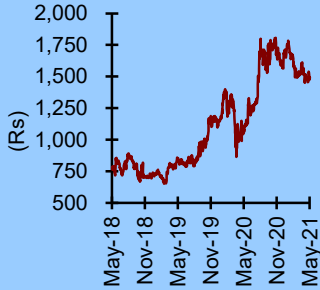


MCX



Indian exchanges

Equity segment maintains growth momentum, commodities remain muted

Apr'21 witnessed strong all-round performance across trading segments on Indian exchange platforms. NSE / BSE cash ADTV (average daily turnover value) grew 5% / (-)13% MoM respectively. NSE / BSE equity derivatives grew 5% / 7% MoM driven by growth in option volumes. Mutual fund transactions too grew by a strong 75% YoY for BSE and 64% for NSE, while on MoM basis BSE witnessed marginal growth of 0.9% and NSE a decline of 10% (historically, orders processed on MF platforms have seen a dip in April over March). In currency derivatives, NSE / BSE reported 27% / (-)2% MoM growth. MCX ADTV was flat MoM at Rs266bn as higher commodity prices got offset by drop in traded quantities. NCDEX too reported strong ADTV growth of 32% on MoM basis. Monthly demat addition for CDSL stood at 1.63mn and that for NSDL 0.18mn in Apr'21.

Equity cash: This segment witnessed strong momentum in cash volumes, and improvement in market share for NSE.

- ▶ In Apr'21, NSE's ADTV came in at Rs700bn. This compares with Rs725bn in Jan'21, Rs814bn in Feb'21 and Rs666bn in Mar'21. Thus volume traction remains robust and the impact of higher margin norms has not been so strong. BSE's Apr'21 cash ADTV was Rs44bn compared with Rs52bn/72bn/50bn in Jan/Feb/Mar'21.
- ▶ NSE's market share stood at 94% in Apr'21 vs 91% in Feb/Mar'21. Thus NSE has wrested back some lost market share.

Equity derivatives: Sharp jump in option volumes on NSE and BSE

- ▶ NSE's total equity derivatives' ADTV in Apr'21 rose to Rs46.6trn vs Rs41trn in Q4FY21 (considering notional turnover in options). NSE futures / options ADTV stood at Rs1.2trn / 45trn in Apr'21. We reiterate that there has been no impact of increased margin norms on derivative volumes.
- ▶ BSE's options turnover increased from Rs0.3trn in Jul'20 to Rs3.2trn in Apr'21. The rise in options' ADTV was due to launch of Sensex 50 derivatives with differentiated Monday expiry. Futures volumes remain negligible.

Currency derivatives at record high in Apr'21; NSE continues to hold dominant market share

- ▶ In Apr'21, NSE's currency derivatives' ADTV grew 112% YoY to Rs877bn and that of BSE was up 65% YoY to Rs264bn. NSE's market share in currency derivatives stood at 77% in Apr'21.

MF trading data: BSE dominates; overall strong performance on both platforms

- ▶ Number of orders traded on BSE's mutual fund platform grew 75% YoY to 11mn in Apr'21. NSE posted 64% YoY growth under the same parameter to 2.21mn. In value terms, BSE's market share in online mutual funds was at 69.4% in Apr'21 vs 74% in FY21.

Commodity derivatives: MCX Apr'21 ADTV remained flat MoM.

- ▶ MCX reported ADTV of Rs266bn in Apr'21 (ADTV is based on 20 working days, as 14th and 21st were half working days for the exchange).
- ▶ ADTV grew marginally by 0.3% MoM led by higher commodity prices, which got offset by lower volumes. Absolute MoM change in ADTV was Rs0.3bn driven by +Rs8.1bn due to change in prices and (-)Rs7.8bn due to change in quantities.
- ▶ In Apr'21, growth in ADTV of silver (8.3% MoM), crude (7.2% MoM) and natural gas (14.3% MoM) was offset by decline in gold (14% MoM) and copper (14% MoM).
- ▶ On YoY basis, ADTV was up 70% as Apr'20 (base month) saw limited hours of trading activity due to lockdown restrictions.
- ▶ NCDEX's ADTV grew 32% YoY to Rs28bn in Apr'21.

