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**CAPITAL MARKET REVIEW**

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

* Resource mobilised through equity issuances decreased to ₹6,839 crore during September 2022 from ₹7,866 crore during August 2022.
* A total of ₹ 2,414 crore was mobilized through 22 IPOs during the month, out of which 19 issues were SME/start-up listings that mobilised ₹ 289 crore (Table 1).
* In the month under review, ₹298 crore were raised through 8 rights issues.
* Amount raised through preferential allotment during September 2022 was ₹3,519 crore, compared to ₹4,921 crore in August 2022. There was three QIPs during September 2022 that raised ₹607 crore.
* During September 2022, ₹602 crore was mobilised through 3 public issuance of debt, compared to ₹280 crore raised through one issue during August 2022. Private placement of debt raised ₹83,088 crore during September 2022, compared to ₹44,897 crore during August 2022.

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

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Aug-22** | **Sep-22** |
| ***I. Equity Issues*** | **7,866** | **6,839** |
| a. IPOs (i+ii) | 875 | 2,414 |
| *i. Main Board* | 840 | 2,125 |
| *ii. SME Platform* | 34 | 289 |
| b. FPOs | 0 | 0 |
| c. Equity Rights Issues | 71 | 298 |
| d. QIPs/IPPs | 2,000 | 607 |
| e. Preferential Allotments | 4,921 | 3,519 |
| ***II. Debt Issues*** | **45,177** | **83,088** |
| a. Debt Public Issues | 280 | 602 |
| b. Private Placement of Debt | 44,897 | 83,088 |
| **Total Funds Mobilised (I+II)** | **53,043** | **89,926** |

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

1. **Trends in the Secondary Market**

* The month of September 2022 was marked by mixed trend in Indian stock markets. The benchmark indices continued upward trend in the first half of the month, but witnessed sharp corrections in the second half. Resumption in FPI selling, US Federal reserve statements on rising interest rate scenario, volatility in rupee, inflation concerns, rise in US treasury yields etc. prevailed over the markets during the month. During September 2022, Nifty and Sensex declined by 3.7 per cent and 3.5 per cent respectively over August 2022. Reflecting the downtrend, market capitalization at BSE and NSE recorded fall of 3.0 per cent over end of August 2022. Despite the bearish trend, the cash and derivative segments at exchanges witnessed buoyant trading activity during the month.

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Aug-22** | **Sep-22** | **M-o-M variation (per cent)** |
| **Equity Market indices** | | | |
| Nifty 50 | 17,759 | 17,094 | -3.7 |
| Sensex | 59,537 | 57,427 | -3.5 |
| Nifty Midcap 50 | 8,556 | 8,333 | -2.6 |
| Nifty Smallcap 100 | 9,622 | 9,442 | -1.9 |
| BSE Midcap | 25,408 | 24,854 | -2.2 |
| BSE Smallcap | 28,651 | 28,453 | -0.7 |
| **Market Capitalisation (₹ crore)** | | | |
| BSE | 2,80,24,622 | 2,71,84,602 | -3.0 |
| NSE | 2,78,17,242 | 2,69,77,153 | -3.0 |
| **P/E Ratio** | | | |
| Sensex | 22.9 | 22.8 | -0.4 |
| Nifty 50 | 21.2 | 20.6 | -2.8 |
| **No of Listed Companies** | | | |
| BSE | 5,361 | 5383 | 0.4 |
| NSE | 2,111 | 2126 | 0.7 |
| **Gross Turnover in Equity Cash Segment (₹ crore)** | | | |
| BSE | 1,12,791 | 1,18,133 | 4.7 |
| NSE | 11,59,065 | 13,53,967 | 16.8 |
| **Gross Turnover in Equity Derivatives Segment (₹ crore)** | | | |
| BSE | 45,18,990 | 47,32,257 | 4.7 |
| NSE | 26,88,41,242 | 33,29,80,961 | 23.9 |
| **Gross Turnover in Currency Derivatives Segment (₹ crore)** | | | |
| BSE | 6,31,435 | 8,11,822 | 28.6 |
| NSE | 28,05,471 | 36,77,986 | 31.1 |
| MSEI | 7,048 | 21,844 | 209.9 |
| **Gross Turnover in Interest Rate Derivatives Segment (₹ crore)** | | | |
| BSE | 1,205 | 3,895 | 223.3 |
| NSE | 1,151 | 3,244 | 181.7 |

**Source:** BSE, NSE and MSEI

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

**Source:** BSE and NSE

* Gross turnover in the cash segment at exchanges increased by 15.7 per cent in September 2022, over the previous month, driven by rise of 4.7 per cent at BSE and 16.8 per cent at NSE. Since August 2022, the cash segment has been witnessing increased trading activity, as opposed to declining trend in monthly turnover since the beginning of FY 2023.

**Figure 2: Trends in Average Daily Turnover at Equity Cash Segment of Exchanges (₹ crore)**

**Source:** BSE and NSE

* Most of the sectorial indices also witnessed sharp corrections during September. Among the selected indices BSE Power declined the most at -9.6 per cent followed by Nifty Energy at -9.0, BSE Oil at -8.5 and Nifty Realty at -8.5. Only Nifty Pharma (at 2.2 per cent) and FMCG (at 1.33 per cent) recorded positive returns. The average daily volatility and monthly returns of these select indices for September 2022 are illustrated in Figure 3.

**Figure 3: Trends of BSE and NSE Sectoral Indices during September 2022 (per cent)**

**Source:** Refinitiv

The average daily volatility and monthly returns of these select NSE indices for September 2022 is illustrated in Figure 3.

1. **Trends in Depository Accounts**

* During September 2022, NSDL added 4 lakh demat accounts while CDSL added 17 lakh demat accounts. At the end of September 30, 2022, 2.9 crore demat accounts were registered with NSDL and 7.3 crore with CDSL.

**Figure 4: Monthly New Demat Accounts Added (in lakh)**

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

**BSE**

During September 2022, the notional turnover of the equity derivatives segment at BSE improved by 4.7 per cent to ₹47.3 lakh crore.

