

Performance of Stock Markets in the Last Three Decades and its Analysis

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ABSTRACT

Stock market refers to the market where companies stocks are traded with both listed and unlisted securities. Indian stock market is also called Indian equity market. Indian equity market was not organized before independence due to the agricultural conditions, undeveloped industries and hampering by foreign business enterprises. It is one of the oldest markets in India and started in 18th century when East India Company started trading in loan securities. During post-independence the capital market became more organized and RBI was nationalized. As we analyze the performance of stock markets in the last three decades, it comes near enough to a perfectly aggressive marketplace permitting the forces of demand and delivers an inexpensive degree of freedom to perform in comparison to other markets in particular the commodity markets. List of reforms undertaken seeing the early nineteen nineties include control over problem of capital, status quo of regulator, screen primarily based buying and selling and threat management. Latest projects include the t+2 rolling settlement and the NSDL was given the obligation to assemble and preserve an important registry of securities marketplace participants and experts. Stock exchanges facilitates the purchase and sell of shares, debenture and financial securities. There are 19 stock exchanges all over India. All the matters and activities which effect the stock exchanges are controlled, directed and supervised by the governing body. Brokers are the most important intermediary in stock market. Stock market of India is governed by Securities contract regulation act 1986, SEBI act 1992 and depository system 1996. Commodities are a Bodily or digital market place for buying and selling and trading. They are of two types - tough and soft commodities, they are of two types - tough and soft commodities. The deposit structure, market share, BSE statistics and net worth requirements are expressed by various pie-charts and bar graphs.

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Introduction

Stock market refers to the market where companies stocks are traded with both listed and unlisted securities. Indian stock market is also called Indian equity market. It is one of the third biggest markets in Asia after china and Hong Kong.

Indian equity market was not organized before independence and the condition of Indian capital market was very poor. The main aim of British was not the capital market development of the India but it was the development of the Britain's own economic development and to have or maintain a political control over India. So savings of India at that time was equal to zero.

Capital market of India at that time did not develop as:

- Agriculture and small scale production by sole traders did not contribute to emergence of the capital market.
- The growth of Indian market was hampered by foreign business enterprises.
- The managing agency was also responsible for non-economic development of capital market of India and also there was no institution for floating of new issues.
- Due to undeveloped industries, large no. of securities was not traded.

- People back then, did not have any habit of savings or investing.

Restrictions on investments also hampered growth of capital market in India

In 1935 when RBI was formed, it tried to make the previously unorganized indigenous banks into organized ones. RBI wanted to stop 'Hundi' and start NI (negotiable instrument) and also wanted to make the indigenous banks as discounting houses with certain privileges to the banks but they did not agree to the proposal of RBI.

History – Origin

It is one of the oldest markets in India and started in 18th century when East India Company started trading in loan securities. In 1830s the trading of companies stocks and shares of banks and cotton press started taking place in Bombay although this was very broad but still half dozen of brokers left by 1840 and 1850.

In 80s the growth in Indian stock market was again started due to liberalized policies of government.

90s was the crucial periods for Indian stock market as Indian were aware of liberalization and globalization. So, in May 1992 capital issue control act 1947 was abolished and SEBI was given all the powers to overlook the trading policies, entry of private companies etc. In 1990 major market scam

was revealed and in 1991 and 1992 securities scam was revealed which called for the reforms in Indian market. So, NSE in 1994 was established and OTCEI (over the counter exchange of India) established in 1992 gave BSE the nationwide competition. In 1995 amendments were made in the regulation act of 1956 and option trading was introduced. In April 1995 national securities clearing corporation (NSCC) and in November 1996 the National depository limited (NSDC) was set up for demutualized trading.

In 21st century Ketan Parekh scam was revealed. In February 2000, internet trading and in June 2000 future trading started. Indian market has 22 stock exchanges larger in BSE and NSE and smaller and medium sized company stocks are listed in OTCEI, functions of market are supervised by SEBI guidelines.

Post Independence

The capital market became more organized and the mindset of people also to investing their income and saving, thus, the capital market started growing. Free flow of savings to industrial investment started. The government also tried to shape the capital market, started many industries, financial institutions to remove the deficiency in the growth of capital market and to meet the capital requirements. RBI was nationalized and SBI took over the bank of India in 1956, merged 245 life insurance company into state owned monolithic LIC of India, 14 major commercial banks were nationalized.

Performance of Stock Markets in the Last Three Decades:

The Securities Contracts (law) Act, 1956, has defined stock trade as an "association, corporation or frame of people, whether or not incorporated or now not, hooked up for the motive of supporting, regulating and controlling enterprise of buying, selling and working in Securities".

Inventory trade as an organized protection marketplace provides marketability and price continuity for shares and allows in a fair evaluation of securities in terms of their intrinsic worth. As a result it facilitates orderly flow and distribution of financial savings between distinct varieties of investments. This organization performs a vital component inside the economic life of a rustic, performing as a free market for securities wherein prices are decided by the forces of supply and demand. Aside from the above simple function it also assists in mobilizing budget for the authorities and the industry and to deliver a channel for the funding of savings inside the overall performance of its capabilities.

