

National Stock Exchange Of India Limited
Department : FUTURES & OPTIONS

Download Ref No: NSE/FAOP/44683

Date: June 17, 2020

Circular Ref. No: 54/2020

All Members,

Modification of strike scheme and periodic review for discontinuation of illiquid strikes in NIFTY 50 Long Term Index Options

This is in partial modification in chapter 1.13 of F&O segment consolidated circular no 44482 dated May 27, 2020 regarding scheme of strikes for Quarterly and Half Yearly expiry NIFTY 50 index option contracts.

Modification of Strike Scheme:

Exchange in consultation with SEBI, post review of existing strike scheme for Long Term Index Options Contract, has decided to provide minimum 1 – 1 – 1 and maximum 5 – 1 – 5 number of strikes for NIFTY 50 Long Term Index Options. The minimum strike step-up value should always ensure a minimum coverage of 5% on either side of the index value.

Accordingly, the following new strike scheme shall be applicable for NIFTY 50 Long Term Index Options:

Average Index Level		Strike Interval	In the money - At the money - Out of the money
From	To		
>2000	≤ 4000	100	5-1-5
>4000	≤ 5000	500	2-1-2
>5000	≤ 6000	500	3-1-3
>6000	≤ 7500	500	4-1-4
>7500	≤ 15000	500	5-1-5
>15000	≤ 25000	1000	5-1-5
>25000		1500	5-1-5

Based on the above new strike scheme, the following changes shall be effective from June 26, 2020 for NIFTY 50 Long Term Index Options.

Strike Interval	Number of strikes In the money- At the money- out of the money
500	5 - 1 - 5

Discontinuation of illiquid strikes:

Further, Exchanges in consultation with SEBI has decided to implement a semi-annual review to discontinue those strikes of NIFTY 50 Long Term Index Option contracts which have zero open interest and not part of the revised strike scheme as per the below criteria:

- All long term index option contracts eligible as per revised strike scheme will continue to be available, irrespective of the open interest.
- All long term index option contracts not eligible as per revised strike scheme and having open interest will continue to be available.
- All long term index option contracts not eligible as per revised strike scheme and with zero open interest will be discontinued.

The strike interval review and discontinuation of illiquid strikes in NIFTY 50 Long Term Index Options shall be conducted on semi-annual basis starting from June 2020 expiry. Accordingly, revision if any, will be implemented after the expiry of respective computation month i.e. expiries of month of June / December

The strike interval change, if any, shall be communicated through a circular.

Members are advised to load the updated contract.gz file in the trading application before next trading day. This file can be obtained from the directory faoftp/faocommon on the Extranet server.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

Toll Free No	Fax No	Email id
1800-266-0050	+91-22-26598449	msm@nse.co.in

