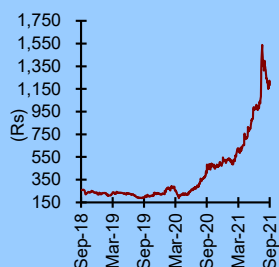
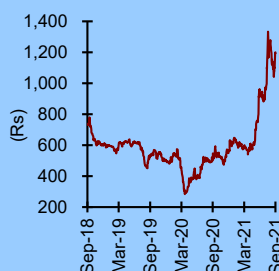


Monthly update

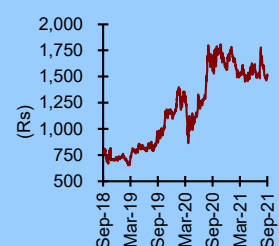
CDSL (HOLD)



BSE (ADD)



MCX (BUY)



Indian exchanges

Equity derivatives continue to grow; cash ADTV reverting to less than Rs650bn; MCX options show traction

Exchange volumes in Aug'21 declined sequentially for the commodity segment while equity derivatives grew 6% and cash segment remained flat. Cash ADTV (average daily turnover value) for NSE remained flat MoM while that for BSE declined 6% MoM. NSE equity derivatives' ADTV was up 7% MoM driven by both futures and options' notional turnover while BSE ADTV growth remained flat on MoM basis in Aug'21. Mutual fund transactions grew 6.6% / 4% MoM for BSE / NSE. In currency derivatives, NSE reported a decline of 18.5% MoM while BSE reported growth of 0.4% MoM in Aug'21. MCX ADTV stood at Rs250bn in Aug'21 vs Rs271bn in Jul'21. NCDEX reported ADTV of Rs24bn, up 14% MoM, in Aug'21. CDSL added 2.1mn demat accounts during the month.

Equity cash: Sequential decline for BSE; NSE ADTV moving towards Rs600bn?

- In Aug'21, NSE's ADTV was Rs629bn vs an average of Rs704bn between Apr-Jul'21. BSE's Aug'21 cash ADTV was down 6% MoM to Rs52bn. On YoY basis, NSE / BSE ADTVs were up 3% / 17%. NSE's cash segment market share stood at 92% in Aug'21.

Equity derivatives: Sequential improvement for NSE; BSE ADTV remains flat

- NSE's total equity derivatives' ADTV in Aug'21 was at Rs60trn vs Rs57trn in Jul'21 (considering notional turnover in options). NSE options' / futures ADTV grew 7% each sequentially to Rs56.3trn / 1trn.
- BSE's options' ADTV remained flat MoM at Rs3trn in Aug'21.

Currency derivatives: BSE sees sequential improvement in its market share

- In Aug'21, NSE/BSE's currency derivatives' ADTV grew 16% / 11% YoY to Rs538bn / 239bn respectively. On MoM basis, NSE declined 18.5% while BSE's reported ADTV remained flat. NSE's market share in currency derivatives stood at 69% in Aug'21 vs 73% in Jul'21.

MF trading data: Surprise dip for BSE market share; value-based split of transactions on exchanges at 63% for BSE in Aug'21 vs average 71% in FY22-TD.

- Number of orders processed on BSE's mutual fund platform grew 93% YoY to 14.1mn in Aug'21. NSE posted 81% YoY growth under the same parameter to 2.8mn.

Commodity derivatives: MCX ADTV shrunk in Aug'21; crude aids robust growth in options volumes

- **MCX reported ADTV of Rs250bn in Aug'21**, down 8% MoM and 42% YoY. MoM decline in ADTV was led by gold (down 16% MoM), crude (down 13% MoM) and copper (down 11% MoM). Drop in gold and copper ADTV is largely attributed to fall in volumes traded on the platform while drop in crude ADTV resulted equally from drop in both prices and volumes. Commodities that reported MoM gains were silver, due to increase in volumes traded, and natural gas due to higher prices.
- **MCX commodity options ADTV has seen good traction in past 3 months** led by strong pick-up in crude option volumes. MCX options ADTV for Aug'21 came in at Rs60.5bn vs Rs15bn/20bn/23bn/46bn seen between Apr'21 and Jul'21 (mainly crude). At the Aug'21 rate, options will contribute ~Rs175mn to MCX annual revenues.
- **MCX indices futures continued see to MoM decline in their ADTV despite cross-margin regulation.**