The gadget of joint stock businesses financed through the public investment as emerged has put the huge means of price range nearly to entrepreneurs' needs.

The stock exchange comes near enough to a perfectly aggressive marketplace permitting the forces of demand and delivers an inexpensive degree of freedom to perform in comparison to other markets in particular the commodity markets. This phase of the factor market can be considered as a super or a nearly best marketplace apart from imparting a mechanism for transacting business in inventory and stocks, it generates proper capacity for a new entrepreneur to take in initiative within the non-public region businesses and allows the growth of making an investment network by way of imparting gainful development of their in any other case slow or shy capital. The inventory alternate have to assume the duty of shielding the rights of buyers specifically the small traders within the Joint inventory organizations.

List of Reforms Undertaken Seeing the Early Nineteen Nineties. Thus Some Foremost Reforms:

A) Control over problem of Capital: a main initiative of liberalization become the repeal of the Capital troubles (manipulate) Act, 1947 in can also 1992. With this, governments manipulate over problem of capital, pricing of the issues, solving of rates of interest on debentures etc. ceased and the marketplace became allowed to allocate assets to competing makes use of. In the hobby of investors, SEBI issued Disclosure and Investor safety (DIP) tips. The recommendations permit issuers, who satisfy the eligibility criteria, to issue securities the securities at market decided prices. The market moved from benefit based to disclosure primarily based regulation.

B) Status quo of Regulator: a chief initiative of regulation turned into establishment of a statutory self-sustaining enterprise, called SEBI, to offer reassurance that it is secure to undertake transactions in securities. It changed into empowered properly and assigned the responsibility to (a) protect the pursuits of traders in securities, (b) sell the improvement of the securities market, and (c) modify the securities marketplace. Its regulatory jurisdiction extends over corporate within the issuance of capital and switch of securities, further to all intermediaries and folks related to securities market. All market intermediaries are registered and regulated via SEBI. They're additionally required to employ a compliance officer who is chargeable to the compliance with securities laws and for redressal of investor grievances.

C) Screen primarily based buying and selling: a first-rate developmental initiative turned into a kingdom-wide online absolutely-automated display primarily based buying and selling machine (SBTS) in which a member can punch into the computer portions of securities and the prices at where the transaction is completed as quickly as it reveals a matching sale or purchase order from the counter party. SBTS then electronically matches these orders on strict fee/time precedence and hence reduce down on time, value and danger of blunders, in addition to on fraud resulting in advanced operational performance.

D) Threat management: some of measures have been taken to manipulate the risks inside the marketplace in order that the participants are safe and marketplace integrity is protected. This consists of:

- i. buying and selling Cycle
- ii. Dematerialisation
- iii. Derivatives
- iv. Agreement assure

Avenues in Advance

SEBI is operating constantly and in close co-ordination with the regulated and the authorities, to enhance market layout to user in addition efficiency and transparency to market and make to be had more modern and more modern products to satisfy the various needs of marketplace individuals, while shielding buyers in securities. The goal is to make Indian securities marketplace a version for other jurisdictions to comply with and make SEBI the most dynamic and respected regulator globally. A number of the projects on which SEBI is operating are:

A) Installation a country wide institute to build a cadre of professionals to guy the specialised functions in the securities marketplace. We also are running on a national certification to ensure that any character or agent working with a

marketplace middleman has the important information and ability to render nice intermediation.

B) Corporatize and demutualise exchanges where the ownership and the management and trading rights would be with 3 exclusive sets of people if you want to keep away from struggle of hobby.

C) Introduce market wide straight via processing from exchange initiation to settlement.

D) Migrate to T+1 rolling agreement.

E) Constantly overview and improve accounting requirements, disclosures, company governance practices in the interest of traders.

F) Constantly assessment and amend the numerous rules to carry them in song with dynamics of marketplace requirements.

G) Introduce new products inside the market to meet all varieties of desires of marketplace contributors.

We will continue to work to improve the functioning of the securities market to satisfy the challenges of the converting surroundings. We can accomplish that because we are fully satisfied that securities market allows people to do greater with their savings and to do extra with their ideas and skills than would otherwise be feasible. Within the system, we'd ensure that every citizen of the United States participates within the securities marketplace in a few shape or different and shares the prosperity.

Latest Projects:

Let me now gift a listing of our recent projects. We have, most effective on nineteenth March 2004, thus so rationalized the margin trading and also the securities lending mechanism. This need to promote liquidity in the marketplace. We've additionally finished away with the auctions. The clearing organizations / houses have been authorized to borrow securities to finish agreement without resorting to auctions. Consequently there would be no quick transport in settlement. We have assigned NSDL the obligation to assemble and preserve an important registry of securities marketplace participants and experts. This would come very available in market surveillance. We have these days set up the significant listing Authority to dynamise list requirements and to trouble a gate bypass for access into buying and selling platform. We're within the method of appointing ombudsman to redress the grievances of investors expeditiously. We have delivered restrained STP in the securities leg for institutional buyers. We've got applied market wide T+2 rolling settlement. We've accelerated the availability of merchandise for trading by using making a spread of derivatives; along with interest price derivatives, company debt securities, and retail government securities, to be had on exchanges. We have drastically advanced disclosure and company governance standards.

