

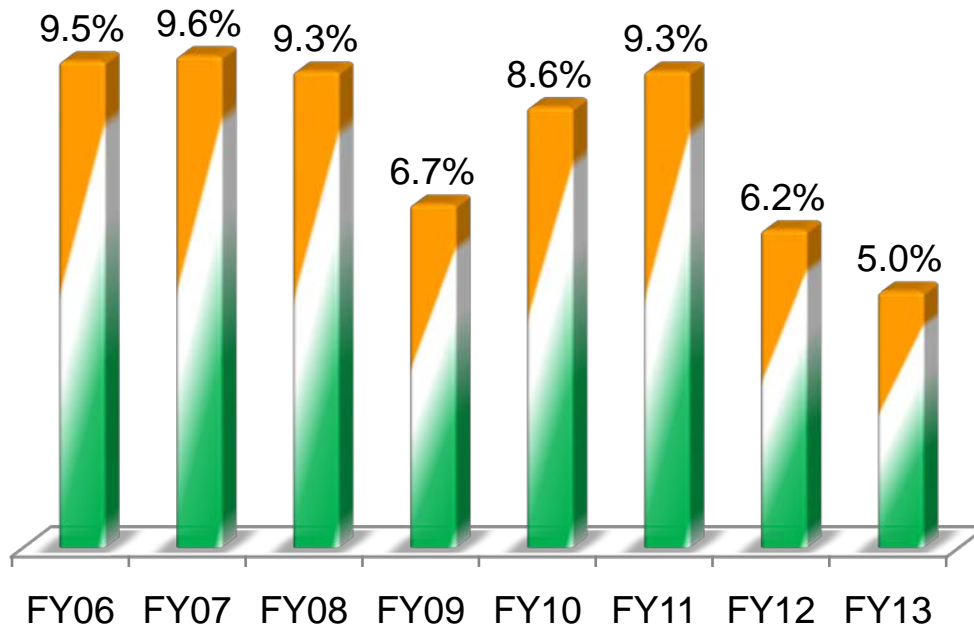
**India Market Report  
Asia Securities Forum  
18<sup>th</sup> Annual General Meeting, 2013**

- ANMI was formed in year 1994.
- It is a pan India body comprising of the trading members of NSE, BSE and MCX-SX spread across the country.
- The basic objective of the Association is to work for the development of the Capital Market, safeguard and overall interest of investors and its members at large.
- ANMI is an effective voice of its members, which communicates the industry standpoint on issues affecting Capital Markets.

# India: GDP Growth

India is among the fastest growing countries of the world.

Currently at lowest growth in a decade.



**FY14 GDP is expected to be 5.5%.**

**India has grown at an average rate of 8% since FY06.**

Source: RBI

# India: Economic Performance

The International Monetary Fund (IMF) has estimated India's economic growth to be 5.6 percent in 2013.

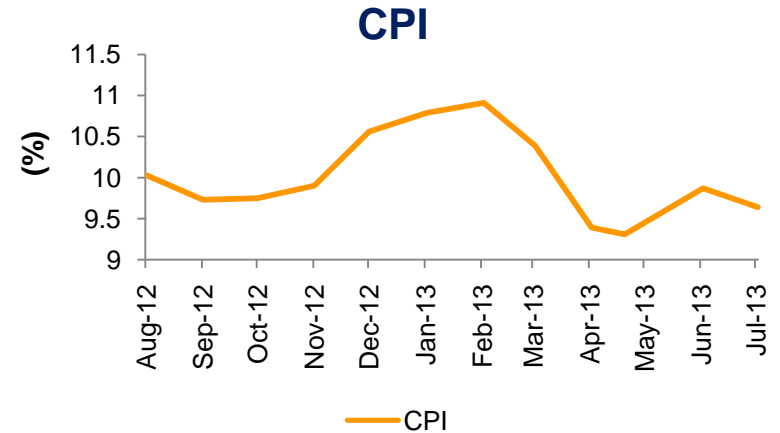
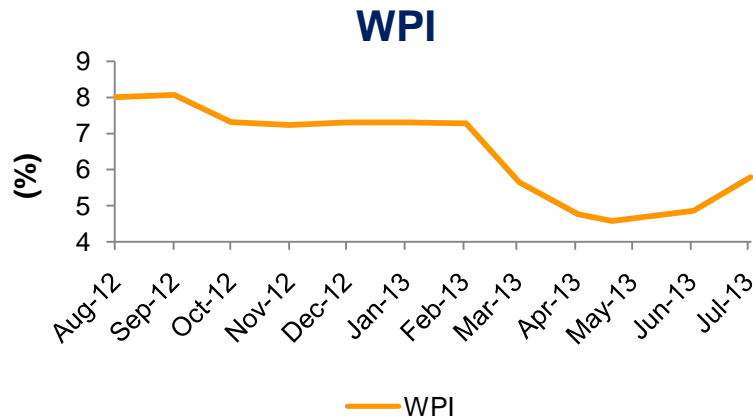
India's growth forecast for 2014 is 6.3 percent by IMF.

