



Dear Market Participants,

We had the privilege of hosting you during our re-launch events at Mumbai and New Delhi. We sincerely thank you for participating in large numbers. Your presence was very heart-warming and boosted our confidence. Never before have we witnessed such a massive gathering in our events with such a great attitude willing to partner with us in our journey for achieving excellence. Our team will follow-up to achieve the desired results in Member Activation drive and enrolment of new members.

We are continuously focussing on expanding and improving our technology to ensure enhanced trading experience. Your Exchange has taken affirmative steps to add value at every stage of our revered partnership.

On the economic front, while the domestic stock markets are trading close to an all-time high, other global financial markets (Forex, Fixed income) are about to witness a twist in the tale. Since the inflation has turned hawkish, major monetary policy makers like BOE, ECB and US Fed may have to shift their policy stance. Towards this, US Fed has already started increasing interest rates while at the same time other central banks have opted to keep the interest rates lower. This led to dollar index touching lowest level post US Presidential elections. Also, if the inflationary pressure continues to ease out, the rally in the global bond markets will continue longer. On the other hand, if the dollar continues to depreciate, RBI will have a better edge as compared to other central banks.

Best Wishes,

Udai Kumar | MD & CEO

Market Watch

Securities	One Month Price Change (%)
Equity	
SX 40	-1.06
MSCI Emerging Markets	0.44
MSCI India	-0.73
Currency*	
USD	0.10
Pound	1.05
Euro	1.66
Yen	1.45
Bonds	
5 yr Gol	+0.84
10 yr Gol	+0.87
US 10 yr	-0.69

*This data pertains to currency pairs USDINR, GBPUSD, EURUSD, and USDJPY

Source: Bloomberg

Period: June 1-30, 2017

DID YOU KNOW?

MSE offers the best platform for Equity Block/Bulk Deals. With benefits of no slippage, better price and least transaction charges.

Free Passive Trades in Interest Rate Future, Currency Options, Equity Cash and Equity Derivative segments.

MSE offers product knowledge and training including NISM certifications.

MSE has a full-fledged electronic platform for trading of Corporate Bonds. MSE also has a separate platform for reporting of trades in Corporate Bonds, commercial papers and certificate of deposits, with a unique feature of Request for Quotes (RFQ).

MSE is in the process of introducing a platform that provides an Electronic Book (EBP) for receiving bids during private placement of Corporate Debt.

MEMBER ACTIVATION DRIVE

The member activation drive is on from June 2017 to facilitate easy access to all members to experience the enhanced exchange platform. All infrastructural and operational assistance are being provided along with business incentive schemes for a delightful experience of trading on MSE.

Easy Activation

- Trading exposure against membership deposit over and above BMC
- BMC in the form of cash equivalent (BG/FDR) is accepted
- No membership deposit for debt segment

Trading Infrastructure Free

- Connectivity to the Exchange via POP/VSAT/leased lines is provided at no cost
- Last-mile connectivity costs incurred by members, if any, reimbursed by the Exchange
- Interest-free deposit towards leased lines is not being collected by the Exchange
- Quarter rack co-location space provided at no cost
- Annual Subscription Charges not collected from members
- Advance Transaction Charges not collected from members

Lowest Transaction Charges

- Passive orders free for Currency Options, Interest Rate Futures, Equity Cash and Derivatives
- Second Least Transaction Charges on Currency Segment till ₹10,000 cr of monthly volumes
- Least Transaction Charges on turnover above ₹10,000 cr
- Least Transaction Charges in Debt, IRF, Equity

Business Incentive Schemes

- Reimbursement of clearing charges paid by TMs to CMs up to ₹10/cr of clearing volume
- Cost reimbursement for customised algo software up to ₹30 lac
- Business Loyalty Reward Programme (MY MSE) – up to 20% rebate on transaction charges
- Free installation for third-party trading applications – NOW, uTrade and ODIN
- Annual licence fees for CTCL IDs waived off
- Broker indemnity insurance cost reimbursed to MSE members
- Algo Test Lab facility with order feed provided at no cost
- Free MSE TWS for Debt segment



EXCHANGE UPDATES



MSE launches Network Operations Centre which shall provide the following services to members