Depository: CDSL added 2.3mn accounts in Aug'21

- Data till Jul'21 shows CDSL / NSDL market shares at 65% / 35% respectively.
- In terms of incremental accounts opened in FY22-TD, CDSL has maintained its dominant share of 88% vs 86% in FY22. Monthly demat additions for CDSL / NSDL were 2.3mn / 0.37mn in Jul'21.

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Equities: Derivatives continue to shine; cash ADTV remains flat

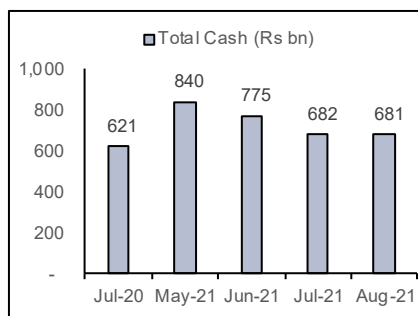
Table 1: Cash and equity derivatives

(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
Q1FY22	730	57	787	45,357	3,146	48,503	1,146	0	1,146	44,211	3,146	47,357
Growth YoY	32%	52%	33%	225%		247%	20%	-24%	20%	241%		264%
Growth QoQ	-1%	-3%	-1%	10%	13%	10%	-12%	-41%	-12%	11%	13%	11%
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
May-21	784	56	840	43,326	3,240	46,566	1,173	0	1,173	42,153	3,240	45,393
Jun-21	707	68	775	46,087	3,032	49,120	1,063	0	1,063	45,024	3,032	48,057
Jul-21	627	55	682	53,868	3,028	56,897	993	0	993	52,875	3,028	55,904
Aug-21	629	52	681	57,398	3,034	60,431	1,062	0	1,062	56,336	3,034	59,370
Growth YoY	3%	17%	4%	206%	245%	207%	6%	-98%	6%	217%	245%	218%
Growth MoM	0%	-6%	0%	7%	0%	6%	7%	-57%	7%	7%	0%	6%

Source: NSE, BSE India

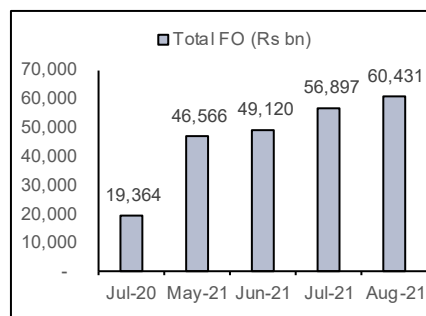
Impact of phase-3 of upfront margin norms (75% margin requirement) was seen in cash and commodity segments, while derivatives volumes witnessed MoM growth

Chart 1: Equity cash has declined in Jul'21...



