



A Monthly review of Market Statistics
September 2018



*May prosperity
always bloom*

Global Regulatory Scanner

US Fed releases paper on “First to “Read” the News: News Analytics and Algorithmic Trading”

A major purpose of financial markets is the assimilation of information into prices. Since the advent of securities trading, informationally-relevant news has been read and processed by humans, first directly from newspapers, then from news wires such as Dow Jones, Reuters, and Bloomberg. However, in the last two decades, computer algorithms have increasingly been used to read and interpret financial news. Given the importance of news for financial markets, it is crucial to understand how the algorithmic processing of news releases by computers (“news analytics”) affects financial markets. In particular, in what ways do news analytics affect stock returns and trading volume? Who are the users of news analytics? And for which type of articles are news analytics most important?

The paper addresses these questions using news analytics provided by RavenPack, the leading provider of news analytics in the market. RavenPack uses computer algorithms to determine for each article in the Dow Jones Newswire its relevance to each company mentioned in it, and whether the news is positive or negative. This processed content is then electronically delivered to RavenPack’s subscribers within a third of a second, allowing them to react to the news faster than humans possibly could.

The analysis shows news analytics increase market efficiency. The speed of adjustment of both stock prices and trade volume in response to a highly-relevant article is faster if the article was originally released by RavenPack as being relevant than if it was incorrectly released as not relevant. Interestingly, this finding is almost completely concentrated in press releases, likely because they are timelier and news analytics tend to be more accurate for press releases.

This finding suggests that users of news analytics understand for which articles news analytics are most accurate. Furthermore, we show that they understand when news analytics are most accurate: RavenPack has a stronger market impact at times after it had been more informative in the past. This finding suggests that algorithmic traders learn about the informativeness of news analytics dynamically. Thus, inaccuracies in news analytics can reduce the market’s sensitivity to news analytics for a prolonged period of time.

Finally, it shows that high frequency traders trade more following company-specific articles after the release of RavenPack. In particular, they engage in more liquidity demanding trades in the direction of the article sentiment. This finding suggests that HFTs, which are usually seen as trading exclusively on price signals, might also trade on corporate-specific news using news analytics. It shows that such trading leads to a decrease in liquidity following an article.

For more details see: <https://www.federalreserve.gov/econres/ifdp/files/ifdp1233.pdf>

Global News

Brent oil highest since 2014 as OPEC stops short of output hike

Brent crude, the international oil benchmark, surged to the highest (over \$80 per barrel) in almost four years after OPEC and its allies shrugged off President Donald Trump’s demand that the group act to control oil prices. Futures in London jumped to the highest level since November 2014. The oil producing and exporting group has reportedly said that it will boost output only if customers want more cargo shipments. Oil has climbed since early August as

speculation grew over whether OPEC and its allies will boost production, with sanctions on Iran's exports set to take effect in November.

According to Mercuria Energy Group Ltd. and Trafigura Group, Brent could rise to \$100 as the market braces for the loss of Iranian supplies due to U.S. sanctions. In its latest market outlook published on Friday, J.P. Morgan said that "a spike to \$90 per barrel is likely" for oil prices in the coming months due to the Iran sanctions.

With Brent crude climbing over \$80 a barrel, Indian oil refiners are considering cutting back on oil purchases to offset the sharp rise in international crude prices and an added burden due to falling rupee. According to Reuters, the decision to cut imports reflects that rising crude prices and emerging market currency weakness may start causing oil demand to decline in a number of markets that have so far seen healthy oil consumption.

For more details, please see:

<https://www.bloombergquint.com/markets/2018/09/24/oil-rises-near-2-month-high-as-opec-stops-short-of-pledging-more#gs.KwTJKl0>

<https://www.businesstoday.in/sectors/energy/brent-crude-oil-4-year-high-80.94-dollars-a-barrel-opec/story/282772.html>

Key circular issued by SEBI in Sep 2018

Eligibility conditions for Foreign Portfolio Investors (FPIs) (SEBI: Sep 21, 2018)

SEBI Board in its meeting held on September 18, 2018, has after considering the interim recommendations of SEBI Working Group under the chairmanship of Shri H.R.Khan (hereinafter referred as HR Khan group) in relation to the circular No CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client (KYC) requirements for Foreign Portfolio Investors (FPIs) and comments received from public decided that:

- Beneficial ownership criteria in Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred as PMLA Rules) should be made applicable for purpose of KYC and not for determining eligibility of FPIs.
- The clubbing of investment limit for FPIs should not be done on the basis of beneficial owner (BO) as per PMLA Rules.
- Accordingly, there will be a separate set of norms for determining conditions where Non Resident Indians (NRIs) and Overseas Citizens of India (OCIs) and Resident Indians (RIs) are constituents.

