

---

## Indian capital market analysis 2020 year end and 2021 year beginning

---

**Dr.P.Govindasamy<sup>1</sup>, Dr.Kapila Uma Shankar<sup>2</sup> Mr.R.Ravimohan<sup>3</sup>**

<sup>1</sup>Associate Professor, School of Management Studies, Vels Institute of Science, Technology and Advanced Studies, Chennai 600117, Tamilnadu, India, Email id: govindasamy.sms@velsuniv.ac.in, Orchid Id: <https://orcid.org/0000-0002-5740-4781>

<sup>2</sup>Assistant Professor, Faculty of Administrative Science and Economics, Department of Accounting, Tishk International University, Iraq, Email id: kapila.shankar@tiu.edu.iq

<sup>3</sup>Assistant Professor, School of Management Studies, Vels Institute of Science, Technology and Advanced Studies, Chennai 600117, Tamilnadu, India, Email.Id: ravimohan.sms@velsuniv.ac.in

(Corresponding author: Dr.P.Govindasamy, Email id: apgswamy1972@gmail.com)

---

### ABSTRACT

Due to Covid-19 the Indian economy continuously given shock and halt of operations deteriorates its performance considerably and makes the lives harm in many ways. In order to view this situation through Indian capital market, it is directed through this review of capital market information. This study systematically takes views the data by analyzing the fund mobilization, secondary market operations, and Indian depository and derivatives segments in details. This review considers the data set in Dec-2020 and Jan-2021 being the year end and year beginning focus.

**Key Words:** Capital Market, Fund Mobilization, Secondary Market, Currency Derivatives, Commodity Derivatives, Market Movements.

---

### 1. INTRODUCTION

In the existing development banks and unstinted operational changes were made in the capital market operations which was enabled to finance more industrial activity in the country and make the country powerful in managing the existing industry effectively and creating new enterprises in order to cope with the developments happened around the world<sup>1</sup>. Phased changes in capital market such as Economic liberalization, promoting private sector banks, promoting various avenues of investment opportunities, regulating NRI investments through effective

---

<sup>1</sup> <https://accountlearning.com/25-recent-changes-in-indian-capital-market/>

implementation of FERA and FEMA, FERA companies, Foreign Direct Investments, Digital trading, Investors protection forums, etc. So that periodical assessment and focus of Capital market helps to revitalize our economy at large. Hence this review has taken effort to fulfill the goal of self-analysis and move forward to new solutions for the existing inefficiencies.

## **2. REVIEW OF LITERATURE**

Arun Jethmalani (1999) reviewed the existence and measurement of risk involved in investing in corporate securities of shares and debentures He concluded his article by commenting that risk is not measurable or quantifiable. But risk is calculated on the basis of historic volatility. Returns are proportional to the risks, and investments should be based on the investors' ability to bear the risks, he advised. Amanulla & Kamaiah (1995) conducted a study to examine the Indian stock market efficiency by using Ravallion co integration and error correction market integration approaches. According to the authors, the co integration results exhibited a long-run equilibrium relation between the price indices of five stock exchanges and error correction models indicated short run deviation between the five regional stock exchanges. Pattabhi Ram.V. (1995) emphasised the need for doing fundamental analysis and doing Equity Research (ER) before selecting shares for investment. He opined that the investor should look for value with a margin of safety in relation to price. Debjit Chakraborty (1997) in his study attempts to establish a relationship between major economic indicators and stock market behaviour. It also analyses the stock market reactions to changes in the economic climate. Redel (1997) He observed that capital market integration in Asian developing countries in the 1990's was a consequence of broad-based economic reforms. Avijit Banerjee (1998) reviewed Fundamental Analysis and Technical Analysis, He also stated that the modern portfolio literature suggests 'beta' value  $\beta$  as the most acceptable measure of risk of scrip. Suresh G Lalwani (1999) emphasised the need for risk management in the securities market with particular emphasis on the price risk. He commented that the securities market is a 'vicious animal' and there is more than a fair chance that far from improving, the situation could deteriorate. Debjiban Mukherjee (2007) made a comparative Analysis of Indian stock market with International markets, objective of this study is to capture the trends, similarities and patterns in the activities and movements of the Indian Stock Market in comparison to its international counterparts. Juhi Ahuja (2012) presents a review of Indian Capital Market & its structure, The application of many reforms & developments in Indian capital market has made the Indian capital market comparable with the international capital markets. Valenzuela et al. (2015) found a strong link between depth and volatility. Z.Li, et al. (2018) developed two bid-ask spread estimators based on daily high and low prices and evidenced their efficiency in accurate estimation of transaction costs across varied markets and periods. Ekinici et al. (2019) documented that emerging market is very sensitive to the announcements made by developed economies. Ramos and Righi (2020) showed a positive impact of market-wide volatility on stock liquidity. Anagnostidis and Fontaine (2020) demonstrated that automation of trading has amplified the use of algorithmic trading that

is mainly based on complex and common strategies that were found to adversely influence trading during the stress periods.

### 3. OBJECTIVES

- To analyze fund mobilizations by the Indian corporate
- To analyze Indian secondary market operations
- To bring a snapshot of Indian Depository and Derivatives services

#### 4.1 MOVEMENTS IN PRIMARY MARKET

Fund mobilization through public issue of Equity, Debt and Private placement has turn in to major implications in the corporate operations. Hence we have taken the data from NSE, BSE, MSEI for quick review. The following Table-1 brings the funds strengthening for the Indian corporate.

**Table 1: Fund Mobilization by Corporate (₹crore)**

Particulars	Dec-20	Jan-21
<b>A. Funds Mobilization through Public Issue (I+II)</b>	1,652	10,262
<b>I. Equity Public Issue</b>	1,652	5,015
a. IPOs (i+ii)	1,353	4,933
i. Main Board	1,351	4,933
ii. SME Platform	3	0
b. FPOs	0	0
c. Equity Right Issue	299	81
<b>II. Debt Public Issue</b>	0	5,248
<b>B. Funds Mobilization through Private Placement</b>	97,335	62,127
1. QIP/IPP	7,423	1,170
2. Preferential Allotment	1,782	5,333
3. Private Placement of Debt	88,130	55,624
<b>Total Funds Mobilised (A+B)</b>	<b>98,987</b>	<b>72,389</b>

Source: SEBI, NSE, BSE and MSEI

**Interpretations:** During January 2021, there were two Main Board IPO issues and one rights issue, mobilising ₹4,933 crore and ₹81crore, respectively. During January 2021, there were four public issues of corporate bonds, amounting to ₹5,248 crore compared to no public issue of corporate bond during December 2020. An amount of ₹ 6,503 crore was raised through private placement of equity (i.e., preferential allotment and qualified investment plan) during January 2021, against ₹ 9,205 crore during December 2020. Private placement of corporate debt reported on BSE and NSE stood at ₹55,624 crore during December 2020, compared to ₹88,130 crore during December 2020.