Stock Exchanges of India

Stock exchanges facilitates the purchase and sell of shares, debenture and financial securities . It helps in mobilizing the resources of corporate sector.

As per SEBI there are 19 stock exchanges which are recognized. That are-

1. Ace Derivatives and Commodity exchange ltd. Mumbai
2. Ahmedabad stock exchange ltd.
3. BSE ltd –Mumbai
4. Bombay commodity exchange ltd. Vashi- Mumbai
5. Calcutta stock exchange ltd. –Kolkata
6. Chamber of Commerce- Hapur
7. Cotton association of India, Mumbai

8. Delhi stock exchange ltd. Delhi

9 .India Pepper and spice trade association , Kochi

10. Indian commodity exchange ltd. New Delhi

11. Magadh stock exchange ltd. Patna

12. Metropolitan stock exchange of India ltd. Mumbai

13. Multi commodity exchange of India ltd. Mumbai

14. National commodity and derivative exchange ltd. Mumbai

15. National multi commodity exchange of India ltd. Mumbai

16. National stock exchange ltd. Mumbai

17. Rajkot commodity exchange ltd. Rajkot

18. Spices and oilseed exchange ltd. sangli

19. Universal commodity exchange ltd. Navi Mumbai.

Management of stock exchange

Duties of the governing body:

- They make, amend. Suspend the operations of the byelaws, rules and regulations.
- They exercise the complete jurisdiction over all the member as they can admit, expel members.
- They regulate the trading of stock exchange.
- All the matters and activities which effect the stock exchanges are controlled , directed and supervised by the governing body.
- Members, their partners , authorized clerks, attorneys and employees are also given warning, fined, and suspended for malpractices.

Regional Stock Exchanges

These are owned, controlled and managed by the trading members. To elect office bearer , admit and expel members ,manage the properties and finances of exchange , resolve disputes and also manage the day to day affairs , these all powers are vested with the governing body.

OTCEI, BSE, NSE- these are those exchanges in which ownership and management are separated from the right to trade on exchanges.

Membership

Brokers are the most important intermediary or middle person who bring the buyers and purchaser in the stock market for the trade in exchanges and also help in discovery of price.

- BROKER- they are the recognized member of stock exchange which facilitate the trading in stock exchanges on screen based. And they are registered by SEBI.
- SUB BROKERS- They are also the member of stock exchange , registered with the SEBI .
- JOBBER- They deal with the broker who are engaged with investors as they are not allowed to deal with public directly.

Regulatory Framework

Securities contracts (regulation) act 1956- they control all the aspects of trading in securities.

- Companies act- this deals with the issue, allotment and transfer of securities and other aspects related to management of company.
- SEBI ACT 1992- they empower the SEBI with statutory powers.
- Depository system 1996- established with the objective of free transferability of shares and with speed, accuracy and securities.

SEBI Risk Management

The risk management of SEBI primary focus on the market risk , operational risk, systematic risk. For this SEBI keeps on reviewing the policies and draft the risk

management policies to mitigate these risk and thus improves the investors protection and also lead to market development.

Stock Brokers

With the growth in quantity of stock broking, human beings have loads of choice to choose from, however nevertheless it isn't clean to choose. You need to make certain of what is which you need. A few guidelines to keep in thoughts before selecting the brokers are:-

- 1) Full carrier or cut price broking
- 2) On-line trading vs. Offline/telephone buying and selling
- 3) How regularly do you change
- 4) Will you require recommendation to change
- 5) Do you have right of entry to the internet
- 6) Net savvy
- 7) Buying and selling platform furnished

History and Development of the Stock Exchanges

India's oldest and primary inventory exchange: Mumbai (Bombay) stock change. Hooked up in 1875. Extra than 6,000 shares listed.

- Total number of stock exchanges in India: there are 22 stock exchanges
- They are in: Ahmadabad, Bangalore, Calcutta, Chennai, Delhi and many others.
- There is also a countrywide stock exchange (NSE) that's placed in Mumbai.
- The (OTCEI) is an over the counter exchange of India (OTCEI) which permits list of small and medium sized agencies.
- The regulatory organization which oversees the functioning of stock markets is the Securities exchange Board of India (SEBI), which is also placed in Bombay.