The Board broadly accepted the recommendations of HR Khan group, and decided to put in place the following eligibility norms. The Amendments in SEBI (FPI) Regulations, 2014, wherever necessary, will be notified separately.

1. NRIs and OCIs shall have the same meaning as assigned to them under regulation 2 of the Foreign Exchange Management (Transfer or issue of security by a Person Resident outside India) Regulations, 2017.
2. NRIs/OCIs/Resident Indians shall be allowed to be constituents of FPIs based on certain conditions.

3. FPIs can be controlled by investment managers (IMs) which are controlled and /or owned by NRI/ OCI/ RI based on certain conditions
4. A non-investing FPI may be directly or indirectly fully owned and/or controlled by a NRI/ OCI/ RI.
5. The restriction that NRI/OCI/RI should not be in control of FPI shall also not apply to FPIs which are ‘offshore funds’ for which no-objection certificate has been provided by the Board in terms of SEBI (Mutual Funds) Regulations, 1996.
6. The restrictions in point 2 above will not be applicable to FPIs investing only in mutual funds in India.
7. Existing FPIs and new applicants shall be given a time period of two years from the date of coming into force of the amended regulations or from the date of registration, whichever is later in order to satisfy these eligibility conditions.
8. In case of temporary breach a time period of 90 days will be given to ensure compliance with above conditions.

To view the circular, please refer to:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/sep-2018/1537530350433.pdf#page=1&zoom=auto,-24,842

Market Development and Issues

Commodities exchange space is expected to gather momentum

The commodities exchange space is expected to grow at a faster rate after the integration of commodities and securities market, which has been accomplished through the following steps over the last four years. First, the Forward Markets Commission, the then regulator of the commodities market, was merged with the Securities and Exchange Board of India (SEBI), the main regulator of the securities market, on September 28, 2015 “to strengthen regulation of commodity forward markets and reduce wild speculation” (Union Budget, 2015-16). Second, the Forward Contracts Regulation Act (FCRA) was repealed and the commodity derivatives market regulations came under the purview of the SEBI under the Securities Contracts Regulation Act, 1957. Third, SEBI enabled integration of securities brokers and commodities brokers with effect from September 21, 2017.

Finally, on December 28, 2017, SEBI has allowed a single exchange to operate in the various asset classes, such as equity, equity derivatives, commodity derivatives, debt, interest rate futures and currency derivatives with effect from October 1, 2018. In response, both NSE and BSE applied for and received SEBI approval to enter into the commodity derivatives segment with effect from October 1, 2018. BSE has already launched its commodity segment with gold and silver futures contracts on October 1, 2018, while NSE has decided to start with same commodities from October 12, 2018. These exchanges plan to launch commodity derivatives in other non-agricultural commodities first, followed by agricultural commodities, subject to SEBI approval. They have promised to provide a user-friendly platform with robust risk management system, improved price discovery, reduced timelines and more cost effective trading. With stock brokers and clients now having access to commodity and equity derivative markets in the same exchange, the liquidity in commodity space is expected to increase.