**NSE**

The monthly notional turnover in the equity derivatives segment at NSE showed a significant rise of 23.9 per cent to ₹3,329 lakh crore in September 2022.

**Figure 5: Trends of Average Daily Notional Turnover at BSE and NSE (₹ crore)**

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

**Source:** BSE and NSE

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **NSE** | | | **BSE** | | |
| **Aug-22** | **Sep-22** | **Percentage Change Over Month** | **Aug-22** | **Sep-22** | **Percentage Change Over Month** |
| **A. Turnover (₹crore)** | | | | | | |
| **(i) Index Futures** | 7,43,532 | 9,34,912 | 25.7 | 3 | 7 | 122.4 |
| **(ii) Options on Index** |  |  |  |  |  |  |
| ***Put*** | 12,71,06,307 | 15,55,40,518 | 22.4 | 33,31,996 | 17,55,610 | -47.3 |
| ***Call*** | 13,38,69,958 | 16,85,82,706 | 25.9 | 11,86,990 | 29,76,639 | 150.8 |
| **(iii) Stock Futures** | 16,39,249 | 18,51,511 | 12.9 | 0 | 0 | - |
| **(iv) Options on Stock** |  |  |  |  |  |  |
| ***Put*** | 16,34,998 | 17,58,757 | 7.6 | 0 | 0 | - |
| ***Call*** | 38,47,198 | 43,12,556 | 12.1 | 0 | 0 | - |
| **Total** | **26,88,41,242** | **33,29,80,961** | **23.9** | **45,18,990** | **47,32,257** | **4.7** |
| **B. No. of Contracts** | | | | | | |
| **(i) Index Futures** | 81,16,257 | 1,00,68,930 | 24.1 | 35 | 78 | 122.9 |
| **(ii) Options on Index** |  |  |  |  |  |  |
| ***Put*** | 1,39,22,53,742 | 1,66,78,68,891 | 19.8 | 4,01,34,624 | 2,07,87,765 | -48.2 |
| ***Call*** | 1,42,97,30,994 | 1,75,81,70,259 | 23.0 | 1,22,46,492 | 3,02,10,555 | 146.7 |
| **(iii) Stock Futures** | 2,32,81,578 | 2,58,93,863 | 11.2 | 0 | 0 | - |
| **(iv) Options on Stock** |  |  |  |  |  |  |
| ***Put*** | 2,27,29,586 | 2,37,14,429 | 4.3 | 0 | 0 | - |
| ***Call*** | 5,02,52,120 | 5,54,54,871 | 10.4 | 0 | 0 | - |
| **Total** | **1,54,55,57,269** | **3,54,11,71,243** | **21.0** | **5,23,81,151** | **5,09,98,398** | **-2.6** |

**Source:** BSE and NSE

1. **Currency Derivatives**

* Driven by increased volatility in currency markets, monthly notional turnover of currency derivatives in India (NSE, BSE, and MSEI together) has increased by 31.0 percent in September 2022 to ₹45,11,653 crore as compared to ₹34,43,954 crore in August 2022. The currency futures turnover rose by 43.6 per cent while that of options increased by 25.3 per cent in September.

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

**Source:** BSE, NSE and MSEI

1. **Interest Rate Derivatives**

* During September 2022, the monthly notional turnover of interest rate derivatives at BSE and NSE more than doubled to ₹3,895 crore and ₹3,224 crore, respectively from ₹1,205 crore and ₹1,151 crore in the previous month.

**Figure 7: Trends of Interest Rate Derivatives at NSE and BSE (₹ crore)**

**Source:** BSE and NSE

1. **Corporate Debt Market**

* During September 2022, 18,505 trades with value of ₹1,20,383 crore were settled across the corporate bond segments at exchanges. This includes OTC trades and RFQ trades of both listed and unlisted corporate bonds.

**Figure 8: Trends in Reported Turnover of Corporate Bonds (₹ crore)**

***Data Includes only settled trades through the exchange platform***

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

* FPIs turned net sellers in the month of September 2022 with outflows worth ₹ 3,955 crore. In August 2022, net outflows were visible in equity and debt variable repo rate (VRR) segments whereas debt and hybrid segment witnessed net inflows. For the month of September 2022, the net outflow in the equity and debt VRR were to the tune of ₹ 7,624 crore and ₹ 1,455 respectively. The net inflow in the debt and hybrid segments stand at ₹ 4,012 crore and ₹ 1,112 crore in September 2022.
* Within equity segment, FPI investment via primary market route witnessed a net inflow of ₹ 19 crore in September 2022. In the secondary market, FPIs were net sellers in equity with net outflow of ₹ 7,643 crore in the month of September 2022.
* The Assets Under Custody (AUC) of FPIs in India, as at the end of September 2022 was ₹ 50,29,638 crore, out of which the notional value of offshore derivative instruments (ODIs) (including ODIs on derivatives) was ₹ 87,813 crore which constituted 1.8 per cent of total AUC of FPIs..

**Figure 9: Trends in FPIs’ Investments** (₹ crore)

**Source:** NSDL

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

* The mutual fund industry saw a net outflow of ₹ 41,404 crore during September 2022 compared to net inflow of ₹ 65,078 crore during August 2022.
* Gross funds mobilised by open-ended schemes during September 2022 was ₹9,76,585 crore as against redemption/repurchase of ₹ 10,16,982 crore, resulting in a net outflow of ₹ 40,124 crore from open-ended schemes. Of the gross fund mobilisation, ₹9,03,783 crore was mobilised through income/debt oriented schemes, ₹ 35,597 crore through growth/equity oriented schemes, ₹ 12,362 crore through hybrid schemes, ₹382 crore through solution oriented schemes and ₹24,734 crore through other schemes.
* During September 2022, ₹ 2,250 crore were matured/repurchased[[1]](#footnote-1) by close-ended schemes while in the interval schemes, ₹150 crore were matured/redeemed.
* The cumulative net Assets Under Management (AUM) of mutual funds declined by 2.33 per cent to ₹38.43 lakh crore as at the end of September 2022.
* In the secondary market, during September 2022, mutual funds invested ₹18,602 crore in equity schemes and pulled out ₹20,385 crore from debt schemes.

