



## Metropolitan Stock Exchange of India Limited

Department: Market Operations

Segment: Currency Derivatives

Circular No: MSE/TRD/7202/2019

Date: January 11, 2019

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

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To All Members,

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 **Monday, January 14, 2019**:

- 7.26% Government of India Bond maturing on January 14, 2029

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

**Future Contracts:**

Underlying Bond	Instrument	Symbol	Monthly Contracts	Three Quarterly Contracts
7.26% Government of India Bond maturing on January 14, 2029	FUTIRF	726GS2029	January 2019 February 2019 March 2019	June 2019 September 2019 December 2019

**Spread Contracts:**

Instrument	Symbol	Description
FUTIRF	726SP1219	726GS2029JANFEBSPREAD2019
FUTIRF	726SP1319	726GS2029JANMARSPREAD2019
FUTIRF	726SP2319	726GS2029FEBMARSPREAD2019

The product specification of 726GS2029 is attached as Annexure.

For any clarifications, contact Customer Service on 022-61129010 or send an email to [customerservice@msei.in](mailto:customerservice@msei.in).

**For and on behalf of  
Metropolitan Stock Exchange of India Limited**

**Shalini Rebeiro  
Sr. Manager**

## Contract Specification for IRF contract

	<b>10 year Government of India (GoI) Security</b>
<b>Symbol</b>	726GS2029
<b>Instrument Type</b>	FUTIRF
<b>Unit of trading</b>	Each futures contract shall represent 2000 underlying bonds of total face value of INR 2,00,000/-.
<b>Underlying</b>	7.26% Central Government Security having maturity on January 14, 2029
<b>Coupon</b>	7.26%
<b>Trading hours</b>	Monday to Friday 9:00 AM to 5.00 PM
<b>Contract Value</b>	Quoted price * 2000
<b>Quotation</b>	One Bond of face value ₹100
<b>Tick size</b>	0.25 paise (or INR 0.0025)
<b>Contract trading cycle</b>	Three serial monthly contracts followed by three quarterly contracts of the cycle March/June/September/December.
<b>Daily Contract Settlement Value</b>	Daily settlement price (DSP) * 2000
<b>Daily settlement price (DSP)</b>	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.  For computing theoretical futures price, following shall be considered:- <ul style="list-style-type: none"> <li>• Weighted average price of underlying bond in last two hours of trading on NDS-OM</li> <li>• If no trades are executed in the underlying bond then, a theoretical price with reference to FIMMDA rates shall be used.</li> </ul>
<b>Final Contract Settlement Value</b>	Final Settlement price* 2000
<b>Final Settlement price (FSP)</b>	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.
<b>Expiry/ Last trading day</b>	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.
<b>Daily settlement</b>	T+1

<b>Final settlement</b>	T+1
<b>Settlement Mechanism</b>	Settlement shall happen in cash in INR
<b>Daily Price Range (DPR)/ Dynamic Price Bands</b>	<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>