**4.2 MOVEMENTS IN SECONDARY MARKET****Table 2: Overview of Indian Capital Market**

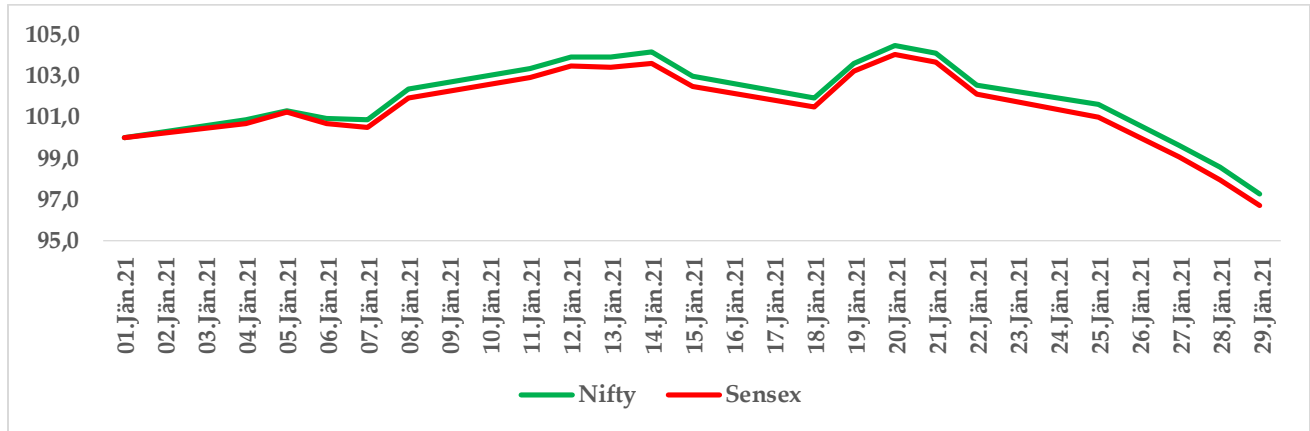
Description	Dec-20	Jan-21	Change over the Month
Index in Equity Market			
Nifty 50	13,982	13,635	-2.5
Sensex	47,751	46,286	-3.1
Nifty Midcap	5,873	6,003	2.2
Nifty Smallcap	7,088	7,177	1.3
BSE Midcap	17,941	18,082	0.8
BSE Smallcap	18,098	17,988	-0.6
Market Capitalisation (₹ crore)			
BSE	1,88,03,519	1,86,12,644	-1
NSE	1,86,46,769	1,84,74,450	-0.9
P/E Ratio			
Sensex	33.5	31.8	-5.2
Nifty 50	38.5	36.6	-4.9
Number of Listed Companies			
BSE	5,454	5,455	0
NSE	1,962	1,965	0.2
Gross Turnover in Equity Segment (₹ crore)			
BSE	99,415	1,04,063	4.7
NSE	13,74,552	14,49,445	5.4
Gross Notional Turnover in Equity Derivatives Segment (₹ crore)			
BSE	49,02,205	49,33,029	0.6
NSE	6,72,62,248	7,19,13,140	6.9
Gross Notional Turnover in Currency Derivatives Segment (₹ crore)			
BSE	4,96,941	4,40,262	-11.4
NSE	11,60,619	10,01,206	-13.7
MSEI	14,310	13,562	-5.2
Gross Notional Turnover in Interest Rate Derivatives Segment (₹ crore)			
BSE	1,087	1,101	1.2
NSE	5,464	4,094	-25.1

Source: BSE, NSE and MSEI

**Interpretations:** At the end of January 2021, Nifty 50 closed at 13,635 points registering a decrease of 2.5 per cent as compared to the 13,982 points level at the end of December 2020. S&P BSE Sensex closed at 46,286 at the end of January 2021, indicating a decrease of 3.1 per cent as compared to the 47,751 at the end of December 2020. Nifty 50 reached its intraday high for the month at 14,754, on January 21, 2021 and intraday low for the month at 13,597, on January 29, 2021. S&P BSE Sensex too reached its intraday high at 50,184 for the month, on January 21, 2021 and intraday low at 46,160 for the month, on January 29, 2021. The P/E ratios of S&P BSE Sensex and Nifty 50 were 31.8 and 36.6, respectively, at the end of January 2021

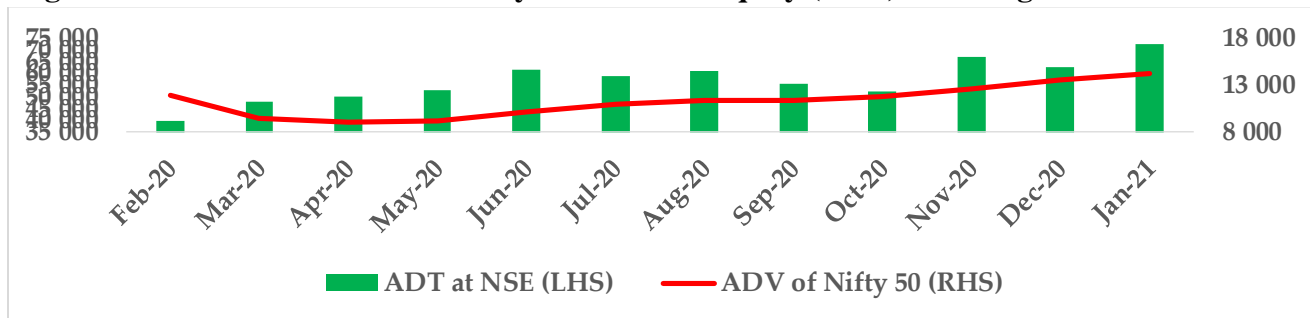
compared to 33.5 and 38.5, respectively, at the end of December 2020. At the end of January 2021, the market capitalization of both the BSE and NSE decreased by one per cent and 0.9 per cent, respectively over the level as at the end of previous month

**Figure 1: Movements of S&P BSE Sensex and Nifty 50 during January 2021**



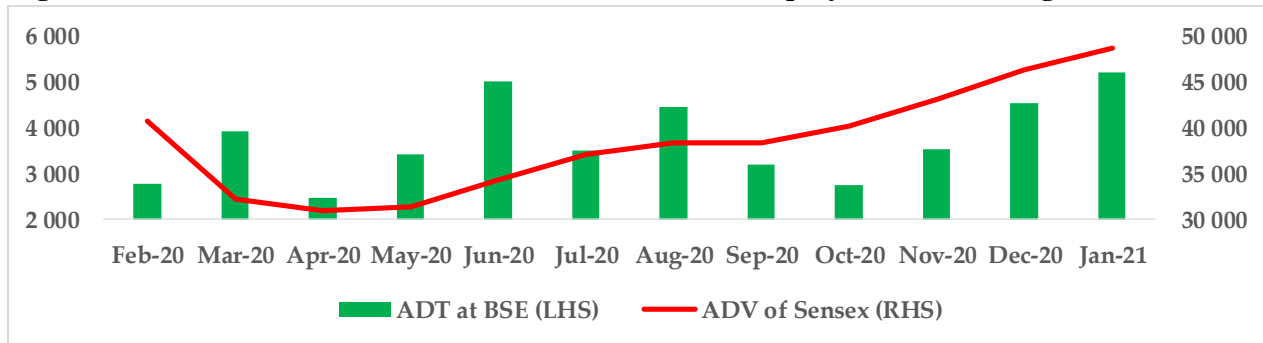
Source: BSE and NSE

**Figure 2: Movements in ADV of Nifty 50 and NSE Equity (ADT) Cash Segment Turnover**

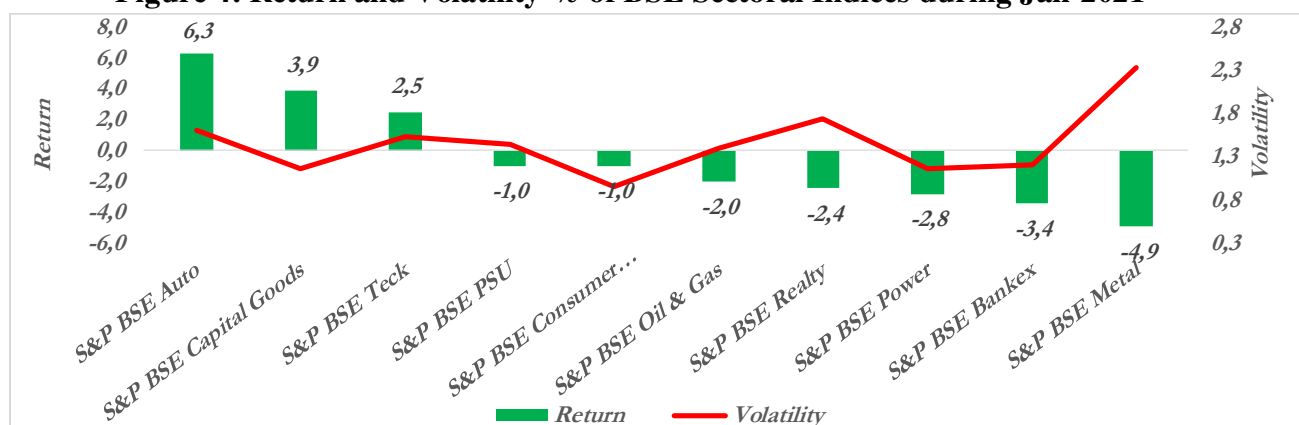


Note: ADV implies Average Daily Values and ATD implies Average Daily Turnover. Source: NSE