Performance of Broad Market Asset Class

	Exchange	Current Month	Previous Month	MOM Change	YOY Change	Mar'18 - Current	YTD Change
EQUITY							
<i>NIFTY 50</i>	NSE	10930.45	11680.50	-6.42%	11.67%	8.08%	3.80%
<i>NIFTY BANK</i>	NSE	25119.85	28061.75	-10.48%	4.44%	3.53%	-1.64%
<i>NIFTY IT</i>	NSE	15838.05	15811.40	0.17%	51.19%	26.59%	35.77%
<i>INDIA VIX</i>	NSE	17.00	12.60	34.91%	36.12%	7.85%	34.14%
<i>DOWJONE</i>	NYSE	26458.31	27888.55	-5.13%	18.09%	9.77%	7.04%
<i>NASDAQ</i>	NASDAQ	8046.35	7654.55	5.12%	23.87%	13.92%	16.56%
<i>FTSE 100</i>	CFD	7510.20	7432.42	1.05%	1.86%	6.43%	-2.31%
<i>HANGSENG</i>	CFD	27788.52	27888.55	-0.36%	0.85%	-7.66%	-7.12%
<i>NIKKEI</i>	CFD	24120.04	22856.00	5.53%	18.49%	12.43%	5.95%
COMMODITY							
<i>GOLD</i>	CFD	1191.50	1200.30	-0.73%	-7.02%	-9.93%	-8.79%
<i>SILVER</i>	CFD	14.69	14.44	1.71%	-11.57%	-9.48%	-13.92%
<i>COPPER</i>	CFD	2.79	2.65	5.21%	-5.14%	-7.68%	-15.03%
<i>ZINC</i>	CFD	2596.25	2461.50	5.47%	-17.64%	-20.79%	-21.76%
<i>ALUMINIUM</i>	CFD	2053.00	2119.75	-3.15%	-2.52%	2.41%	-9.78%
<i>NICKEL</i>	CFD	12547.50	12815.00	-2.09%	19.22%	-6.22%	-0.83%
<i>CRUDE- WTI</i>	CFD	73.25	69.80	4.94%	41.77%	12.80%	21.23%
<i>CRUDE- BRENT</i>	CFD	82.72	77.42	6.85%	43.76%	17.72%	23.70%
<i>NATGAS</i>	CFD	3.01	2.92	3.16%	0.03%	10.06%	1.86%
CURRENCY							
<i>USDINR</i>	Real Time FX	72.52	71.01	2.13%	11.03%	11.36%	13.59%
<i>EURUSD</i>	Real Time FX	1.16	1.16	0.07%	-1.74%	-5.79%	-3.24%
<i>USDJPY</i>	Real Time FX	113.80	111.04	2.49%	1.16%	7.08%	0.99%
<i>GBPUSD</i>	Real Time FX	1.30	1.30	0.29%	-2.96%	-7.26%	-3.81%
<i>US Dollar Index</i>	Real Time FX	94.74	95.08	-0.36%	2.00%	5.49%	3.17%
MONEY MARKET							
<i>10Y US BOND</i>	NYSE	3.07	2.86	7.31%	31.21%	11.97%	27.61%
<i>10Y IND BOND</i>	NSE	8.02	7.95	0.92%	20.35%	8.43%	9.65%

Source: in.investing.com

Primary Market Statistics

Capital Raised

Capital Raised in the Month	Rs Mn	USD Mn
Newly issued shares (IPOs)-	6605.28	91.05
FPOs	0.00	0.00
Public issue of NCDs	20000.00	275.68
Further Issues (FIs)	125910.89	1735.57
Total	1,52,516.17	2102.30

Main Board Listing of the Month - Ircon International Limited

Sector	Engineering Services
Market Capitalisation (INR Crores)	3905.96
No of times subscribed	9.9
Listing Gains	-13.26%

SME Listing of the Month - Ahlada Engineers Limited

Sector	Miscellaneous
Market Capitalisation (INR Crores)	187.42
No of times subscribed	2.23
Listing Gains	-6%

IPO's during the month

Sr. No.	Allotment Date	Symbol	Company Name	Series
1	Sep 3, 2018	AARON	Aaron Industries Limited	ST
2	Sep 3, 2018	DANGEE	Dangee Dums Limited	ST
3	Sep 6, 2018	SUPREMEENG	Supreme Engineering Limited	ST
4	Sep 7, 2018	MARSHALL	Marshall Machines Limited	ST
5	Sep 10, 2018	SUMIT	Sumit Woods Limited	ST
6	Sep 18, 2018	LAGNAM	Lagnam Spintex Limited	ST
7	Sep 24, 2018	RPPL	Rajshreepolypack Limited	ST
8	Sep 25, 2018	AKG	Akg Exim Limited	ST
9	Sep 26, 2018	ICICILIQ	ICICI Prudential Mutual Fund - ICICI Prudential Liquid ETF - NO NA	EQ
10	Sep 27, 2018	AHLADA	Ahlada Engineers Limited	ST
11	Sep 28, 2018	IRCON	Ircon International Limited	EQ