- End-to-End visibility of member connectivity performance till the MSE data centre
- Proactive network monitoring to prevent service impact and network failure
- Proactive email alerts to member on identification of incidents
- Members shall be proactively aware of any connectivity problem and shall be able to identify and resolve the issues faster
- Expert insight to cut mean time for repair and allow cooperative problem-solving between the Exchange and Member

New Trading Software Version

- New version of trading software (11.6.16) was released in the market in Equity Capital Market (ECM), Equity Derivative Segment (EDS) and Debt Market Segment (DMS) of the Exchange
- Another new addition to the trading software is the latest version of the CTCL software:
 - CTCL software - Non FIX API version 11.17 and FIX API version 11.27 were released in the market

Member Contribution to the Core SGF

The Metropolitan Clearing Corporation of India Limited (MCCIL), the designated Clearing Corporation of the MSE, in view of the adequacy of Core SGF Corpus, has decided not to obtain upfront contribution from Clearing Members towards Core SGF with effect from July 01, 2017. However, the Clearing Corporation will continue to communicate on a monthly basis, the pre-determined core SGF contribution that may be obtained from clearing members in case of any shortage in the corpus of Core SGF.

Migration of PoP network to MPLS

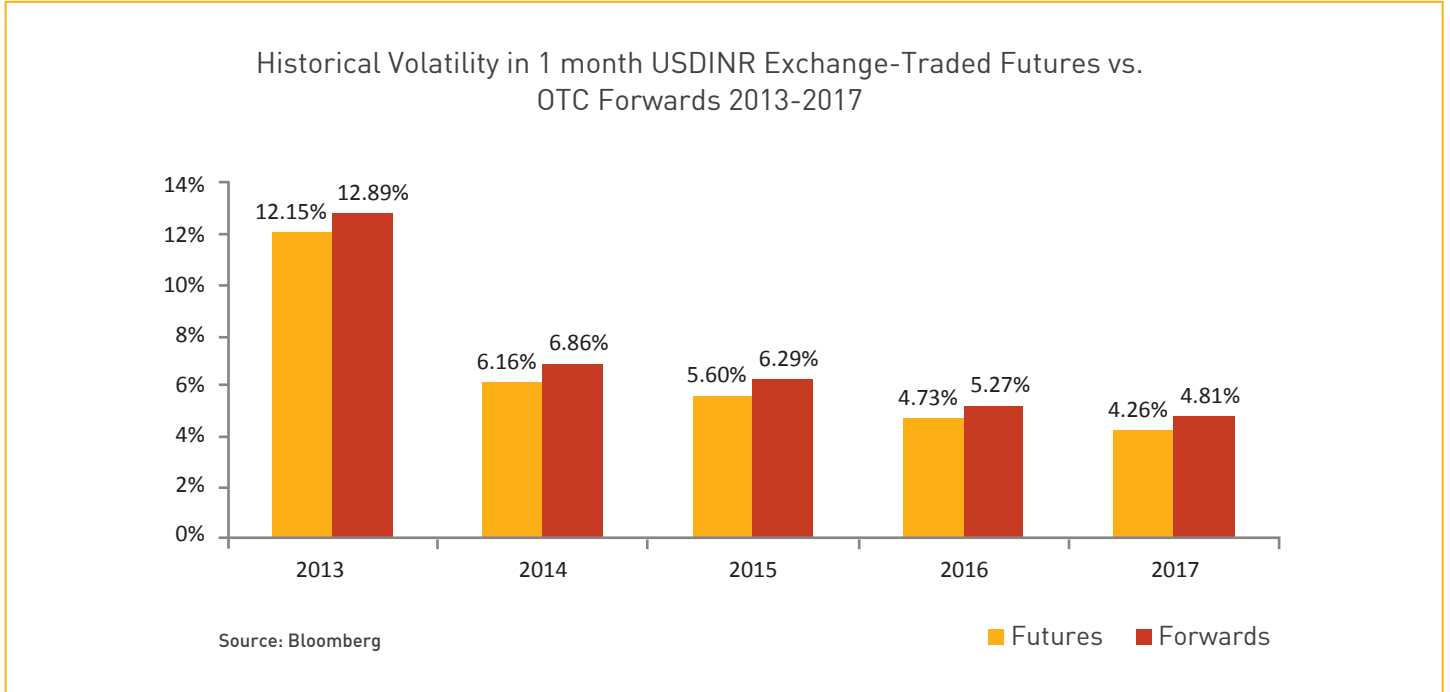
In order to provide quality services to members, the PoP network services will be migrated to 2 Mbps MPLS links by August 31, 2017, followed by discontinuation of PoP links from September 30, 2017.