**Figure 3: Movements in ADV of S&P BSE Sensex and BSE Equity (ADT) Cash Segment Turnover**

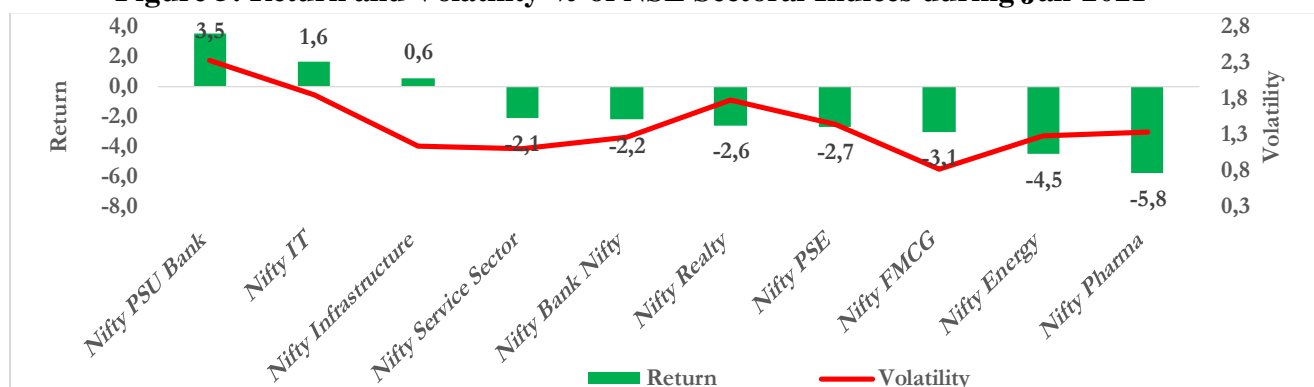


Note: ADV implies Average Daily Values and ATD implies Average Daily Turnover, Source: BSE

**Figure 4: Return and Volatility % of BSE Sectoral Indices during Jan-2021**

Source: BSE

**Interpretations:** During January 2021, the gross turnover in the equity cash segments, both at BSE and NSE, grew by 4.7 per cent and 5.4 per cent, respectively. During January 2021, the selected BSE sectoral indices, referred to in Figure 4, posted mixed returns. Amongst these, return by S&P BSE Auto increased by 6.3 per cent, followed by S&P BSE Capital Goods (3.9 per cent) and S&P BSE Teck (2.5 per cent), over the previous month. On the other hand, returns from S&P BSE Metal decreased by 4.9 per cent, followed by S&P BSE Bankex (3.4 per cent), S&P BSE Power (2.8 per cent) and S&P BSE Realty (2.4 per cent). The average daily volatility and monthly returns for these select BSE indices for January 2021 are illustrated in Figure 4.

**Figure 5: Return and Volatility % of NSE Sectoral Indices during Jan-2021**

Source: NSE

**Interpretations:** Similarly, the select sectoral indices of the NSE, referred to in Figure 5, posted mixed returns. Amongst these, returns by Nifty PSU Bank increased by 3.5 per cent, followed by Nifty IT (1.6 per cent) and Nifty Infrastructure (0.6 per cent), over the previous month. On the other hands, Nifty Pharma returns decreased by 5.8 per cent, followed by Nifty Energy (4.5 per cent), Nifty FMCG (3.1 per cent) and Nifty PSE (2.7 per cent). The average daily volatility and monthly returns of these select NSE indices for January 2021 are illustrated in Figure 5.

### 4.3 MOVEMENTS IN DEPOSITORY ACCOUNTS

As toward the finish of January 2021, there were 211 lakh demat accounts at NSDL and 304 lakh demat accounts at CDSL. Further, till the finish of January 2021, 5,654 recorded organizations were joined with NSDL and 5,747 recorded organizations were joined with CDSL to make their value possessions accessible in dematerialized structure.

### 4.4 MOVEMENTS IN DERIVATIVES SEGMENT

#### 4.4.1 Equity Derivatives

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

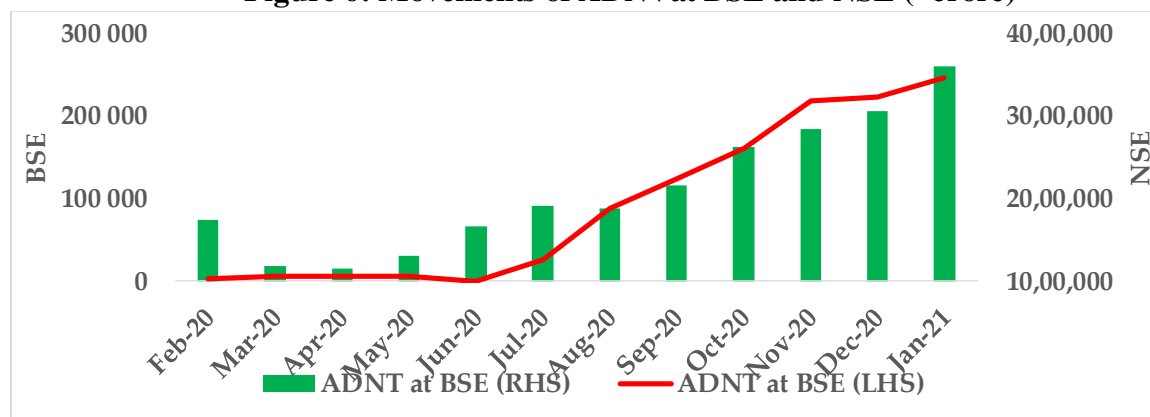
Description	NSE			BSE		
	Dec-20	Jan-21	% Change Over Month	Dec-20	Jan-21	% Change Over Month
<b>A. Turnover ( ` crore)</b>						
(i) Index Futures	6,91,463	7,32,707	6	483.9	347.2	-28.2
(ii) Options on Index						
Put	3,07,28,815	3,26,47,285	6.2	20,29,266	7,89,525	-61.1
Call	3,16,20,338	3,34,81,060	5.9	28,72,455	41,43,157	44.2
(iii) Stock Futures	15,87,988	17,65,967	11.2	0	0	NA
(iv) Options on Stock						
Put	7,62,420	9,28,070	21.7	0	0	NA
Call	18,71,224	23,58,051	26	0	0	NA
Total	6,72,62,248	7,19,13,140	6.9	49,02,205	49,33,029	0.6
<b>B. No. of Contracts</b>						
(i) Index Futures	79,89,064	80,16,190	0.3	4,575	3,087	-32.5
(ii) Options on Index						
Put	36,49,50,536	37,06,62,774	1.6	2,24,46,596	76,24,305	-66
Call	36,63,57,313	36,79,28,467	0.4	2,54,77,518	3,48,84,632	36.9
(iii) Stock Futures	1,98,41,495	2,07,69,652	4.7	0	0	NA
(iv) Options on Stock						
Put	96,34,933	1,09,93,251	14.1	0	0	NA
Call	2,19,05,972	2,58,24,971	17.9	0	0	NA
Total	79,06,79,313	80,41,95,305	1.7	4,79,28,689	4,25,12,024	-11.3
<b>C. Open Interest in Terms of Value ( ` crore)</b>						
(i) Index Futures	22,386	18,887	-15.6	7	5	-18.4
(ii) Options on Index						
Put	88,988	95,293	7.1	79	133	68.9
Call	64,000	1,00,168	56.5	90	292	223.4
(iii) Stock Futures	1,16,163	1,17,927	1.5	0	0	NA
(iv) Options on Stock						