Secondary Market Statistics

Institutional Flows

1. Institutional Flows- CM Gross

Broad Category	Buy Value (Rs Crs)	Sell Value (Rs Crs)	Net (Rs Crs)
DII	77548.43	64795.02	12753.42
FII	107029.31	116241.81	-9212.50

2. Institutional Flows- F&O Gross

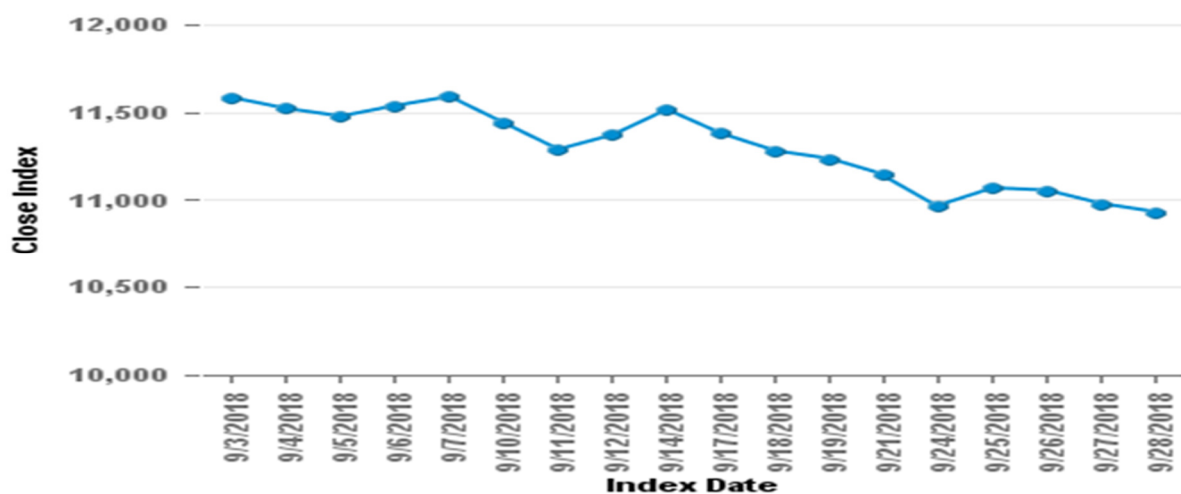
Broad Category	Buy Value (Rs Crs)	Sell Value (Rs Crs)	Net (Rs Crs)
DII	79231.06	84538.01	-5306.94
FII	3167206.03	3160020.84	7185.18

3. Institutional Flows- CDS Gross

Broad Category	Buy Value (Rs Crs)	Sell Value (Rs Crs)	Net (Rs Crs)
DII	16060.47	15683.76	376.71
FII	104005.17	99718.21	4286.97

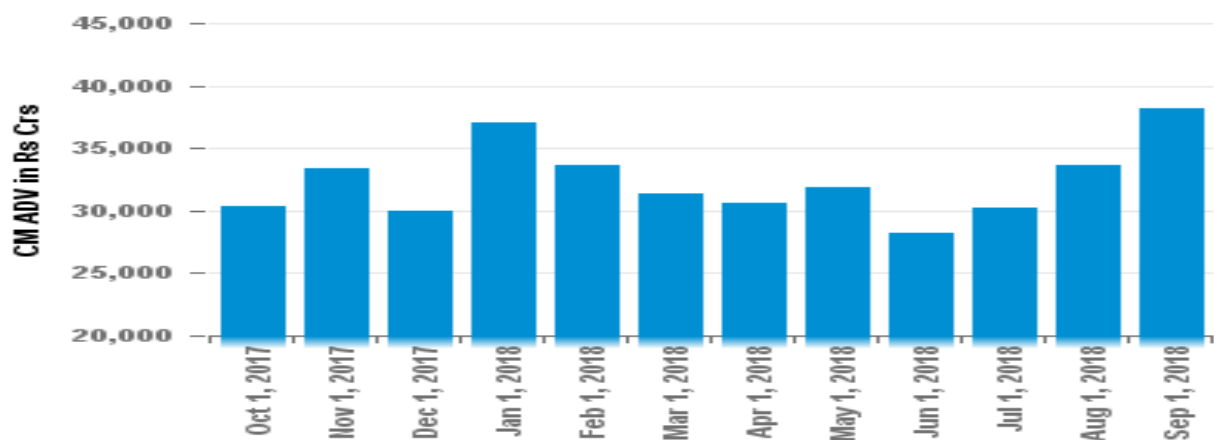
Flagship Index “NIFTY 50” Statistics

Number of constituents :	51
Derivatives available :	YES
ETFs available :	14
PE	26.44
PB	3.47
Div Yield	1.23