In its latest World Economic Outlook (WEO) released, the IMF said that world economic growth rate would be 3.1 percent in 2013 and 3.8 percent in 2014.

IMF world economic outlook	Projected 2013 GDP(%)	Projected 2014 GDP(%)
World	3.1	3.8
Japan	2	1.2
China	7.8	7.7
India	5.6	6.3
ASEAN 5	5.6	5.7
US	1.7	2.7
Euro Area	-0.6	0.9
Russia	2.5	3.3
Lat. America & Caribbean	3	3.4

# India: Economic Performance

## Inflation- Cooling off



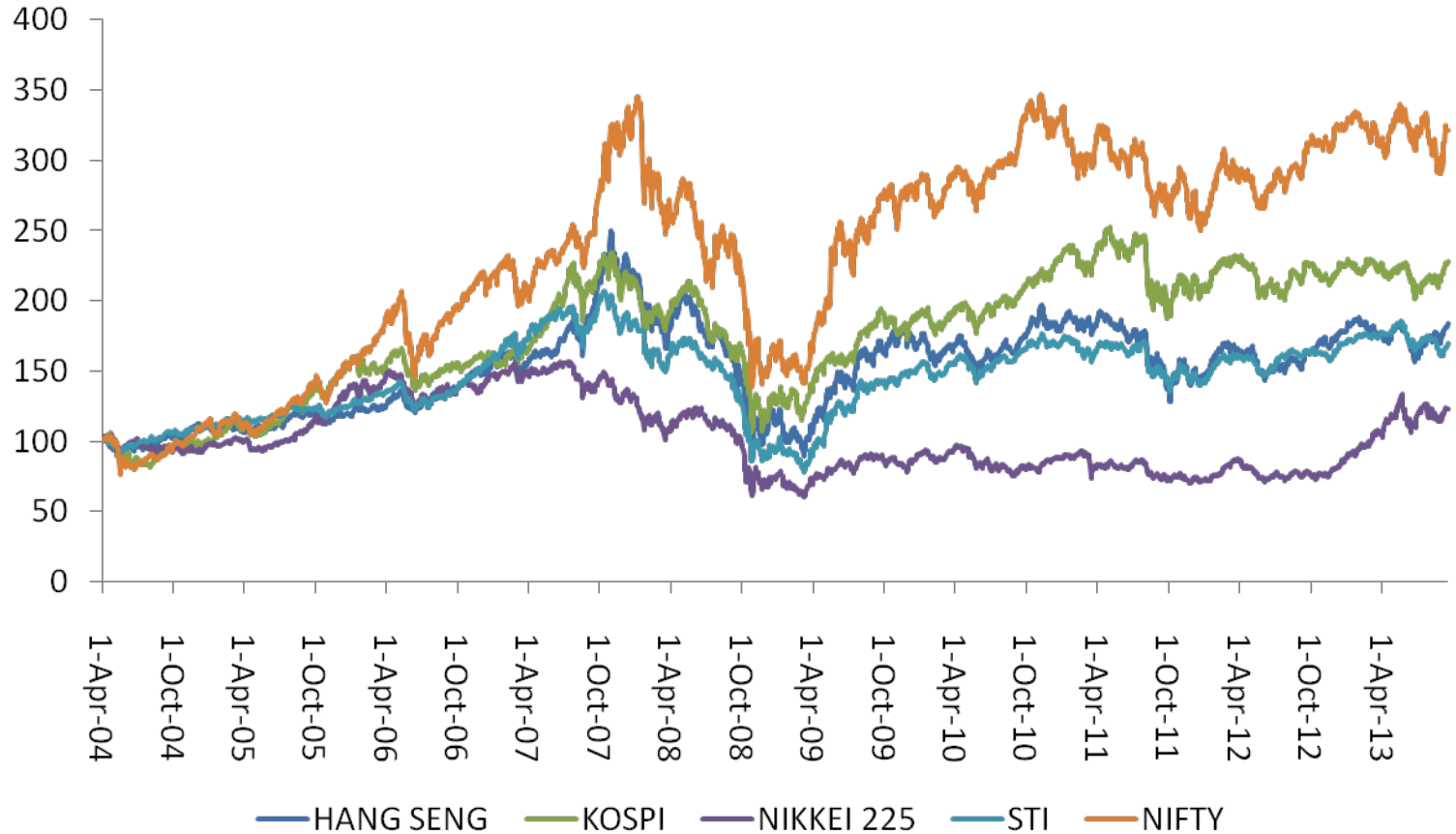
Particulars (as % of GDP)	FY09	FY10	FY11	FY12	FY13
Gross Domestic Saving	32.0%	33.7%	34.0%	30.8%	31.0%
CAD	2.3%	2.8%	2.7%	4.2%	4.8%

