

National Stock Exchange Of India Limited**Department : FUTURES & OPTIONS**

Download Ref No: NSE/FAOP/40196

Date : February 08, 2019

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All Members,

Operating ranges applicable to Stock Futures contracts

This is in modification to Item No. 1.4 of Part B of Exchange circular no. 37689 dated May 04, 2018 regarding F&O Consolidated Circular. It has been decided, in consultation with Secondary Market Advisory Committee (SMAC) of SEBI to review the mechanism for relaxation of the operating ranges applicable to Stock Futures. Members are requested to note below mentioned changes:

There shall be no fixed price band applicable for Stock Futures contracts. However, in order to prevent erroneous order entry, a dynamic price band for futures contract shall be kept at certain percentage of the base price as defined by the Exchange from time to time.

In the event of a market trend in either direction, the dynamic price band shall be relaxed by 5% at a time in the direction of the price movement during the day in co-ordination with the other Exchanges as follows:

- a. If the dynamic price band of the underlying security has been relaxed OR
- b. If the last trade in the contract occurs at 9.90% and more of the base price
AND
A minimum of 25 trades have been executed with 5 different UCCs on each side of the trade at or above 9.90% or more of the base price
This process shall be repeated as the price trend moves in the same direction
- c. In exceptional circumstances, all the exchanges shall consult and relax the dynamic price band.

Further, please note that all other provisions except as mentioned above shall remain unchanged. The effective date of implementation of the above provisions shall be intimated separately.

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

**Khushal Shah
Associate Vice President**

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