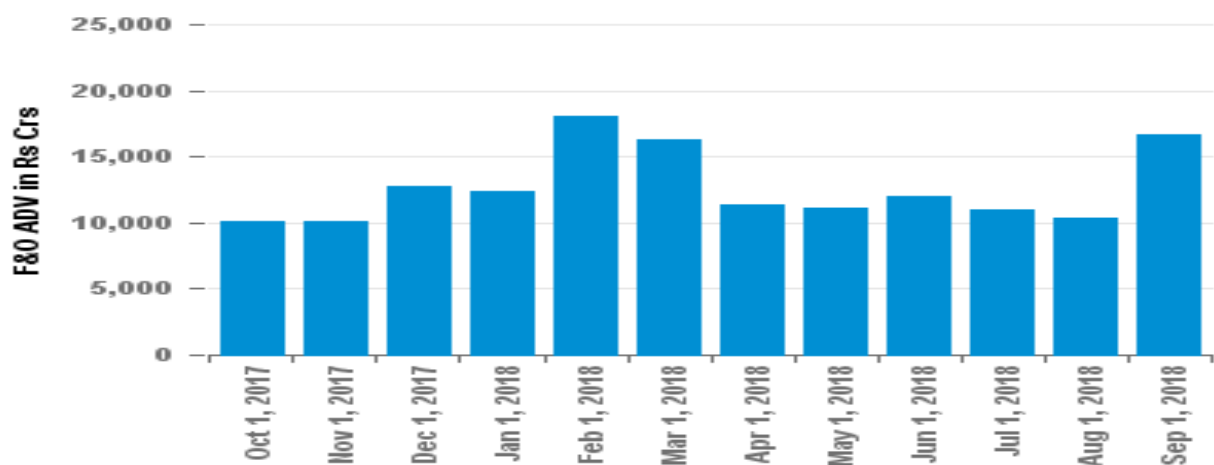


Average Daily Turnover (INR Crores)
1. Equity Market

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
Cash Market	38245.63	33617.72	13.77%	29416.08	31926.71	32651.65
Exchange Traded Funds	167.73	140.81	19.12%	126.42	149.42	154.19
SME EMERGE	17.21	18.42	-6.59%	22.49	23.26	26.31
Sovereign Gold Bonds	0.54	0.37	46.77%	0.35	0.41	0.42
InvITs	5.81	3.03	91.42%	16.57	5.12	6.28
Mutual Funds (Close Ended)	0.76	0.09	747.63%	0.30	0.98	0.86