Source: RBI, MOSPI

# Capital Market Performance

## Performance of Asian Indices

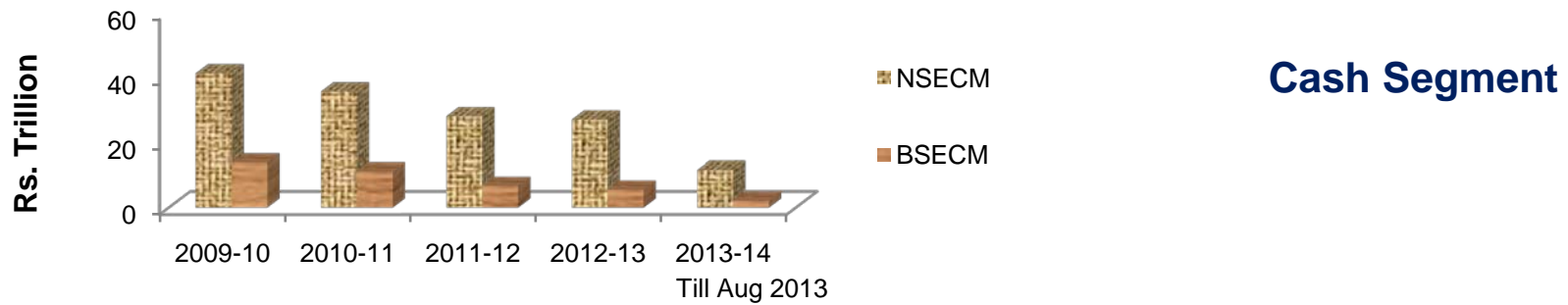
### Asian Indices



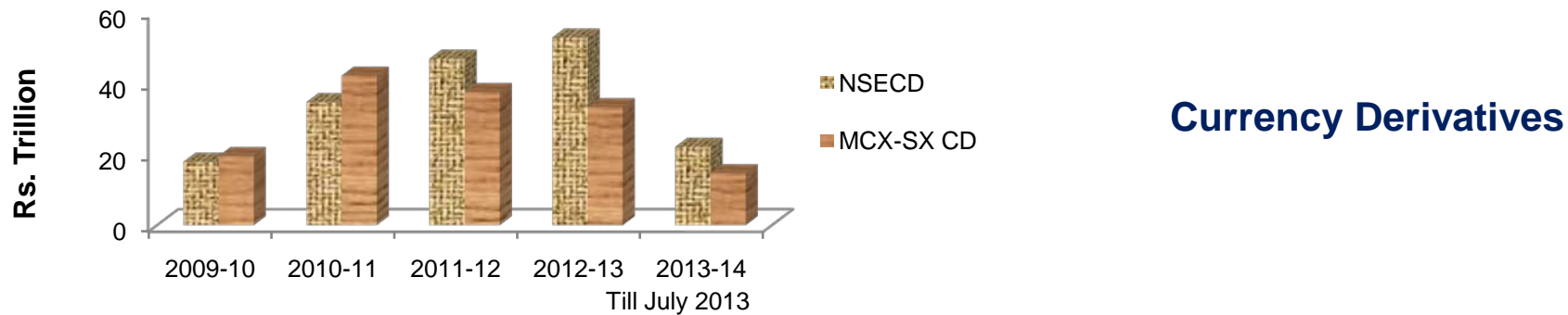
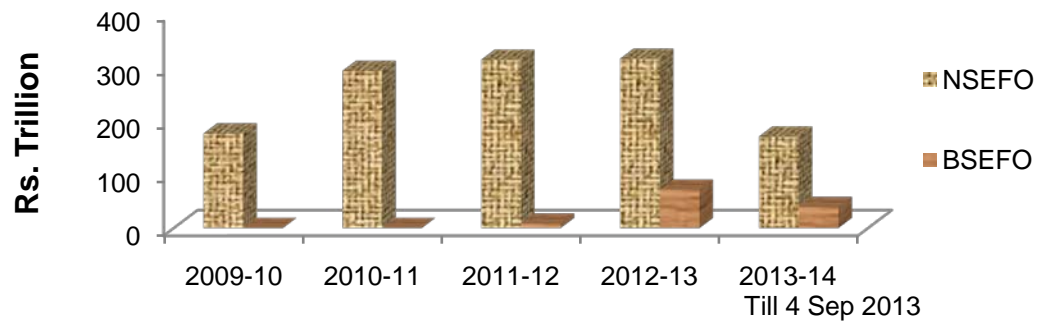
India's NIFTY index has performed better as compared to other broad market indices from other Asian countries

