NSE

Circular

National Stock Exchange Of India Limited

| Department : CURRENCY DERIVATIVES SEGMENT | |
|---|---|
| Download Ref No: NSE/CD/42705 | Date : November 22, 2019 |
| Circular Ref. No: 40/2019 | |

All Members,

Introduction of trading on Interest Rate Options

This is in modification to Exchange circular NSE/CD/40653 dated April 03, 2019 regarding introduction of trading on Interest Rate Options. Members are requested to note that Exchange shall introduce Interest Rate Options w.e.f. December 09, 2019.

Below are the list of symbols on which contracts shall be made available for trading:

| Underlying bond | Symbol | Maturity date | Exclusion |
|---|---|---|---|
| 7.26% | 726GS2029 | 14-Jan-29 | Expiry of December 2020 |
| 6.45% | 645GS2029 | 07-Oct-29 | Expiry of September 2021 |

Details of the contracts that shall be available for trading are as mentioned below:

| Monthly Expiry | Quarterly Expiry |
|---|---|
| 26DEC2019 | 26MAR2020 |
| 30JAN2020 | 25JUN2020 |
| 27FEB2020 | 24SEP2020 |

Important Instructions:

1. Members are requested to download cd_contract.gz files from Extranet path/cdsftp/cdscommon and update the local database before trading on 09 December, 2019.
2. Contract Specification of the above options contracts is given in Annexure.

For and on behalf of
National Stock Exchange of India Limited

Aarti Surve
Senior Manager

| Toll Free No | Fax No | Email id |
|---|---|---|
| 1800-266-0050 | +91-22-26598155 | msm@nse.co.in |



Regd. Office : National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769

Annexure
Contract Specifications for Interest Rate Options

| | |
|---|---|
| Instrument Name | Interest Rate Options |
| Underlying | Government of India Security eligible for Interest rate futures (IRF) |
| Symbol | Same as for IRF |
| Option type | Premium style European Call & Put Options |
| Market Type | N |
| Instrument Type | OPTIRC |
| Unit of trading | Rs. 2 lakhs face value of GOI securities equivalent to 2000 units. Members shall place orders in terms of number of lots. |
| Order Quotation | Premium on the quoted price of GOI security |
| Tick size | Rs.0.0025 |
| Contract trading cycle | 3 serial monthly contracts followed by 3 quarterly contracts of the cycle March/June/September/December |
| Strike price intervals | 0.25 |
| Strike price | 8 In-the-money, 8 Out-of-the-money and 1 Near-the-money |
| Price Band | Contract specific price range based on its delta value computed and updated on daily basis |
| Trading hours | 9:00 a.m. to 5:00 p.m. (Monday to Friday) |
| | The trading hours shall be aligned with that of underlying market in case of change of trading hours of underlying NDS-OM platform. |
| Trade modification / Trade Cancellation request / Give-up Approval of custodian trades | 9.00 am to 5.30 pm (Monday to Friday) |
| Quantity Freeze | 1251 lots or greater i.e. orders having quantity up to 1250 lots shall be allowed. |
| Base price | Theoretical price on the 1st day of the contract and daily closing price on all other days |
| Last trading day | Last Thursday of the month. In case the last Thursday is a trading holiday, the previous trading day shall be the expiry/last trading day |
| Final Settlement Price | Weighted average price of the underlying bond based on the prices during the last two hours of the trading on NDS-OM. If less than 5 trades are executed in the underlying bond during the last two hours of trading, then FBIL price shall be used for final settlement |
| Daily Settlement | Daily premium settlement on T+1 in cash |
| Final settlement | Exercise settlement on T+1 in cash |