Depository: CDSL maintained dominant market share in incremental demat accounts

- ▶ Data till Apr'21 shows CDSL / NSDL market share at 62% / 38% respectively.
- ▶ In terms of incremental accounts opened in Apr'21, CDSL has maintained its dominant share of 90% vs 86% in FY21.

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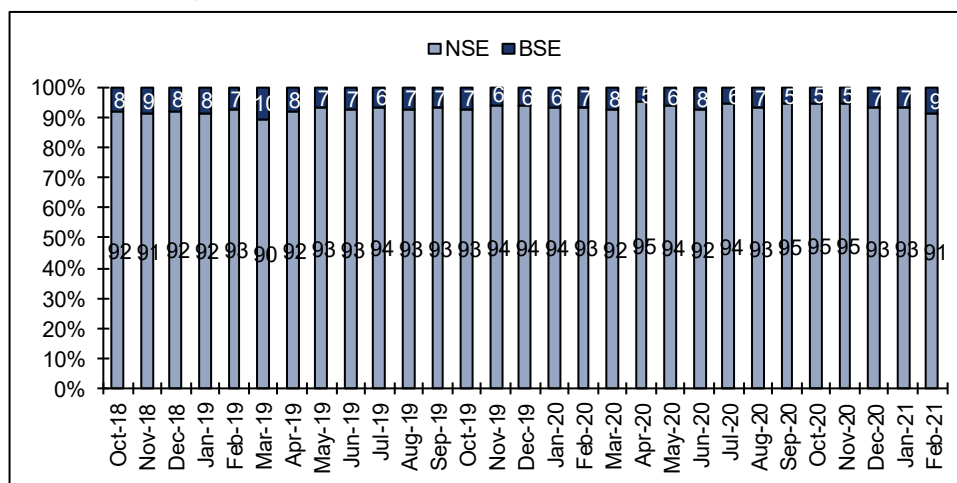
Equities

Table 1: Cash and equity derivatives

(Rs bn)	Cash			FO			Futures			Options		
	NSE	BSE	Total	NSE	BSE	Total	NSE	BSE	Total	NSE	BSE	Total
Annual trend												
FY15	178	35	213	2,288	838	3,126	510	2	513	1,778	836	2,614
FY16	172	30	202	2,625	181	2,806	501	1	502	2,123	181	2,304
FY17	204	40	244	3,805	0	3,806	624	0	624	3,182	0	3,182
FY18	294	44	338	6,707	0	6,707	830	0	830	5,877	0	5,877
FY19	321	31	352	9,569	0	9,569	875	0	875	8,694	0	8,695
FY20	364	27	391	13,983	11	13,994	875	1	876	13,108	10	13,118
FY21	618	42	660	25,848	1,408	27,256	1,090	0	1,090	24,758	1,408	26,166
Growth YoY	70%	57%	69%	85%	nm	nm	25%	nm	24%	89%	nm	99%
Quarterly trend												
Q1FY20	337	27	364	12,321	0	12,321	853	0	853	11,467	-	11,467
Q2FY20	338	24	363	14,183	0	14,183	891	0	891	13,293	0	13,293
Q3FY20	372	25	397	14,004	5	14,009	833	1	835	13,170	3	13,174
Q4FY20	408	30	438	15,329	36	15,365	921	1	922	14,408	35	14,444
Q1FY21	552	37	589	13,936	38	13,975	953	0	953	12,983	38	13,022
Q2FY21	584	37	621	19,821	784	20,606	1,019	0	1,020	18,802	784	19,586
Q3FY21	605	36	641	28,479	2,012	30,491	1,085	0	1,085	27,397	2,011	29,408
Q4FY21	734	58	792	41,170	2,784	43,955	1,305	0	1,305	39,865	2,784	42,649
Growth YoY	80%	92%	81%	169%	nm	186%	42%	nm	42%	177%	nm	195%
Growth QoQ	21%	60%	24%	45%	38%	44%	20%	-57%	20%	46%	38%	45%
Monthly trend												
Apr-20	503	25	528	11,491	61	11,551	861	0	861	10,630	61	10,690
May-20	527	34	561	13,069	62	13,131	926	0	926	12,144	62	12,206
Jun-20	614	50	664	16,686	0	16,686	1,052	0	1,052	15,634	0	15,634
Jul-20	586	35	621	19,102	262	19,364	1,023	0	1,023	18,080	262	18,341
Aug-20	611	44	655	18,776	880	19,656	1,000	0	1,000	17,776	880	18,656
Sep-20	556	32	588	21,570	1,239	22,810	1,035	0	1,035	20,536	1,239	21,775
Oct-20	523	28	551	26,325	1,615	27,940	1,041	0	1,041	25,284	1,615	26,899
Nov-20	669	35	704	28,438	2,189	30,627	1,185	0	1,185	27,260	2,189	29,449
Dec-20	625	45	670	30,574	2,228	32,802	1,036	0	1,036	29,538	2,228	31,766
Jan-21	725	52	777	35,957	2,467	38,423	1,249	0	1,250	34,707	2,466	37,174
Feb-21	814	72	886	43,011	2,919	45,930	1,452	0	1,452	41,559	2,918	44,478
Mar-21	666	50	716	44,383	2,958	47,342	1,218	0	1,218	43,165	2,958	46,123
Apr-21	700	44	744	46,650	3,178	49,828	1,213	0	1,213	45,437	3,178	48,615
Growth YoY	39%	77%	41%	306%	nm	331%	41%	nm	41%	327%	nm	nm
Growth MoM	5%	-13%	4%	5%	7%	5%	0%	-2%	0%	5%	7%	5%