Source: Yahoo Finance

# India: Business Growth in Capital Market

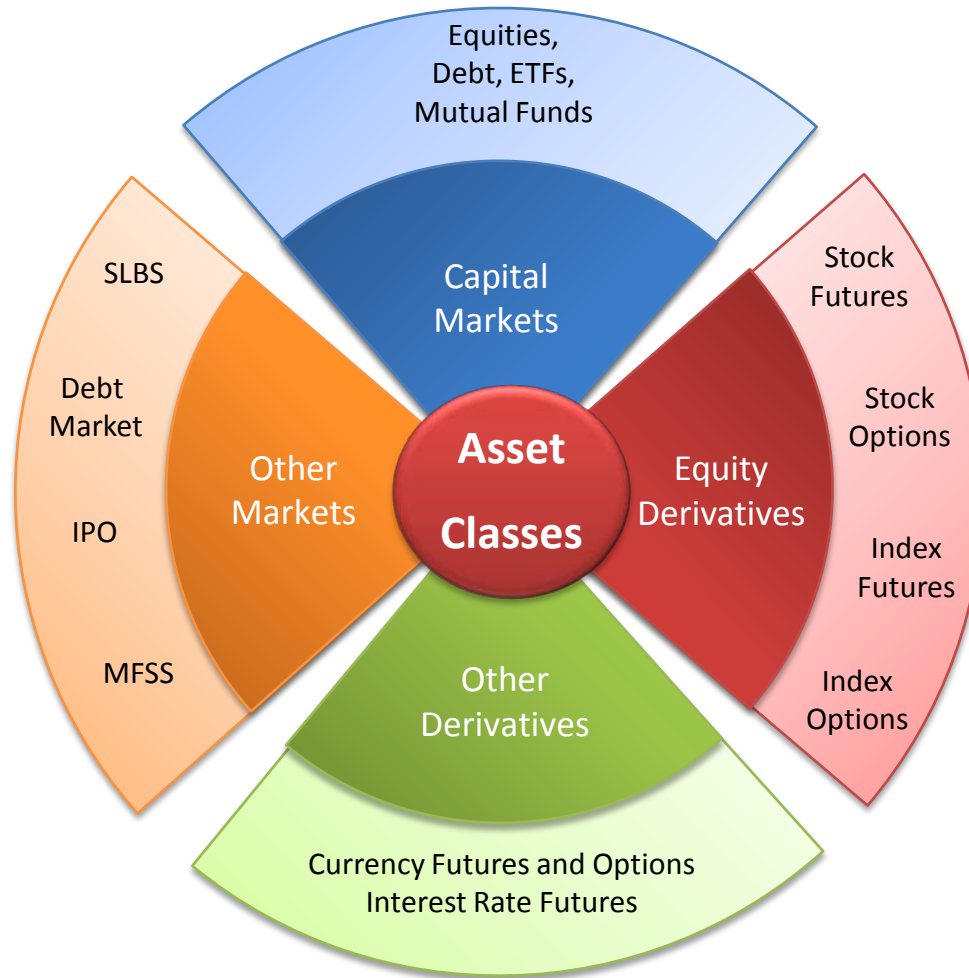


### Derivatives Segment



Source: BSE, NSE, MCX-SX, SEBI

# Indian Stock Exchanges offer Cash & Derivatives in Multiple Asset Classes...





# Investor Protection: India vs. other EMs

Parameters	India	China	Brazil	Russia
Protecting Investors (Rank)	44	93	74	93
Extent of Disclosure Index (0-10)	7	10	6	6
Extent of Director Liability Index (0-10)	4	1	7	2
Ease of Shareholder suits index (0-10)	7	4	3	7
Strength of Investor Protection Index (0-10)	6	5	5.3	5

**India has outperformed other BRIC countries persistently over the past 5 years.**

**India beats the South Asia & East Asia average of 5 and is equal to the OECD average of 6.**

## Rank by Number of Trades in Equity Shares (Jan-Aug 2013)

	<b>Exchange</b>	<b>('000)</b>
1	National Stock Exchange India	977574
2	Shenzhen SE	839538
3	NYSE Euronext (US)	806604
4	NASDAQ OMX	754428
5	Shanghai SE	740540
6	Korea Exchange	729492
7	Japan Exchange Group - Tokyo	408497
8	BSE India	216065
9	TMX Group	162626
10	London SE Group	144413