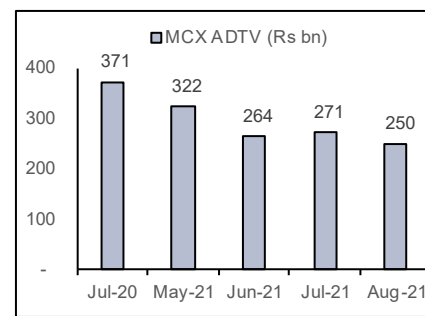
Source: NSE, BSE India

Chart 2: ... while equity derivatives have risen



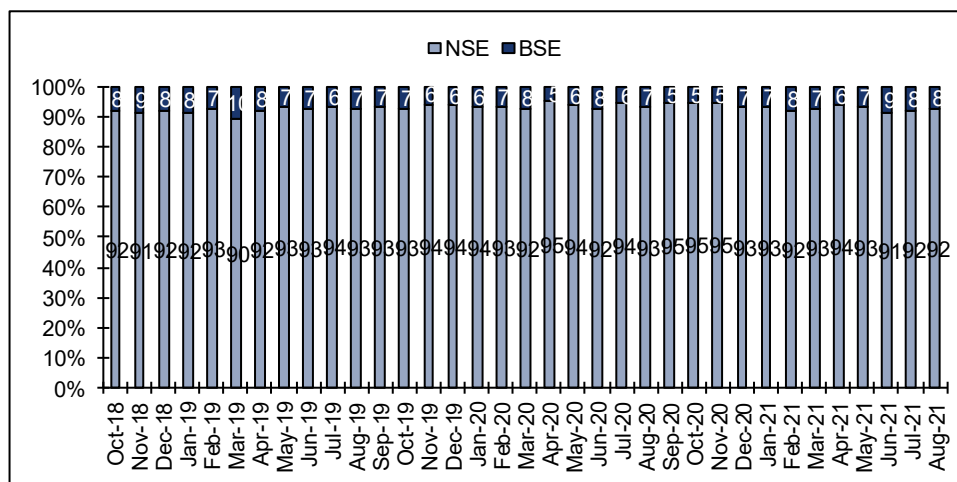
Source: NSE, BSE India

Chart 3: MCX ADTV grew 3% MoM in Jul'21



Source: MCX India

Chart 4: Equity cash – market share in terms of turnover



Source: NSE, BSE, I-Sec research

Commodities: Volumes declined sequentially

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
Q1FY22	284	23	306
Growth YoY	23%	214%	28%
Growth QoQ	-10%	31%	-8%
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
May-21	322	21	343
Jun-21	264	19	283
Jul-21	271	21	292
Aug-21	250	24	274
Growth YoY	-42%	110%	-38%
Growth MoM	-8%	14%	-6%

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
	Jul-21	Aug-21					
Gold	51	43	-14.7%	-1.5%	(8)	(8)	(1)
Silver	49	51	11.9%	-6.5%	2	6	(4)
Crude Oil	39	34	-6.3%	-6.9%	(5)	(2.4)	(2.5)
Natural Gas	64	64	-5.0%	6.3%	1	(3)	4
Copper	30	26	-9.6%	-1.9%	(3)	(2.8)	(0.5)
Aluminium	4	4	-17.7%	4.2%	(1)	(1)	0
Lead	3	2	-17.5%	0.1%	(0)	(0)	0
Nickel	20	16	-19.1%	2.5%	(3)	(4)	0
Zinc	7	6	-27.3%	2.3%	(2)	(2)	0
All commodities	271	250			(20)	(17)	(3)

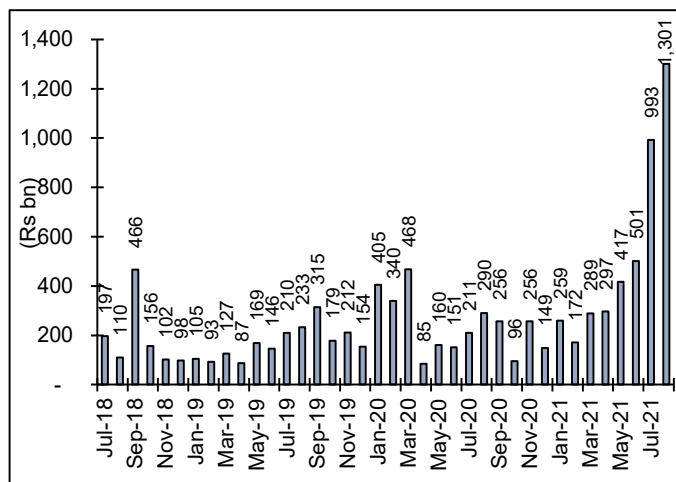
Source: MCX India

*Note Absolute change in ADTV is calculated for key commodities only and will not add up with the overall actual change in ADTV.