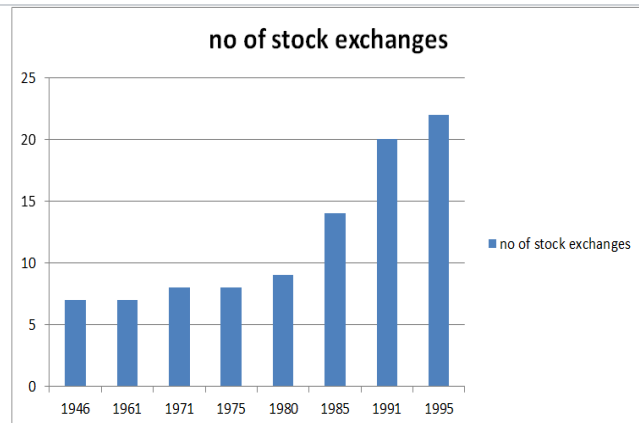
In India stock Exchanges are an organised market, both corporation and mutual organization, wherein members of the employer accumulate to exchange organisation stocks and other securities. The members may additionally act both as dealers for their customers, or as principals for their very own money owed. Inventory exchanges additionally facilitate for the issue and redemption of these securities and other monetary devices, which includes the payment of earnings and dividends. The record retaining is vital however exchange is linked to such physical place due to the fact modern markets are computerised. The trade on an alternate is best through members and stock broker do have a seat on the trade.

Records of Stock Exchanges in India

In 1860, the trade flourished with 60 brokers. In truth the 'proportion Mania' in India started while the American Civilbattle broke and the cotton supply from the USA to Europe stopped. In addition the brokers multiplied to 250.

At the stop of the war in 1874, the marketplace found an area in a avenue (now known as Dalal street).

In the year 1887, "native percentage and the inventory agents affiliation" became hooked up. In 1895, the change received a premise in the street which became inaugurated in 1899.



The Recent Developments in the Capital Market

The Indian regulatory and the supervisory framework of the securities market in India has been adequately reinforced through the legislative and administrative measures in the latest beyond. The regulatory framework for securities market is regular with the satisfactory international benchmarks, along with, standards prescribed by using international organization of Securities Commissions (IOSCO). Current capital market reforms and an agenda for reforms are given beneath.

Sizeable Capital market Reforms were undertaken at some stage in the Nineteen Nineties encompassing legislative regulatory and institutional reforms. Statutory marketplace regulator, which changed into created in 1992, became suitably empowered to adjust the collective funding schemes and plantation schemes via an modification in 1999. in addition, the business enterprise strengthening of SEBI and appropriate empowerment thru compliance and enforcement powers such as seek and seizure powers were given thru an modification in SEBI Act in 2002. Although dematerialization began in 1997 after the felony foundations for electronic e book retaining had been provided and depositories created the regulator mandated progressively that trading in most of the stocks take area most effective in dematerialised form.

Until 2001 India was the only sophisticated marketplace having account period settlement alongside the derivatives products. From middle of 2001 uniform rolling settlement and equal settlement cycles had been prescribed growing a true spot market.

	No of stock exchanges	No of listed companies	No of stock issue of listed companies	Capital of listed companies (Cr.Rs)	Market value of capital of listed companies (Cr. Rs.)	Capital per listed companies (4/2) (lakh Rs.)	Market value of capital per listed companies (5/2) (Lakh rs)	Appreciated value of capital per listed companies (lakh Rs.)
1946	7	1125	1506	270	971	24	86	358
1961	7	1203	2111	753	1292	63	107	170
1971	8	1599	2838	1812	2675	113	167	148
1975	8	1552	3230	2614	3273	168	211	126
1980	9	2265	3697	3973	6750	175	298	170
1985	14	4344	6174	9723	25302	224	582	260
1991	20	6229	8967	32041	110279	514	1770	344
1995	22	8593	11784	59583	478121	693	5564	803

After the felony framework for derivatives buying and selling become furnished by the modification of SCRA in 1999 derivatives trading commenced in a gradual way with stock index futures in June 2000. In a while alternatives and unmarried stock futures have been delivered in 2000-2001 and now India's derivatives marketplace turnover is more than the coins marketplace and India is one among the biggest unmarried stock futures markets within the global.

India's risk management systems have continually been very cutting-edge and powerful. The VaR based margining machine changed into brought in mid 2001 and the hazard management structures have withstood large volatility experienced in might also 2003 and can 2004. This covered actual time publicity monitoring, disablement of broker terminals, VaR based totally margining and so on.

India is one of the few countries to have began the screen based buying and selling of presidency securities in the January 2003.

In the June 2003, the interest rate futures contracts on the screen based totally buying and selling platform have been added.

India is one of the few nations to have started the instantly thru Processing (STP), for you to absolutely automate the technique of order waft and clearing and agreement at the stock exchanges.

RBI has delivered the real Time Gross agreement device (RTGS) in 2004 on experimental basis. RTGS will permit real delivery v/s. price which is the international norm identified by BIS and IOSCO.

To improve the governance mechanism of stock exchanges by using and mandating demutualization and also the corporatisation of stock exchanges and to defend the hobby of traders in securities marketplace the Securities legal guidelines (modification) Ordinance was promulgated on 12th October 2004. The Ordinance has on account that been changed by way of a bill.

Brokers in India

In the couple of years bargain brokers in India has increased and they are able to earn money and have a control in the risk and strictly comply with the SEBI rules.

