



SEBI tightens currency derivative norms to stem rupee fall

With an aim to help in government efforts to stem fall in rupee value, Sebi has tightened the exposure norms for currency derivatives to check large scale speculations in the market.

The decision was taken in consultation with banking regulator RBI late on Monday by Sebi, which regulates the entire gamut of capital markets, including trading in currency derivatives.

Currency derivative trading allows traders and investors to take forward views on various currency pairs, including rupee-dollar, and it was being felt that large-scale speculations on their future movements might be adding to the downward pressure on the Indian currency.

The exposure to all currency contracts for a broker has been capped at 15 per cent of their overall exposure or \$50 million, whichever is lower. For clients, this cap would be 6 per cent, or \$10 million, whichever is lower.

Sebi said that the new norms would be applicable with effect from July 11 and the changes have been decided in consultation with RBI "in the view of recent turbulent phase of extreme volatility in dollar-rupee exchange rate.

The current exposure limits for brokers and clients were the higher amounts of 15 per cent of their overall exposure or \$50 million, and 6 per cent or \$10 million, respectively.

The margin requirements are different across various categories and they are being increased by 100 per cent of the present rates for rupee-dollar derivative contracts.

ET Jul, 2013

Thomson Reuters Acquires Majority Stake In Omnesys Technologies

Thomson Reuters is buying a majority stake in Bangalore-based software service provider for securities and currency trades, Omnesys Technologies, for an undisclosed amount.

The present management of Omnesys will continue to run the company with non-promoter shareholders maintaining their stake.

The National Stock Exchange (NSE) holds a 26% stake in the company through its wholly owned subsidiary - Dotex. In 2010, Intelcap invested in the company and holds around 12% stake.

DealCurry.com Aug, 2013

In the News ..

Flash crash: SEBI blames NSE, says Emkay disaster due to inadequate risk management system

Lack of adequate RMS caused the 920-point flash crash on October 5, 2012.

ET, Jul 11, 2013

In a volatile mkt, Algo trading turnover touches new high

The share of algorithmic trading in the cash market touched a new peak in June 2013 as brokers upped the use of these complex automated trades to benefit from an increasingly volatile market.

Financial Express Jul 16, 2013

China Investigates Everbright Trading Glitch

Deluge of Buy Orders Briefly Sends Shanghai Index Up 5.6% ... rogue trade sparked wild swings in the market

WSJ Aug 18, 2013