Trade-to-Trade (T2T) Segment in Stock Markets

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Trade-to-Trade (T2T) Segment Latest News

The Securities and Exchange Board of India (SEBI) is considering a major revamp of short-selling regulations, potentially allowing it for all stocks excluding those in the trade-to-trade (T2T) segment.

About Trade-to-Trade (T2T) Segment

- T2T stocks, or Trade-to-Trade stock means **stocks that must be delivered in order to be traded** (T+2 settlement).
- This implies that such equities **cannot be traded intraday** or, in the case of Buy Today Sell Tomorrow, on a daily basis.
- This means **if you acquire T2T stocks** today, you **won't be able to sell them until the settlement takes place.**
    - Your **order will be refused if you try to sell** these shares the **same day or before they are in the Demat account.**

- **Stocks are put under the T2T** segment by the exchanges **based on criteria** such as their p**rice-earnings ratio, price variations, market capitalisatio**n, etc.
- **Stocks that are very volatile** or have **irregular price movements** are monitored by exchanges in cooperation with the market regulator, SEBI.
- They **put stocks in the T2T section to shield regular investors from** being caught up in the **volatility** and to **limit unwarranted speculation** on such equities.
- **On a biweekly basis, exchanges relocate stocks to the T2T section,** and they are **shifted in and out** of the segment depending on quarterly evaluations.
- Also evaluated for transfer to the T2T sector are stocks that are not available for trade in the Futures & Options section.
- **How to identify stocks in the T2T segment?** Stocks in the T2T segment can be identified by changes in their scrip names:
    - **National Stock Exchange (NSE):** The **addition of the word "BE" to the scrip name.** For example, "ADANIPOWER" becomes **"ADANIPOWER BE"** in the T2T segment and reverts to "ADANIPOWER" after normal trading is allowed.
    - **Bombay Stock Exchange (BSE):** The **addition of the letter "T" to the scrip name**. For instance, "ADANIPOWER" changes to "ADANIPOWER T" when moved to the T2T segment.

Trade-to-Trade (T2T) Segment FAQs

Q1. What is intraday trading?

Ans. Intraday trading means buying and selling stocks within the same day to profit from price changes, closing all positions before the market closes.

Q2. What is market capitalisation?

Ans. It represents the total value of a company's outstanding shares in the stock market.

Q3. What is the National Stock Exchange (NSE)?

Ans. The National Stock Exchange (NSE) is a leading stock exchange in India, established in 1992 and headquartered in Mumbai.

Source: TH
