



## Press Release

### **NSE to launch derivatives on the Nifty Financial Services Index from January 11, 2021**

**Mumbai, December 10, 2020:** National Stock Exchange of India (NSE) has received an approval from Securities Exchange Board of India (SEBI) to launch derivatives on the Nifty Financial Services Index in the futures & options segment of the Exchange. Currently, NSE offers index derivatives on only two equity indices – Nifty 50 Index and the Nifty Bank Index.

The financial services sector assumes significance as the sector accounts for 33.5% of the Nifty 500 index. The Nifty Financial Services Index comprises of 20 stocks and is designed to reflect the behaviour and performance of the Indian financial market which includes banks, financial institutions, housing finance, insurance companies and other financial services companies.

A recent investment data of Foreign Portfolio Investors (FPIs) indicates, 48% of new investment flows were channelized into the financial services sector. The sector accounted for 35% of the assets under the custody of FPIs. Further, many of the asset management companies have mutual fund schemes on the financial sector theme.

The Nifty Financial Services index has a 94% correlation and a beta value of 1.2 with the Nifty 50 Index. It has a correlation of 98% with the Nifty Bank index. The Nifty Financial Services index has delivered annualized returns of 14.99% in the last 5 years.

Exchange will offer futures and options in 7 serial weekly excluding the monthly expiry and 3 serial monthly contracts. This is the first time that the Exchange will make available weekly futures for the stock index derivatives. The derivatives are cash settled with expiry day being the last Thursday of the expiry month for the monthly contracts and Thursday of the expiring week for weekly expiry contracts. The option contracts are European styled Call Option (CE) and Put Option (PE) with strike scheme of 30-1-30 and strike interval of 100.

The Exchange will launch the index derivatives on the Nifty Financial Services Index from January 11, 2021.

#### **About National Stock Exchange of India Limited (NSE):**

National Stock Exchange of India Ltd. (NSE) is the world's largest derivatives exchange by trading volume as per the statistics published by Futures Industry Association (FIA) for 2019. NSE is also ranked 3rd in the world in the cash equities segment by number of trades as per the statistics published by the World Federation of Exchanges (WFE). NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. NSE has a fully-integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds,



technology solutions and financial education offerings. NSE also oversees compliance by trading and clearing members with the rules and regulations of the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. NSE believes that the scale and breadth of its products and services, sustained leadership positions across multiple asset classes in India and globally enable it to be highly reactive to market demands and changes and deliver innovation in both trading and non-trading businesses to provide high-quality data and services to market participants and clients.

For more information, please visit: [www.nseindia.com](http://www.nseindia.com)

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