**Figure 10: Trends in Net Purchase/Sales of Mutual Funds Transactions in Secondary Market (₹ crore)**

1. **Trends in Portfolio Management Services**

* At end of September 2022, AUM of the portfolio management industry stood at ₹25.8 lakh crore as compared to ₹25.6 lakh crore at the end of August 2022. On a year on year basis, the total AUM of portfolio management services (PMS) increased by 14.76 per cent.
* The number of clients in portfolio management industry saw a sharp rebound rising by 11 per cent to 1,38,387 at the end of September 2022 compared to the number of clients at the end of August 2022. Out of the total number of clients, 1,31,035 clients were of discretionary services category, 5,410 clients in non-discretionary services category, and 1,936 clients availed advisory services of portfolio managers.

**Figure 11: No. of Clients and AUM of Portfolio Managers**

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

* During September 2022, 5 open offers with offer value of ₹32,689 crore were closed under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

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

1. **Commodity Derivatives Markets**
2. **Market Trends**

* At the end of September 2022, MCX iCOMDEX composite index decreased by 5.1 per cent (M-o-M) on account of decline in prices of crude oil, natural gas, zinc, aluminum.
* Amongst sectoral indices, MCX iCOMDEX Bullion Index increased by 0.8 per cent, while MCX iCOMDEX Energy index and MCX iCOMDEX Metal declined by 16.1 per cent and 2.5 per cent, respectively.
* Movement of domestic commodity indices during the last 12 months is given in ***Figure 13.*** The monthly data of MCX’s iCOMDEX composite index is provided in ***Table 65.***

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

**Source:** MCX

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Items** | **Aug-22** | **Sep-22** | **Percentage variation (M-O-M)** |
| **A. Indices** |  |  |  |
| MCX iCOMDEX | 13,263 | 12,589 | *-5.1* |
| Bullion | 13,682 | 13,836 | *1.1* |
| Base Metals | 16,735 | 16,323 | *-2.5* |
| Energy | 10,196 | 8,553 | *-16.1* |
| NCDEX Guarex | 5,971 | 6270 | *5.0* |
| **B. Turnover Exchange Wise (₹crore)** | | | |
| **All-India** | **1,192,329** | **1,353,991** | *13.6* |
| **MCX, of which** | **1,175,426** | **1,336,883** | *13.7* |
| *Futures* | 493,879 | 555,322 | *12.4* |
| *Options* | 681,547 | 781,562 | *14.7* |
| **BSE, of which** | **1,138** | **662** | *-41.8* |
| *Futures* | 402 | 405 | *0.9* |
| *Options* | 736 | 257 | *-65.1* |
| **NCDEX, of which** | **14,090** | **14,349** | *1.8* |
| *Futures* | 14,085 | 14,349 | *1.9* |
| *Options* | 5 | 0 | *-100.0* |
| **NSE, of which** | **1,676** | **2,097** | *25.1* |
| *Futures* | 1 | 1 | *-3.2* |
| *Options* | 1,675 | 2,096 | *25.1* |

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

1. **Commodity Derivatives Turnover**

* During September 2022, pan-India turnover of commodity derivatives increased by 13.56 per cent to ₹13.5 lakh crore over the previous month.
* The percentage share of agri and non-agri segments in overall turnover accounted for 1.15 per cent and 98.85 per cent, respectively. The turnover of agri. segment decreased by 0.5 per cent while that of non-agri segment increased by 13.75 per cent.
* The percentage share of futures and options contracts in overall turnover stood at 42.1 per cent and 57.90 per cent, respectively. The turnover of futures contracts increased by 12.14 per cent and that of options increased by 14.61 per cent, respectively, over the previous month.
* At exchange level, the turnover at BSE decreased by 41.8 per cent (M-o-M) while it increased at rest of the other exchanges.
* In terms of percentage share of commodity derivatives turnover among exchanges, the MCX has the highest market share of 98.74 per cent, followed by NCDEX (1.06 per cent), NSE (0.15 per cent) and BSE (0.05 per cent).
* At MCX, the turnover of agri. segment decreased by 21.19 per cent while it increased for non-agri by 13.78 per cent.
* At NCDEX, the overall turnover increased by 1.8 per cent to ₹14,349 crore over the previous month. The turnover in cotton seed oil cake declined significantly by 46.87 per cent, while the turnover in Guargum and Kapas increased by 42.72 per cent and 42.21 per cent, respectively. The turnover for steel long, the only non-agri commodity traded at NCDEX increased from ₹37.0 crore during previous month to ₹115.8 crore.
* The BSE recorded turnover of ₹662 crore, recording a 41.8 per cent decline from the previous month. The futures contracts contributed 61.23 per cent (₹405 crore) while options contracts contributed 38.77 per cent (₹257 crore) to the total turnover. In the category of options, gold mini contracts solely contributed to the turnover.
* NSE recorded turnover of ₹2,097 crore, an increase of 25.1 per cent over the previous month. The options on gold mini contracts contributed to almost all of the turnover in the commodity derivatives segment.
* The trends in turnover of commodity derivatives at exchanges are shown in Figures 15, 16 and 17 and the details are given in Tables 66 to 69.

