

# Indian Markets and Products

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# Equity Markets in 2000

- Plain Vanilla Equities
- Weekly Settlement System of Stock Futures
- No Options Trading
- Largely Domestic Participation

# Equity Markets in 2011

- Active trading in Futures & Options of stocks as well as multiple Indices
- Trading in various Commodities as well as select International Currencies
- Introduction of Interest Rate Futures
- Ability to hedge Nifty in International Markets

# Competition

- Increasing interest from Foreign Investors, but also from well-capitalised Foreign Broking Firms
- Large transactions taking place in Offshore Domiciles where Transaction Costs are lower
- Mergers amongst Global Exchanges may lead to reduced Competition, thereby higher costs

# Concerns

- Reduced Liquidity in the Markets, in both Cash and Derivatives Segments
- Quality of Paper flooding the Markets is fast becoming an issue
- Investor Education, even in segments like Currency Derivatives, needs greater emphasis

# Regulatory Issues

- Increasing Transaction Costs by Governments driving traders away from the markets
- Restrictions on designing of Newer Instruments (IRF, SLBM, etc.) making them impractical to trade in
- No strong drive to move Debt and Currency Markets online, and thereby more transparent

# Short Term Wish List

- Trading in more Instruments to increase the depth of the Markets, e.g. Volatility Futures & Options, REITs, Listed Commodity-linked Instruments.
- A more market-oriented approach to Government Levies.
- A Vibrant Debt Market

**Thank You**

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