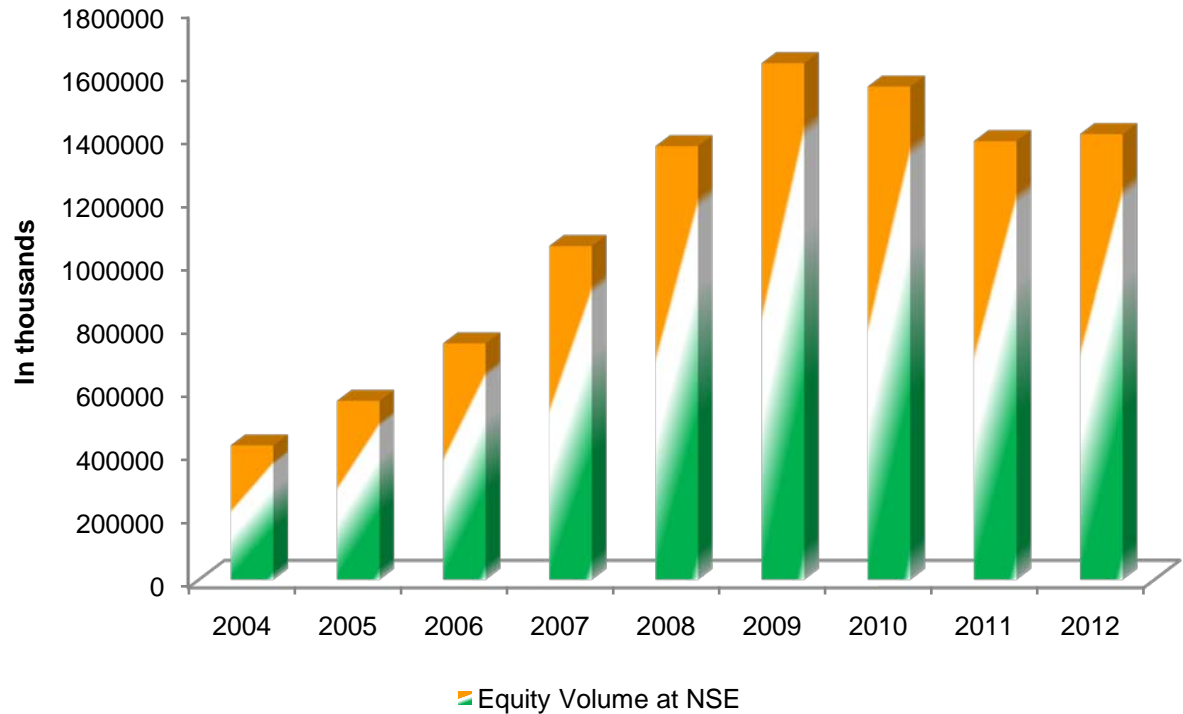
**Electronic Order Book Trades**

**Source: WFE**

# India: Volume Growth in Capital Market

## Number of Trades in Equity Shares

Equity volume growth of 16.2% CAGR since 2004



Electronic Order Book Trades at NSE

Source: WFE

# India: Recent GOI Economic Policy Announcements/Legislations

- **Food Security Bill**- Biggest programme in the world to fight hunger covering 67% of India's population.