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

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

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

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

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

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

### OVERVIEW OF THE GLOBAL FINANCIAL MARKETS

1. **State of Economy**

**Global Economy**

* The International Monetary Fund (IMF) in its World Economic Outlook, October 2022 has pointed out that the global economy is facing three major challenges emanating from three different sources viz. the conflict between Russia and Ukraine, the persistent and broadening inflation pressures, and the slowdown in China that may hamper the global supply chain. It has been forecasted that the growth rate of the global economy will fall from 6.0 per cent in 2021 to 3.2 per cent in 2022 and 2.7 per cent in 2023. As regards, the advanced economies (AEs), IMF has forecasted that world’s three largest economies, namely China, the euro area, and the US will slow significantly in 2022 and 2023. As a result, the growth rate of the AEs will fall from 5.2 per cent in 2021 to 2.4 per cent in 2022 and 1.1 per cent in 2023. The aggregate growth rate of the Emerging Market and Developing Economies too is projected to fall from 6.6 per cent in 2021 to 3.7 per cent in 2022 and 2023.
* IMF has pointed out a number of factors that pose downside risk to the recovery. The prevailing high inflation across the globe may take time to ebb and further shocks to energy and food prices could keep headline inflation higher for longer. The future of the energy prices depend to a great extent on the course of the war in Ukraine and the potential flaring up of other geopolitical conflicts. Besides, over tightening of the monetary policy or taking too lenient approach by central banks may either suppress the aggregate demand or aggravate the inflationary pressure. Although the infection of the coronavirus has become less severe, the COVID-19 pandemic has is still taking a heavy toll on the workforce, resulting in prolonged absenteeism, reduced productivity, and falling output. Last but not the least is the prolonged slowdown of the Chinese economy that may account for supply chain breakdown and affect international trade.
* The PMI survey data showed that the level of global economic activity contracted for the second successive month, as output fell more quickly in the manufacturing sector but stabilised at the service sector. The J. P. Morgan Global Composite Output Index posted 49.7 in September 2022, up from the 26-month low of 49.3 recorded in August 2022. The manufacturing sector witnessed contraction for the first time since June 2020 as reflected by the J. P. Morgan Global Manufacturing PMI which fell to 49.8 in September 2022 from 50.3 in August 2022. On the other hand, the J.P. Morgan Global Services Business Activity Index posted 50.0 in September 2022, up from 49.3 in the previous month signaling a stabilisation of output levels following a contraction in the prior survey month.

**United States**

* According to the third estimate by Bureau of Economic Analysis, the real GDP of the US decreased at an annual rate of 0.6 per cent (Q-o-Q) in Q2 2022, as compared to a contraction of 1.6 per cent in Q1 2022. The IMF has projected that growth in the United States may decline from 5.7 per cent in 2021 to 1.6 per cent in 2022 and 1.0 per cent in 2023,
* Seasonally adjusted CPI for All Urban Consumers increased 0.1 per cent (M-o-M) in August 2022, after remaining unchanged in July 2022. Over the last 12 months, the all items index increased 8.3 percent without adjustment. The Unemployment rate edged down to 3.5 per cent in September 2022 from 3.7 per cent in August 2022.
* The S&P Global US Composite PMI Output Index posted 49.5 in September 2022, up from 44.6 in August 2022, signalling a modest contraction in business activity across the private sector. Operating conditions across the US manufacturing sector remained relatively subdued and the S&P Global US Manufacturing PMI posted 52.0 in September 2022 up from 51.5 in August 2022. US service providers signalled a much slower contraction in business activity during September 2022. The S&P Global US Services PMI Business Activity Index registered 49.3 in September 2022, up from 43.7 in August 2022.

**United Kingdom**

* As per revised estimates of GDP released by Office of National Statistics, the real GDP of the UK has increased by 0.2 per cent (Q-o-Q) in Q2 2022, as compared to a growth of 0.7 per cent in Q1 2022.
* The Consumer Prices Index (CPI) rose by 9.9 per cent August 2022, lower than 10.1 per cent in July 2022 (the highest reading since 1982).
* The UK unemployment rate for June 2022 to August 2022 decreased by 0.3 percentage points on the quarter to 3.5 per cent, the lowest since December to February 1974.
* In its Monetary Policy meeting held in September 2022, Bank of England raised Bank Rate by 50 bps to 2.25 per cent, which is the seventh consecutive rate hike pushing borrowing costs to the highest since 2008.
* S&P Global UK Composite PMI fell to a 49.1 in September 2022 from 49.6 in August 2022. Services PMI dropped to 50.0 in September from 50.9 in August 2022 indicating stagnation in the sector. Manufacturing PMI increased to 48.4 from 47.3 indicating that activities in the sector are contracting.

**Euro area**

* As per the preliminary flash estimates of GDP released by Eurostat (the statistical office of the European Union), GDP increased by 0.8 per cent (Q-o-Q) in euro area in Q2 2022, as compared to a growth of 0.7 per cent in Q1 2022.
* Estimates of inflation released by Eurostat indicate that euro area annual inflation was 10.0 per cent in September 2022, up from 9.1 per cent in August 2022.
* In August 2022, the euro area seasonally-adjusted unemployment rate was 6.6 per cent, stable compared with July 2022 and down from 7.5 per cent in August 2021.

**India**

* The Gross Domestic Product (GDP) at constant prices (2011-12) rose by 13.5 per cent in Q1 of FY 2022-23 over Q1 of FY 2021-22. The Gross Value Added (GVA) at Basic Prices rose by 12.7 per cent in Q1 of FY 2022-23 over Q1 of FY 2021-22.
* All India inflation rate based on CPI (general) jumped to five-month high at 7.41 per cent (provisional) in September 2022 from 7.0 per cent in the previous month.
* As per quick estimates released by MOSPI, Index of Industrial Production (IIP) decreased by 0.8 per cent (Y-o-Y) in September 2022 compared to an increase of 2.4 per cent in July 2022.
* The Reserve Bank of India raised its key repo rate by 50 bps to 5.9 per cent during its September 2022 meeting, the fourth rate hike in a row, amid rising concerns over soaring inflation, global headwinds and a depreciating rupee. Consequently, the standing deposit facility (SDF) rate stands adjusted to 5.65 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 6.15 per cent.
* The S&P Global India Manufacturing PMI fell to 55.1 in September 2022 from 56.2 in the previous month indicating a relatively slower rate of growth. The S&P Global India Services PMI decreased to 54.3 in September 2022 from 57.2 in August 2022 indicating a weaker footing, albeit sustained growth. The S&P Global India Composite PMI slipped to 55.1 in September 2022 from 58.2 in August 2022.

