



Metropolitan Stock Exchange of India Limited

Department: Market Operations

Segment: Currency Derivatives

Circular No: MSE/TRD/ 8640/2020

Date: February 07, 2020

Subject: Introduction of Weekly Derivatives contracts on Currency pairs and Interest Rate Futures

To All Members,

In terms of provisions of the Rules, Bye-Laws and Regulations of the Exchange and on the basis of approval received from SEBI; members of the Exchange are hereby notified about the introduction of Weekly Future and Option Contracts in Currency Derivatives segment.

The Exchange shall launch the following products with effect from February 24, 2020:

- Weekly Future contracts on USD-INR, EUR-INR, GBP-INR and JPY-INR
- Weekly Option contracts on EUR-INR, GBP-INR and JPY-INR
- Weekly Future contracts on EUR-USD, GBP-USD and USD-JPY
- Weekly Option contracts on EUR-USD, GBP-USD and USD-JPY
- Weekly Future contracts on Interest Rate Futures

The Product Description and Trading Parameters of above contracts are specified in the Annexure.

The Weekly contracts will be available for trading in the Mock Trading Session of February 8, 2020. (Refer Mock Trading Circular no. MSE/TRD/ 8623/2020 dated February 4, 2020).

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

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

**Shalini Rebeiro
Asst. Vice President**

Annexure

Weekly Futures Contract Specification on USD-INR, EUR-INR, GBP-INR and JPY-INR

Symbol	USDINR	EURINR	GBPINR	JPYINR
Instrument Type	FUTCUR	FUTCUR	FUTCUR	FUTCUR
Unit of trading	1 - 1 unit denotes 1000 USD.	1 - 1 unit denotes 1000 EURO.	1 - 1 unit denotes 1000 POUND STERLING.	1 - 1 unit denotes 100000 JAPANESE YEN.
Underlying / Order Quotation	The exchange rate in Indian Rupees for USD.	The exchange rate in Indian Rupees for Euro.	The exchange rate in Indian Rupees for Pound Sterling.	The exchange rate in Indian Rupees for 100 Japanese Yen.
Tick size	0.25 paise or INR 0.0025			
Trading hours	Monday to Friday 9:00 a.m. to 5:00 p.m.			
Contract trading cycle	5 serial weekly contracts expiring on Friday, excluding expiry week wherein monthly contracts expires on a Friday. In case the Friday is a trading holiday, the previous trading day shall be the expiry/last trading day. All contracts shall expire at the 12:30 pm. on the expiry day.			
Quantity Freeze	10,001 or greater			
Base price	Theoretical price on the 1st day of the contract. On all other days, DSP of the contract.			
Price operating range	+/-3 % of base price.			
Settlement	Daily settlement : T + 1			
	Final settlement : T + 2			
Mode of settlement	Cash settled in Indian Rupees			
Daily settlement price (DSP)	Calculated on the basis of the last half an hour weighted average price across exchanges.			
Final settlement price (FSP)	FBIL reference rate	FBIL reference rate	Exchange rate published by FBIL in its Press Release captioned FBIL reference Rate for US\$ and Euro	Exchange rate published by FBIL in its Press Release captioned FBIL reference Rate for US\$ and Euro

Weekly Options Contract Specification on EUR-INR, GBP-INR and JPY-INR

Symbol	EURINR	GBPINR	JPYINR
Instrument Type	OPTCUR	OPTCUR	OPTCUR
Unit of trading/ Market Lot	1 (1 unit denotes 1000 EUR)	1 (1 unit denotes 1000 GBP)	1 (1 unit denotes 100000 JPY)
Underlying	EURO – Indian Rupee (EUR-INR) spot rate	GBP – Indian Rupee (GBP-INR) spot rate	JPY – Indian Rupee (JPY-INR) spot rate
Type of Option	Premium styled European Call and Put Options		
Quotation/Price Quote	Premium quoted in INR		
Tick size	0.25 paise (or INR 0.0025)		
Strike Price	Twelve in-the-money, Twelve out-of the-money and One near-the-money strikes would be provided for all available contracts for both call and put options (25 CE and 25 PE)		
Strike Price Interval	INR 0.2500		
Price operating range	Contract specific price range based on the delta of the option contract		
Trading hours	Monday to Friday 9:00 AM to 5.00 PM		
Contract trading cycle	5 serial weekly contracts expiring on Friday, excluding expiry week wherein monthly contracts expires on a Friday. In case the Friday is a trading holiday, the previous trading day shall be the expiry/last trading day. All contracts shall expire at the 12:30 pm. on the expiry day.		
Expiry/ Last trading day	Every Friday of the week. In case the Friday is a trading holiday, the previous trading day shall be the expiry/last trading day. All contracts shall expire at the 12:30 pm. on the expiry day.		
Final Settlement price	FBIL reference rate on the date of the expiry of the contact		
Mode of settlement	Cash settled in Indian Rupees		
Settlement of Premium	Premium to be paid by the buyer in cash on T+1 day		
Final settlement	T+2 day		

