Headline: NSE gets Sebi nod for cross-currency derivatives	
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Economic Times

Cross-Currency F&O Contracts in Multiple Pairs

Market regulator Sebi on Tuesday allowed NSE and BSE to introduce cross-currency futures and option contracts in multiple currency pairs. The cross currency futures will be available in various pairs, including Euro (EUR)-US Dollar (USD), Pound Sterling (GBP)-USD and USD-Japanese Yen (JPY). The market timings for cross currency derivatives only will be available till 7:30 pm. — Our Bureau

Financial Express

NSE gets Sebi nod for cross-currency derivatives

THE NATIONAL STOCK Exchange on Tuesday said it has got the approval from the Securities and Exchange Board of India (Sebi) to launch cross-currency derivatives. The Exchange can now introduce cross-currency derivatives (Future and Options) on Euro-US Dollar, British Pound -US Dollar and US Dollar -Japanese Yen, it said in a statement. The market timings for cross-currency derivatives only will be available till 7:30 pm. NSE statement said this would help in direct hedging of foreign currency exposures and improving liquidity in existing currency contracts. The exchange has also received permission to introduce option on Euro-Rupee. British Pound-Rupee and Japanese Yen -Rupee in addition to existing US dollar-rupee.

Financial Chronicle

NSE gets nod to offer cross-currency derivatives in euro, pound and yen

FC BUREAU
New Delhi

THE National Stock Exchange (NSE) has on Tuesday got regulatory approval for introducing cross currency derivatives on the bourse. With the authorisation from the Securities and Exchange Board of India, the bourse can now introduce cross-currency derivatives, both futures and options, in pairs of euro-dollar, pound sterling-dollar and dollar-Japanese yen. (EUR-USD, GBP-USD and USD-JPY).

Trading in these derivatives will close at 7:30 pm.

This apart, the NSE has also received Sebi permission to introduce options on EUR-INR, GBP-INR and JPY-INR. Dollar-rupee options are already available on the bourses.

In a release, NSE said some benefits from cross-currency derivatives include adoption of global best practices such as migration from OTC (over-the-counter) to exchange trading, direct hedging of foreign currency exposures and improved liquidity in existing currency contracts.

Meanwhile, Sebi has given stock exchanges flexibility in the computation methodology of daily contract settlement value of interest rate futures (IRFs).

IRF is a contract between a buyer and a seller agreeing to the future delivery of any interest-bearing asset such as government bonds.

The cash-settled IRFs provide market participants an option to hedge risks arising from fluctuations in interest rates, which depend on various factors, including RBI policy, demand for liquidity and flow of overseas funds.

In a circular, Sebi said the daily contract settlement value would be calculated based on the volume weighted average futures price of last half an hour.

In the absence of last half an hour trading, theoretical futures price would be considered for computation of daily contract settlement value. For computing theoretical futures price, volume weighted average price of underlying bond in last two hours of trading would be considered.

In case of no trades in the last two hours of trading, exchanges can consider a theoretical price with reference to FIMMDA (fixed income money markets and derivatives association rates) or the volume weighted average price of underlying bond in the entire day. Further, if there are no trades in the entire day, the previous day's theoretical price would be considered. The same can be considered up to maximum five trading days.