<b>Put</b>	12,930	16,517	27.7	0	0	NA
<b>Call</b>	21,843	29,689	35.9	0	0	NA
<b>Total</b>	3,26,309	3,78,480	16	175.6	430	144.9
<b>D. Open Interest in Terms of No of Contracts</b>						
<b>(i) Index Futures</b>	2,28,432	2,02,739	-11.2	61	51	-16.4
<b>(ii) Options on Index</b>						
<b>Put</b>	9,05,213	10,05,699	11.1	717	1,241	73.1
<b>Call</b>	6,65,045	10,64,901	60.1	821	2,721	231.4
<b>(iii) Stock Futures</b>	14,71,076	15,12,278	2.8	0	0	NA
<b>(iv) Options on Stock</b>						
<b>Put</b>	1,69,475	2,17,285	28.2	0	0	NA
<b>Call</b>	2,88,536	3,98,082	38	0	0	NA
<b>Total</b>	37,27,777	44,00,984	18.1	1,599	4,013	151

Source: NSE and BSE

**Interpretations: BSE** - During January 2021, the notional turnover of the equity derivatives segment at BSE increased marginally by 0.6 per cent to ₹49.3 lakh crore compared to ₹49 lakh crore in December 2020. As at the end of January 2021, the open interest in terms of value at BSE stood at ₹ 430 crore compared to ₹ 175.6 crore as at the end of December 2020, registering an increase of 144.9 per cent. **NSE** - The monthly notional turnover in the equity derivatives segment at NSE increased by 6.9 per cent to ₹ 719.1 lakh crore in January 2021 from ₹ 672.6 lakh crore in December 2020. **During the above period**, (i) the notional turnover of index options increased by 6.1 per cent to ₹661.3 lakh crore from ₹623.5 lakh crore, and accounted for 92 per cent of the total equity derivatives turnover of NSE; (ii) the notional turnover of stock options increased by 24.8 per cent to ₹32.9 lakh crore from ₹26.3 lakh crore; (iii) the notional turnover of index futures increased by 6 per cent to ₹7.3lakh crore from ₹6.9 lakh crore; and (iv) the notional turnover of stock futures increased by 11.2 per cent to ₹17.7 lakh crore from ₹15.9 lakh crore. As at end of January 2021, the open interest in terms of value at NSE stood at ₹ 3,78,480 crore compared to ` 3,26,309 crore in December 2020, indicating an increase of 16%.

**Figure 6: Movements of ADNV at BSE and NSE ( crore)**

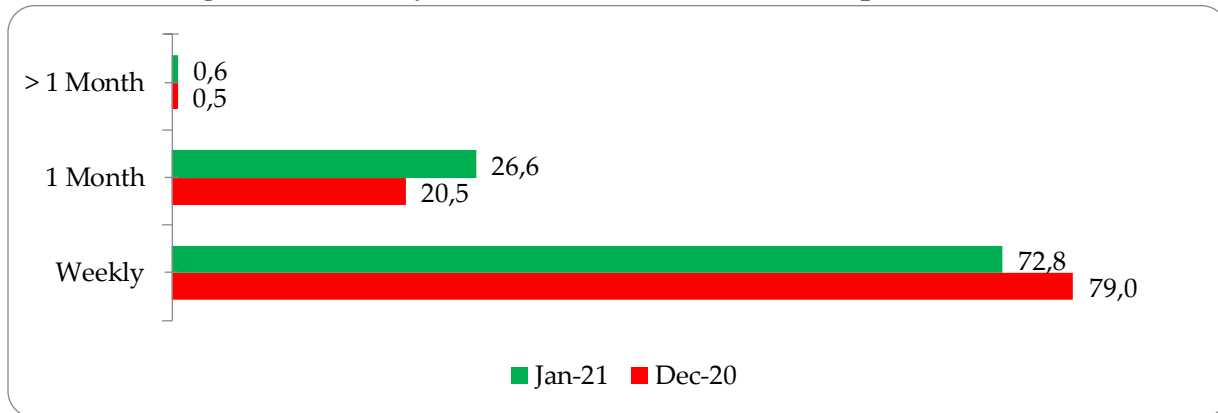


Note: ADNV implies Average Daily Notional Turnover, Source: BSE and NSE



**Interpretations:** During January 2021, the percentage share of weekly options (BSE and NSE together) to the total index options notional turnover (BSE and NSE Together) stood at 72.8 per cent compared to 79 per cent in December 2020. The percentage share of monthly options for both the exchanges to total index options notional turnover increased to 26.6 per cent in January 2021 from 20.5 per cent in December 2020.

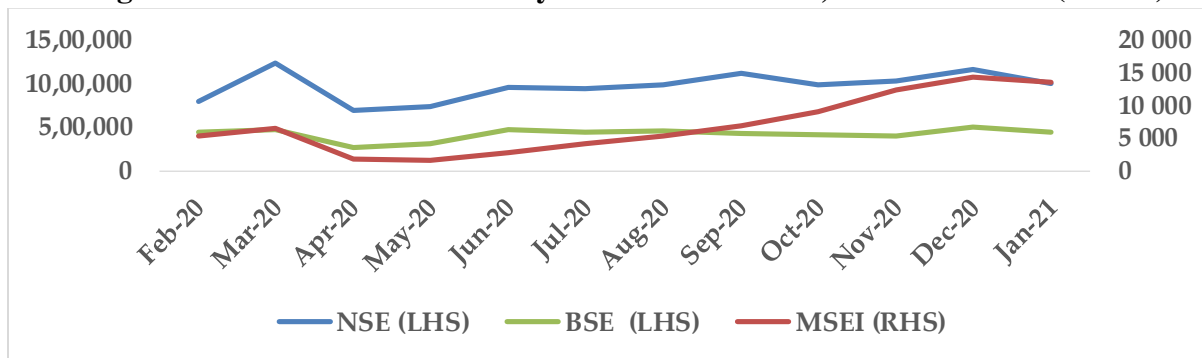
**Figure 7: Maturity-wise % Share of Total Index Options Turnover**



Source: BSE and NSE

#### 4.4.2 Currency Derivatives

**Figure 8: Movements of Currency Derivatives at NSE, MSEI and BSE (₹ crore)**

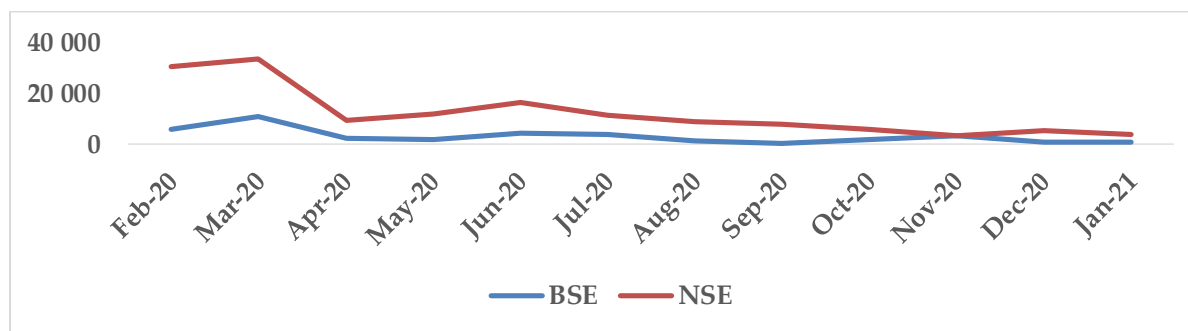


Source: BSE, NSE and MSEI

**Interpretations:** During January 2021, the monthly notional turnover of currency derivatives in India (NSE, BSE and MSEI together) stood at ₹14,55,030 crore as compared to ₹16,71,870 crore in December 2020, registering a decrease of 13 per cent during the period under consideration.