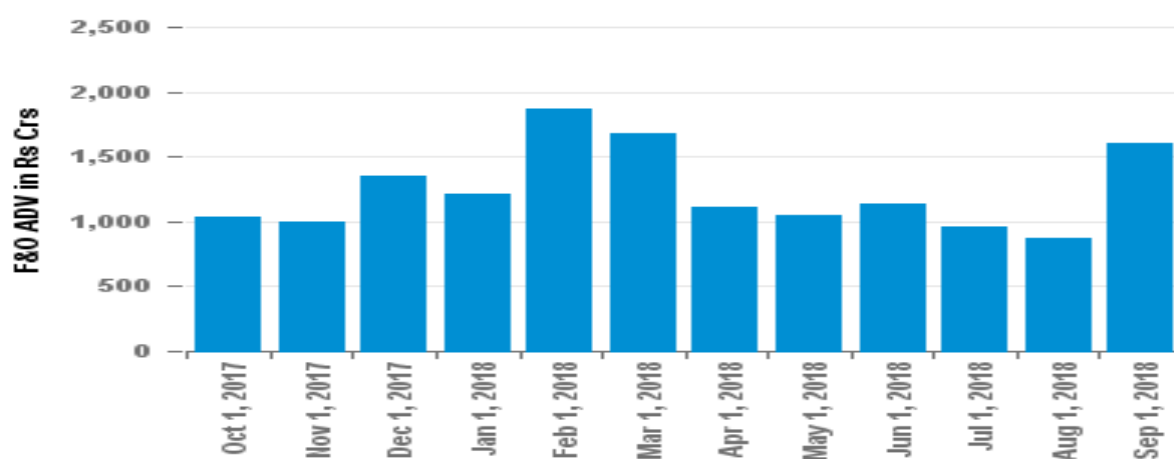

2. Equity Derivatives - Index Futures

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
BANKNIFTY	13313.41	8408.93	58.32%	8031.17	9726.36	9877.82
NIFTY	16601.27	10316.83	60.91%	11477.95	11912.70	13043.84
NIFTYCPSE	0.00	0.00	-	0.01	0.00	0.00
NIFTYINFRA	0.00	0.00	-	0.01	0.00	0.00
NIFTYIT	44.76	17.25	159.52%	18.27	32.46	31.27
NIFTYPSE	0.00	0.00	-	0.01	0.00	0.00



3. Equity Derivatives - Index Options

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
BANKNIFTY	1974.94	1104.87	78.75%	741.07	1222.65	1169.82
NIFTY	1603.06	866.66	84.97%	1131.48	1104.27	1254.67
NIFTYCPSE	0.00	0.00	-100.00%	0.00	0.00	0.00
NIFTYINFRA	0.00	0.00	-	0.00	0.00	0.00
NIFTYIT	0.00	0.00	-	0.00	0.00	0.00
NIFTYPSE	0.00	0.00	-	0.00	0.00	0.00