- **New Company's Act** to improve transparency and accountability in the companies.
- **Land Acquisition Bill** seeks to fast track industrial growth and provide fair & just compensation to farmers.
- **Pension Bill** to promote pension sector in India.

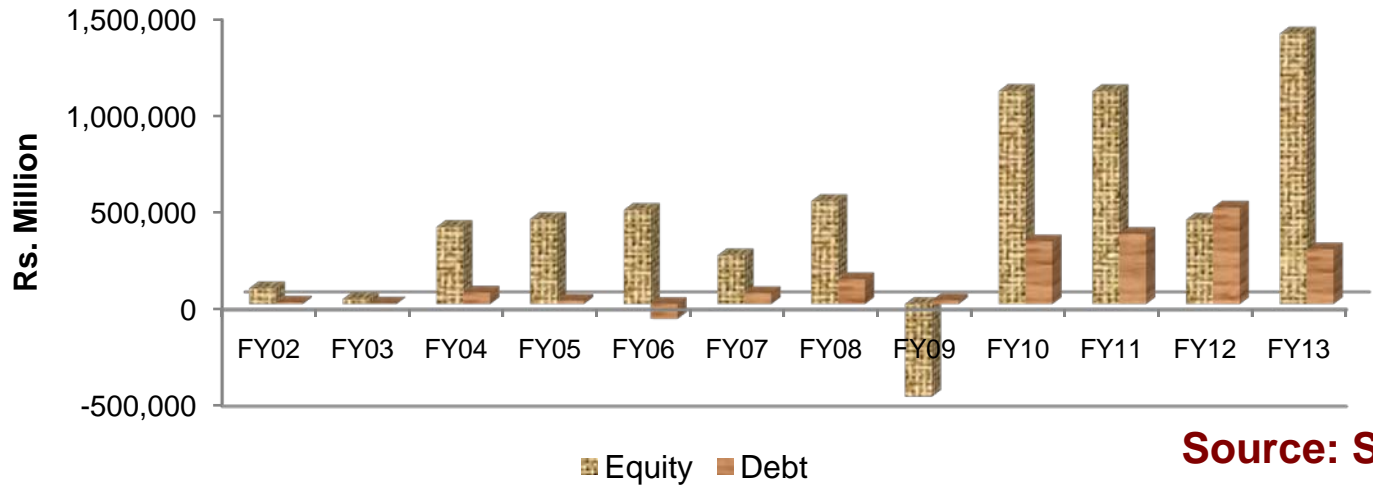
# India: Anticipated Impact of Reforms on the Indian Economy