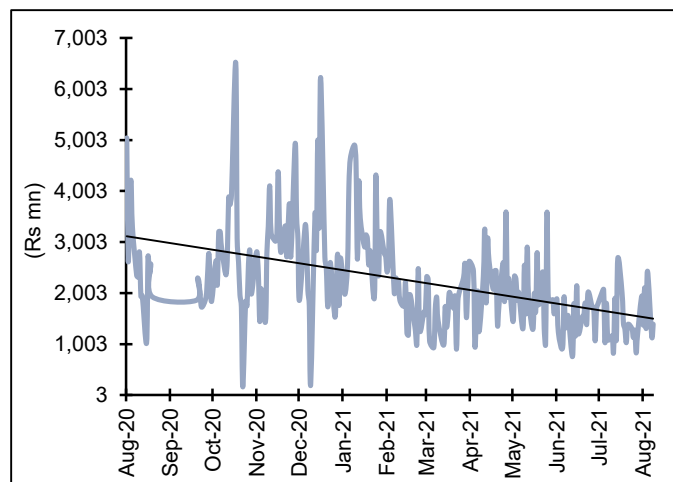
Table 4: MCX Commodity wise breakup of total options ADTV

	Gold options (1kg)	Silver	Crude Oil	Copper	Zinc	Total options
Apr-20	2,600	538	1,582	1	0	4,721
May-20	5,843	472	1,321	7	0	7,643
Jun-20	3,719	1,118	2,043	1	0	6,881
Jul-20	6,144	1,544	1,458	9	0	9,155
Aug-20	8,188	4,189	1,425	3	2	13,807
Sep-20	9,594	1,000	1,058	2	0	11,654
Oct-20	2,550	1,064	9,405	1	0	4,555
Nov-20	9,037	1,645	976	0	0	11,659
Dec-20	4,826	721	1,223	5	0	6,776
Jan-21	10,397	1,205	1,369	2	0	12,973
Feb-21	4,142	2,099	2,331	4	0	8,576
Mar-21	5,455	653	6,474	4	0	12,587
Apr-21	3,708	1,094	10,069	2	0	14,873
May-21	7,886	849	11,620	4	0	20,360
Jun-21	3,721	1,893	17,146	11	0	22,772
Jul-21	8,326	848	36,986	12	0	46,172
Aug-21	4,926	2,237	53,334	17	0	60,515

