

# Financial markets prefer stability, predictability: FM

## Warns of unchecked explosion in F&O retail trades

PHOTO: PTI



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**NIRMALA SITHARAMAN**

Union Finance Minister

**SUNDAR SETHURAMAN**

Mumbai, 14 May

**F**inancial markets prefer stability and predictability when it comes to taxation and policies, Union Finance Minister (FM) Nirmala Sitharaman said on Tuesday while interacting with the media on the sidelines of a BSE event.

"I inherently believe that stock market conduct is based on its own wisdom. It has its assessment of the situations globally and in other markets. There is absolutely no doubt that Prime Minister Narendra Modi and the Bharatiya Janata Party (BJP) will come back with good numbers. So the (concerns) around stability due to which the volatility is fluctuating, there is no need for that," said Sitharaman.

The India Vix index, known as the fear gauge, has almost doubled in the past 14 trading sessions amid concerns over the Modi government's victory margin. The index spikes when traders expect markets to see sharp swings over the next 30-day period.

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# FM ...

Later, addressing an event at BSE, Sitharaman said an unchecked explosion in retail trading in the futures and options (F&O) segment could create challenges not just for the markets but also for investor sentiment and household finances. The FM, however, urged stakeholders to engage in proactive consultation before tweaking any regulations. According to sources, India's financial regulators are planning to set up an expert committee to assess the stability and risks that growing dominance of derivatives markets could pose.