#### 4.4.3 Interest Rate Derivatives

**Figure 9: Movements of Interest Rate Futures at NSE and BSE**

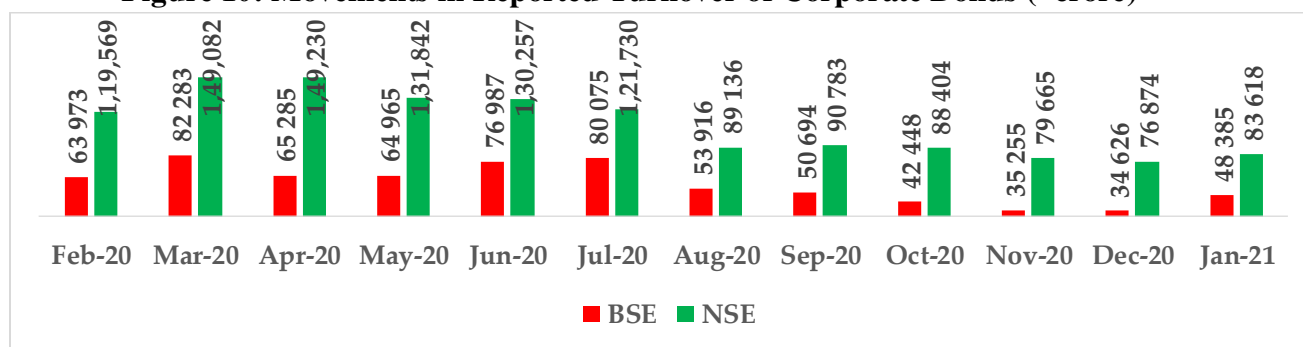


Source: BSE and NSE

**Interpretations:** During January 2021, the monthly notional turnover of interest rate derivatives at NSE decreased by 25.1 per cent to ₹4,094 crore from ₹ 5,464 crore during December 2020. The monthly notional turnover of interest rate futures at BSE increased by 1.2 per cent to ₹ 1,101 crore from ₹ 1,087 crore during the same period.

#### 4.4.4 Trading in Corporate Debt Market

**Figure 10: Movements in Reported Turnover of Corporate Bonds ( ₹ crore)**

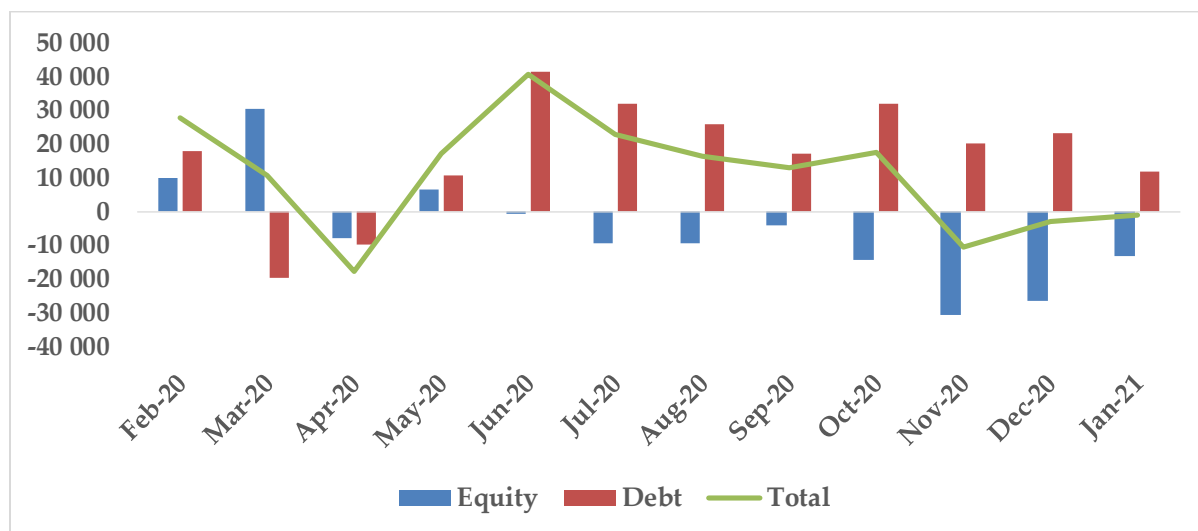


Source: BSE and NSE

**Interpretations:** During January 2021, BSE registered 5,537 trades of corporate debt with traded value of ₹48,385 crore, as compared to 6,496 trades of corporate debt with a traded value of ₹34,626 crore in the previous month. At NSE, 5,221 trades were recorded with a traded value of ₹83,618 crore in January 2021 as compared to 5,719 trades were recorded with a traded value of ₹76,874 crore in December 2020.

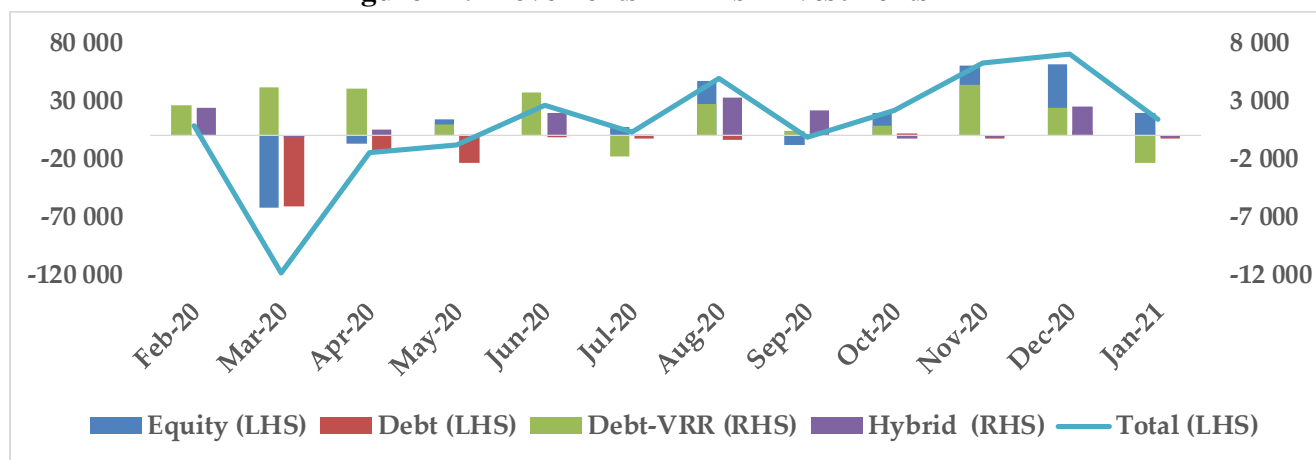
**4.4.5 Movements in Institutional Investments::** Trends in Fund Mobilisation/Transactions by Mutual Funds

**Figure 11: Movements in Mutual Funds Transactions in Secondary Market ( ₹ crore)**



**Interpretations:** As at end of January 2021, there were a total of 1,728 mutual fund schemes in the market, of which 999 were open-ended schemes, 706 were close-ended schemes and 23 were interval schemes. The mutual fund industry saw a net outflow of ₹35,587 crore during January 2021, against the net inflow of ₹2,968 crore during December 2020. The funds mobilised by open-ended schemes during January 2021 was ₹6,47,286 crore against redemption/repurchase of ₹6,79,836 crore, resulting in a net outflow of ₹32,550 crore from open-ended schemes. Of the total funds mobilised by the open-ended schemes during the month under consideration, ₹5,95,284 crore was mobilised through income/debt oriented schemes, ₹24,130 crore through growth/equity oriented schemes, ₹14,736 crore through hybrid schemes, ₹236 crore through solution oriented schemes and ₹12,899 crore through other schemes. During January 2021, close-ended schemes worth ₹3,035 crore were matured/ repurchased. Also, interval schemes worth ₹ 3 crore were matured/redeemed during the period. The net assets under management of mutual funds stood at ₹30.5 lakh crore as at the end of January 2021, down from ₹31 lakh crore as at the end of December 2020. In the secondary market transactions, during January 2021, mutual funds liquidated ₹ 13,032 crore from equity schemes and deployed ₹11,832 crore in debt schemes.