1. **Market Trends –**

**Equity Markets**

* During September 2022, amongst the BRICS countries (excluding Russia), highest annualized volatility was observed in FTSE/JSE All Africa index of South Africa (23.6 per cent) followed by iBovespa of Brazil (16.3 per cent).
* In terms of monthly movement in indices, positive monthly return of 0.5 per cent in September 2022 was recorded by Brazil IBOVESPA, while Shanghai SE Composite index of China recoded negative return of 5.6 per cent.
* Among select developed market indices[[2]](#footnote-2), Nasdaq Composite index of the U.S. was the most volatile (25.5 per cent) during September 2022, while Strait Times STI index of the Singapore exhibited the least volatility (10.1 per cent).
* Among the select developed market indices, HANG SENG index of Hong Kong fell by 13.7 per cent in September 2022, followed by KOSPI index of South Korea (12.8 per cent) and Nasdaq Composite of USA (10.5 per cent).
* The MSCI World Index, which is a broad global equity index representing large and mid-cap equity performance across 23 developed markets, decreased by 9.5 per cent in September 2022.
* MSCI All Country World Price Index (MSCI ACWI), which represents performance of set of large- and mid-cap stocks across 23 developed and 27 emerging markets, went down by 9.7 per cent in September 2022.

**Table 1: Performance of Stock Indices**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Name of the Index** | **Closing Value as on** | **Percentage change in Closing Value over period** | | | | **Volatility (per cent)** | **P/E Ratio** |
| **30-Sep-22** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRICS Nations** | | | | | | | | |
| Brazil | BRAZIL IBOVESPA | 1,10,037 | 0.5 | 11.7 | -8.3 | -0.8 | 16.3 | 6.1 |
| India | Nifty 50 | 17,094 | -3.7 | 8.3 | -2.1 | -3.0 | 12.0 | 20.6 |
| India | S&P BSE SENSEX | 57,427 | -3.5 | 8.3 | -1.9 | -2.9 | 12.2 | 22.8 |
| China | SHANGHAI SE COMPOSITE | 3,024 | -5.6 | -11.0 | -7.0 | -15.2 | 12.5 | 12.0 |
| South Africa | FTSE/JSE AFRICA ALL SHR | 63,726 | -5.2 | -3.8 | -15.6 | -0.9 | 23.6 | 7.1 |
| **Developed Markets** | | | | | | | | |
| USA | NASDAQ COMPOSITE | 10,576 | -10.5 | -4.1 | -25.6 | -26.8 | 25.5 | NA |
| USA | DOW JONES INDUS. AVG | 28,726 | -8.8 | -6.7 | -17.2 | -15.1 | 14.3 | 15.9 |
| France | CAC 40 | 5,762 | -5.9 | -2.7 | -13.5 | -11.6 | 18.5 | 9.7 |
| Germany | DAX | 12,114 | -5.6 | -5.2 | -16.0 | -20.6 | 22.5 | 12.0 |
| UK | FTSE 100 | 6,894 | -5.4 | -3.8 | -8.3 | -2.7 | 15.9 | 9.7 |
| Hong Kong | HANG SENG | 17,223 | -13.7 | -21.2 | -21.7 | -29.9 | 20.2 | 8.4 |
| South Korea | KOSPI | 2,155 | -12.8 | -7.6 | -21.8 | -29.8 | 14.8 | NA |
| Japan | NIKKEI 225 | 25,937 | -7.7 | -1.7 | -6.8 | -11.9 | 14.2 | 14.4 |
| Singapore | STRAITS TIMES STI | 3,130 | -2.8 | 0.9 | -8.2 | 1.4 | 10.1 | 10.6 |
| Taiwan | TAIWAN TAIEX | 13,425 | -11.1 | -9.5 | -24.1 | -20.7 | 20.8 | 8.8 |

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

**NA:** Not Available

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

**Source:** Refinitiv, BSE and NSE

**Figure 1: Trends in Select Stock Market Indices**

**Note**: All indices have been normalised to 100 on August 31, 2021.

**Source**: Refinitiv

**Bond Market**

* Among BRIC Nations, 10-year government bond yield was observed to be highest in Brazil (12.0 per cent) and the lowest in China (2.8 per cent) at the end of September 2022.
* Indian 10-year government bond yield rose to 7.4 per cent at the end of September 2022 from 7.2 per cent at the end of August 2022.
* Among select developed countries[[3]](#footnote-3), 10-year government bond yield in the UK increased to 4.1 in September 2022 from 2.8 in August 2022. The yield of 10-year government bond in the USA also increased to 3.8 per cent from 3.1 per cent during the same time.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **Yield as on** | **Bond Yield in previous period** | | | |
| **30-Sep-22** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRIC Nations** | | | | | |
| Brazil | **12.0** | 12.2 | 13.1 | 11.6 | 11.2 |
| Russia | **10.3** | 9.4 | 9.1 | 11.1 | 7.3 |
| India | **7.4** | 7.2 | 7.5 | 6.8 | 6.2 |
| China | **2.8** | 2.6 | 2.8 | 2.8 | 2.9 |
| **Developed Markets** | | | | | |
| USA | **3.8** | 3.1 | 3.0 | 2.3 | 1.5 |
| UK | **4.1** | 2.8 | 2.2 | 1.6 | 1.0 |
| Germany | **2.1** | 1.5 | 1.4 | 0.5 | -0.2 |
| Spain | **3.3** | 2.7 | 2.5 | 1.4 | 0.5 |
| Japan | **0.2** | 0.2 | 0.2 | 0.2 | 0.1 |

**Source:** Refinitiv

**Currency Market**

* During September 2022, among BRICS nations, Rand of South Africa depreciated most against USD by 6.1 per cent, followed by Real of Brazil (4.5 per cent), Renminbi of China (3.3 per cent) and Rupee of India (2.5 per cent).
* Among developed markets during September 2022, Yen depreciated against USD by 4.2 per cent, followed by Pound of UK (4.3 per cent).