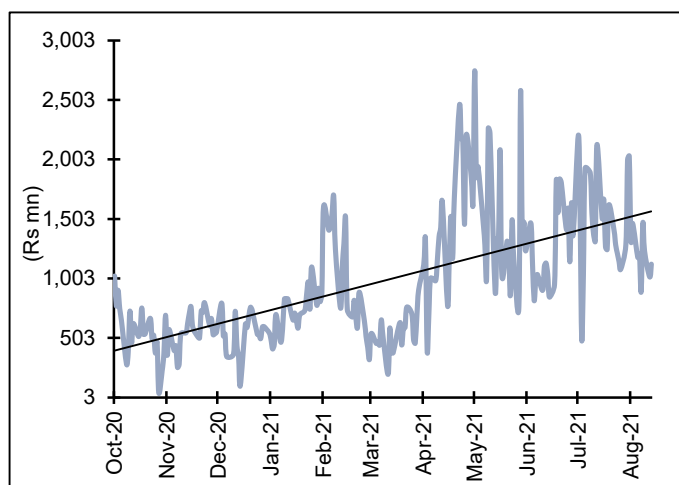
Source: MCX India

Chart 5: MCX options volumes trend

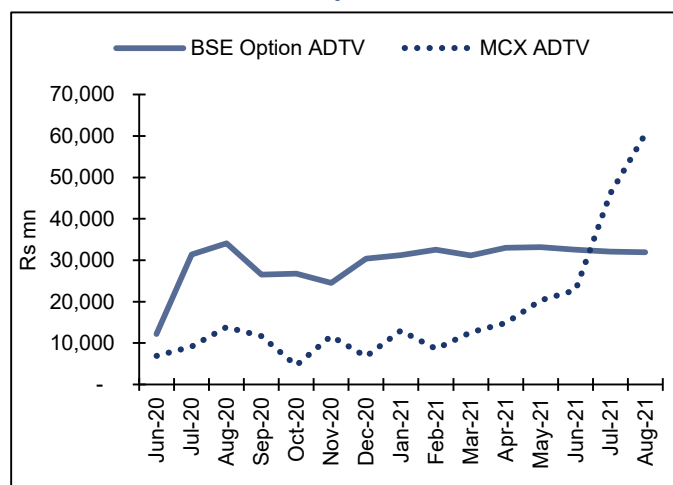
Source: MCX India

Chart 6: MCX bullion index volume trend

Source: MCX India

Chart 7: MCX metal index volume trend

Source: MCX India

Chart 8: MCX and BSE option ADTV

Source: MCX India

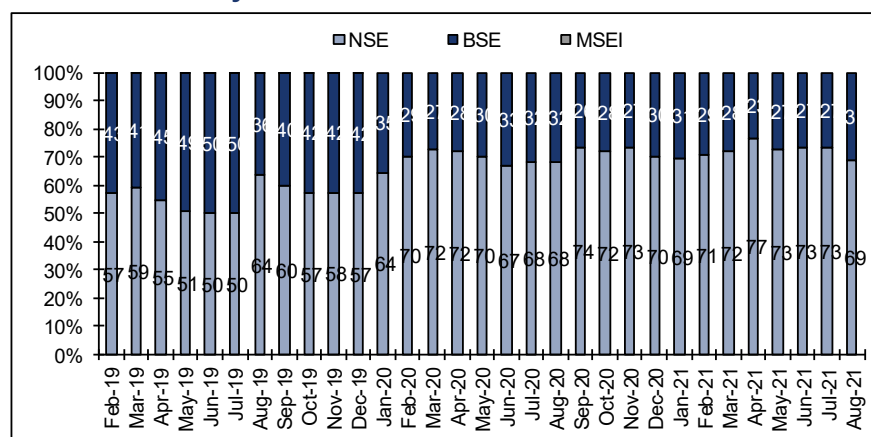
Currency derivatives: Sequential improvement for BSE and NSE

Table 5: 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
Q1FY22	685	236	921
Growth YoY	64%	29%	54%
Growth QoQ	17%	-2%	11%
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
May-21	582	220	802
Jun-21	626	229	855
Jul-21	660	239	899
Aug-21	538	239	778
Growth YoY	15.7%	11.3%	14%
Growth MoM	-18.5%	0.4%	-13%