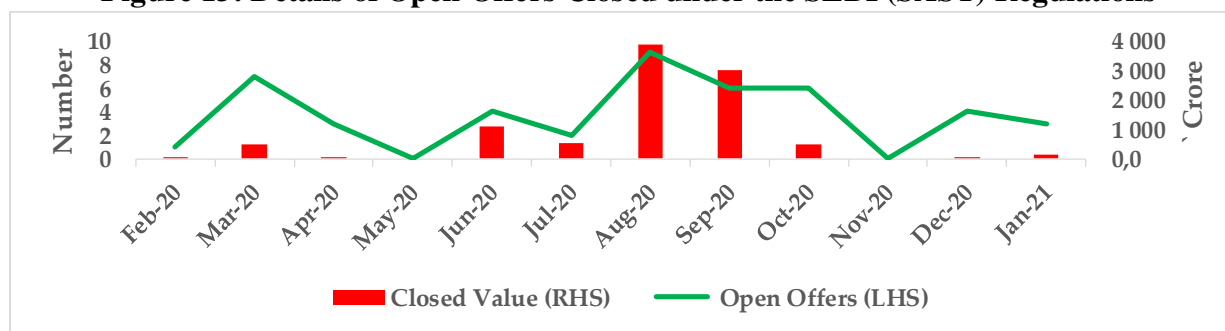
#### 4.4.6 Movements in Investments by the Foreign Portfolio Investors (FPIs)

**Figure 12: Movements in FPIs' Investments**

Source: CDSL and NSDL

**Interpretations:** During January 2021, FPIs invested a total of ₹ 14,631 crore in the Indian securities market compared to an investment of ₹ 71,046 crore in December 2020. During January 2021, FPIs invested only in Equity of ₹ 19,473 crore, however, FPIs withdraw of ` 2,518 crore from Debt Securities, ` 2,306 crore from Debt-Voluntary Retention Route (VRR) and ` 17 crore from Hybrid securities. On the other hand, FPIs invested ` 62,016 crore in Equity, ` 4,079 crore in Debt, ` 2,463 crore in Debt-VRR and ` 2,489 crore in Hybrid securities during December 2020. The assets of FPIs in India, as reported by custodians, as at the end of January 2021 was ₹41,15,463 crore, out of which the notional value of offshore derivative instruments (ODIs) (including ODIs on derivatives) was ₹ 84,976 crore which is 2.1 per cent of total assets of FPIs.

**4.4.7 Movements in Portfolio Management Services (PMS): Trends in Substantial Acquisition of Shares and Takeovers**

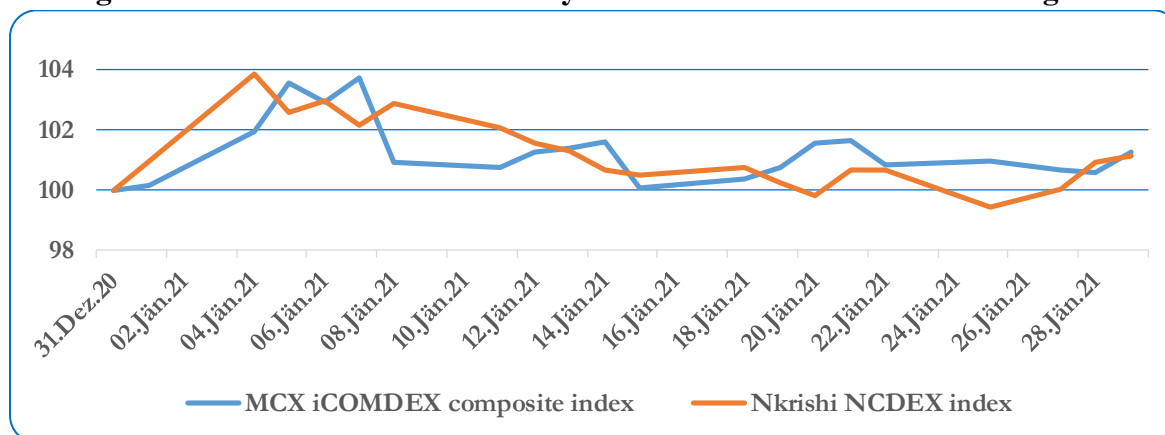
**Figure 13: Details of Open Offers Closed under the SEBI (SAST) Regulations**

**Interpretations:** As at end of October 2020, AUM of the portfolio management industry stood at ₹19.2 lakh crore. Of the total AUM, funds from EPFO/PFs account for ₹14.6 lakh crore. There were 1,55,796 total clients in PMS industry as at the end of October 2020, of which 1,45,404 clients belong to discretionary services category, 8,409 clients belong to non-discretionary services category and 1,983 clients belong to advisory services category of portfolio management services. During January 2021, three open offers with offer value of ₹141 crore

were closed under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (SAST Regulations) as against four open offer with offer value of ₹ 48 crore were closed in December 2020. Of the three offers, one open offer was for change in control of management and two were made under Substantial Acquisition.

