

NOTICES

Notice No.	20180727-47	Notice Date	27 Jul 2018
Category	Settlement/RMS	Segment	Currency Derivatives
Subject	Introduction of Weekly Futures &Options contracts on USD-INR		
Attachments	Annexure 1 - Settlement Process.docx ; Annexure 2 - Risk Management.docx		

Content

To All Members,

In continuation to [BSE Circular No 20180727-34](#) dated July 27, 2018 regarding Introduction of Weekly Futures & Options Contracts on the USD-INR Currency Pair, ICCL would like to inform the members, that weekly futures and options contracts on USDINR currency pair shall be introduced with effect from Monday, July 30, 2018. Accordingly, the first Expiry of the weekly contract will be scheduled on Friday, August 03, 2018.

Kindly refer to the following attachments for the detailed norms relating to the settlement and risk management process:

- Annexure 1: Settlement Process
- Annexure 2: Risk Management

There will be no change in the existing EOD files. All other norms/guidelines pertaining to the Currency Segment shall remain unchanged.

For any clarifications, Members may contact their respective Relationship Managers or the undersigned.

For and on behalf of the Indian Clearing Corporation Limited

Piyush Chourasia

Chief Risk Officer & Head – Strategy

Hitesh Shah

Asst. General Manager

Sr. No	Query Type	Coordinates
1	ICCL Settlement Team	022 22728185/8467 022 22728843/8567
2	ICCL Risk Team	022 22728759/8811

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Category	Trading	Segment	Currency Derivatives
Subject	Introduction of weekly futures and option contracts on USDINR		
Attachments	ANNEXURE.docx		

Content

Exchange is pleased to inform trading members that Exchange has received approval from SEBI for introduction of weekly futures and options contracts on USDINR currency pair.

In view of the above, weekly futures and options contracts on USDINR currency pair shall be introduced with effect from July 30, 2018.

Contract specification for weekly futures and options contracts are attached as Annexure.

For further clarification, trading members are requested to contact their respective Relationship Manager.

For & On Behalf of BSE Ltd,

Ketan Jantre	Sandeep Pujari
Sr.GM-Trading Operations	AGM-Trading Operations

Annexure 1: Settlement Process

- The USDINR Weekly Futures & Options contracts will be settled in cash in Indian Rupee (INR).
- The USDINR Weekly derivative contracts will expire on every Friday of the week except for the expiry week of monthly contract. In case the Friday is a trading holiday, the previous trading day will be the expiry/last trading day. All weekly contracts will expire at 12:30 p.m. (RBI Reference Rate Time) on the expiry day or such other time as decided by the Exchange.
- The Daily mark-to-market and premium settlement of USDINR Weekly contracts will be on T +1 day basis and the Final Settlement will be on T+2 settlement basis as per the timelines specified by ICCL.
- The pay-in and pay-out of daily mark to market settlement, premium settlement & final mark-to-market and exercise settlement would be effected in accordance with the settlement schedule issued by ICCL periodically.
- The daily settlement price of USDINR Weekly derivative contracts will be the last half an hour volume weighted average price of the contract. In the absence of last half an hour trading, the daily settlement price will be the theoretical price as calculated by the Exchange.
- The final settlement price of the USDINR Weekly derivative contracts will be the official Dollar Rupee reference rate issued by the Reserve Bank of India, at 12:30 p.m. on Expiry Day.
- On Expiry Day, all in-the-money open long contracts will be automatically exercised at the final settlement price and assigned on a random basis to the open short positions of the same strike and series.
- Online Give-up/Take-up confirmation of trades for USDINR Weekly derivative contracts will be available till 5:30 p.m. on normal days & till 1:00 p.m. on Expiry Day.

ANNEXURE – CONTRACT SPECIFICATION FOR WEEKLY FUTURES AND OPTIONS CONTRACTS ON USDINR CURRENCY PAIR.

A) CONTRACT SPECIFICATION FOR WEEKLY FUTURES CONTRACT ON USDINR-

Underlying	US Dollar – INR Rupee spot rate (USD-INR)
Symbol	USDINR
Instrument Type	FUTCUR
Unit of Trading	1(1 unit denotes 1000 USD)
Quotation	INR Rupee per US Dollar, quoted up to the fourth decimal place. (The exchange rate in Indian Rupees for US Dollars)
Trading Hours	9.00 am to 5.00 pm
Tick Size	0.25 paise or INR 0. 0025
Contract Cycle	11 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.
Settlement Mechanism	The contracts would be settled in cash in Indian Rupee (INR).
Position Limits	<u>Position Limits for CDS</u>
Price Bands	± 3% of the theoretical price or the previous day closing price, as applicable
Daily Settlement Price	The daily settlement price of USDINR Weekly futures contracts shall be the last half an hour volume weighted average price of the contract. In the absence of last half an hour trading, the daily settlement price shall be the theoretical price as calculated by the stock exchange.
Last Trading Day	Every Friday of the week except for expiry week of monthly contract (expiry week of monthly contract, the contract will expire on day of expiry of monthly contract). In case the Friday is a trading holiday, the previous trading day shall be the expiry/last trading day. All contracts shall expire around 12:30 pm (RBI Reference Rate Time) on the expiry day or such other time as decided by Exchange.
Settlement Day	Daily Settlement shall be on T +1 settlement basis and the Final Settlement shall be on T+2 settlement basis.
Final Settlement Price	The final settlement price of the USDINR contracts shall be the official Dollar Rupee reference rate issued by the Reserve Bank of India, around 12:30 pm on the day of expiry.

B) CONTRACT SPECIFICATION FOR WEEKLY OPTIONS CONTRACT ON USDINR-

Underlying	US Dollar – INR Rupee spot rate (USD-INR)
Symbol	USDINR
Instrument Type	OPTCUR
Option Type	Premium Style European Call and Put Options
Unit of Trading	1(1 unit denotes 1000 USD)
Quotation	INR Rupee per US Dollar, quoted up to the fourth decimal place. (The exchange rate in Indian Rupees for US Dollars)
Premium	Premium quoted in INR
Trading Hours	9.00 am to 5.00 pm
Tick Size	0.25 paise or INR 0. 0025
Strike price intervals	INR 0.25 Minimum 12 In-the-money, 12 Out-of-the-money and 1 Near-the-money. (25 CE and 25 PE)
Contract Cycle	11 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.
Settlement Mechanism	The contracts would be settled in cash in Indian Rupee (INR).
Position Limits	<u>Position Limits for CDS</u>
Price Bands	A contract specific price range based on its delta value computed and updated on daily basis.
Daily Settlement Price	The daily settlement price of USDINR Weekly options contracts shall be the last half an hour volume weighted average price of the contract. In the absence of last half an hour trading, the daily settlement price shall be the theoretical price as calculated by the stock exchange.
Last Trading Day	Every Friday of the week except for expiry week of monthly contract (expiry week of monthly contract, the contract will expire on day of expiry of monthly contract) the e. In case the Friday is a trading holiday, the previous trading day shall be the expiry/last trading day. All contracts shall expire at 12:30 pm (RBI Reference Rate Time) on the expiry day or such other time as decided by Exchange.
Settlement Day	Daily Settlement shall be on T +1 settlement basis and the Final Settlement shall be on T+2 settlement basis.
Final Settlement Price	The final settlement price of the USDINR contracts shall be the official Dollar Rupee reference rate issued by the Reserve Bank of India, around 12:30 pm on the day of expiry.
Exercise of options at expiry	On expiry date, all in-the-money open long contracts shall be automatically exercised at the final settlement price and assigned on a random basis to the open short positions of the same strike and series.