Best discount brokers in India

There is not only single or just sold "satisfactory discount broking present in India", but with the needs and expectation we should choose the brokers as the discount brokers offer best services. Some are-

1. Zerodha- they are the primary broker which introduced the concept of brokerage in India. They have more than 50,000 clients in India and they are having the chief market section. They have effective brokerage plan of Rs 20 consistent exchange with no stings. They have advanced proprietary trading platform, the Pi in India, used for chart trading.
2. RKSV- they have nearly about 20,000 clients and offer zero brokerage for transport.
3. SAS- they are new bargain broking in blocks and have maximum competitive brokerage plan at Rs 9 /alternative. They offer limitless buying and selling plan.
4. Trade clever on-line- there expenses is Rs 15 consistent with trade and have operating out of Mumbai. They provide NEST ICON platform for trading.
5. Exchange jinni- started in 2013 and operating out of Bangalore. They don't provide month basis plan. Except Zerodha, all other provide exchange with agent. First class full service brokers in India
Some are Angel broking, ICICI Direct, motilal oswal.etc

Transaction in Stock Exchange

Inventory market place transaction- in financial market place, numerous securities are traded and some exclusive commercial enterprises transactions occurs, for instance, some but or sell shares of inventory inside the enterprises. Other involves promoting fairness or debt within capital market or acquisition or merger.

Some Transactions Are

Initial public providing (IPO) - known as stock market release; here organization's stock of inventory are offered to majority for primary time. Private corporation rework with public corporation. It is used to raise budget, monetizing investment and become publicly traded companies. IPO lets employers into large range of capacity investors for future enlargement, it also had risk in trading.

Secondary market place presenting - it is registered issue securities to general public. The blocks are held by buyers, whose sale proceeds visit to those holders and not the issuing companies. No new stocks are created and the proceeds from securities do not do any benefits to employers.

Transactions in Secondary Market Place

Securities are offered with aid of and transferred from one investors or speculators to another. They are liquid transactions. General rule is, higher the quantity of investors taking part in market place, the extra centralization of that market place vicinity and greater liquid that market is.

Non- public placement - here securities bought through private offerings and no longer via a public supplying. It also known as private placement. It offer shares in personal business.

Stock repurchase- known as proportion buyback and here reacquisition of own stock is done. In few countries, repurchase of own stock is done by distributing coins to existing shareholders. They even distribute the dividend to shareholders and profit saved for future investment.

The unique sorts of share trading order are- All or none order, GTC order, IOC order, restriction order, market place order, stoploss order etc.

Jobbers- they are independent broker who deals in securities in his personal behalf. Purchase securities on his own name and sell them when fees of these securities are grown and earn income. He works for earning and not for fees.

Lameduck- also called bear agent, who sell securities but they lose due to wrong prediction that percentage expenses will decline but it increase. They promote securities.

Insider trading- it trade in employers stock via a person who is associated with that enterprises and has secret fee of records and take advantage of the records of companies. It is criminal offenses and prohibited with the aid of inventory exchange.

Over the counter trading- buying and selling in those shares which aren't indexed on a stock exchange.

Commodity

What is 'Commodity Market Place'?

It is a bodily or digital market place for buying and selling and trading. They are of two types - tough and soft commodities.

Primary Commodity Exchanges

The essential exchanges in the USA, which exchange commodities, are domiciled in Chicago and New York with numerous exchanges in different locations in the us.

The Chicago Board of trade (CBOT) turned into established in Chicago in 1848.

Commodities traded at the CBOT as it consist of corn, oats, gold, silver, wheat, soybeans, rice and ethanol. The Chicago Mercantile exchange (CME) which trades commodities together with milk, butter, feeder livestock, farm animals, pork bellies, lumber and lean hogs The New York Board of exchange (NYBOT) thus lists that the commodities consist of coffee, cocoa, orange juice, sugar and ethanol trading on its exchange. The big apple Mercantile alternate (NYMEX) trades commodities on its change inclusive of oil, gold, silver, copper, aluminum, palladium, platinum, heating oil, propane and power.

Key commodity markets in nearby centers consist of the Kansas metropolis Board of change (KCBT) and the Minneapolis Grain trade (MGE). Those exchanges are usually centered on agriculture commodities. The London metal change and Tokyo Commodity alternate are outstanding worldwide commodity exchanges.

Commodities are predominantly traded electronically; but, several U.S. exchanges still take into use of the open outcry method. Commodity buying and selling performed outside the operation of the exchanges is known as the over the counter (OTC) market.

Regulation of Commodity Markets

Within the USA, the Commodity Futures the buying and selling commission (CFTC) regulates commodity futures and alternatives markets. The CFTC's goal is to sell aggressive, green and obvious markets that help shield clients from fraud, manipulation and unscrupulous practices. Law of commodity markets have continued to remain inside the spotlight after four leading investment banks were caught up in a treasured metals manipulation probe in 2014.

There are a few motives that commodities are separated into different sorts. First of all these exist to make it less difficult to examine expenses. These variations are also there for the benefit of buying and selling as properly to lead them to less complicated to analyze. Yet for nearly every single one of the types of commodities available, you may want to recognize a few fundamentals to get started out. In terms of which one is great for you, there are a few unique alternatives to bear in mind.