#### 4.4.8 Commodity Derivatives Markets - Market Trends

**Figure 14: Movements of Commodity Derivatives Market Indices during Dec-2020**



Source: MCX and NCDEX

**Table 4: Quick view of Indian Commodity Derivative Markets**

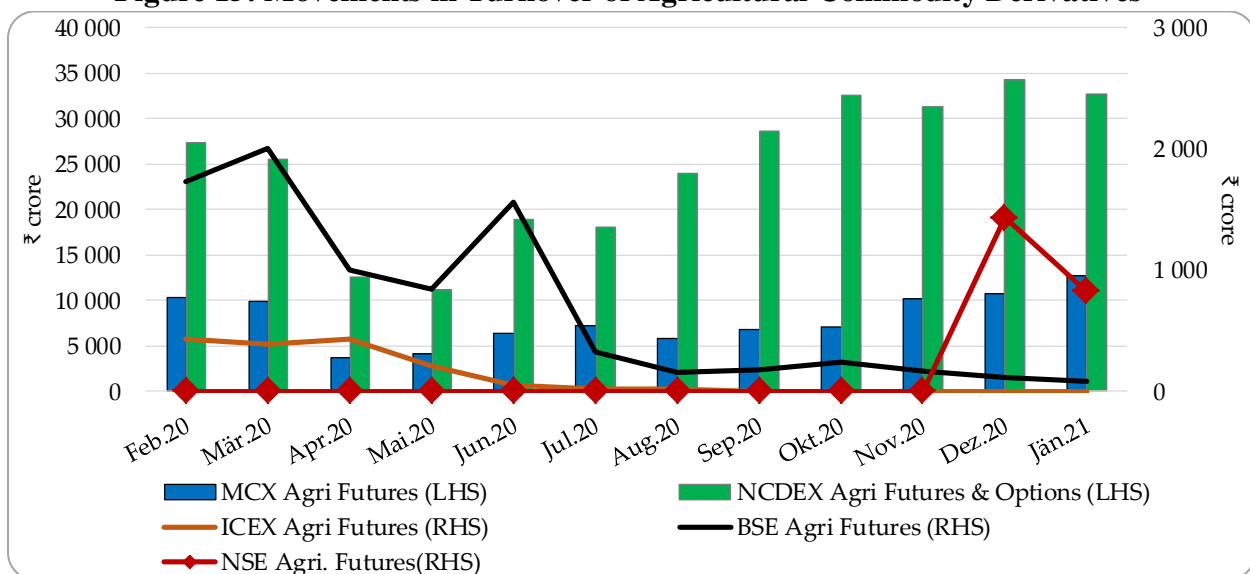
Items	2019-20	Dec-20	Jan-21	% variation M-o-M
<b>Indices</b>				
Nkrishi	3,179.90	3,666.00	3,708.00	1.10
MCX iCOMDEX	8,255.50	10,503.80	10,638.00	1.30
<b>Turnover (₹crore)</b>				
All-India	92,24,839.90	7,79,471.30	7,67,726.70	-1.50
MCX, of which	86,89,517.60	6,75,292.20	6,69,693.70	-0.80
Futures	83,97,775.00	6,60,033.70	6,43,734.60	-2.50
Options	2,91,742.70	15,258.50	25,959.10	70.10
BSE, of which	46,438.70	66,922.50	62,537.60	-6.60
Futures	46,438.70	121.40	96.70	-20.40
Options	-	66,801.00	62,440.90	-6.50
NCDEX, of which	4,42,009.10	34,267.00	32,731.40	-4.50
Futures	4,41,967.00	34,253.60	32,730.10	-4.40
Options	42.2	13.40	1.20	-90.80
NSE, of which	6,362.00	2,986.90	2,751.00	-7.90
Futures	6,362.00	1,449.10	837.20	-42.20
Options	-	1,537.80	1,913.80	24.40
ICEX (Futures)	40,511.30	2.80	13.20	376.20

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

**Interpretations:** During January 2021, MCX iCOMDEX composite index, witnessed an increase of 1.3 per cent (M-o-M) driven by increase in futures prices of energy, base metals (lead and nickel), bullion (silver) and cotton contracts of agri. segments. On Y-o-Y basis, MCX iCOMDEX composite index increased by 5.3 per cent. During the month, MCX iCOMDEX crude oil index increased by 8.0 per cent on account of increase in futures price of crude oil by 8.4 per cent. MCX iCOMDEX base metal index increased by 0.4 per cent as the futures prices of lead and nickel increased by 2.4 per cent and 3.5 per cent respectively during the month. However, futures prices of other base metals viz. aluminium, copper and zinc decreased in January 2021. MCX iCOMDEX bullion index decreased by 0.9 per cent due to decrease in futures prices of gold by 2.1 per cent. In the agri. segment, futures prices of all the traded commodities except cotton decreased during the month. Cardamom contracts was not traded during the month also. NKrishi index increased by 1.1 per cent (M-o-M) as futures prices of eight out of 10 constituent commodities of the index viz. guarseed, soybean, chana, turmeric, cottonseed oilcake, jeera, coriander and barley witnessed an upend. On Y-o-Y basis NKrishi index increased by 13.8 per cent. On account of rebalancing, refined soy oil has been replaced by soybean in NKrishi index for the period 1st Jan. 2021 to 31st March, 2021. Monthly trends in MCX iCOMDEX composite Index and NKrishi Index are provided in Table 4.

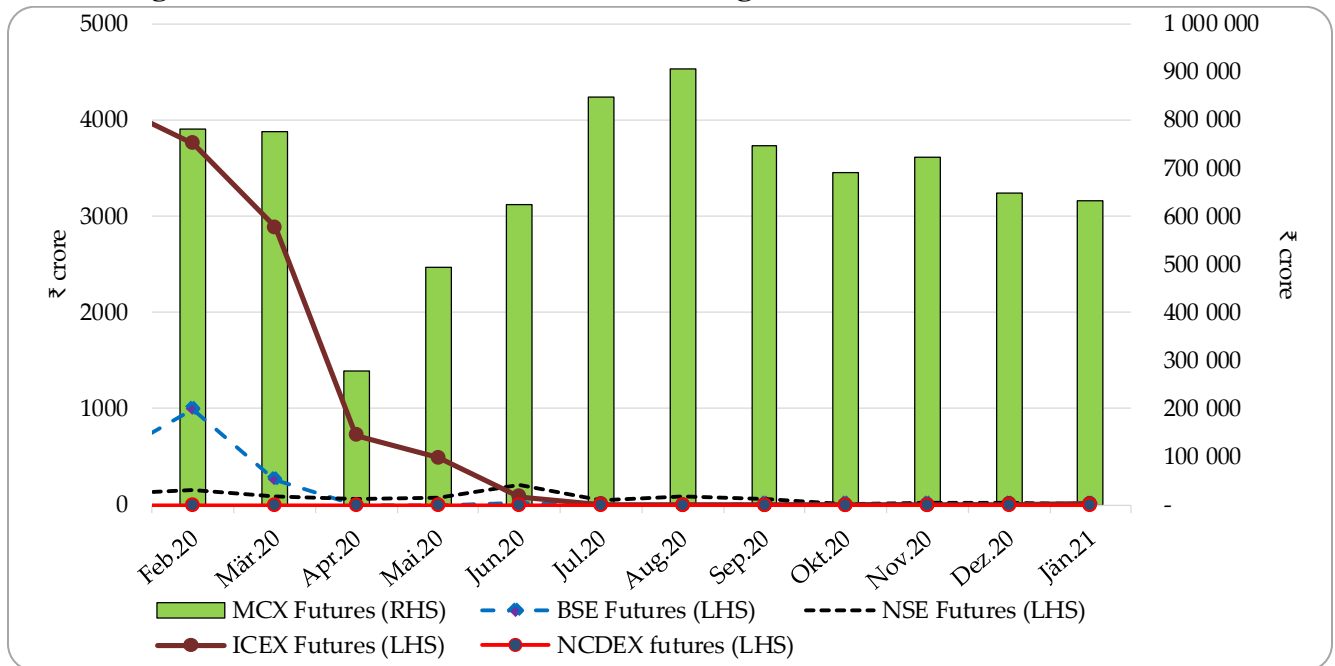
#### 4.4.9 Commodity Derivatives Markets - Turnover

