India Report 2017

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BSE Brokers Forum
Strong Market Infrastructure

- 3 Major Stock Exchanges
  - BSE established in 1875 – oldest in Asia
  - Ranked 11th in world in terms of market capitalization

- 2 Major Commodity Exchanges

- 2 Depositories holding combined assets worth $2.38 Tn

- Clearing Corporations

- Over 2000 active Broker - Dealers

- Public & Private Sector Banks

- Strong capital market regulator SEBI
India Statistics

- 3.28 mn sq.km area
- 1.32 bn population
- Population density 403
- 36 States & UTs
- 780 languages (22 major)
Key Economic Statistics

- Strengths & Challenges
**Strengths**

- Demographic Dividend (Largest young labour force in the world)
- Consumption Driven Economy

**Challenges**

- Literacy Level (75%+)
- Employment (15 mn population added every year)

Source: World Bank
**GDP**

**Real GDP growth (% change)**

- **2010**: 7.1, 6.7, 3.2
- **2011**: 7.1, 6.7, 3.2
- **2012**: 7.1, 6.7, 3.2
- **2013**: 7.1, 6.7, 3.2
- **2014**: 7.1, 6.7, 3.2
- **2015**: 7.1, 6.7, 3.2
- **2016**: 7.1, 6.7, 3.2

- **China**
- **India**
- **World**

Source: World Bank

**Strengths**
- Fastest Growing economy in the world

**Challenges**
- Sustaining the growth
- Over dependence on Services Sector
Market Cap

**Strengths**
- Highest number of companies listed with market cap of $2.2 Tn.
- Foreign Holding 18%

**Challenges**
- Concentration in top 500 Stocks
Investor Base

Strengths
- Over 50 Mn unique equity investors.
- Increasing trend with 10% growth

Challenges
- Very low in terms of percentage to population – below 4%

Total equity investor accounts = 75.5 mn. Estimated unique accounts = approx 50.0 mn
Capital Market Framework

Strengths

- 100% screen based trading since 1996
- Complete trading in dematerialized mode
- T+2 settlement in equities and T+1 settlement in derivatives
- Vibrant derivative market across equities, commodities and currencies
- FPI Participation
- Algo / HFT Trading

Challenges

- Market Perceived to be over regulated and micro managed
- High operating cost
- High transaction cost
- Competition – too many players
Recent Reforms/Development

- Demonetization
- Goods & Services Tax
- FDI in several sectors
- Thrust on ‘Make in India’ & ‘Digital India’
- Infrastructure development
- Ease of doing business
Thank You......