Implementation of P2P network

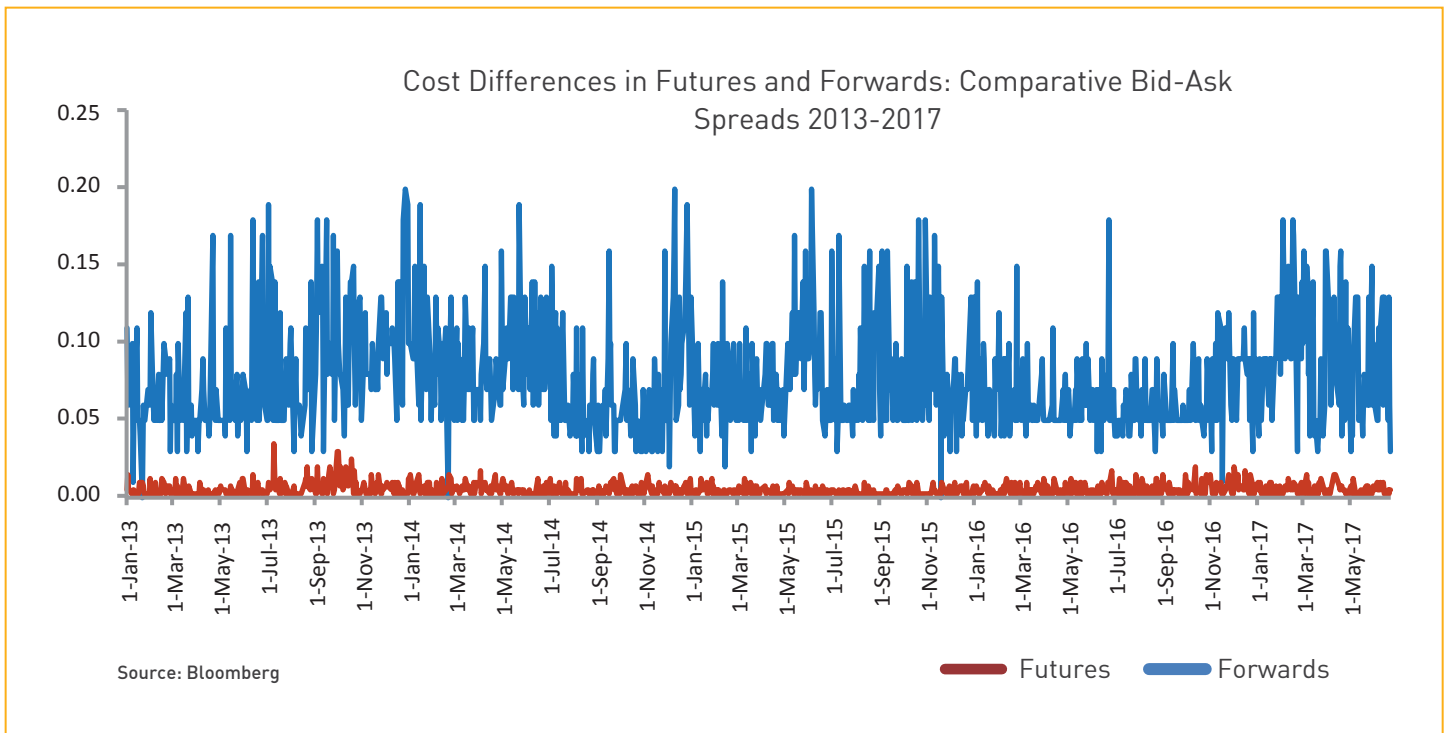
Exchange is in the process of implementing 2 Mbps Point-to-Point leased circuits, Members of Exchange can choose the mode of connectivity and service provider best suited for their business needs and requirement.