Source: NSE, BSE, I-Sec research

Chart 9: Currency derivatives – market share



Source: NSE, BSE, I-Sec research

India mutual fund flows through exchanges

Chart 10: Mutual funds – total order value

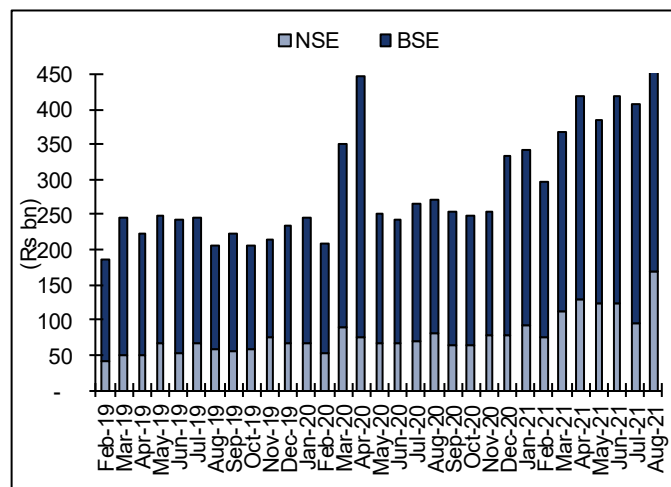


Chart 11: Mutual funds – market share by value

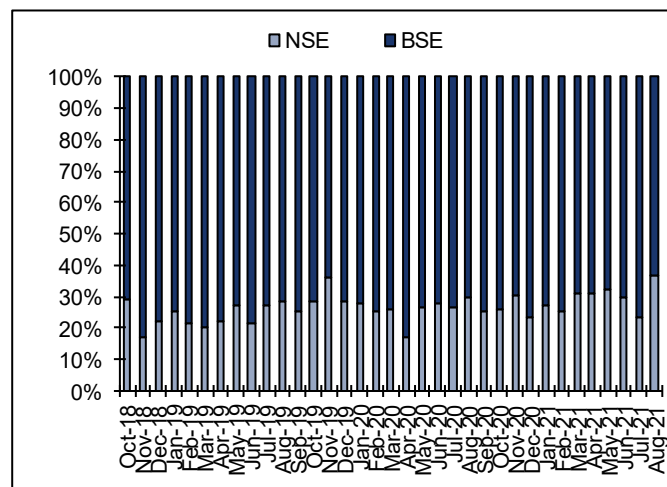


Chart 12: NSE mutual funds – monthly orders

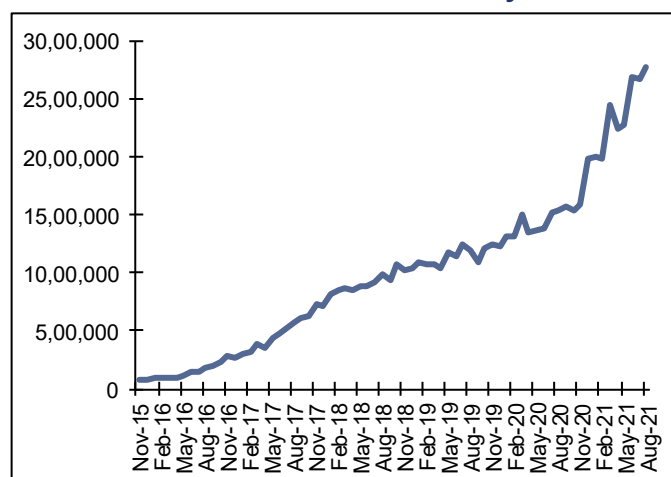
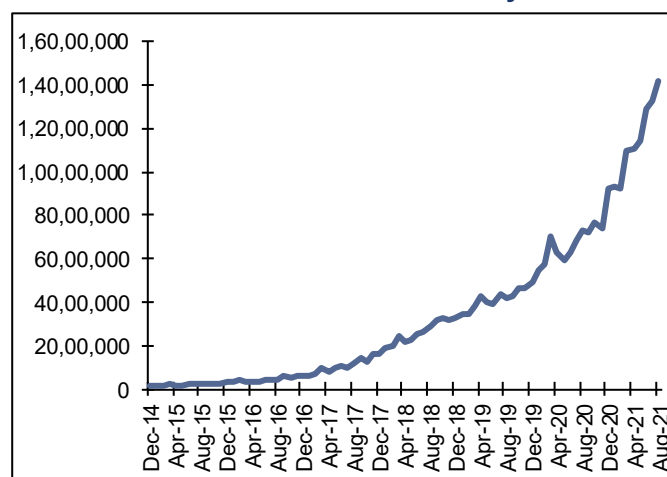


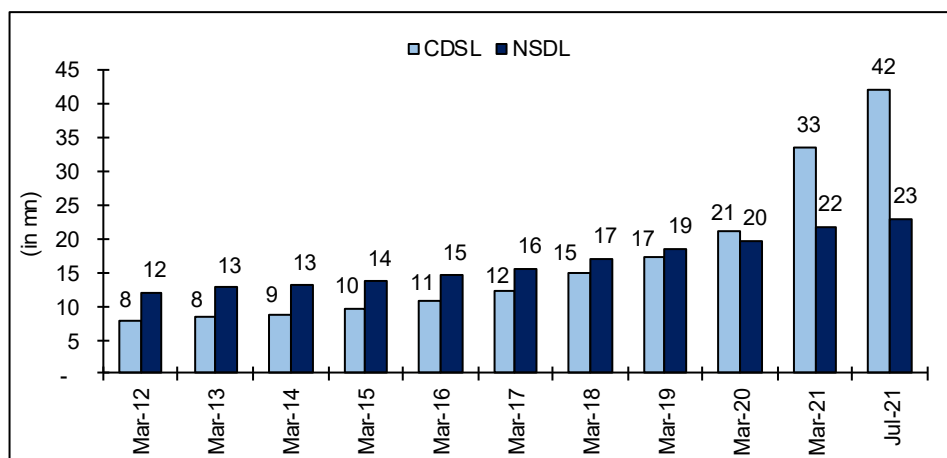
Chart 13: BSE mutual funds – monthly orders