Energies: the primary in our listing has been very energetic these days. This one capabilities many exclusive products that provide power to warmness and electricity homes as well as businesses. This consists of petroleum, byproducts of petroleum, crude oil, heating oil, propane, natural gasoline or even coal. On this section of styles of commodities there may be a minimal rate that is set via the exchange. There may be also a preferred agreement size, that's the amount included through the futures settlement.

Grains: the next one on the listing of commodity kinds are grains. This consists of wheat, oat, corn, rice and soybean. it could additionally encompass loads of other various agricultural merchandise.

The Chicago Board of alternate or CBOT is involved with these sorts pretty a chunk. These are commonly sold as destiny trades. Those types of commodities have a minimal as well, and additionally a preferred settlement length.

Softs: Softs encompass espresso, cocoa, sugar, cotton and orange juice. The most commonplace alternate for those commodities is the espresso, Sugar and Cocoa change or CSCE. The cause that the oranges themselves are not traded as sorts is because eighty percentage of them are become frozen listen, so that is what is traded as an alternative. The Cotton Exchanges even has the call Frozen concentrated Orange Juice or FCOJ as one of the things they trade.

Meat: Meat is thus another type of a famous commodity. This includes stay cattle, beef bellies and lean hogs. That is in the main exchanged at the Kansas metropolis Board of change or KCBT. This is certainly in which traditionally, livestock have been traded. The commodity appears to be much less volatile than others. A number of times this specific commodity kind relies upon grain as nicely, since the grain feeds most of the farm animals.

Financials: The ultimate one of the commodity kinds we will look at, are called financials. This type is referred to right here because most alternate in futures or options, rather than the real goods. This means financial commodities are regularly indexed on the identical exchanges. This includes USA Treasury Bonds and can be discovered at the CBOT as well as the S&P 500 Indexes. This change additionally trades stocks as an economic commodity.

As you could see there are a few different sorts of commodities which might be obtainable. There are different exchanges wherein those various commodities are traded. Now as we know the basics, you need to experience a chunk cozier on the subject of navigating this maze of diverse commodity kinds.

Commodities virtually offer significant capacity to grow to be a separate asset class for marketplace-savvy investors, arbitrageurs and speculators. Retail buyers, who declare to understand the equity markets, might also find commodities an unfathomable marketplace.

However commodities are clean to apprehend as a ways as fundamentals of demand and deliver are involved. Retail traders ought to understand the risks and advantages of trading in commodities futures earlier than taking a leap. Traditionally, pricing in commodities futures has been less unstable in comparison with fairness and bonds, accordingly supplying an efficient portfolio diversification choice.

In truth, the dimensions of the commodities markets in India are likewise quite sizable. Of the country's GDP of Rs thirteen, 20,730 core (Rs 13,207.3 billion), commodities associated (and based) industries represent about fifty eight per cent.

Currently, the various commodities throughout the country clock an annual turnover of Rs 1,40,000 crore (Rs 1,400 billion). With the introduction of futures trading, the size of the commodities marketplace grows many folds here on.

Like any other market, the one for commodity futures plays a valuable role in facts pooling and danger sharing. The marketplace mediates between customers and sellers of commodities, and enables choices related to storage and intake of commodities. Inside the manner, they make the underlying market great.

DEPOSIT STRUCTURE (In Lakhs):**Deposit & Net Worth Requirements (Corporate/Limited Liability Partnership).**

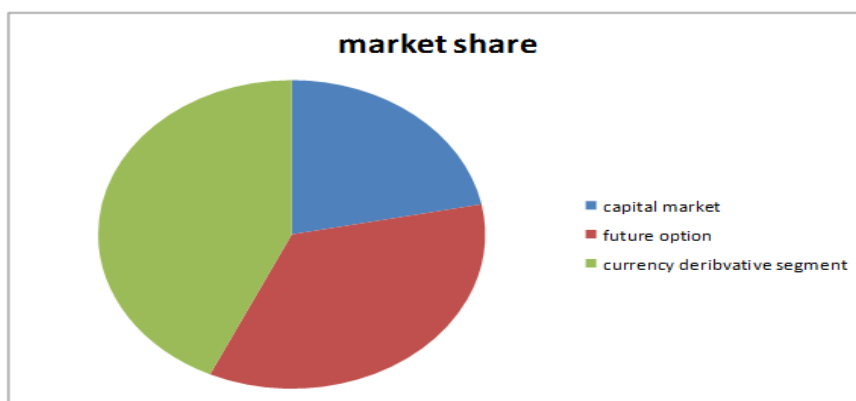
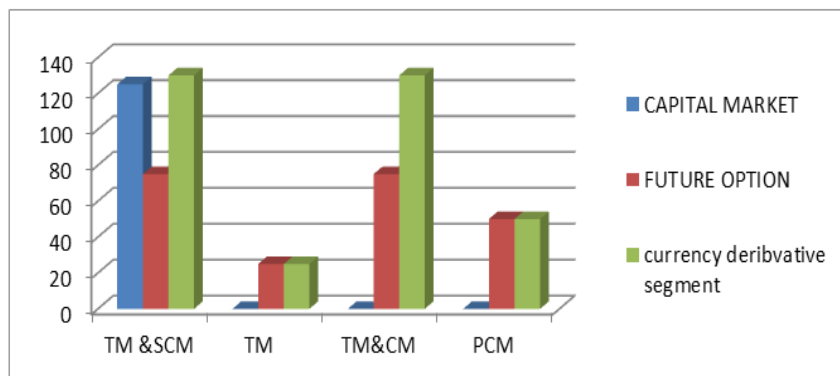
Segment	Type of Membership	Cash-NSEIL	Non-Cash NSEIL	Cash NSCCL	Non-Cash NSCCL	Total	Net Worth	
Capital Market	TM & SCM	85	-	15	25	125	100	
Futures & Options	TM	25	-	-	-	25	100	
	TM & SCM	25	-	25	25	75	100	
	TM & CM	25	-	25	25	75	300	
	PCM	-	-	25	25	50	300	
Currency Derivatives Segment	Existing Members	TM	2	8	-	-	10	100
		TM & SCM	2	8	25	25	60	500
		TM & CM	2	8	25	25	60	1000
	New Members	TM	2	13	-	-	15	100
		TM & SCM	2	18	25	25	70	500
		TM & CM	2	18	25	25	70	1000
	PCM	-	-	25	25	50	1000	