CURRENCIES: WHY EXCHANGE-TRADED FUTURES ARE SUPERIOR TO OTC FORWARDS

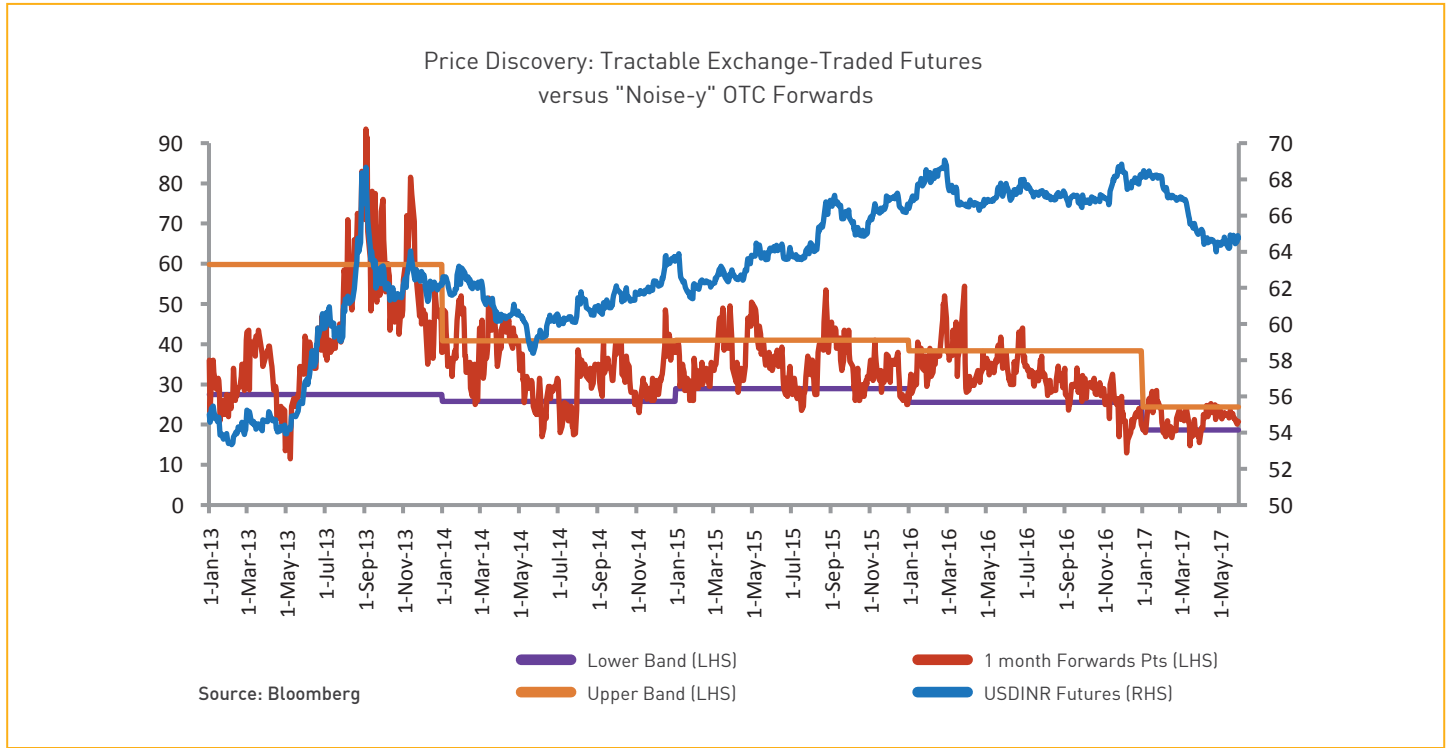
I. Volatilities: Consistently lower volatilities in Futures deliver better Risk Adjusted Returns than OTC Forwards to Traders. Lower volatilities make it cheaper to hedge with Futures.



II. Cost Savings: Comparative Bid-Ask Spreads show significantly lower transaction costs in Exchange-Traded Futures than in OTC Forwards. The spread in Exchange-Traded Futures is negligible as compared to the spread in OTC Forwards.



III. Superior Risk Management: Exchange-Traded Futures eliminate counterparty credit risk, so there is no need to make any provisions for settlement risk unlike with OTC Forwards.
 Pricing in Exchange-Traded Futures has much less “white noise” than OTC Forwards, implying much superior Marking-to-Market, P&L Computation and Risk Control.