- Generating positive sentiment.
- Boost for Commercial, Trading and Industrial activities.
- Building Investor Confidence, both Domestic and Foreign.
- Improve sentiments in the Capital Market including Investors.
- Return of Retail Investors in the Capital Market.
- Increase in Revenue Growth.
- Increased Employment generation.
- Meeting a GDP Growth target of about 5.5% for 2013-14.

# India: FII Inflows

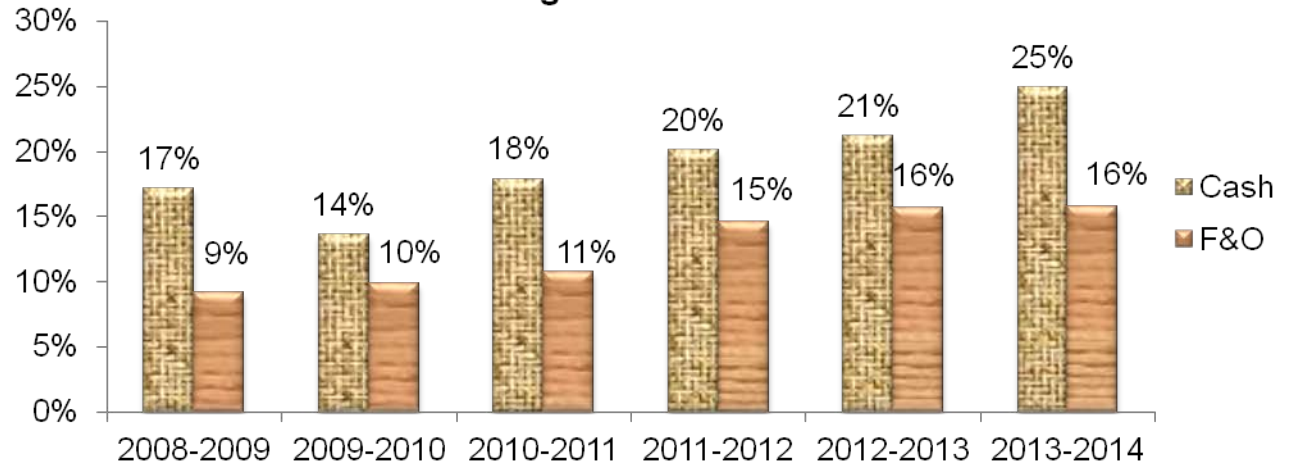
FII flow in India into Equity has grown at a healthy CAGR of ~30% since FY02.

FII flow into Debt has grown at a CAGR of ~40% since FY02.