Source: NSE, BSE, I-Sec research

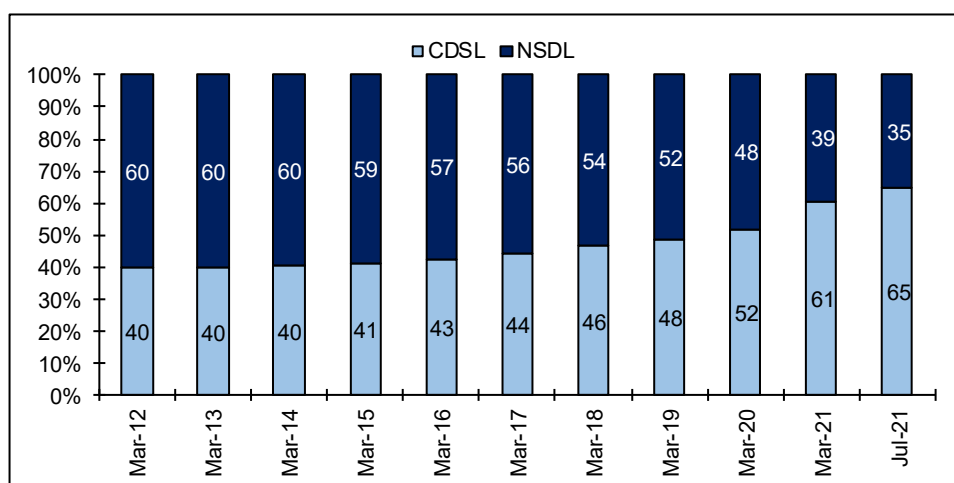
India depository services

Chart 14: Number of demat accounts



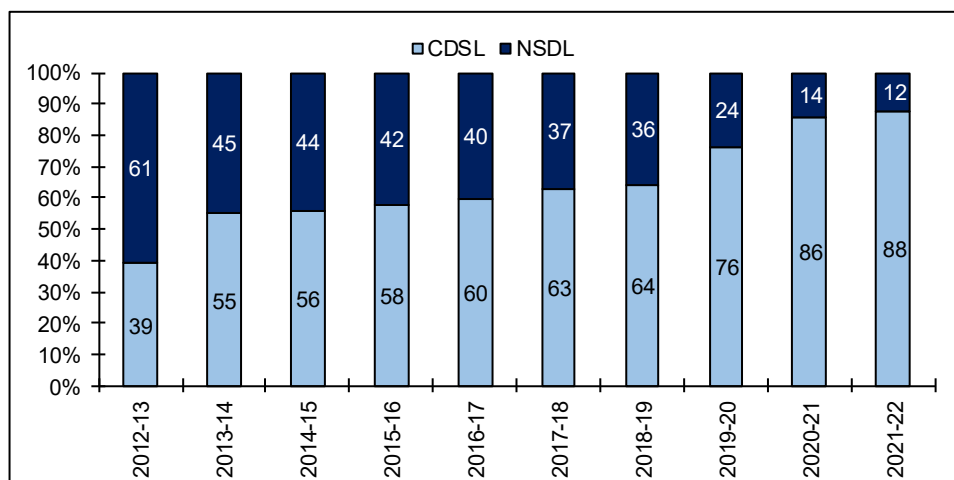
Source: CDSL, NSDL, I-Sec research

Chart 15: Number of demat accounts – market share



Source: CDSL, NSDL, I-Sec research

Chart 16: Number of incremental demat accounts – market share



Source: CDSL, NSDL, I-Sec research

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