Source: NSE, BSE India, I-Sec Research

Chart 1: Equity cash – market share in terms of turnover



Source: NSE, BSE, I-Sec research

Commodities

Table 2: Commodity derivatives

(Rs bn)	MCX	NCDEX	Total
Annual trend			
FY15	203	35	239
FY16	219	40	259
FY17	226	23	249
FY18	212	24	236
FY19	256	21	278
FY20	324	18	342
FY21	313	13	326
Growth YoY	-4%	-28%	-5%
Quarterly trend			
Q1FY20	275	23	297
Q2FY20	345	19	364
Q3FY20	309	16	325
Q4FY20	366	14	380
Q1FY21	231	7	239
Q2FY21	380	11	391
Q3FY21	319	16	334
Q4FY21	315	17	332
Growth YoY	-1%	11%	-1%
Growth QoQ	-1%	11%	-1%
Monthly trend			
Apr-20	157	7	164
May-20	238	6	244
Jun-20	286	9	295
Jul-20	371	8	379
Aug-20	433	11	444
Sep-20	340	13	353
Oct-20	330	16	346
Nov-20	330	16	346
Dec-20	296	16	312
Jan-21	318	16	335
Feb-21	368	15	383
Mar-21	266	21	287
Apr-21	266	28	294
Growth YoY	70%	295%	80%
Growth MoM	0%	32%	3%

Source: MCX India, NCDEX I-Sec Research

Table 3: Monthly MCX ADTV bridge

(Rs bn)	ADTV		ADTVOL % change	Avg monthly Price % Change	Abs change in ADTV	Change due to Qty	Change due to Price
	Mar-21	Apr-21					
Gold	60	51	-17.8%	4.5%	(8.4)	(10.6)	2.2
Silver	58	63	5.9%	2.3%	4.8	3.4	1.4
Crude Oil	46	49	6.6%	0.5%	3.3	3.0	0.3
Natural Gas	36	41	9.7%	4.2%	5.2	3.5	1.6
Copper	28	24	-18.9%	6.0%	(3.9)	(5.3)	1.4
Aluminium	3	3	-5.9%	7.7%	0.0	(0.2)	0.2
Lead	3	3	0.1%	3.7%	0.1	0.0	0.1
Nickel	16	16	-6.5%	3.2%	(0.6)	(1.1)	0.5
Zinc	10	9	-6.8%	4.9%	(0.2)	(0.6)	0.4
All commodities	265.6	266.4			0.31	(7.8)	8.1