* TM = Trading Membership.

* TM & SCM = Trading and Self Clearing Membership.

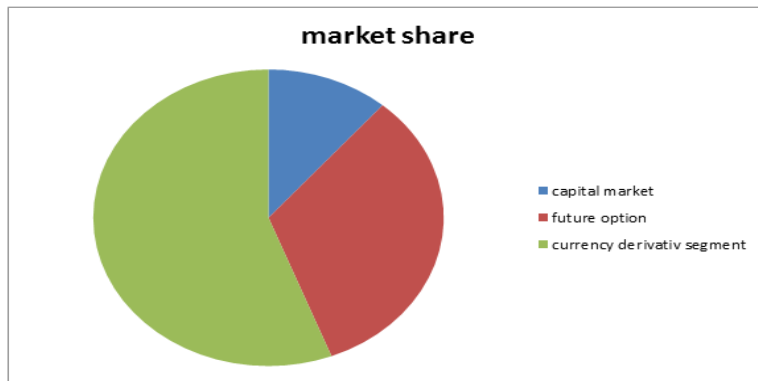
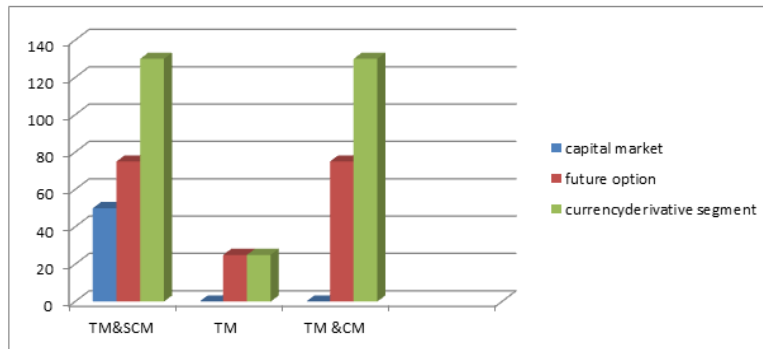
* TM & CM = Trading and Clearing Membership.

* PCM = Professional Clearing Membership.

**Deposit & Net worth Requirements (Individual / Partnership Firms).**

Segment	Type of Membership	Cash-NSEIL	Non-Cash NSEIL	Cash NSCCL	Non-Cash NSCCL	Total	Net Worth	
Capital Market	TM & SCM	26.5	-	6	17.5	50	75	
Futures & Options	TM	25	-	-	-	25	75	
	TM & SCM	25	-	25	25	75	100	
	TM & CM	25	-	25	25	75	300	
Currency Derivatives Segment	Existing Members	TM	2	8	-	-	10	100
		TM & SCM	2	8	25	25	60	500
		TM & CM	2	8	25	25	60	1000
	New Members	TM	2	13	-	-	15	100
		TM & SCM	2	18	25	25	70	500
		TM & CM	2	18	25	25	70	1000

- * TM = Trading Membership.
- * TM & SCM = Trading and Self Clearing Membership.
- * TM & CM = Trading and Clearing Membership.
- * PCM = Professional Clearing Membership.



Membership can be taken for any segments Individually or in combination:

Trading Member

This category of membership entitles a member to execute trades on his own account as well as on account of his clients but, clearing and settlement of trades executed through the Trading Member would have to be done through a Trading-cum Clearing Member or Professional Clearing Member of the Exchange

Trading Cum Self Clearing Member

This category of membership entitles a member to execute trades and to clear and settle the trades executed on his own account as well as on account of his clients.

Trading Cum Clearing Member

This category of membership entitles a member to execute trades on his own account as well as on account of his clients and to clear and settle trades executed by themselves as well as by other trading members who choose to use clearing services of the member.

