

**FUTURES AND OPTIONS SEGMENT**

**Circular No. 086/2011**

**Sub: Introduction of Futures & Options Contracts on Global Indices**

**Date: Aug 25, 2011**

**Download No: 18701**



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Exchange is pleased to inform members that with reference to SEBI circular SEBI/DNPD/2/2011 dated January 11, 2011 and subsequent approval received from SEBI, Futures and Options contracts on **S&P 500** index and Futures contracts on **Dow Jones Industrial Average (DJIA)** index shall be available for trading in the F&O segment w.e.f. **August 29, 2011 (Monday)**.

The relevant information about the above underlying indices and futures and options contracts is as follows:

Annexure 1: Contract Information

Annexure 2: Index Information

Annexure 3: List of contracts trading on Chicago Mercantile Exchange (CME) for which broadcast shall be provided on trading terminals

Members are advised to take the latest contract.gz and spd\_contract.gz files from NSE EXTRANET (directory: /faoftp/faocommon) before start of trading on August 29, 2011. A detailed list of new contracts being introduced for trading (file name: CONTRACT26082011.CSV) shall also be available on the path faoftp/faocommon/Contracts on August 26, 2011.

In order to encourage active participation in the above contracts, it has been decided that no transaction charges will be levied on the trades done in the contracts from the date of commencement till February 29, 2012.

However, every Trading Member participating in trading in the contracts at any time during the above period shall be required to make a lump sum contribution of Rs. 500/- as contribution to Investor Protection Fund.

The details regarding settlement and risk management shall be separately intimated by NSCCL.

**No of Pages: 5**

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

**Suprabhat Lala  
Vice President**

## Annexure - 1

### Contract Information

#### A. Futures Contracts

<b>Underlying Index</b>	<b>S&amp;P 500 Index</b>	<b>DOW JONES INDUSTRIAL AVERAGE Index</b>
<b>Contract Symbol</b>	S&P500	DJIA
<b>Contract Descriptor</b>	FUTIDX S&P500	FUTIDX DJIA
<b>Contract Size</b>	Permitted lot size shall be 250 and multiples thereof	Permitted lot size shall be 25 and multiples thereof
<b>Contract Months</b>	Three serial monthly contracts and following three quarterly expiry contracts in the Mar-Jun-Sep-Dec cycle	
<b>Expiry day</b>	Third Friday of the expiry month. In case the third Friday of the expiry month is a holiday in USA or India, the contract shall expire on the preceding business day in both USA and India in the expiry month.	
<b>Last Trading Day</b>	Same as expiry day	
<b>Price steps</b>	Re. 0.25	Rs. 2.50
<b>Price Bands</b>	No Price bands	
<b>Operating ranges</b>	5 % of the base price of the contract. Base price of the Futures Contracts on introduction of new contracts shall be the theoretical price. The base price of the contracts on subsequent trading days shall be the daily settlement price of the respective futures contracts.	
<b>Quantity Freeze</b>	15000	
<b>Settlement basis</b>	Cash settlement in INR	
<b>Calendar Spread</b>	Calendar spread order book shall be available for spread contract combinations of M1-M2, M2-M3, M1-M3, Q1-Q2, & Q2-Q3 (Where M denotes monthly expiry and Q denotes quarterly expiry)	

## **B. Options Contracts**

<b>Underlying Index</b>	<b>S&amp;P 500 Index</b>
<b>Contract Symbol</b>	S&P500
<b>Contract Descriptor</b>	OPTIDX S&P500
<b>Option Type</b>	European
<b>Contract Size</b>	Permitted lot size shall be 250 and multiples thereof.
<b>Contract Months</b>	Three serial monthly contracts and following three quarterly expiry contracts in the Mar-Jun-Sep-Dec cycle
<b>Expiry day</b>	Third Friday of the expiry month. In case the third Friday of the expiry month is a holiday in USA or India, the contract shall expire on the preceding business day in both USA and India in the expiry month.
<b>Last Trading Day</b>	Same as expiry day
<b>Price steps</b>	Re. 0.05
<b>Strike Scheme</b>	12-1-12 strikes (In the money-At the money- Out of the money) with 5 point interval and further 4-4 strikes of 10 point interval
<b>Price Bands</b>	No Price bands
<b>Operating ranges</b>	A contract specific price range based on its delta value shall be computed & updated on a daily basis
<b>Quantity Freeze</b>	15000
<b>Settlement basis</b>	Cash settlement in INR

Members are requested to note that Multi-leg order entry facility shall be available between S&P 500, DJIA and NIFTY contracts under IOC mode.

