

Circular No.: MSEI/CDS/TRD/5134/2017

May 12, 2017

Cash Settled Interest Rate Futures (IRF) on 10 year Government of India (GoI) Securities

In terms of provisions of the Rules, Bye-Laws and Regulations of the Exchange and in continuation to circular No.: MSEI/CDS/TRD/3533/2015 dated November 10, 2015 on Exchange Traded Cash Settled Interest Rate Futures (IRF) on 6 year, 10 year and 13 year Government of India (GoI) Security, members of the Exchange are notified as under:

Cash Settled Interest Rate Futures (IRF) on 10 year Government of India (GoI) Security in the Currency Derivatives Segment will be available on the following bond with effect from **Tuesday, May 16, 2017**:

- 6.79% Government of India Bond maturing on May 15, 2027

The list of contracts made available for trading are as follows:

Future Contracts:

Underlying Bond	Instrument	Symbol	Monthly Contracts	Three Quarterly Contracts
6.79% Government of India Bond maturing on May 15, 2027	FUTIRF	679GS2027	May 2017 June 2017 July 2017	September 2017 December 2017 March 2018

Spread Contracts:

Instrument	Symbol	Description
FUTIRF	679SP5617	679GS2027MAYJUNSPREAD2017
FUTIRF	679SP5717	679GS2027MAYJULSPREAD2017
FUTIRF	679SP6717	679GS2027JUNJULSPREAD2017

The product specification of 679GS2027 is attached as Annexure.

For any clarifications, contact Customer Service on 022-61129010 or send email to customerservice@msei.in

For and on behalf of
Metropolitan Stock Exchange of India Limited

Shalini Rebeiro
Sr. Manager

Metropolitan Stock Exchange of India Limited

Contract Specification for IRF contract

	10 year Government of India (GoI) Security
Symbol	679GS2027
Instrument Type	FUTIRF
Unit of trading	Each futures contract shall represent 2000 underlying bonds of total face value of INR 2,00,000/-.
Underlying	6.79% Central Government Security having maturity on May 15, 2027
Coupon	6.79%
Trading hours	Monday to Friday 9:00 AM to 5.00 PM
Contract Value	Quoted price * 2000
Quotation	One Bond of face value ` 100
Tick size	0.25 paise (or INR 0.0025)
Contract trading cycle	Three serial monthly contracts followed by three quarterly contracts of the cycle March/June/September/December.
Daily Contract Settlement Value	Daily settlement price (DSP) * 2000
Daily settlement price (DSP)	<p>DSP shall be calculated on the basis of the last half an hour volume weighted average price of such contract. In the absence of last half an hour trading on the Exchange, theoretical futures price shall be considered for computation of DSP.</p> <p>For computing theoretical futures price, following shall be considered:-</p> <ul style="list-style-type: none"> • Weighted average price of underlying bond in last two hours of trading on NDS-OM • If no trades are executed in the underlying bond then, a theoretical price with reference to FIMMDA rates shall be used.
Final Contract Settlement Value	Final Settlement price* 2000
Final Settlement price (FSP)	Final Settlement price will be arrived at by calculating the 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 FIMMDA price shall be used for final settlement.
Expiry/ Last trading day	The expiry / last trading day for the contract shall be the last Thursday of the expiry month. If any expiry day is a trading holiday/ shut period, then the expiry/ last trading day shall be the previous trading day.
Daily settlement	T+1
Final settlement	T+1

Settlement Mechanism	Settlement shall happen in cash in INR
Daily Price Range (DPR)/ Dynamic Price Bands	<p>3% of Previous Close/ Base Price</p> <p>Whenever a trade in any contract is executed at the highest/lowest price of the band, the Exchange may expand the DPR/ dynamic price band for that contract by 0.5% in that direction after 30 minutes after taking into account market trend. However, no more than 2 expansions in the price band shall be done within a day.</p> <p>Further, SEBI in consultation with RBI may halt the trading in case of extreme volatility.</p>