

# THE SINDHUK

THE WORLD'S FAVOURITE TRADING MAGAZINE



From come back  
**TO INDIA**

Let's travel to  
**NSE & BSE**

Editors  
**BISWAJIT MALAKAR**

# FROM NSE & BSE

BY SUTIRTHA MALAKAR

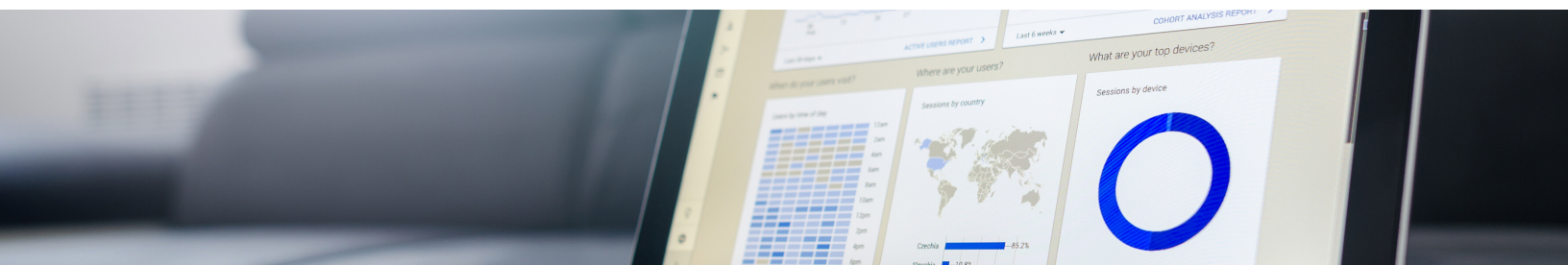
What is BSE and NSE and Nifty?

In India, there are two major stock exchanges – NSE or National Stock Exchange & BSE or Bombay Stock Exchange. BSE is the oldest stock exchange in Asia while NSE is the largest in the country. Sensex & Nifty are indexes or indicators that offer a general idea about whether most of the stocks have gone up or down.

**I ALWAYS KNEW I WAS GOING TO BE RICH. I DON'T THINK I EVER DOUBTED IT FOR A MINUTE.-WARREN BUFFETT**

Which is better NSE or BSE?

The main difference between BSE and NSE is that the trading volume of individual stocks in NSE is much higher than in BSE. The NSE is a better choice for those who want to do 'Day Trading' and risk doing Share Trading with Derivatives, Futures and Options.



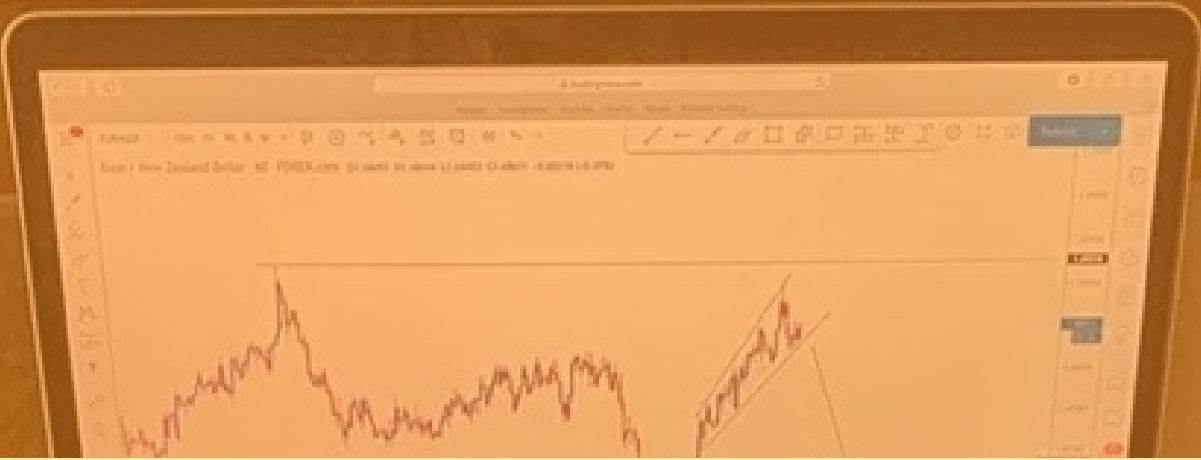


# STOCK MARKET: WORLD VIEW

**BY BISWAJIT MALAKAR**

A stock market, equity market or share market is the aggregation of buyers and sellers of stocks (also called shares), which represent ownership claims on businesses; these may include securities listed on a public stock exchange, as well as stock that is only traded privately, such as shares of private companies which are sold to investors through equity crowdfunding platforms. Investment in the stock market is most often done via stockbrokerages and electronic trading platforms. Investment is usually made with an investment strategy in mind. Stocks can be categorized by the country where the company is domiciled. For example, Nestlé and Novartis are domiciled in Switzerland and traded on the SIX Swiss Exchange, so they may be considered as part of the Swiss stock market, although the stocks may also be traded on exchanges in other countries, for example, as American depository receipts (ADRs) on U.S. stock markets.