Source: MCX India, I-Sec Research

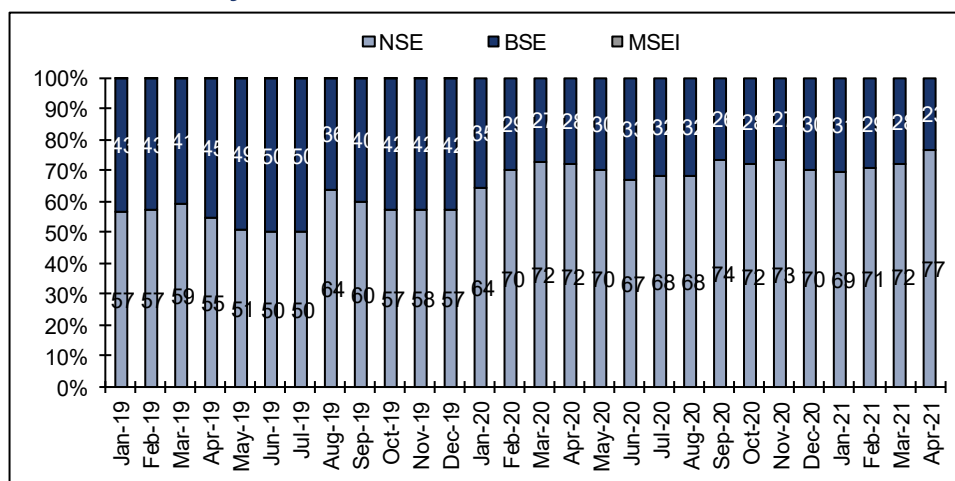
Currency derivatives

Table 4: Currency derivatives

(Rs bn)	NSE	BSE	Total
Annual trend			
FY15	127	80	207
FY16	186	114	300
FY17	201	131	332
FY18	208	183	391
FY19	351	302	653
FY20	410	275	685
FY21	503	209	712
Growth YoY	23%	-24%	4%
Quarterly trend			
Q1FY20	336	308	644
Q2FY20	423	296	720
Q3FY20	373	275	647
Q4FY20	506	222	727
Q1FY21	417	183	600
Q2FY21	472	200	671
Q3FY21	535	207	741
Q4FY21	588	242	830
Growth YoY	16%	9%	14%
Growth QoQ	10%	17%	12%
Monthly trend			
Apr-20	410	159	569
May-20	405	170	575
Jun-20	431	212	644
Jul-20	410	190	600
Aug-20	465	215	680
Sep-20	542	195	737
Oct-20	522	204	727
Nov-20	551	201	752
Dec-20	531	226	757
Jan-21	501	220	721
Feb-21	570	236	806
Mar-21	688	268	956
Apr-21	877	264	1,141
Growth YoY	114%	65%	100%
Growth MoM	27%	-2%	19%

