

# **Construction of Indexes**

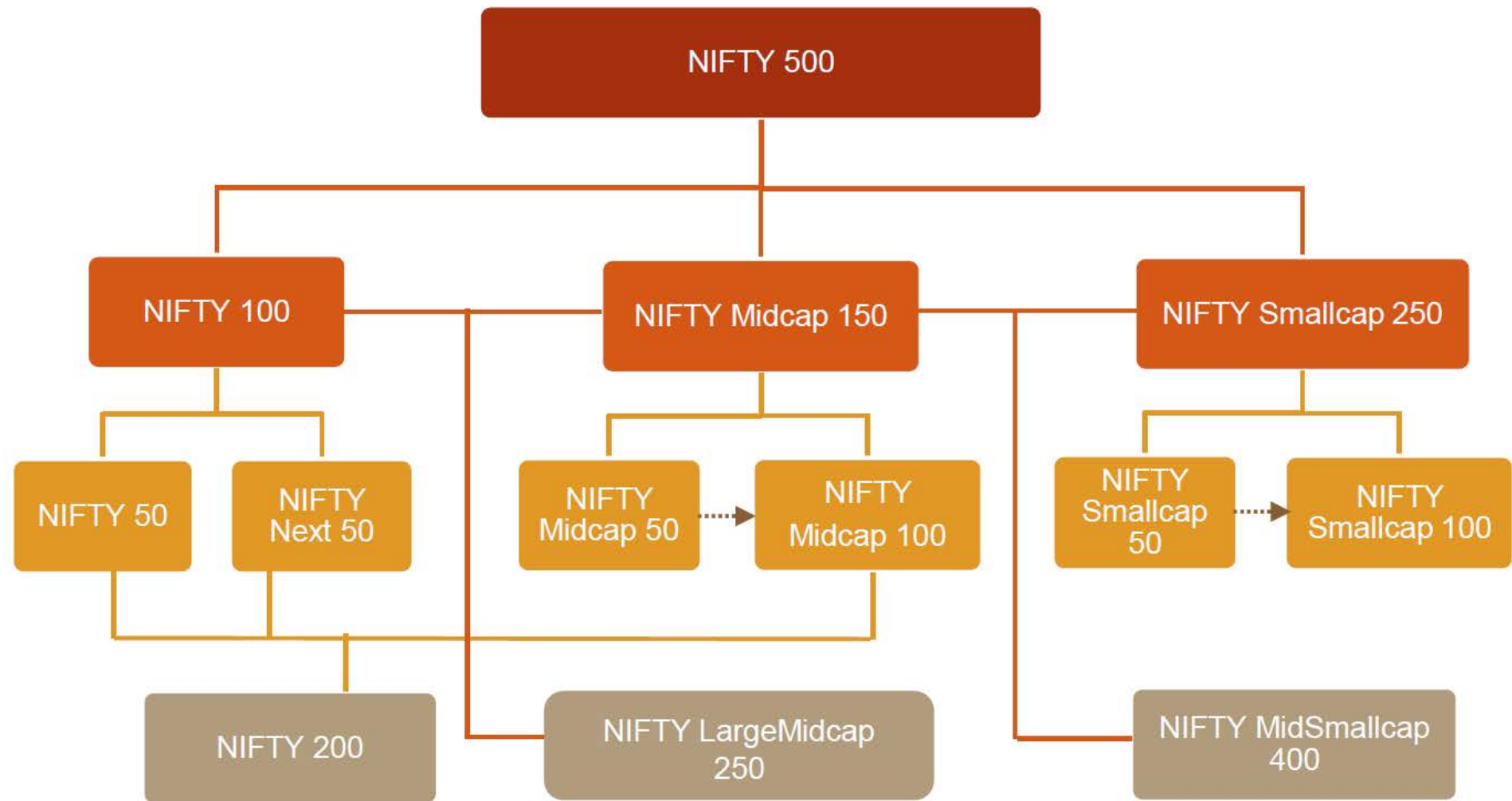
*A case of India*

# Nifty 50

- 50 of the approximately 1600 companies listed on the NSE

## Eligibility

- The stocks should be available for F & O segment
- 65% of the total float-adjusted market capitalization of the National Stock Exchange (NSE).
- An average impact cost of 0.50 % or less during the last six months
- Listing history
- Trading frequency
- Currency
- Base period
- Divisor adjustment
- Investible weight factor (IWF)
- Calculation



Ranked within top 800					
Trading frequency					
Listing history					
Sector Index	Constituents	Number of stocks	Base period	Base Value	Remarks
Auto	Manufacturers of cars & motorcycles, heavy vehicles, auto ancillaries, tyres, etc.	15	January 1, 2004	1000	
Bank	Large and liquid banks	12	January 1, 2000	1000	F & O segment
Financial Services	Banks, financial institutions and housing finance and other financial services companies	20	January 1, 2004	1000	
FMCG	Non-durable, mass consumption products and available off the shelf	15	January 1, 1996	1000	
IT Index	IT infrastructure, IT education and software training, networking infrastructure, software development, hardware, IT support and maintenance etc.	10	January 1, 1996	100 (from May 28, 2004)	Cap (25%) during the rebalancing  Preferable to F & O segment
Media	Metals sector including mining	15	January 1, 2004	1000	Cap (20%) during the rebalancing
PSU Bank	PSU Banks	12	January 1, 2004	1000	
Reality	Companies that are engaged into construction of residential & commercial real estate properties	10	December 29, 2006	1000	
Calculation					
Index market capitalization = Total shares outstanding * Price * IWF * Capping Factor					
Index market capitalization/ Base market capital * Base index value					

# Other

[https://www.nseindia.com/products/content/equities/indices/strategic\\_indices.htm](https://www.nseindia.com/products/content/equities/indices/strategic_indices.htm)