

National Stock Exchange Of India Limited
Department : FUTURES & OPTIONS

Download Ref No: NSE/FAOP/39908

Date : January 09, 2019

Circular Ref. No: 06/2019

All Members,

Trade Execution Range in F&O Segment

This is in partial modification to Exchange circular no. NSE/FAOP/37689 dated May 04, 2018 with respect to Trade Execution Range. Members are requested to note that trade execution range in Futures & Options segment shall be applicable as below with effect from January 14, 2019:

- 1) Orders shall be matched and trades shall take place only if the trade price is within the trade execution range based on the reference price of the contract.
- 2) Reference price for each contract shall be computed as follows:
 - At market open – it shall be the theoretical price based on the underlying price (using implied volatility in case of options contracts and rate of interest which shall be revised daily with the applicable MIBOR rate).
 - During trading hours – it shall be the simple average of trade prices of that contract in the last 1 minute. For contracts that have traded in the last 1 minute, the reference price shall be revised throughout the day on a rolling basis at 1 minute intervals.
 - For all other contracts the reference price shall be the theoretical price based on the latest available underlying price and shall be revised throughout the day at regular intervals. (30 minutes)
- 3) Execution range is the range on both sides of the reference price as given below:

Segment	Reference Price (Rs.)	% of Reference Price	Minimum absolute Range (Rs.)
Futures	All	5%	-
Options	0.05 to 50	-	20.00
	>50	40%	-

- 4) There is no change to the existing applicable operating ranges. For valid order entry and all orders that are within the operating range shall be accepted as is being done currently.
- 5) If any order which is within the operating range but which may result in a trade outside the execution range is entered then such an order (full or partial as the case may be) shall be cancelled by the Exchange.
- 6) The Exchange may modify the execution range as and when necessary.
- 7) Trade Execution range shall not be applicable to long term Option contracts on NIFTY.

For and on behalf of

National Stock Exchange of India Limited

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