

# NSE GETS SEBI NOD TO LAUNCH DERIVATIVES ON NIFTY MIDCAP SELECT INDEX

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Capital Market & SEBI

National Stock Exchange (NSE) today said it has received capital markets regulator SEBI approval to launch derivatives on Nifty Midcap Select Index. The index will be available for trading from 24 January.

Nifty Midcap Select Index aims to track the performance of a focused portfolio of 25 stocks within the Nifty Midcap 150 index

The trading in [Nifty](#) Midcap Select derivatives will be on weekly and monthly contracts and the expiry will be Tuesday with a lot comprising of 75 shares.

If the Tuesday is a trading holiday, then the expiry date will be the previous trading day.

The contract file made available to trading members on the NSE Extranet from January 21, 2022 end of day will reflect the new the weekly and monthly futures and options contracts. Further, members have also been advised to load the file in the trading application before trading on 24 January, 2022.

"The current availability of index derivatives on the exchange is largely focused on either the large cap stocks or sector specific stocks. The midcap stocks account for around 17% of market capitalization," Vikram Limaye, MD and CEO, NSE said.

The launch of derivatives on Nifty Midcap Select Index will provide participants an additional hedging tool to manage their portfolio risk effectively, he added.

The midcap segment has come into focus during the recent market rally with improved participation levels from across investor classes and consequent liquidity.

Nifty Midcap Select Index has delivered returns of 39 per cent in the last 1 year and 19 per cent annualised returns in the last 5 years ending December 2021.

"Members may note that for testing purpose certain weekly and monthly futures and option contracts on Index symbol MIDCPNIFTY shall be made available, the details of these strikes and contracts will be communicated to members via separate circular will shall be issued one day prior to the 22 January mock," NSE said.

"Members are hereby notified that all the existing clearing and settlement procedures along with the extant risk management measures adopted for futures and options contracts such as initial margins, minimum margins, position limits, etc., including the right of clearing corporation to close out positions shall apply mutatis mutandis to these contracts also," it said in a separate circular.

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