**Table 3: Movement in Major Currencies across Developing and Developed Markets**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Currency** | **Index as on** | **Percentage change in Currency Index over period** | | | |
|  | **30-Sep-22** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRICS Nations** | | | | | | |
| Brazil | Real | 5.4 | 4.5 | 3.0 | 14.3 | -0.5 |
| Russia | Rouble | 59.2 | 0.3 | 12.8 | -25.3 | -18.4 |
| India | Rupee | 81.5 | 2.5 | 3.2 | 7.4 | 9.9 |
| China | Renminbi | 7.1 | 3.3 | 6.2 | 12.2 | 10.4 |
| S. Africa | Rand | 18.1 | 6.1 | 11.5 | 24.3 | 20.3 |
| **Developed Markets** | | | | | | |
| UK | Pound | 0.9 | 4.1 | 9.1 | 17.7 | 20.7 |
| Europe | Euro | 1.0 | 2.6 | 7.0 | 12.9 | 18.2 |
| Japan | Yen | 144.8 | 4.2 | 6.6 | 19.0 | 30.1 |
| Switzerland | Franc | 1.0 | 1.0 | 3.3 | 7.0 | 5.9 |
| US | Dollar Index | 112.1 | 3.1 | 7.1 | 14.0 | 19.0 |

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

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

**Source:** Refinitiv

**Figure 2: Movement of the USD-INR Index, US Dollar Index and MSCI EM Currency Index**

**Note:**

1. All indices have been normalised to 100 on August 31, 2021.
2. The U.S. Dollar Index is an index of the value of the United States Dollar relative to a basket of foreign currencies. The Index goes up when the U.S. Dollar gains value compared to other currencies. The index is maintained and published by Intercontinental Exchange. It is a weighted geometric mean of the dollar's value relative to following select currencies: Euro, Japanese Yen, Pound Sterling, Canadian Dollar, Swedish Krona, Swiss Franc.
3. The MSCI Emerging Markets (EM) Currency Index tracks the performance of twenty five emerging market currencies relative to the US Dollar.

**Source:** Refinitiv

**Foreign Holdings of US Treasury Securities**

* At the end of July 2022, Japan was the biggest foreign holder of US Treasury Securities, holding 16.5 per cent of the total US Treasury Securities, followed by China (12.9 per cent). The total foreign holding of US Treasury Securities at the end of July 2022 was USD 7501.2 billion of which the holdings by India stood at 2.9 per cent (USD 214.1 billion). India’s holding increased by 2.5 per cent (M-o-M), but fell by 2.3 per cent (Y-o-Y).

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Country** | **Jun-22** | **Change over Period ( per cent)** | |
| **1-Month** | **1-Year** |
| Japan | 1234.3 | -0.2 | -5.8 |
| China, Mainland | 970 | 0.2 | -9.2 |
| United Kingdom | 634.6 | 3.1 | 17.2 |
| Luxembourg | 304.2 | -0.8 | 4.3 |
| Cayman Islands | 291.9 | -2.8 | 10.7 |
| Switzerland | 287.3 | -2.7 | -3.0 |
| Ireland | 285.5 | 0.1 | -10.7 |
| Belgium | 277.2 | 1.3 | 25.7 |
| France | 239.9 | 1.3 | 1.7 |
| Taiwan | 237.6 | 1.6 | -1.9 |
| Brazil | 232.8 | 1.0 | -6.3 |
| India | 214.1 | 2.5 | -2.3 |
| Canada | 212 | 9.5 | 26.9 |
| Hong Kong | 193.2 | 2.9 | -14.9 |
| Singapore | 188.2 | 3.5 | -2.3 |
| Saudi Arabia | 121.6 | 2.0 | -5.1 |
| Norway | 112.3 | -0.1 | -5.7 |
| Korea | 111.8 | -0.4 | -11.3 |
| Germany | 87.5 | -7.8 | 8.7 |
| Bermuda | 81.7 | 3.5 | 20.0 |
| Netherlands | 65.5 | 3.0 | -4.7 |
| Australia | 54.1 | 4.0 | 16.8 |
| Israel | 53.1 | 3.1 | -18.9 |
| Philippines | 51.2 | 3.0 | 1.4 |
| Thailand | 49.5 | -0.2 | -13.6 |
| Mexico | 49.4 | 1.2 | -1.4 |
| Kuwait | 48.7 | 5.9 | 4.7 |
| Sweden | 43.9 | 4.0 | 0.5 |
| Chile | 41.3 | 0.7 | 1.0 |
| Italy | 40.3 | -0.5 | -3.6 |
| United Arab Emirates | 39.9 | 0.0 | -31.2 |
| Vietnam | 38.7 | -1.3 | -9.8 |
| Poland | 36.2 | 2.5 | -35.5 |
| Colombia | 35.7 | 2.3 | -1.4 |
| Iraq | 35.1 | 9.7 | 84.7 |
| Peru | 34.6 | 12.3 | 20.1 |
| Bahamas | 32 | 5.6 | 91.6 |
| All Other | 434.1 | 0.4 | 0.6 |
| Grand Total | 7501.2 | 0.9 | -0.9 |
|  | | | |
| Of which: |  |  |  |
| For. Official | 3942.7 | 1.0 | -7.3 |
| Treasury Bills | 234 | -1.8 | -15.3 |
| T-Bonds & Notes | 3708.7 | 1.2 | -6.8 |

**Note**:

1. Data published on September 16, 2022
2. The data in this table are collected primarily from U.S.-based custodians and broker-dealers. Since U.S. securities held in overseas custody accounts may not be attributed to the actual owners, the data may not provide a precise accounting of individual country ownership of Treasury securities (see TIC FAQ #7 at: http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/ticfaq1.aspx)
3. Estimated foreign holdings of U.S. Treasury marketable and non-marketable bills, bonds, and notes reported under the Treasury International Capital (TIC) reporting system are based on monthly data on holdings of Treasury bonds and notes as reported on TIC Form SLT, Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents and on TIC Form BL2, Report of Customers' U.S. Dollar Liabilities to Foreign Residents.

**Source**: U.S. Department of the Treasury

**HIGHLIGHTS OF DEVELOPMENTS IN**

**INTERNATIONAL SECURITIES MARKET**

**IOSCO**

The International Organization of Securities Commissions (IOSCO) in collaboration with Committee on Payments and Market Infrastructure (CPMI) of the Bank for International Settlements (BIS) published a report on margin practices, highlighting the need further policy work. The report presents a data-driven analysis examining margin calls in March and April 2020 and the extent to which market participants were prepared to meet them. The report recommends further policy work in the following six areas:

* Increasing transparency in centrally cleared markets.
* Enhancing the liquidity preparedness of market participants as well as liquidity disclosures.
* Identifying data gaps in regulatory reporting.
* Streamlining variation margin processes in centrally and non-centrally cleared markets.
* Evaluating the responsiveness of centrally cleared initial margin models to market stresses, with a focus on impacts and implications for CCP resources and the wider financial system.
* Evaluating the responsiveness of non-centrally cleared initial margin models to market stresses.

