

Date: July 08, 2016

## **PRESS RELEASE**

### **IISL Launches Two New Indices**

New indices to serve as benchmarks for the arbitrage and low volatility strategies

India Index Services & Products Ltd. (IISL), an NSE group company, in its continuous efforts to expand the suit of indices for Indian capital market, has today launched 2 new strategy indices namely Nifty 50 Arbitrage Index and Nifty100 Low Volatility 30 Index.

“The new indices will act as benchmark for the arbitrage and low volatility strategies and facilitate introduction of new investment products. The Nifty 50 Arbitrage Index will be an appropriate benchmark for the arbitrage funds currently available in India. Products like ETF on the Nifty100 Low Volatility 30 index will make markets more attractive for investors looking for lower volatility and portfolio diversification” said Mr. Mukesh Agarwal, CEO, IISL.

#### **Nifty 50 Arbitrage Index**

Arbitrage is a popular strategy used by market participants that involves buying equities and selling equivalent equity futures. In India, many asset management companies also offer arbitrage funds.

The Nifty 50 Arbitrage Index aims to measure the performance of such arbitrage strategies. The index measures performance of portfolio involving investment in equity & equivalent short position in equity futures, short-term debt market instrument and cash.

The composition and weights of the index constituents are as under:

- 65% weight is assigned to net returns from investment in long Nifty 50 index and equivalent Nifty 50 index near month short futures.
- 30% weight is assigned to returns from 1 month MIBOR; and
- 5% weight is assigned to cash

The base date of the index is April 01, 2010 and base value is 1000.

### **Nifty100 Low Volatility 30 Index**

The index tracks the performance of 30 stocks with the lowest volatility in last one year selected from stocks in Nifty 100. The Nifty 100 index represents the large market capitalisation segment of market. Volatility is computed as the standard deviation of the security's daily price return over a period of one year.

The weights of the index constituents are as under:

- The least volatile stocks receives the highest weight in the index
- In order to ensure replication of index, weight of stocks with liquidity below the minimum threshold are capped at 3%

The index is reviewed on quarterly basis. The base date of the index is April 01, 2005 and base value is 1000.

These indices will be maintained by IISL and calculated on an end-of-day basis. The indices will also be available for licensing for the launch of financial products such as exchange traded fund and structured products.

The details of these indices is available in the methodology document on the [website](#).

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### **About The National Stock Exchange of India (NSE):**

In its 20 year history, NSE has transformed the capital market, based on technology, innovation, high standards of governance and management practices. NSE's business practices and high levels of integrity have earned it the trust of the financial markets worldwide. Besides being a platform of choice for all exchange traded financial products in India, NSE's flagship index, the Nifty 50, has become a benchmark national level economic parameter. Since inception, the exchange has been covered extensively by global media and has won many accolades as recognition of this remarkable journey.

### **About India Index Services & Products Ltd. (IISL):**

India Index Services & Products Ltd. (IISL), an NSE group company, was setup in May 1998 to provide a variety of indices and index related services for the capital markets. IISL is India's first specialised company focused upon the index as a core product. IISL maintains more than 100 equity indices comprising broad-based benchmark indices, strategy indices, thematic indices, sectoral indices and customised indices. IISL also maintains fixed income indices based on Government of India bonds. Many investment and risk management products based on IISL indices have been developed in the recent past, within India and abroad. These include index based derivatives traded on NSE, Singapore Exchange Ltd. (SGX), Chicago Mercantile Exchange Inc. (CME) and Osaka Exchange Inc. (OSE) and a number of index funds and exchange traded funds. The flagship 'Nifty 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.