MSE EVENTS

(MSE re-launch event at St. Regis, Mumbai)



(MSE re-launch event at Le Meridien, New Delhi)



IMPORTANT CIRCULARS

Participation of NRIs in the Currency Derivatives segment

SEBI has permitted Non Resident Indians (NRIs) to participate in the Exchange-traded currency derivatives market to hedge the currency risk arising out of their investments in India as per SEBI vide Circular No. SEBI/HO/MRD/DP/CIR/P/2017/63 dated June 28, 2017.

Review of Offer for Sale (OFS) of Shares through Stock Exchange Mechanism

Comprehensive guidelines on Offer for Sale of Shares through Stock Exchange Mechanism were issued. These guidelines have been modified from time to time based on the representation/suggestion received from various stakeholders vide Circular No. CIR/MRD/DP/ 65 /2017 dated June 27, 2017.

Consultation Papers issued by SEBI

- June 22, 2017 on Amendments/Clarifications to the SEBI (Investment Advisers) Regulations, 2013
- June 28, 2017 on Easing of Access Norm for Investment by Foreign Portfolio Investors (FPIs)

Clarification to Enhanced Supervision Circular

Exchange vide its Circular No. MSE/INSP/5279/2017 on captioned subject "Clarification to Enhanced Supervision Circular" has issued clarification and revised norms on the applicability and implementation of certain provisions of the earlier circulars on Enhanced Supervision in accordance with SEBI Circular No. CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017.

Acceptance of e-PAN Card for KYC purpose

SEBI has given approval for acceptance of e-PAN Card for KYC purpose vide Circular No. SEBI/HO/IMD/FIIC/CIR/P/2017/068 dated June 30, 2017.

ISIN for Debt Securities

SEBI has issued a specification related to International Securities Identification Number (ISINs) for debt securities vide Circular No. CIR/IMD/DF-1/67/2017 dated June 30, 2017.

Compulsory migration of PoP network to MPLS

In order to provide quality services to members at minimum cost, members are informed that PoP network services will be migrated to 2 Mbps MPLS links vide Circular No. MSE/IT/5273/2017 dated June 23, 2017.

Guidelines to determine Celebrity Status for the purpose of issuing advertisements

A Clause is stated in the Circular No. MSE/INSP/5255/2017 dated June 19, 2017 that, "No celebrities shall form a part of the advertisement/material". SEBI has issued guidelines for the same and requested the member to adhere the same.

Format of Common Contract Note Revised

In line with the changes stipulated by the Goods & Services Tax (GST) Rules, format of the Common Contract Notes was revised vide Circular No. MSE/INSP/5209/2017 dated June 6, 2017. Further to Exchange Circular No. MSE/INSP/5209/2017 dated June 6, 2017, and Circular No. MCX-SX/INSP/1232/2013 dated June 6, 2013, Exchange has issued Circular No. MSE/INSP/5256/2017 dated June 19, 2017 on Clarification on the format of Common Contract Note & Revised Contract Note format for Debt Segment.

Non-compliance with certain provisions of SEBI ICDR, 2009

Securities and Exchange Board of India (SEBI) has issued circular requiring Stock Exchanges to impose fines on the companies for non-compliance with certain provisions of ICDR Regulations vide Circular No. CIR/CFD/DIL/57/2017 dated June 15, 2017.

INDIAN ECONOMIC INDICATORS

Economic Indicators*			Policy Rates*	
	Current	Previous		
Forex Reserves	389.06\$B	386.38\$B	Bank Rate	6.50%
IIP (YoY)	1.7%	2.7%	Repo Rate	6.25%
CPI (YoY)	1.54%	2.18%	Reverse Repo Rate	6.00%
WPI (YoY)	0.90%	2.17%	CRR	4.00%
Quarterly GDP Growth (YoY)	6.10%	7.00%	SLR	20.00%
Bank Credit Growth (QoQ)	6.10%	6.00%	Call Money Rate	6.10%