**SEC, USA**

SEC proposed to update the membership standards required of covered clearing agencies for the U.S. Treasury Market with respect to a member’s clearance and settlement of specified secondary market transactions reducing the risk of clearing agencies and incentivizing the central clearing in the US Treasury Market. The proposal would require that clearing agencies in the U.S. Treasury market adopt policies and procedures designed to require their members to submit for clearing certain specified secondary market transactions. These transactions would include: all repurchase and reverse repurchase agreements collateralized by U.S. Treasury securities entered into by a member of the clearing agency, interdealer broker, registered broker-dealer, a government securities broker, a government securities dealer, a hedge fund, or a particular type of leveraged account.

**The Monetary Authority of Singapore (MAS)**

* + - 1. MAS and SGX Group launched ESGenome Disclosure Portal to streamline the Sustainability Reporting and enhance investor access to ESG data. Contemporarily, the corporate sustainability disclosures represent the largest source of ESG data globally however reporting varies. The adoption of a single framework would result in consistent and accessible data which can be readily used to achieve SDG 2030.
      2. MAS launched Financial Industry Transformation Map 2025 while laying out the growth strategies. The strategies are enhanced asset class strengths, digitisation of financial infrastructure, catalysing Asia's Net-Zero transition and Foster skilled and adaptable Workforce.
      3. The Monetary Authority of Singapore (MAS) and the International Financial Services Centres Authority (IFSCA) signed a FinTech Co-operation Agreement to facilitate regulatory collaboration and partnership in FinTech. The agreement would include promotion of regulatory sandbox collaboration and sharing of information.

**POLICY DEVELOPMENTS IN INDIAN SECURITIES MARKET**

1. **Prohibition of use of unregulated algorithmic trading platforms/strategies claiming performance/ returns by stock-brokers**

In order to prevent mis-selling by unregulated platforms offering algorithmic trading services / strategies and to protect the interests of investors in the securities market, SEBI has issued guidelines to the stock brokers and stock exchanges. Earlier SEBI has cautioned investors not to be lured by such entities. SEBI has directed stock brokers not to have any reference concerning the past and expected performance of the algorithms. Additionally, any association with such platforms in any form is prohibited. Any reference regarding such must be removed immediately from the website and stock brokers must disassociate themselves from the platforms within 7 days. Directions have been issued to stock exchanges to take necessary action.

*Source: SEBI/HO/MIRSD/DOP/P/CIR/2022/117 dated September 2, 2022*

1. **Validation of Instructions for Pay-In of Securities from Client demat account to Trading Member (TM) Pool Account against obligations received from the Clearing Corporations**

SEBI has modified the process of validation of instruction for the Pay-In of securities from the Client Demat Account to the Trading Members Pool Account against the obligation received from the Clearing Corporation (CC) to prevent the misuse of the client's funds and securities. The depositories have been directed to validate the transfer instruction received through any channel using the Block mechanism before the actual transfer of Pay-In from the Client's Demat Account to the TM pool account. The CC shall provide the client-wise net obligation to depositories on T day. The depositories would execute the transaction post-matching the details to the TM account on or before settlement day. The securities will be processed either fully or partially in case of discrepancies between instruction and obligation. The abovementioned process would not apply to clients having Custodians registered with SEBI. The Stock Exchanges and Depositories are directed for appropriate amendments and report the status in the Monthly Development Report of November 2022.

*Source: SEBI/HO/MIRSD/DoP/P/CIR/2022/119 dated September 19, 2022*

1. **Framework of Social Stock Exchange**

SEBI has come up with a detailed framework on the Social Stock Exchange (SSE). The said framework includes minimum requirements to be met by the Not for Profit Organisation (NPO), minimum initial disclosure requirement for NPOs raising funds through the issuance of zero coupon zero principal instruments, annual disclosure by NPOs on SSE, disclosure of annual impact report by all social enterprises and statement of utilisation of funds in terms of LODR regulations.

*Source: SEBI/HO/CFD/PoD-1/P/CIR/2022/120 dated September 19, 2022*

1. **Strengthening of Firewall between Credit Rating Agencies and their non-rating entities**

SEBI has mandated Credit Rating Agencies (CRA) to strengthen the firewall between the CRAs and their non-rating entities. CRAs are to formulate a policy on separation or firewall practices with the non-rating entities and document the same in their internal operational manuals or governing documents. The policy should cover the nature and extent of shared resources and contain the measures taken by CRA to ensure the independence of its credit rating process. CRAs are required to disclose details of any common Key Managerial Personnel between the CRA and the non-rating entities on their website.

*Source: SEBI/HO/DDHS/DDHS-RACPOD2/P/CIR/2022/121 dated September 21, 2022*

1. **Issue and Listing of Commercial Papers by listed InvIts**

SEBI has recently allowed InvITs with net worth of `100 crores or greater to issue Commercial papers provided that InvITs abide by the guidelines prescribed by the Reserve Bank of India for issuance of commercial papers. InvITs have to comply with conditions specified under the SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021. The issuance of listed CPs shall be within the overall debt limit permitted under SEBI (Infrastructure Investment Trusts) Regulations, 2014.

*Source: SEBI/HO/DDHS/DDHS\_Div3/P/CIR/2022/123 dated September 22, 2022*

1. **Issue and Listing of Commercial Papers by listed REITs**

SEBI has recently allowed REITs with net worth of `100 crores or greater to issue Commercial papers provided that REITs abide by the guidelines prescribed by the Reserve Bank of India for issuance of commercial papers. REITs have to comply with conditions specified under the SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021. The issuance of listed CPs shall be within the overall debt limit permitted under SEBI (Real Estate Investment Trusts) Regulations, 2014.

