

Headline: 'Cash markets will stay as they are'

Source: Business Standard

Date: 5 May 2018

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Stock exchanges have welcomed the Securities and Exchange Board of India's (Sebi's) move to extend trading hours for derivatives, **VIKRAM LIMAYE**, managing director and chief executive of the National Stock Exchange, tells **Shrimi Choudhary & Sachin Mampatta**. Edited excerpts:



Your first reaction to the Sebi move?

Good for the market. We have been saying this was needed from the hedging perspective. It will help take care of event risks, as it will provide an opportunity for investors to hedge when other markets are open. So, good for investors.

Does the settlement process need to be tweaked, as banks shut in the evening?

The commodities market is open till that time. We will have to figure the settlement mechanism. Maybe a rolling batch process, where up to a certain point the trades will get cleared and beyond a certain point on the following day.

Will you use this opportunity to extend timings for the cash segment?

This approval is only for the derivatives segment. For the cash segment, you have an enabling provision for a couple of more hours. Look at the global benchmarks. Everywhere in the world, cash markets are open for a limited time frame. So, we do not expect the cash markets to get extended beyond the current trading hours.

Will exchanges face any opposition from brokers, who are concerned about higher costs and manpower?

That might have been the case for the cash market. I don't think it will be so much of an issue for the derivatives market. Based on the feedback we have got from our trading members, they are quite happy with this announcement.

How will NSE implement the extended trading hours?

The announcement is only a few hours old.



We will have to get together internally and figure how this will happen. Suffice to say it is feasible and will be done in a logical way. We will have to take care of the concerns of everyone involved in the process.

How soon will you approach Sebi?

We have time up to October 1 to launch this. That is enough time. We will get to Sebi well in advance and be ready from October 1.