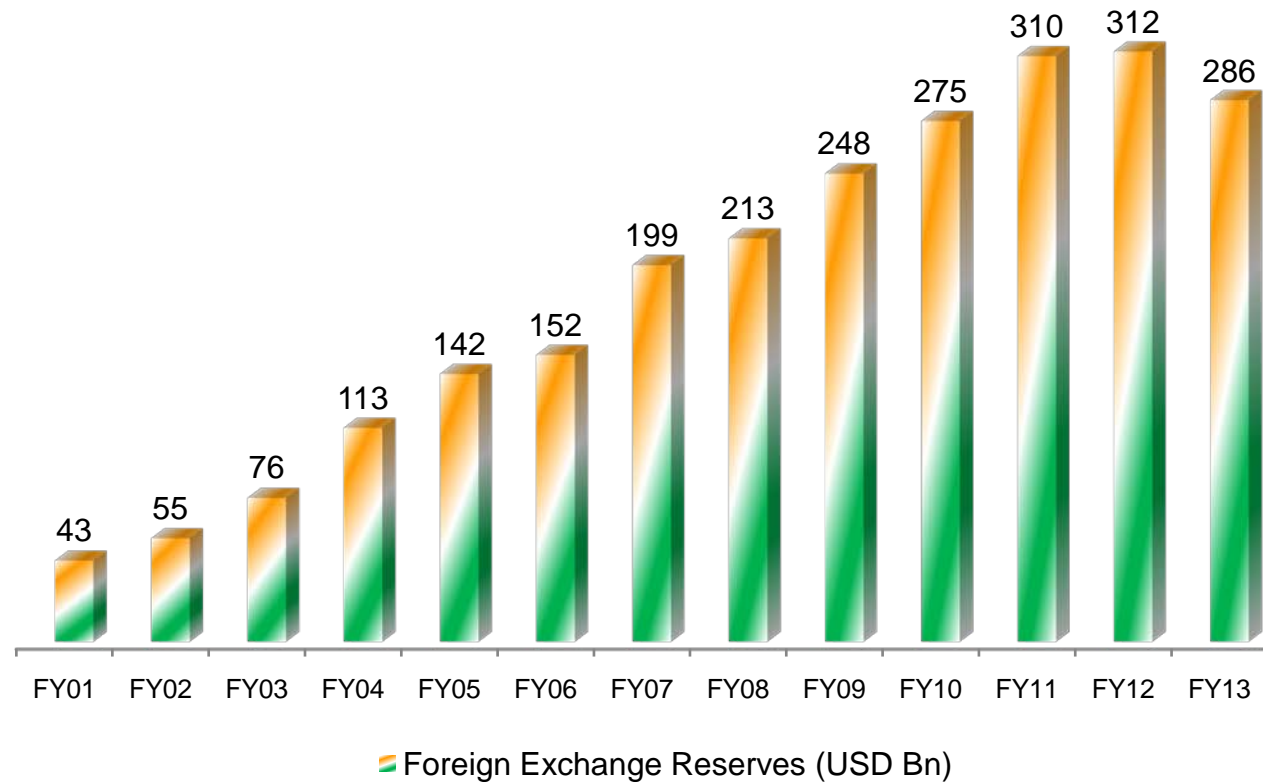
Source: SEBI

FII Turnover %age to Total Turnover in India



# India: Foreign Exchange Reserves

Over a period of time India has built healthy forex reserves.



Source: RBI

- Growth is driven to a significant extent by domestic consumption.
- Stable Financial System and regulatory framework.
- Strong demographic advantage.
- Good growth prospects supported by ongoing economic liberalization and strong domestic demand.
- Vibrant, transparent and high-yielding capital markets.
- Strong and competitive private sector .
- Healthy sectoral diversity of economy.
- Educated work force



# India: Challenges of Indian Economy

- Achievement of inclusive growth.
- Containing Current Account Deficit.
- Providing basic facilities in semi – urban, rural and under-developed areas.
- Ensuring proper delivery of subsidies and other benefits to the targeted group without leakages.
- Speedy implementation of major infra projects across Country.
- Enhance sentiment for investments by both domestic and foreign parties for speedy approvals.
- Providing required infrastructure for growth and expansion of Industries, Finance Market, Capital Market etc.
- Clear long term policies to bring in confidence in major investors both domestic and global.

# India: Challenges of Indian Capital Market

- Vibrate the scenario subdued due to both Domestic and Global trends.
- Respond positively to the recent GOI policy initiatives.
- Focus towards building investors / retail investors confidence in the Capital Market.
- Endeavoring global standards of governance in operations.
- Resolving concerns of Market Intermediaries.
- Ensuring compliance of Regulatory Measures .

# India: Destination India for Growth

- Huge untapped Market.
- Rising Per Capita Income.
- Economy Being further liberalized.
- Good infrastructure.
- Effective Regulatory Framework.
- Supportive administrative machinery.
- Vibrant financial system.
- Developed capital Market.
- Educated and cost effective work force.

- BE A STRONG BODY REPRESENTING market Intermediaries.
- Positive and proactive role in Capital Market.
- Earn trust and confidence of Government / regulators & investors.
- Co-ordination with other trade bodies / institutions / exchanges nationally as well as internationally.
- To become an SRO.

*THANK YOU !!!*

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