyssey Corporation Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Odyssey Corporation Limited for the violation of Regulation 13(3) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) of SAST Regulations.
* SEBI passed an order, dated 26 September 2019, in the matter of Onward Technologies Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Onward Network Technologies Private Limited for its failure to make required disclosures in terms of Regulation 13(4A) and Regulation 13(5) of PIT Regulations.
* SEBI passed an order, dated 26 September 2019, in the matter of dealings in illiquid stock options at Bombay Stock Exchange Limited imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Gian Finance Limited for the violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 27 September 2019, in respect of Kedia Industries Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Kedia Industries Limited for the violation of Circular No. CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 27 September 2019, in the matter of Ybrant Digital Limited imposing a total penalty of Rs 8,00,000 (Rupees Eight Lakh Only) on Mundi Enterprise Limited for the violation of regulations 13(4A) r/w 13(5) of PIT Regulations.
* SEBI passed an order, dated 27 September 2019, in the matter of Ybrant Digital Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Probus Capital Limited for the violation of regulations 13(4A) r/w 13(5) of PIT Regulations.
* SEBI passed an order, dated 27 September 2019, in the matter of Ybrant Digital Limited imposing a total penalty of Rs 3,00,000 (Rupees Three Lakh Only) on Karusala Venkata Subbarao for the violation of regulations 13(4A) r/w 13(5) of PIT Regulations.
* SEBI passed an order, dated 27 September 2019, in respect of Prrsaar Commodities Private Limited imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Prrsaar Commodities Private Limited for the violation of Section 23D of SCRA read with the provisions of SEBI Circular no. SMD/SED/CIR/93/23321 dated November 18, 1993.
* SEBI passed an order, dated 27 September 2019, in the matter of Modern Cement Industries Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Modern Cement Industries Limited for the violation of Circulars dated June 03, 2011, August 13, 2012 and April 17, 2013.
* SEBI passed an order, dated 27 September 2019, in the matter of Som Distilleries and Breweries Limited imposing a total penalty of Rs 12,00,000 (Rupees Twelve Lakh Only) on Jagdish Kumar Arora and Som Distilleries Private Limited for the violation of Regulation 13(4A) read with 13(5) of the PIT Regulations.
* SEBI passed an order, dated 27 September 2019, in the matter of Som Distilleries and Breweries Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Aalok Deep Finance Pvt. Ltd. for the violation of Regulation 13(2A) of the PIT Regulations.
* SEBI passed an order, dated 30 September 2019, in the matter of Regaliaa Realty Limited imposing a total penalty of Rs 4, 00,000 (Rupees Four Lakh Only) on D Sudhakara Reddy and D Deeptha Reddy for violation of Regulations 13(3), (4) (4A) read with 13(5) of the PIT Regulations and violation of Regulation 31(2) read with 31(3) of the SAST Regulations.
* SEBI passed an order, dated 30 September 2019, in the matter of Trading Activities of Certain Entities in the Scrip of Pawansut Holdings Limited imposing a total penalty of Rs 15,00,000 (Rupees Fifteen Lakh Only) on Mr. Laxman Singh Satyapal under section 15A(b) of the SEBI Act, 1992 for the violation of the provisions of Regulation 13(4) and 13(4A) read with Regulation 13(5) of SEBI (PIT) Regulations, 1992 and Regulation 29(2) read with Regulation 29(3) of SEBI (SAST) Regulations, 2011.
* SEBI passed an order, dated 30 September 2019, imposed a total penalty of Rs 1,00,000 (Rupees One Lakh only) on M/s Global Cements Limited (previously known as M/s HMP Cements Limited) for the violation of the Circular No. CIR/OIAE/1/2013 dated April 17, 2013 by failing to obtain SCORES Authentication within 30 days from the date of issuance of the said Circular.
* SEBI passed an order, dated 30 September 2019, in the matter of Channel Guide (India) Ltd. (Now known as Iris Mediaworks Ltd.) imposing a total penalty of Rs 41,00,000 (Rupees Forty One Lakh Only) on Manish Rathi and others for violation of various provisions of SEBI PFUTP Regulations, 2003 and provisions of SEBI Act.
* SEBI passed an order, dated 30 September 2019, in the matter of Golden Legand Leasing & Finance Limited imposing a total penalty of Rs 7,00,000 (Rupees Seven Lakh Only) on Ever Bright Trading Private Limited and others for violation of Regulation 3 (a), (b), (c), (d) and 4(1), 4(2)(a) & (e) of the PFUTP Regulations.
* SEBI passed an order, dated 30 September 2019, in the matter of Onward Technologies Limited imposing a total penalty of Rs.2,00,000 (Rupees Two Lakh only) on Harish Shantilal Mehta for the violation of Regulations 13(4), 13(4A) read with Regulation 13(5) of PIT Regulations.
* SEBI passed an order, dated 30 September 2019, in the matter of Trading Activities of Certain Entities in the Scrip of Pawansut Holdings Limited imposing a total penalty of Rs Rs.16, 00,000 (Rupees Sixteen Lakh Only) on Meera Mishra for the violation of the provisions of Regulation 13(4A) read with Regulation 13(5) of SEBI (PIT) Regulations, and Regulation 29(2) read with Regulation 29(3) of SEBI (SAST) Regulations.
* SEBI passed an order, dated 30 September 2019, in the matter of Kailash Auto Finance Limited imposing a total penalty of Rs 28,00,000 (Rupees Twenty Eight Lakh Only) on Bholebaba Suppliers Private Limited and others for the violation of the provisions of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) & (e) of “PFUTP Regulations” read with section 12A(a), (b) & (c) of the SEBI Act.
* SEBI passed an order, dated 30 September 2019, in the matter of 8K Miles Software Services Ltd imposing a total penalty of Rs. 18,00,000 (Rupees Eighteen Lakh Only) on Vijay Babulal Shah and others for the violation of Regulation 3(a), (b), (c),(d) and 4(1),4(2)(a) & (e) of the PFUTP Regulations.

***Note: The information provided above is indicative only. For details, please log on to***

[*http://www.sebi.gov.in/sebiweb/home/list/2/9/0/1/Orders*](http://www.sebi.gov.in/sebiweb/home/list/2/9/0/1/Orders)

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

1. **FICCI Capital Market Conference, Mumbai on September 26, 2019** [↑](#footnote-ref-1)
2. **At ASSOCHAM India - National Conference, Mumbai on September 4, 2019** [↑](#footnote-ref-2)