The total market capitalization of equity backed securities worldwide rose from US\$2.5 trillion in 1980 to US\$68.65 trillion at the end of 2018. As of December 31, 2019, the total market capitalization of all stocks worldwide was approximately US\$70.75 trillion. As of 2016, there are 60 stock exchanges in the world. Of these, there are 16 exchanges with a market capitalization of \$1 trillion or more, and they account for 87% of global market capitalization. Apart from the Australian Securities Exchange, these 16 exchanges are all in either North America, Europe, or Asia. By country, the largest stock market as of January '20 are The United States of America (about 54.5%), followed by Japan (about 7.7%) and the United Kingdom (about 5.1%).

A laptop is shown from a top-down perspective, displaying a financial chart on its screen. The chart features a jagged line graph with a red trend line and a blue shaded area. The background of the entire image is a warm, orange-toned photograph of a person's hand holding a coffee cup, with a wooden table surface visible. A large, semi-transparent white rectangle is centered over the laptop screen, containing the main text.

**WE SIMPLY ATTEMPT TO BE  
FEARFUL WHEN OTHERS ARE  
GREEDY AND TO BE GREEDY  
ONLY WHEN OTHERS ARE  
FEARFUL.**

**WARREN BUFFETT  
CEO OF BERKSHIRE HATHAWAY**

# NATIONAL STOCK EXCHANGE OF INDIA



## BOMBAY STOCK EXCHANGE



### BY SUTIRTHA MALAKAR

The National Stock Exchange of India Limited (NSE) is the leading stock exchange of India, located in Mumbai. The NSE was established in 1992 as the first dematerialized electronic exchange in the country. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the length and breadth of the country. Vikram Limaye is Managing Director & Chief Executive Officer of NSE. National Stock Exchange has a total market capitalization of more than US\$2.27 trillion, making it the world's 11th-largest stock exchange as of April 2018. NSE's flagship index, the NIFTY 50, the 50 stock index is used extensively by investors in India and around the world as a barometer of the Indian capital markets. Nifty 50 index was launched in 1996 by the NSE. However, Vaidyanathan (2016) estimates that only about 4% of the Indian economy / GDP is actually derived from the stock exchanges in India. Unlike countries like the United States where nearly 70% of the GDP is derived from larger companies and the corporate sector, the corporate sector in India accounts for only 12-14% of the national GDP (as of October 2016). Of these only 7,800 companies are listed of which only 4000 trade on the stock exchanges at BSE and NSE. Hence the stocks trading at the BSE and NSE account for only around 4% of the Indian economy, which derives most of its income-related activity from the so-called unorganized sector and households. Economic Times estimated that as of April 2018, 60 million (6 crore) retail investors had invested their savings in stocks in India, either through direct purchases of equities or through mutual funds. Earlier, the Bimal Jalan Committee report estimated that barely 1.3% of India's population invested in the stock market, as compared to 27% in USA and 10% in China.

### BOMBAY STOCK EXCHANGE

The BSE, formerly known as the Bombay Stock Exchange Ltd. is an Indian stock exchange located at Dalal Street, Mumbai. Established in 1875, it is Asia's oldest stock exchange. The BSE is the world's 10th largest stock exchange with an overall market capitalization of more than \$2.2 trillion on as of April 2018.

The Rocky stock exchange was founded by Premchand Roychand, an influential businessman in the 19th-century Bombay. He made a fortune in the stockbroking business and came to be known as the Cotton King, the Bullion King or just the Big Bull. He was also the founder of the Native Share and Stock Brokers Association, an institution that is now known as the BSE. While BSE Ltd is now synonymous with Dalal Street, it was not always so. The first location of the earliest stock broker meetings in the 1850s was in a much more natural setting — under banyan trees — in front of the Town Hall, where Horniman Circle is now situated. A decade later, the brokers moved their location to another leafy setting, this time under banyan trees at the junction of Meadows Street and what was then called Esplanade Road, now Mahatma Gandhi Road. With a rapid increase in the number of brokers, they had to shift places repeatedly. At last, in 1874, the brokers found a permanent location, the one that they could call their own. The new place was, aptly, called Dalal Street (Brokers' Street).