

Headline: NSE to introduce new interest rate futures	
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NEW DELHI: The National Stock Exchange (NSE) will introduce new interest rate futures (IRF) contracts from December 30 on six-year government bonds maturing in 2022, the exchange said in a circular. The IRF contract is based on 6.84 per cent central government security maturing on December 19, 2022. An IRF contract is an agreement to buy or sell a debt instrument at a specified future date at a pre-determined price. The cash-settled IRFs provide market participants an option to hedge risks arising from fluctuations in interest rates, which depend on various factors, including RBI policy, demand for liquidity and flow of overseas funds. The NSE earlier introduced IRF contracts on government bonds maturing in May 2030.— PTI