



PR No.16/2020

**SEBI statement on market movement**

Over the last few days the Indian Stock Market has been moving in tandem with other global markets owing to concerns relating to **COVID-19 pandemic, resultant fear of economic slowdown, recent fall in global crude prices, etc.** As can be seen from the following table giving a comparative market movement of global indices, it indicates that the fall in the Indian indices has been significantly lower than the stock market in other countries. Movement of major global indices are tabulated below:

Region	Index	Closing Index Value as on 12/03/2020	Closing Index Value as on 31/01/2020	% Change
Russia	RTS	966.40	1,517.07	-36.30%
Brazil	BOVESPA	72,583.00	113,760.60	-36.20%
France	CAC	4,044.26	5,806.34	-30.35%
Germany	DAX	9,161.13	12,981.97	-29.43%
Argentina	MERVAL	28,351.89	40,105.04	-29.31%
United Kingdom	FTSE 100	5,237.50	7,286.01	-28.12%
United States	DJIA	21,200.62	28,256.03	-24.97%
United States	NASDAQ	7,201.80	9,150.94	-21.30%
Japan	Nikkei	18,559.63	23,205.18	-20.02%
India	Nifty 50	9,590.15	11,962.10	-19.83%
India	Sensex 30	32,778.14	40,723.49	-19.51%
Singapore	Strait Times	2,678.64	3,153.73	-15.06%
South Korea	KOSPI	1,834.33	2,119.01	-13.43%
Taiwan	TAIEX	10,422.32	11,495.10	-9.33%
Hong Kong	Hang Seng	24,309.07	26,312.63	-7.61%
China	Shanghai Composite	2,923.49	2,976.53	-1.78%

SEBI and Stock Exchanges have a robust risk management framework in place which automatically gets triggered in response to movements in the indices (BSE Sensex and NSE Nifty) as well as individual stocks both in cash and derivatives market. Some of these measures include:

- Value at Risk (VaR) Margin with initial margin to cover 99% risk of a transaction
- Extreme Loss Margin (ELM) to cover the residual risk of a transaction
- Collection of mark to market losses on daily basis
- Additional surveillance margins based on stress tests
- Circuit filters at index levels
- Circuit filters at stock levels
- Action on the basis of surveillance inputs
- Regular follow up by the clearing corporations with the clearing members for collection of margin and pay-in obligations.

The positions of margin payments, margin utilization, adequacy of collaterals (securities deposited by the brokers with the clearing corporations) and the pay-in's obligations being met by the clearing members (brokers) are being continuously monitored. Similarly, the settlement and clearance of trades are also being constantly monitored.

SEBI and Stock Exchanges are prepared to take suitable actions as may be required.

**Mumbai**

**March 13, 2020**