Weekly Futures Contract Specification on EURUSD, GBPUSD & USDJPY

Symbol	EURUSD	GBPUSD	USDJPY
Instrument Type	FUTCUR	FUTCUR	FUTCUR
Unit of trading/ Market Lot	1 (1 unit denotes 1000 EUR)	1 (1 unit denotes 1000 GBP)	1 (1 unit denotes 1000 USD)
Underlying	USD per 1 EUR	USD per 1 GBP	JPY per 1 USD
Quotation/Price Quote	The contract would be quoted in USD terms. The outstanding positions would be in EURO terms	The contract would be quoted in USD terms. The outstanding positions would be in GBP terms.	The contract would be quoted in JPY terms. The outstanding positions would be in USD terms.
Tick size	0.0001	0.0001	0.01
Trading hours	Monday to Friday 9:00 AM to 7.30 PM		
Contract trading cycle	5 serial weekly contracts expiring on Friday, excluding expiry week wherein monthly contracts expires on a Friday. In case the Friday is a trading holiday, the previous trading day shall be the expiry/last trading day. All contracts shall expire at the 12:30 pm. on the expiry day.		
Base Price	Theoretical price on the 1st day of the contract. On all other days, DSP of the contract.		
Price operating range	+/-3 % of base price		
Settlement	Daily settlement : T + 1 Final settlement : T + 2		
Mode of settlement	Cash settled in Indian Rupees		
Daily settlement price (DSP)	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 arriving at the daily settlement value in INR for EURUSD and GBPUSD contracts, the latest available FBIL reference rate for USDINR shall be used. For USDJPY contracts, the settlement value in INR shall be arrived at using latest available exchange rate published by FBIL for JPYINR.		
Final Settlement price	The final settlement price of cross currency contracts shall be computed using the reference rate published by FBIL on the last trading day of the contract. For arriving at the final settlement value in INR for EURUSD and GBPUSD contracts, the FBIL reference rate for USDINR on the last trading day of the contract shall be used. For USDJPY contracts, the final settlement value in INR shall be arrived at using the exchange rate published by FBIL for JPYINR last trading day of the contract.		
Final settlement	T+2 day		

Weekly Options Contract Specification on EURUSD, GBPUSD & USDJPY

Symbol	EURUSD	GBPUSD	USDJPY
Instrument Type	OPTCUR	OPTCUR	OPTCUR
Unit of trading/ Market Lot	1 (1 unit denotes 1000 EUR)	1 (1 unit denotes 1000 GBP)	1 (1 unit denotes 1000 USD)
Underlying	USD per 1 EUR	USD per 1 GBP	JPY per 1 USD
Quotation/Price Quote	The contract would be quoted in USD terms. The outstanding positions would be in EURO terms	The contract would be quoted in USD terms. The outstanding positions would be in GBP terms.	The contract would be quoted in JPY terms. The outstanding positions would be in USD terms.
Tick size	0.0001	0.0001	0.01
Strike Price Interval	0.005	0.005	0.5
Strike Price	Twelve in-the-money, Twelve out-of the-money and One near-the-money strikes would be provided for all available contracts for both call and put options (25 CE and 25 PE)		
Price operating range	Contract specific price range based on the delta of the option contract		
Trading hours	Monday to Friday 9:00 AM to 7.30 PM		
Contract trading cycle	5 serial weekly contracts expiring on Friday, excluding expiry week wherein monthly contracts expires on a Friday. In case the Friday is a trading holiday, the previous trading day shall be the expiry/last trading day. All contracts shall expire at the 12:30 pm. on the expiry day.		
Settlement	Daily settlement : T + 1 Final settlement : T + 2		
Final Settlement price	The final settlement price of cross currency contracts shall be computed using the reference rate published by FBIL on the last trading day of the contract. For arriving at the final settlement value in INR for EURUSD and GBPUSD contracts, the FBIL reference rate for USDINR on the last trading day of the contract shall be used. For USDJPY contracts, the final settlement value in INR shall be arrived at using the exchange rate published by FBIL for JPYINR last trading day of the contract.		
Mode of settlement	Cash settled in Indian Rupees		

Weekly Interest Rate Futures Contract Specifications

DESCRIPTION	SECURITY DESCRIPTION
Instrument Type	FUTIRF
Symbol	Symbol of Underlying IRF Futures
Underlying	GSEC Bonds having 6 year, 10 year and 13 year maturity
Unit of trading	Each futures contract shall represent 2000 underlying bonds of total face value of INR 2,00,000/-.
Quotation/Price Quote	One Bond of face value Rs. 100
Tick size	0.25 paise or INR 0.0025
Trading hours	Monday to Friday 9:00 a.m. to 5:00 p.m.
Contract trading cycle	Every Thursday of the week. In case Thursday is a trading holiday, the previous trading day shall be the expiry/last trading day. All contracts shall expire at the normal market closing time on the expiry day or such other time as decided by Exchange.
Last trading day	5 weekly expiry contracts excluding the expiry week of monthly contract. New serial weekly futures contract shall be introduced after expiry of the respective week's contract.
Price operating range	+/-3 % of base price 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 allowed within a day. Further, SEBI in consultation with RBI may halt the trading in case of extreme volatility.
Settlement	T+1
Mode of settlement	Cash settled in Indian Rupees
Daily Contract Settlement value	Daily Settlement price(DSP) * 2000
Base price	Base price for the first day would be theoretical price. On all other days, base price would be Daily Settlement Price (DSP) of the contract.