Professional Clearing Member

This category of membership entitles a member to clear and settle trades of such members of the Exchange who choose to clear and settle their trades through this member.

BSE NET Worth of Different Types of member.

PCM- Professional Clearing Member

TCM- Trading Cum Member

	PCM	TCM	SCM	TM	LTM
Equity segment	3crore	3crore	1crore	25lacs	25lakhs
Derivative segment	3 crore	3 crore	-	25 lakhs	5 lkhs
Currency derivative membership	10crore	10crore	5crore	1crore	-

TM- Trading Member

SCM- Self Clearing Cum Member

LTM- Limited Trading Member

Other Types of Segment-

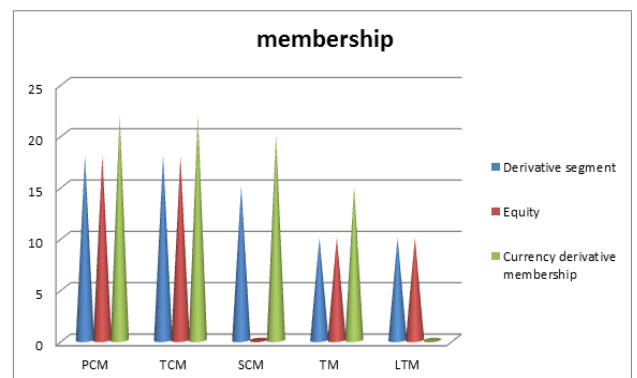
SLB- Initial Deposit- 10 Lakhs

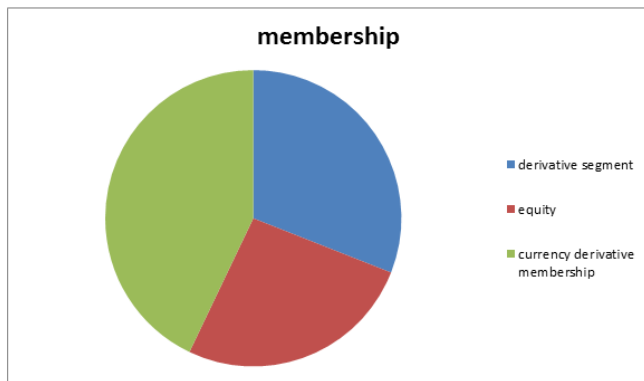
Mutual Fund Segment- 100,000 and started in 13 November 2009

Investors

	MARKET CAP.	NET PROFIT	EPS
Vikas Co.Ltd	904.4	(419.09)	(3.05)
Vegetable Product Ltd.	444.4	0.29	
Vcu Data Management Ltd.	401.5	(5.81)	(0.37)
Unisys Software & Hobling Industry Ltd.	920	0.24	0.01
Square Four Project Ltd.	415.9	(0.38)	0.04
Skyline Venture India Ltd.	60.8	(0.48)	(0.15)
Sinclair Hotel Ltd.	1916.0	4.11	0.71
Sayaji Hotel Ltd.	2811.6	(61.48)	(3.51)
Pawansuit Holding Ltd.	80.6	0.01	
Nero Corp International Ltd.	312.9	(36.30)	(0.96)

Deposit and net worth requirement of BSE





Conclusion

Antwerp was the first stock market system. So, earlier this stock market was known as 'Beurzen'.

East India company was the first recognized trade company among the public..

The first stock exchange was London stock exchange which was officially formed in 1801 as this company was not allowed to issue shares till 1825 so, it did not become globally popular. So New York stock exchange 1817 was established. London stock exchange was the main stock market for Europe and New York stock exchange was the main exchange for America and world.

In India the oldest stock exchange is BSE and second is NSE. BSE in 1986 came out with the stock index SENSEX that became the barometer for Indian stock market

Research Methodology:

Research in common parlance refers to a search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. Research is an art of investigation.

Before conducting any type of research and analysis and inference based on it, the first and the foremost thing is to collect the data and after that proceeding in a systematic

manner to finally reach at result. Research can be conducted by a researcher by:-

1. Understanding the organization:
2. Develop the statistical report
3. Analysis and interpretation of information

Methodology:

PRIMARY INFORMATION: To know why NSE is standing at a repetitive position among stock exchanges and its competitive advantage.

SECONDARY INFORMATION: To present the specialities of INDIAN STOCK MARKET which are shown through secondary data analysis.

Research Design:

It refers to the task of defining a research and its preparation for the design. Decisions regarding what, where, when, how much by what means considering an inquiry or research study constitute a research design.

- Exploratory Research
- Descriptive Research

Recommendations

- Aggressive promotions as they must use more effective advertising tools for better response from public.
- Tapping rural market as there is a need to create awareness in the rural India as they deserve a chance to be developed to their best potential.
- Awareness about Demat accounts and dematerialization to the public.
- It's better to buy wrong stocks at the right time than to buy the right stocks at the wrong time.
- As long as a market is acting right, don't rush to take profits.
- Don't trade in all stocks of one sector.