Source: BSE, NSE, I-Sec Research

Chart 2: Currency derivatives market share



Source: NSE, BSE, I-Sec research

India mutual fund flows through exchanges

Chart 3: Mutual funds – total order value

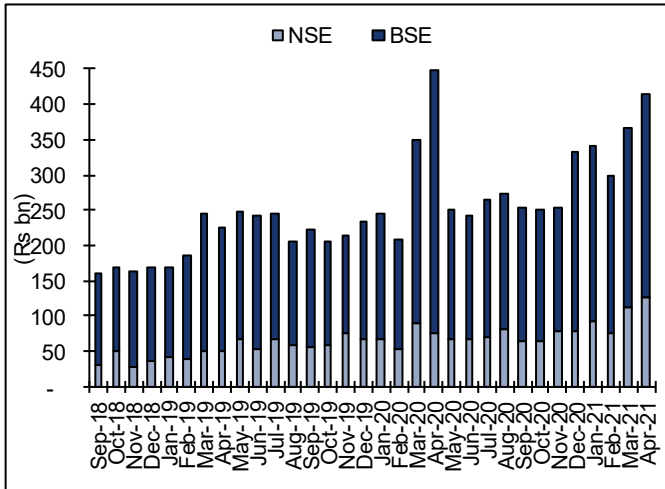


Chart 4: Mutual funds – market share by value

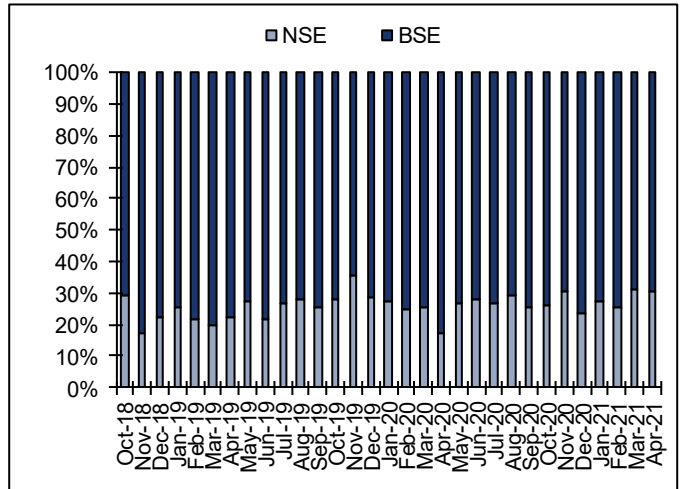


Chart 5: NSE mutual funds – monthly orders

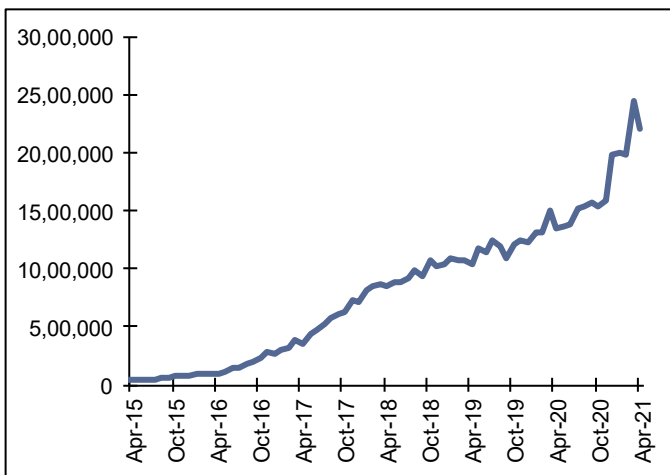
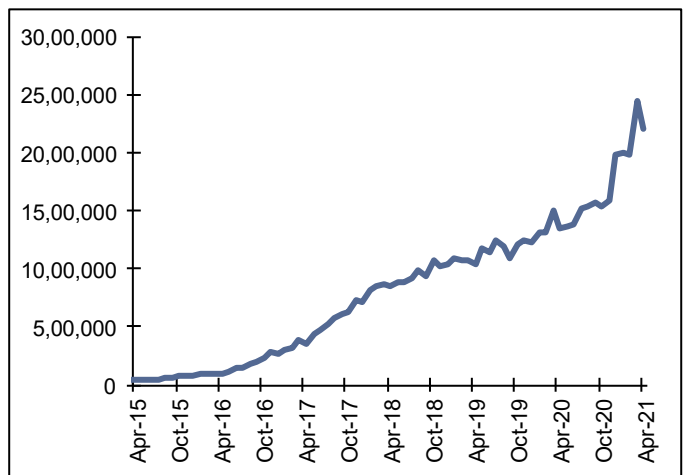


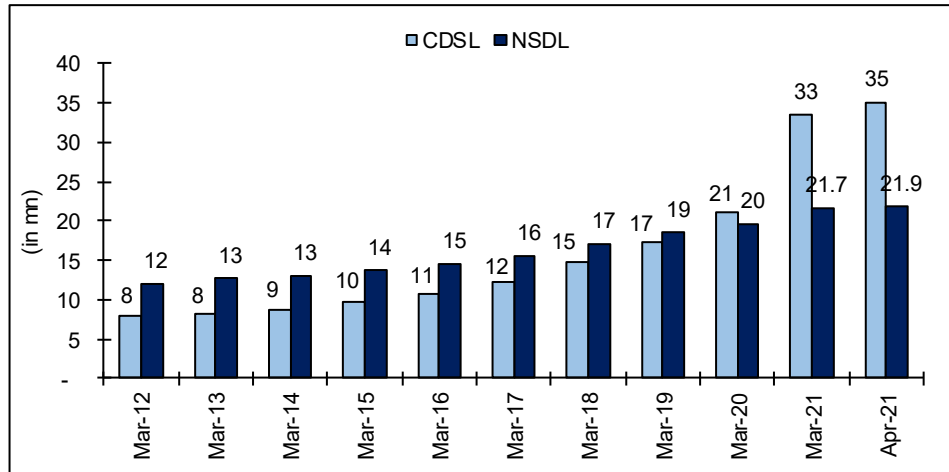
Chart 6: BSE mutual funds – monthly orders



