

NOTICES

Notice No.	20180611-37	Notice Date	11 Jun 2018
Category	Trading	Segment	Derivatives
Subject	Trading of Equity Derivatives contracts through trading system set-up of Equity segment		
Content			

Trading members are hereby informed that it is proposed to enable trading in contracts of Equity & Equity Derivatives segments through a common set-up of Exchange's trading system. To facilitate this, trading of Equity Derivatives contracts will now take place through the trading system set-up of Equity segment and existing set-up of Equity Derivatives segment will be discontinued. Consequently, there would be an alteration in Exchange connectivity for members' trading applications (developed by vendor or in-house) which are trading in Equity Derivatives segment. There shall be no change for members' trading applications trading only in Equity segment. The alterations are detailed below –

1. IML Connectivity

- a. Currently the member's trading application connects to Equity Derivatives set-up of Exchange's trading system using IML exe version 10.00. The trading application connects to IML and the IML connects to Exchange on IP: 10.255.255.12 and Port 11908. (This is defined in configuration window of IML application under Setting à Configuration Setting. The Parameter name is HOST IP field).
- b. In the revised scenario, trading application has to connect to a new IML application (IML exe version 10.01). Additionally, the IML connectivity to Exchange's trading system will have to be established now on IP: 10.255.255.6 and Port 12908 instead of IP: 10.255.255.12 and Port 11908. (This change is required to be done in configuration window of IML application under Setting à Configuration Setting. The Parameter name is HOST IP field).
- c. The member application can use same trader ID of Equity Derivatives segment to login in to Equity segment set-up and vice versa.
- d. Members who trade in calendar spread contracts would need to additionally place latest Spread CO file in the Master folder of IML application.
- e. There is no change in IML API for this.

2. ETI Connectivity

- a. The member's trading application connected to Equity Derivatives set-up of Exchange's trading system will now have to make connection to Equity segment set-up for trading in Equity Derivatives contracts. The member application has to make connection to IP: 10.255.255.6 and Port 12908 instead of IP: 10.255.255.12 and Port 11908.
- b. The member application can use existing Session ID of Equity Derivatives segment set-up to connect to Equity segment set-up and vice versa.
- c. There is no change in ETI API for this.

3. Market Data

- a. NFOCAST stream:
 - There shall be no change in market data of Equity or Equity Derivatives segment through the NFOCAST stream. Market data for both segments shall be available on their respective prevailing multicast streams.
 - There is no change in NFOCAST market data APIs for this.

b. EMDI/ MDI/ EOBI streams:

- Market data stream of Equity Derivatives set-up will be discontinued and market data for Equity Derivatives contracts will be published on existing EMDI/MDI/EOBI market data streams of Equity segment.
- The mapping of Equity Derivatives products on different Equity streams will be provided shortly.
- There is no change in EMDI/MDI/EOBI APIs for this.

Trading members and vendors may kindly note that a common set up of Exchange's trading system for Equity & Equity Derivatives segments in the simulation environment and new version of IML exe, ver. 10.01 shall be made available for testing from Monday, June 18, 2018 onwards. All trading members / Vendors are requested to note the same and start necessary development at their end.

It is proposed to implement these changes in the live environment with effect from **Monday, July 02, 2018**. The Exchange shall conduct a mock trading session on Saturday, June 30, 2018 to facilitate members and their vendors to test their trading application.

In case of any queries, trading members/vendors may kindly get in touch with the IML Info/ IML Tech Support teams as per the contact details given below –

IML Info team	022-22728426/8524	iml.info@bseindia.com
IML Tech Support	022-22728053	iml.techsupport@bseindia.com

For and on behalf of BSE Ltd.,

Vivek Garg
General Manager
Trading Development

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General Manager
I.T. Development

June 11, 2018

Annexure I

Contract Specifications for Weekly Futures and Options contracts on S&P BSE SENSEX 50		
Parameter	Futures on Indices	Options on Indices
Underlying	S&P BSE SENSEX 50	S&P BSE SENSEX 50
Derivatives Asset Code	IN50	IN50
Option Type	Not Applicable	Premium Style European Call and Put Options
Trading Days	Monday to Friday	Monday to Friday
Trading Hours	9:15 AM TO 3:30 PM (subject to change as per applicable guidelines from time to time)	9:15 AM TO 3:30 PM (subject to change as per applicable guidelines from time to time)
Quotation	Underlying Index Price Expressed in INR	Underlying Index Price Expressed in INR
Settlement	Cash Settlement	Cash Settlement
Premium	Not Applicable	Quoted in Rupees
Minimum Price Movement (Tick Size)	0.05 INR	0.05 INR
Strike Price Intervals	Not Applicable	50
No of Strikes	Not Applicable	Minimum 7 -1- 7 (in the money - at the money-out of the money)
Available Contracts	Future contracts have 7 weekly expiry contracts excluding the expiry week of monthly contract. New serial weekly future contract shall be introduced after expiry of the respective week's contract	Option contracts have 7 weekly expiry contracts excluding the expiry week of monthly contract. New serial weekly options contract shall be introduced after expiry of the respective week's contract
Daily Settlement Price	Last 30 minutes volume weighted average price	Last 30 minutes volume weighted average price
Contract Value	Quoted price * Contract Size	(Strike Price + Premium)* Contract size
Base Prices	Base price of the respective Indices futures Contracts on the first day of trading would be theoretical futures price. The base price of the contracts on subsequent trading days would be the daily settlement price of the futures contracts.	Base price of the options contracts, on introduction of new contracts, would be the theoretical value of the options contract arrived at based on Black-Scholes model of calculation of options premiums.
Last Trading Day	Futures contracts expire on every Thursday of the week. In case the 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.	Option contracts expire on every Thursday of the week. In case the 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.
Final Settlement Price	Closing price of the underlying Index on the last trading day	Closing price of the underlying Index on the last trading day

Position limits	<p><u>Trading Member/FII/FPI Category I & II Mutual Fund</u></p> <p>The trading member/ FII/FPI Category I & II / Mutual Fund position limits in index futures contracts shall be higher of:</p> <p>a. Rs.500 Crore OR b.15% of the total open interest in the market in index futures contracts.</p> <p>This limit would be applicable on open positions in all futures contracts on a particular underlying index.</p> <p><u>Client / FPI Category III /NRI /Mutual Fund Schemes</u></p> <p>A self-disclosure requirement similar to that in the take-over regulations is prescribed as under:</p> <p>Any person or persons acting in concert who together own 15% or more of the open interest shall be required to report this fact to the exchange.</p>	<p><u>Trading Member/FII/FPI Category I & II ,Mutual Fund</u></p> <p>The trading member/ FII/FPI Category I & II / Mutual Fund position limits in index options contracts shall be higher of:</p> <p>a. Rs.500 Crore OR b.15% of the total open interest in the market in index options contracts.</p> <p>This limit would be applicable on open positions in all options contracts on a particular underlying index.</p> <p><u>Client / FPI Category III /NRI /Mutual Fund Schemes</u></p> <p>A self-disclosure requirement similar to that in the take-over regulations is prescribed as under:</p> <p>Any person or persons acting in concert who together own 15% or more of the open interest shall be required to report this fact to the exchange.</p>
Price Band	<p>Initial Price Band will be +/-10% of base price & relaxation in the multiple of 5%.</p>	<p>A contract specific price range based on its delta value computed and updated on daily basis.</p>
Reversal Trades Prevention Check applicable	<p>No</p>	<p>Yes</p>