

Securities lending on India's NSE booms

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Shares such as those of the State Bank of India (SBI), Punjab National Bank, Mundra Port and LIC Housing Finance are among the large caps trading at a considerable premium in the cash market compared with their one-month forward prices.

Last month, the segment on the NSE witnessed a total of about 8.8 million shares traded through 1,671 transactions — a huge jump from the monthly average of 300 transactions seen for most of this year.

Going forward, experts see wider participation if an active physical settlement market in the derivatives segment is developed, notes DNA.

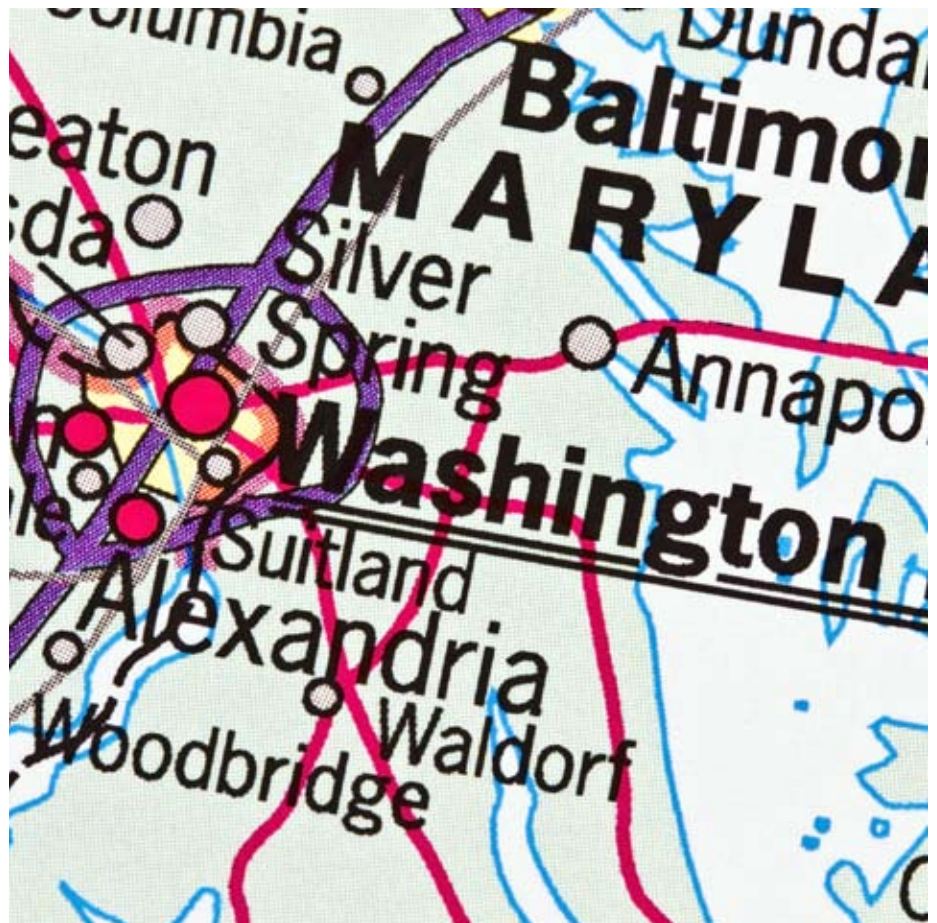
Thailand reports sec lending boom

The securities lending and borrowing market in Thailand has had its busiest year ever, thanks to a combination of economic uncertainty in Europe and a recent relaxation of controls on trading.

The practice only picked up the past few years as the Thai SEC relaxed the rules allowing retail investors to use securities lending for short-selling through cash accounts, making it more convenient, coupled with the lower cost in a more competitive market.

Naruemol Art-amnuayvipas, an executive vice-president of KGI Securities, said short-selling volume this year grew to more than 100 billion baht, similar to the total SBL amount. KGI, the leading broker in SBL, has a market share around 40 per cent, up from 30 billion baht last year.

"Brokers can only provide SBL for stocks in the SET50 [large capitalisation stocks] with high liquidity trading. The most active short-selling has been stocks in the SET30, but if the market remains volatile, SBL will continue to grow," said Naruemol.



Citi picks up the State of Washington mandate

Citi has been awarded a mandate to provide securities lending services through its OpenLend platform and custody for the State of Washington Office of the State Treasurer (OST). The OST manages the investments on behalf of the State and local government entities within the State of Washington.

"We selected Citi for our securities lending and global custody because their approach allows

us to personalise a programme to best meet our needs. We are particularly satisfied with the trading performance and high-touch services of its securities lending professionals," said Douglas Extine, deputy treasurer, State of Washington. "We also appreciate having direct access to Citi's agency lending desk and are impressed by the quality of the economic updates and global market intelligence it provides to its clients." OpenLend is an open architecture securities lending solution that leverages Citi's global presence, robust risk management controls and innovative trading strategies to help clients achieve their performance objectives.



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