Source: NSE, BSE, I-Sec research

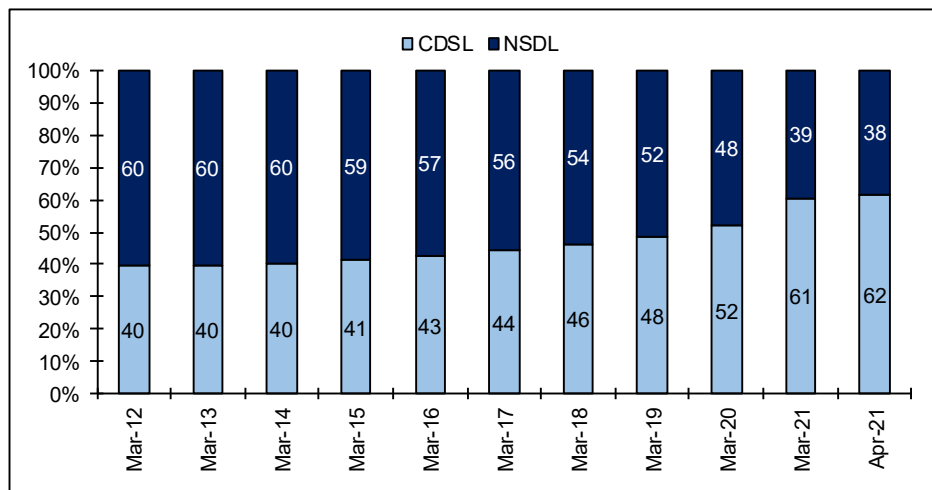
India depository services

Chart 7: Number of demat accounts



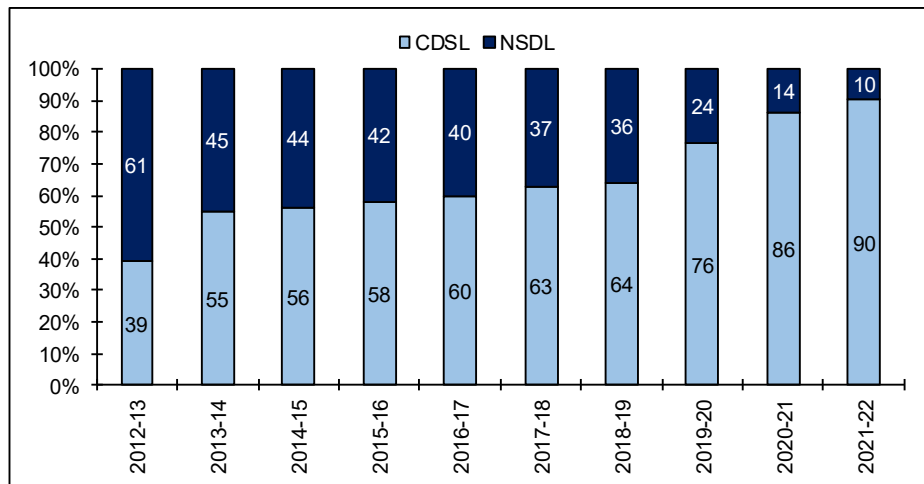
Source: CDSL, NSDL, I-Sec research

Chart 8: Number of demat accounts – market share



Source: CDSL, NSDL, I-Sec research

Chart 9: Number of incremental demat accounts – market share



Source: CDSL, NSDL, I-Sec research

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