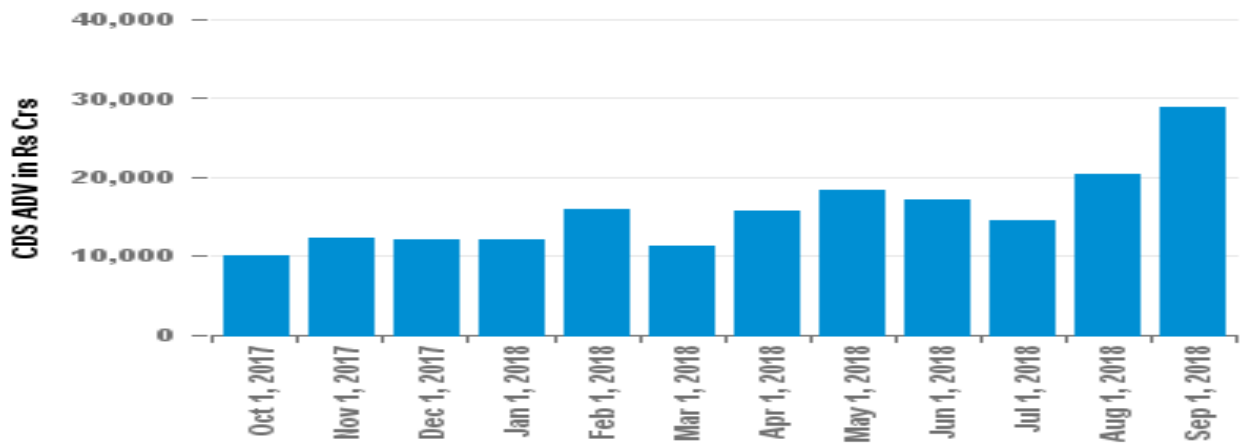


4. Currency Derivatives- Futures

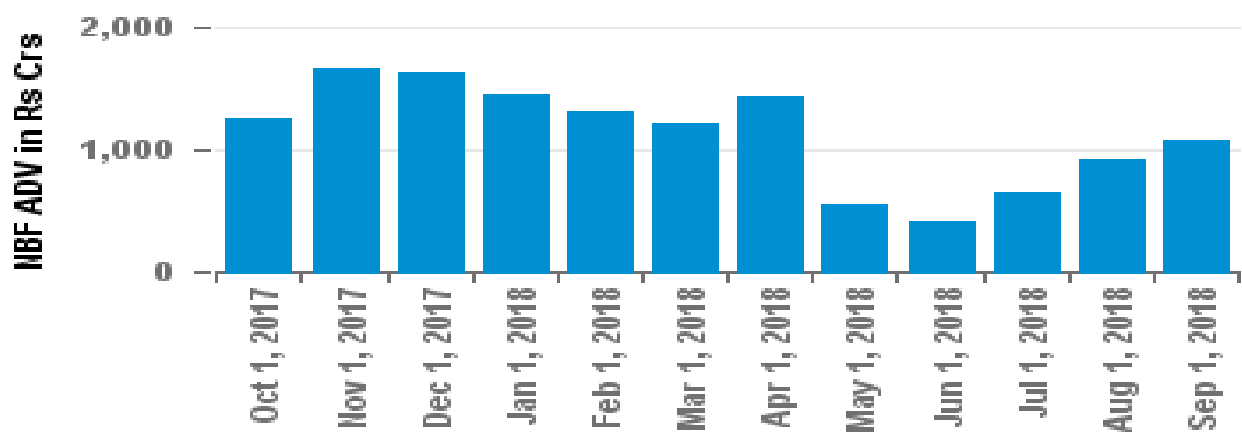
Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
EURINR	885.38	889.51	-0.46%	663.91	825.33	835.96
EURUSD	178.67	193.42	-7.63%	340.39	270.70	280.93
GBPINR	908.99	893.30	1.76%	803.35	941.39	964.84
GBPUSD	183.22	179.66	1.98%	280.20	180.85	195.44
JPYINR	315.06	323.07	-2.48%	190.85	255.85	250.91
USDINR	26271.25	17710.30	48.34%	9012.42	16386.24	14496.72
USDJPY	2.79	6.28	-55.52%	18.31	8.23	9.71

5. Currency Derivatives- Options

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
EURINR	0.02	0.03	-33.19%	0.19	0.06	0.08
EURUSD	0.00	0.00	-	0.00	0.00	0.00
GBPINR	0.02	0.04	-61.73%	0.02	0.05	0.04
GBPUSD	0.00	0.00	-	0.00	0.00	0.00
JPYINR	0.00	0.01	-45.12%	0.01	0.01	0.01
USDINR	111.95	64.21	74.36%	31.18	54.18	46.32
USDJPY	0.00	0.00	-	0.00	0.00	0.00


6. NSE Bond Futures II

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
668GS2031	0.00	0.00	-	38.78	2.25	20.18
679GS2027	0.08	3.54	-97.62%	910.98	348.14	644.24
679GS2029	0.00	0.00	-	2.90	0.00	0.00
684GS2022	0.00	0.00	-	0.00	0.00	0.00
697GS2026	0.00	0.00	-	259.74	0.00	0.00
717GS2028	1074.67	917.59	17.12%	18.92	464.89	333.42



Client Category Participation- Percentage contribution
1. Equity Market

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
Corporates	6.91%	5.82%	15.71%	10.67%	6.99%	7.87%
DII	10.34%	9.77%	3.15%	10.23%	10.29%	10.31%
FII	16.22%	13.59%	16.37%	16.21%	15.34%	15.35%
Others	43.82%	49.00%	-12.80%	44.82%	46.33%	46.05%
PRO	22.72%	21.82%	1.55%	18.07%	21.05%	20.43%

2. Equity Derivatives

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
Corporates	12.85%	9.39%	53.25%	8.46%	10.04%	10.32%
DII	0.36%	0.45%	-9.77%	0.47%	0.43%	0.45%
FII	14.09%	11.64%	35.61%	11.55%	12.38%	12.55%
Others	37.29%	39.44%	5.93%	37.16%	36.84%	35.92%
PRO	35.41%	39.08%	1.52%	42.37%	40.31%	40.76%

3. Currency Derivatives

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
Corporates	10.61%	12.50%	8.83%	9.72%	11.67%	11.17%
DII	1.65%	1.29%	63.88%	0.69%	1.47%	1.33%
FII	10.61%	9.34%	45.59%	3.04%	7.65%	6.59%
Others	16.99%	16.20%	34.40%	14.54%	15.98%	15.84%
PRO	60.13%	60.66%	27.07%	72.01%	63.23%	65.07%

4. NSE Bond Futures II

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
Corporates	22.03%	20.29%	14.01%	20.40%	19.68%	19.39%
DII	2.50%	2.52%	4.22%	2.58%	2.34%	2.28%
FII	0.84%	0.22%	304.62%	2.97%	2.04%	2.70%
Others	4.57%	6.98%	-31.26%	4.45%	5.35%	5.28%
PRO	70.05%	69.98%	5.11%	69.60%	70.59%	70.35%

