

India launches mobile phone share trading

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Indian bankers use mobile-based trading service at the Bombay Stock Exchange in Mumbai on September 21, 2010. India has launched stock trading on mobile phones, hoping to capitalise on the country's position as the world's fastest-growing handset market by catering to tech-savvy investors.

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Asia's oldest stock market, the Bombay Stock Exchange (BSE), started trading in shares on mobile phones on Tuesday while the rival National Stock Exchange (NSE) plans to launch a similar service early next month.

Trading on mobile phones is picking up globally, particularly in Asia, where equity markets are on the rebound from the global [financial meltdown](#) of 2008.

The new form of trading kicked-off in India as share prices hit a near three-year high, led by strong overseas fund inflows and optimism that Asia's third-largest economy could grow at nearly nine percent in coming years.

Both the BSE and NSE have tied up with local [mobile phone](#) operators and software firms to provide a real-time data feed and trading products.

Users will now be able to buy and sell shares, view live index and stock prices, as well as get margin and net investment positions on their phones.

BSE chairman S. Ramadorai said: "We believe that this will advance the development of financial inclusion through higher penetration of capital markets... by leveraging the mobile telecom infrastructure in the country."

At least 35 accredited BSE brokers are eligible to provide mobile trading to their clients while at the NSE, at least 800 brokers are lining up to do the same.

"Mobile phone trading will pick up," said Rajiv Prabhakar, an analyst with Mumbai brokerage firm Sharekhan, through which nearly one million people trade across India.

India's investor community is estimated at between 10 and 20 million but those behind the scheme hope to capitalise on the buoyant state of the country's mobile phone sector.

One in 10 of the world's mobiles is sold in India, according to technology research specialists Gartner, and the country adds 15-17 million new mobile subscribers every month.

There are now an estimated 650 million subscribers.

But per capita ownership in a country of 1.2 billion people is still low at 57 phones per 100 people, offering massive growth potential in the years ahead, particularly as 3G "smartphones" become more available across the country.

Brokerages involved hailed the stocks initiative as empowering consumers.

But industry experts say trading on mobile phones is unlikely to supplant online trading anytime soon and initial usage may be limited simply to viewing market data.



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"A new set of investors may not emerge with the opening of a new

technology channel," said Monish Shah, financial services director of Deloitte India.

Mobile phone trading has picked up in Japan and South Korea. In Seoul, it accounts for nearly three percent of trading volume, according to stock exchange data.

Mobile banking, introduced two years back in India, "is yet to pick up" a Reserve Bank of India official has said, as transaction volumes remain low.

A recent Deloitte India study suggested nearly 70 percent of mobile phone users interviewed in Indian cities do not use mobile value-added services.

In the 22 to 36 age group, only half of those surveyed said they were comfortable viewing information online and the majority of people were not willing to make purchases online.

"The active-day trader will continue to trade online, and make calls to get market sensitive information, unavailable on a mobile," Monish told AFP.

Subho Roy, president of the Internet and Mobile Association of [India](#) industry body added: "It is in the interest of the stock markets to accept this new technology as there is a huge market base that can be tapped."

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