

Conclusion

4.135 The securities markets have made enormous progress in recent years. India's equity market is now being increasingly recognised as a success story on the world scale.

4.136 The Forward Markets Commission had adopted the same sequence of reforms for the commodity futures markets as that adopted by the equity market in the early 1990s, which is to start with modernisation of the trading system. The focus of development in the commodity futures markets has shifted to the three 'multi-commodity exchanges', which are all based on anonymous order matching by computer. These efforts will need

to be followed through with improvements in clearing and settlement, and strengthening the regulatory framework.

4.137 In the bond market, important progress has been achieved in the problem of clearing, with the use of the Clearing Corporation of India (CCIL). From April 2004, DVP-3 is in place, which implies that the efficiencies of netting are now available for both securities and funds. CCIL is also playing a valuable role with multi-lateral netting for the currency spot market. The CBLO market is India's first success in shifting to a transparent trading mechanism in the bond market.