Asset Category wise Open Interest (Average Daily Volume)
1. Equity Derivatives

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
FUTSTK	5251245477	5260914631	-0.18%	4961728948	5334342378	5394281157
OPTSTK	1616999328	1701142153	-4.95%	1623063743	1583051595	1659335488

2. Equity Derivatives - Index Futures

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
BANKNIFTY	1873657.78	2492287.62	-24.82%	349853.17	688511.04	2373374.70
NIFTY	26726008.33	30889375.00	-13.48%	4592459.45	9037960.20	26917311.49
NIFTYCPSE	0	0.00	-	0.00	0.00	0.00
NIFTYINFRA	0	0.00	-	0.00	0.00	0.00
NIFTYIT	37461.11	27819.05	34.66%	5115.85	10068.00	40892.97
NIFTYPSE	0	0.00	-	0.00	0.00	2.16

3. Equity Derivatives - Index Options

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
BANKNIFTY	23118840.00	20993520.00	10.12%	3483752.20	6856024.32	20423190.05
NIFTY	118814754.17	115323157.14	3.03%	18538422.26	36483615.00	131879001.22
NIFTYCPSE	0.00	35.71	-100.00%	3.05	6.00	18.92
NIFTYINFRA	0.00	0.00	-	0.00	0.00	0.00
NIFTYIT	2.78	0.00	-	0.20	0.40	4.32
NIFTYPSE	0.00	0.00	-	0.00	0.00	0.00

4. Currency Derivatives- Futures

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
EURINR	146242.72	126587.90	15.53%	133745.66	128927.62	144648.01
EURUSD	25456.28	27844.30	-8.58%	16166.76	27342.84	25701.60
GBPINR	67197.17	75972.05	-11.55%	66993.99	71326.12	76931.33
GBPUSD	16848.72	13552.70	24.32%	7937.71	11091.33	10628.21
JPYINR	53547.72	57693.10	-7.19%	31363.55	39663.15	40474.75
USDINR	4012136.56	3227643.85	24.31%	2070109.54	3406179.59	3039188.44
USDJPY	936.00	1671.35	-44.00%	3077.71	1898.86	2071.98

5. Currency Derivatives- Options

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
EURINR	3797.28	4075.55	-6.83%	17169.62	8642.31	9894.57
EURUSD	0.00	0.00	-	88.10	39.29	46.45
GBPINR	2224.11	5409.15	-58.88%	1144.67	5039.32	4467.38
GBPUSD	0.00	0.00	-	10.86	0.00	1.59
JPYINR	868.94	3177.85	-72.66%	7705.33	2256.30	3056.51
USDINR	3410221.78	2550963.55	33.68%	3075539.38	2647389.44	2566516.73
USDJPY	0.00	0.00	-	0.90	0.00	0.13

6. NSE Bond Futures II

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
668GS2031	0.00	0.00	-	5747.07	225.56	2695.57
679GS2027	976.11	3767.90	-74.09%	66951.66	31455.04	49914.06
679GS2029	0.00	0.00	-	151.84	0.00	0.00
684GS2022	0.00	0.00	-	0.00	0.00	0.00
697GS2026		0.00	-	27007.49	0.00	0.00
717GS2028	90485.72	99589.85	-9.14%	2099.39	48105.46	34542.98

Internet Based Trading Turnover (Average Daily Volume)
1. Equity Market

Product	Current Month	Previous Month	Change	Previous FY	Current FY	YTD
Cash market	5772.01	5556.31	3.88%	4126.08	4995.01	5017.65
Equity Derivatives	171548.69	144471.41	18.74%	92016.81	135139.06	128065.12
Currency Derivatives	4495.20	2764.04	62.63%	1235.54	2487.01	2177.98
NBFII	29.12	36.94	-21.15%	22.88	23.71	21.85

Record Statistics

Instrument	Turnover Rs. Crs	Date
Equity Turnover	66051.37	21, Sep, 2018
Index Futures	58105.67	29, September, 2016
Stock Futures	195433.08	25, January, 2018
Index Options Premium	6443.05	06, February, 2018
Stock Options Premium	1398.08	21, Sep, 2018

Important Links –

Mode of Trading Cash Market -

https://nseindia.com/products/content/equities/equities/mode_of_trading.htm

Mode of Trading Equity Derivative Market –

https://nseindia.com/products/content/derivatives/equities/mode_of_trading.htm

Disclaimer:

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