*Source: SEBI/HO/DDHS/DDHS\_Div3/P/CIR/2022/122 dated September 22, 2022*

1. **Modification of operational guidelines for FPIs registered with Multiple Investment Managers**

SEBI has recently modified the operational guidelines for FPIs, DDPs and EFIs of FPIs registered with Multiple Investment Managers (MIM) structure. The change in operational guidelines states that where an entity engages MIM for managing its investments, the entity can obtain multiple FPI registrations mentioning the name of the Investment Manager for each such registration. Such applicants can appoint different DDPs for each such registration. Investments made under such multiple registrations shall be clubbed for monitoring of investment limits.

*Source: SEBI/HO/AFD/P/CIR/2022/125 dated September 26, 2022*

1. **Modification in Daily Price Limits (DPL) for Commodity Futures Contracts**

SEBI has amended a circular issued during January 2021 where it had revised the norms for Daily Price Limit (DPL) for commodity futures contracts. It has been brought to the notice of SEBI that closing price on domestic exchange differs from closing price on international exchange/s (after necessary currency conversion), because of difference in methodology of calculation of closing price. Due to such difference in closing price, the aggregate DPL range on domestic exchange may lag behind (either upwards or downwards) the prices on international exchange in next trading session. Earlier, in case of extreme price movements, the stock Exchanges needed to inform SEBI but now they need to give appropriate notice to the market.

*Source: SEBI/HO/MRD/MRD-PoD-1/P/CIR/2022/128 dated September 27, 2022*

1. **Credit Ratings supported by Credit Enhancement (CE)**

SEBI, in June 2019, had mandated various measures with reference to credit ratings of securities having explicit Credit Enhancement (CE) feature. In view of recent developments and deliberations with various stakeholders, to provide for enhanced transparency and improved rating process for CE-ratings, SEBI reviewed measures for CE-ratings. It has been reiterated that credit ratings, where the credit enhancement is external (or from third party), but the rated security is not bankruptcy remote of the issuer/ originator, will carry the ‘CE’ suffix.

*Source: SEBI/HO/DDHS/DDHS-RACPOD2/P/CIR/2022/124 dated September 28, 2022*

1. **Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT)**

SEBI, in November 2019, issued a circular providing guidelines for preferential issue and institutional placement of units by listed InvITs. Now SEBI has deleted the clause of minimum 12 months of listing for issuance of units through institutional placement. It has further amended the guidelines and permitted allotment to any institutional investor who is a sponsor(s) or investment manager, or any party related to them.

*Source: SEBI/HO/DDHS/DDHS\_Div3/P/CIR/2022/129 dated September 28, 2022*

1. **Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT**

SEBI, in November 2019, issued a circular providing guidelines for preferential issue and institutional placement of units by listed REITs. Now SEBI has deleted the clause of minimum 12 months of listing for issuance of units through institutional placement. It has further amended the guidelines and permitted allotment to any institutional investor who is a sponsor(s) or investment manager, or any party related to them.

*Source: SEBI/HO/DDHS/DDHS\_Div3/P/CIR/2022/130 dated September 28, 2022*

1. **Participation of SEBI registered Foreign Portfolio Investors (FPIs) in Exchange Traded Commodity Derivatives in India (ETCDs)**

To promote institutional participation in Exchange Traded Commodity Derivatives (ETCDs), SEBI has permitted Category III Alternative Investment Funds, Mutual Funds and Portfolio Management Services to participate in ETCDs. Eligible foreign entities (EFE) which required actual exposure to Indian physical commodities, has been discontinued. FPIs have been allowed to trade in all non-agricultural commodity derivatives and select non-agricultural benchmark indices. FPIs will be allowed to participate in Indian ETCDs, subject to certain risk management measures. The position limits for participation of FPIs in ETCDs has been defined.

The participation of FPIs in ETCDs is expected to enhance liquidity and market depth as well as promote efficient price discovery.

*Source: SEBI/HO/MRD/MRD-RAC-1/P/CIR/2022/131 dated September 29, 2022*

1. **Two-Factor Authentication for transactions in units of Mutual Funds**

SEBI, on October 04 2021, had introduced Two-Factor Authentication for redemption of mutual funds to prevent third party payments and to safeguard the interests of unit holders. It has now decided to extend the Two-Factor Authentication for subscription transactions in the units of Mutual Funds as well. Based on discussion with stakeholders, this new rule shall be applicable with effect from 01 April 2023.

*Source: SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/132 dated September 30, 2022*

1. **Circular for Portfolio Managers**

The SEBI (Portfolio Managers) Regulations, 2020 (“PMS Regulations”) mandates a Portfolio Manager to segregate each clients’ funds and securities from his own and also ensures safekeeping of client’s funds and securities. The regulations further mandates the Portfolio Manager to not hold the securities belonging to the portfolio account, in its own name on behalf of its clients either by virtue of contract with clients or otherwise. In addition to above, now Portfolio Manager shall put in place a policy in compliance with PMS Regulations and circulars issued thereafter. The policy must define in detail the activities of teams engaged in management of client funds and securities. Further there shall be another policy mentioning certain deviations that can be allowed under specific situations. Portfolio Manager shall constitute a Dealing Team (DT), responsible for order placement and execution. Portfolio Managers with AUM of more than `1,000 Crore shall have in place an automated system with minimal manual intervention.

*Source: SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/133 dated September 30, 2022*

1. **Amendment to guidelines and extension of timeline for implementation of Standardized industry classification by Credit Rating Agencies (CRAs)**

SEBI has advised Credit Rating Agencies (CRA) to implement standardized industry classification by September 30, 2022 for ratings, peer benchmarking and other purposes. In view of the requests received by SEBI from CRAs the date of applicability of the standardized industry classification has been extended till November 30, 2022. Further, the standardized Industry classification will be received and published by Stock Exchanges on periodical basis.

*Source: SEBI/HO/DDHS/DDHS-RACPOD2/P/CIR/2022/134 dated September 30, 2022*

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

**LATEST PUBLICATIONS**

1. SEBI Annual Report: 2020-21

2. Handbook of Statistics on Indian Securities Market: 2020

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

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

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