

## Media Release

### **MSEI Introduces new IRF contract and trading in Sovereign Gold Bonds (SGB)**

*The move provides investors with an opportunity to invest in SPOT and Derivative Contracts on Govt. Securities*

**Mumbai, January 11, 2017:** In its endeavor to expand its bouquet of products and offerings, Metropolitan Stock Exchange of India Limited (MSEI) has introduced new contracts in Interest Rate Futures and trading in Sovereign Gold Bonds. The move is consistent with MSEI's approach of providing a rich and diversified product bouquet to market participants.

The Sovereign Gold Bonds will be available under the Equity Capital Market segment. These are spot contracts with delivery based settlement and coupon of 2.75% with tenure of eight years. All six tranches of Sovereign Gold Bonds issued by Reserve Bank of India (RBI) till date are available for trading on MSEI platform for all categories of market participants. These Bonds provide an opportunity for retail investors to buy gold in small quantities of 1 gram in dematerialized form and shall also aid hedging against price fluctuations of gold.

New Interest Rate Futures (IRF) contracts are introduced for underlying 6.79% Government of India Bond maturing on December 2029 (under thirteen years maturity bucket) with effect from 10<sup>th</sup> January 2017. MSEI now offers IRF contracts on all the 9 Government of India Bonds, as approved by the regulators. More contracts at different maturity points provide a better yield curve to investors for their hedging and trading requirements. Further, calendar spread contracts based on these IRFs are also available for trading in the Currency Derivative segment of the exchange.

MSEI is implementing business revival plan under which apart from product launches, the experience of trading on the exchange platform is being revamped. Recently, the exchange has introduced policies which make capital utilization most efficient on MSEI platform for its members.

The transaction charges of the exchange for various segments have been re-calibrated to aid greater participation from members for improved liquidity and trade efficiency.

Commenting on the developments, Mr. Abhijit Chakraborty, (Chief Operating Officer) said, 'It is a part of our strategy to address the entire exchange ecosystem which should be synchronized with the objective of providing newer products to fill in the market gaps, ease of connectivity and compliances and customer service orientation'. In the recent time to come, exchange is working on innovations for products, technology and processes.

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#### ***For media queries, contact:***

**Samata Patil**, Communications, Mobile : 9819470506

**Satish Shinde**, Communications, Mobile: 9321491994

**Metropolitan Stock Exchange of India Limited**

(Formerly known as MCX Stock Exchange Ltd.)

Registered Office: 4th Floor, Vibgyor Towers, Plot No. C - 62, Opp. Trident Hotel, Bandra Kurla Complex, Bandra East, Mumbai 400098.

Tel: +91-22-6112 9000 | Fax: +91-22-6112 9009 | customerservice@msei.in | www.msei.in

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