**Figure 15: Movements in Turnover of Agricultural Commodity Derivatives**



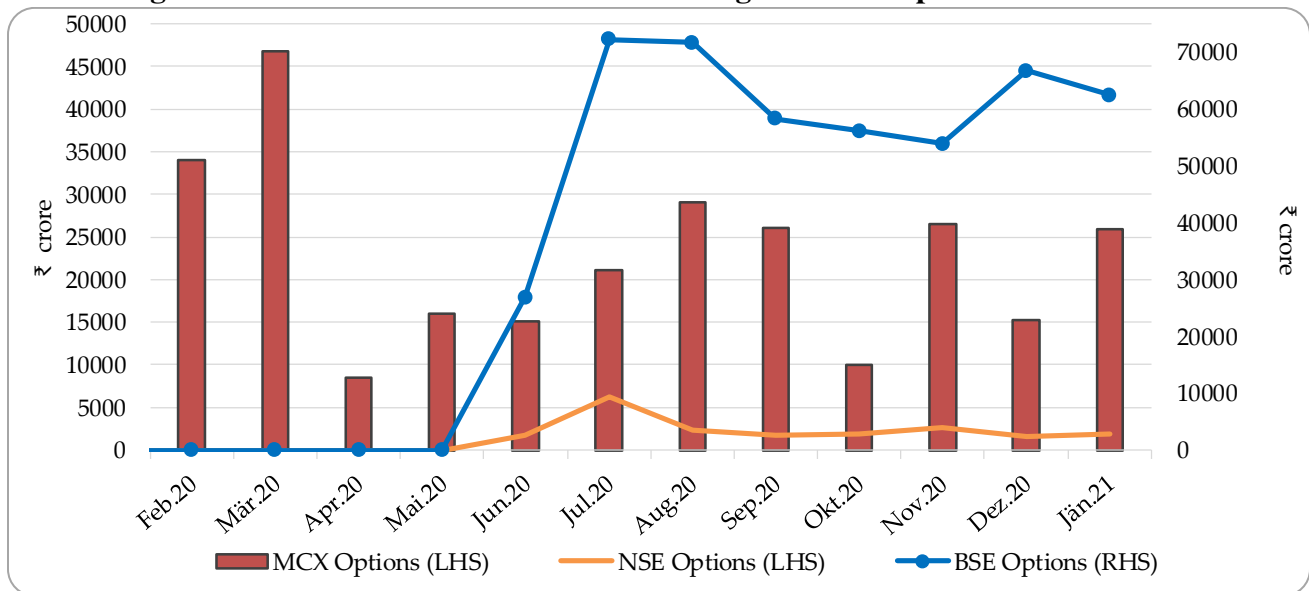
Source: MCX, NCDEX, BSE & ICEX

**Figure 16: Movements in Turnover of Non-Agricultural Futures contracts**



Source: MCX, ICEX, BSE & NSE.

**Figure 17: Movements in Turnover of Non-Agricultural Options contracts**



Source: MCX, BSE & NSE.

**Interpretations:** During January 2021, pan- India turnover of the commodity derivatives decreased by 1.5 per cent to ₹7,67,726.7 crore driven by decrease in turnover at all exchanges except ICEX during the month. The agricultural segment contributed 6.0 per cent to the total turnover, while non-agricultural segment accounted for 94.0 per cent. The total turnover at MCX decreased by 0.8 per cent to ₹6,69,693.7 crore during January 2021 driven by decrease in

traded value of bullion, metal and energy futures by 2.4 per cent, 5.5 per cent and 0.1 per cent respectively. However, turnover in agri. futures increased by 17.7 per cent. The turnover in iCOMDEX bullion and iCOMDEX metal index futures decreased by 17.9 per cent and 8.7 per cent to ₹5,679.3 crore and ₹1,181.5 crore respectively during the month. The notional turnover of options segment at MCX increased by 70.1 per cent during the month owing to increase in traded value in bullion and energy segments by 84.9 per cent and 1.8 per cent respectively. The options contracts contributed 3.9 per cent to the total turnover at MCX. The total turnover at BSE decreased by 6.6 per cent to ₹ 62,537.6 crore driven by decrease in turnover in bullion options by 6.5 per cent. Turnover in futures contracts of bullion and agri. also declined by 12.3 per cent and 21.2 per cent respectively. During the month, the total turnover at NCDEX decreased by 4.5 per cent to ₹32,731.4 crore, due to decrease in traded volume and value of eleven out of total 16 traded commodities. Turnover in Agridex futures indices increased to ₹12.7 crore, an increase of 50.0 per cent during January 2021. NCDEX relaunched futures trading in gur and steel long contracts (metal segment- non-agri.) on 15th December, 2020 and 18th January, 2021 respectively. While the gur contracts registered a total turnover of ₹10.6 crore and ₹6.6 crore in December 2020 and January 2021 respectively, steel long contracts recorded a total turnover of ₹24.2 crore in January 2021. The total turnover at NSE decreased by 7.9 per cent to ₹2,751.0 crore during the month on account of decline in turnover in bullion and agri. futures by 27.1 per cent and 42.4 per cent respectively in January 2021. Turnover in bullion options, however, increased by 24.4 per cent during the month. In January 2021, the total turnover at ICEX, increased to ₹13.2 crore from ₹2.8 crore recorded in December 2020. The turnover of agricultural and non-agricultural commodities at exchanges is shown in Figures 15, 16 & 17.

## 5. CONCLUSION

It is to bring to all your notice that the emerging market is very sensitive to the announcements made by developed economies and it has vital impact in developing countries. Especially in Indian capital market showed a very few positive impact of market and the following highlights signaling us to initiate actions to remove the stress. It is found that 26% surge in capital mobilization from Dec-2020 to Jan-2021 in the primary market operations. In secondary market there is a surge approximately 2.5% to 3% both Nifty50 and Sensex points. Market capitalization also get reduced to the tune of 1% in NSE and BSE respectively. P/E Ratio is also under stress in both Nifty50 and Sensex to the tune of 5% which harass the market and deteriorates overall market performances.

## 6. REFERENCES

- [1] Arun Jeth Malani, (1999). "Risky Business", The Economics Times, Daily, Vol. 39, No. 119, July 1st, 1999, p.12.
- [2] Amanulla S and Kamaiah B (1995): Market Integration as an Alternative test of Market Efficiency: A case of Indian stock Market. Artha Vijana, September N 3 PP 215-230.
- [3] Pattabhi Raman.V. "Wanna Do Equity Research, Analyst, Monthly, October 1995, p.22.



- [4] Debjiban Mukherjee (2007), “Comparative Analysis of Indian Stock Market with International Markets“, Great Lakes Herald – April 2007 Volume 1, Issue 1 by Great Lakes Institute of Management, Chennai, pp.39
- [5] Robert A. Korajczyk (1995): “Stock Market Integration for Developed and Emerging Markets”. The World Bank Policy Research Department. Policy Research World Paper No. 1482.
- [6] Yasaswy J.N. "The Risk Return Trade-off in shares" The Hindu Daily, Vol.116, February 12, 1993, p.11.
- [7] Yoon S. Park (1999): “Characters and Measurement Indicators of International Financial Integration in Developing Countries”. George Washington University, Washington D.C. Feb 1999.
- [8] James Riedel (1997): “Capital Market Integration in Developing Asia”. Blackwell Publishers Ltd.
- [9] Avijith Banerjee, "A Glimpse of Portfolio Management", The Management Accountant, Monthly Vol. 39, No.10, October 1998, p.774.
- [10] Bhanu Pant and Dr.Bishnoy(2001),”Testing Random Walk Hypothesis for Indian Stock Market Indices, paper presented at IICM conference in 2002, pp. 1-15.
- [11] Nath G.C and Verma S(2003)“ Study of Common Stochastic trend and Co integration in the Emerging Markets: A case study of India, Singapore and Taiwan”, Research paper, NSE-India.
- [12] Juhi Ahuja (2012), “Indian Capital Market: An Overview with Its Growth” VSRD International Journal of Business & Management Research Vol. 2 (7), pp. 386-399.
- [13] Valenzuela, M., Zer, I., Fryzlewicz, P., Rheinländer, T. (2015). Relative liquidity and future volatility. *Journal of Financial Markets*, 24, 25–48.
- [14] Li, Z., Lambe, B., Adegbite, E. (2018). New bid-ask spread estimators from daily high and low prices. *International Review of Financial Analysis*, 60, 69–86.
- [15] Ekinci, C., Akyildirim, E., Corbet, S. (2019). Analysing the dynamic influence of US macroeconomic news releases on Turkish stock markets. *Finance Research Letters*, 31, 155–164.
- [16] Ramos, H. P., Righi, M. B. (2020). Liquidity, implied volatility and tail risk: A comparison of liquidity measures. *International Review of Financial Analysis*, 69, 101463.
- [17] Nagnostidis, P., Fontaine, P. (2020). Liquidity commonality and high frequency trading: Evidence from the French stock market. *International Review of Financial Analysis*, 69, 101428