*Source: RBI Website

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*As on July 21, 2017

Economic Calendar for the Period July 11, 2017 to August 10, 2017

Monday	Tuesday	Wednesday	Thursday	Friday
	11 MSE Event (Mumbai) US Fed's Brainard Speaks US Fed's Williams Speaks	12 UK Claimant Count Rate India CPI India IIP US Fed Chair Yellen Testimony US Fed's George Speaks	13 Germany CPI France CPI US Fed Chair Yellen Testifies US Fed's Evans Speaks China Trade Balance	14 MSE Event (New Delhi) US CPI US Fed's Kaplan Speaks US IIP Japan IIP India WPI India Trade Balance
17 China GDP China IIP	18 UK CPI Eurozone CPI	19 US Building Permits US Crude Oil Inventories US Housing Starts	20 Japan BoJ Kuroda Speaks Japan BoJ Policy Meeting Eurozone ECB Rate Decision Japan Trade Balance	21
24 US Existing Home Sales Eurozone Mfg PMI Eurozone Services PMI US Mfg PMI US Services PMI Germany Mfg PMI Japan PMI Mfg	25 Japan BoJ Minutes Germany IFO Business Climate	26 US Crude Oil Inventories UK GDP US New Home Sales US FOMC Interest Rate Decision	27 US Durable Goods Orders Germany GfK Consumer Confidence	28 France CPI Germany CPI US GDP France GDP Japan CPI
31 MSE event (Kolkata) Eurozone CPI India Fiscal Deficit Japan IIP US Pending Home Sales	1 Eurozone GDP SA US ISM Mfg Eurozone Mfg PMI UK PMI Mfg US Mfg PMI India PMI Mfg Japan PMI Mfg	2 US ADP Employment Change US Crude Oil Inventories US Fed's Mester Speaks UK Construction PMI India RBI Policy Meeting	3 Eurozone Services PMI US Services PMI UK Services PMI India PMI Composite India PMI Services Japan PMI Services UK BoE Rate Decision	4 US Average Hourly Earnings US Change in Nonfarm Payrolls US Trade Balance US Unemployment Rate
7 Germany IIP	8 Germany Trade Balance China Trade Balance CNY	9 China CPI US Crude Oil Inventories US Nonfarm Productivity	10 UK IIP Japan Machine Orders UK Mfg Production India Trade Balance	

Source: Bloomberg

REGIONAL OFFICES

Ahmedabad:

Mr. Shivam Panchal

507, Sun Square, Near Hotel Nest, Off C.G. Road,
Ahmedabad 380 009
Mobile: +91 99255 96060

Chennai:

Mr. Khaja Mohideen

1-A, Akshaya Plaza, 55-56, Harris Road, Pudupet,
Chennai 600 002
Mobile: +91 94449 61706

Hyderabad:

Mr. Satyam Boini

Unit No. 412-B, 4th Floor, Down Town - The Mall,
Beside Lotus Hospital,
Lakdi-ka-pul, Hyderabad 500 004
Mobile: +91 96180 36520

Indore:

Mr. Subodh Kumar Singh

G-26/B, City Centre, 570, M.G. Road,
Opp. High Court,
Indore 452 001
Mobile: +91 90099 91035

Kolkata:

Mr. Manish Kumar

Room No. 602, Terrace Floor, Premise No. 24,
Manglam Bldg., Hemant Basu Sarani,
Kolkata 700 001
Mobile: +91 98304 43364

Kanpur:

Mr. Pratul Tiwari

Cabin No. 407, Krishna Towers, Civil Lines,
Uttar Pradesh, Kanpur 208 001
Mobile: +91 99181 61620

New Delhi:

Mr. Joji Sebastian

4 D, 4th Floor, Gopala Tower, 25 Rajendra Place
New Delhi 110 008
Mobile: +91 85870 53337

Jaipur:

Mr. Rahul Aggarwal

Mobile: +91 95499 93444



METROPOLITAN STOCK EXCHANGE

Mumbai-H.O. Mr. Ajit Singh, Mobile: +91 81698 10833

Vibgyor Towers, 4th Floor, Plot No. C-62, Opp. Trident Hotel, Bandra-Kurla Complex, Bandra (E), Mumbai 400 098. Tel: +91-22-6112 9000
For any query, contact your relationship manager or the customer service team at: customerservice@msei.in

Connect with us at www.msei.in   