Members are also requested to note that as per the mentioned SEBI circular, trading in derivatives on the Global Indices shall be restricted to residents in India.

Apart from the above parameters, the various other provisions regarding market timings, market holidays, extension of market hours, market closed for trading, order types, trade modification request, trade cancellation request and all other trading parameters applicable for other index contracts shall be applicable mutatis mutandis to S&P 500 and DJIA contracts.

## **Annexure - 2**

### **Information on S&P 500 and DJIA Indices**

For the general information on the indices, methodology adopted for computation of the index, constituent securities, their weights in the index, company information of the constituent securities and other details members are requested to visit the following links:

[http://www.nseindia.com/products/content/gi/product\\_SP500.htm](http://www.nseindia.com/products/content/gi/product_SP500.htm)

[http://www.nseindia.com/products/content/gi/product\\_DJIA.htm](http://www.nseindia.com/products/content/gi/product_DJIA.htm)



### Annexure-3

#### List of futures contracts of S&P 500 and DJIA trading on Chicago Mercantile Exchange (CME)

Exchange shall provide broadcast to trading terminals for the following futures contracts trading on CME.

Underlying Index/Contract	Exchange Platform	Symbol	Expiry
S&P 500 Index	-	S&P 500	-
DJIA Index	-	DJIA	-
S&P 500 Futures	CME Open Outcry	CMEOSP500	1st Quarter
S&P 500 Futures	CME Open Outcry	CMEOSP500	2nd Quarter
S&P 500 Futures	CME Open Outcry	CMEOSP500	3rd Quarter
S&P 500 Futures	CME Open Outcry	CMEOSP500	4th Quarter
S&P 500 Futures	CME Open Outcry	CMEOSP500	5th Quarter
S&P 500 Futures	CME Open Outcry	CMEOSP500	6th Quarter
S&P 500 Futures	CME Open Outcry	CMEOSP500	7th Quarter
S&P 500 Futures	CME Open Outcry	CMEOSP500	8th Quarter
S&P 500 Futures	Globex	CMEGSP500	1st Quarter
E-Mini S&P 500 Futures	Globex	CMEGSP500M	1st Quarter
E-Mini S&P 500 Futures	Globex	CMEGSP500M	2nd Quarter
E-Mini S&P 500 Futures	Globex	CMEGSP500M	3rd Quarter
E-Mini S&P 500 Futures	Globex	CMEGSP500M	4th Quarter
E-Mini S&P 500 Futures	Globex	CMEGSP500M	5th Quarter
DJIA (\$10) Futures	CME Open Outcry	CMEODJIA10	1st Quarter
DJIA (\$10) Futures	CME Open Outcry	CMEODJIA10	2nd Quarter
DJIA (\$10) Futures	CME Open Outcry	CMEODJIA10	3rd Quarter
DJIA (\$10) Futures	CME Open Outcry	CMEODJIA10	4th Quarter
E-Mini DOW (\$5) Futures	Globex	CMEGDJIA5M	1st Quarter
E-Mini DOW (\$5) Futures	Globex	CMEGDJIA5M	2nd Quarter
E-Mini DOW (\$5) Futures	Globex	CMEGDJIA5M	3rd Quarter
E-Mini DOW (\$5) Futures	Globex	CMEGDJIA5M	4th Quarter
DJIA (\$10) Futures	Globex	CMEGDJIA10	1st Quarter
DJIA (\$10) Futures	Globex	CMEGDJIA10	2nd Quarter
DJIA (\$10) Futures	Globex	CMEGDJIA10	3rd Quarter
DJIA (\$10) Futures	Globex	CMEGDJIA10	4th Quarter
Big Dow DJIA (\$25) Futures	Globex	CMEGDJIA25	1st Quarter
Big Dow DJIA (\$25) Futures	Globex	CMEGDJIA25	2nd Quarter
Big Dow DJIA (\$25) Futures	Globex	CMEGDJIA25	3rd Quarter
Big Dow DJIA (\$25) Futures	Globex	CMEGDJIA25	4th Quarter