

**PRESS RELEASE**

# Modification to the Methodologies of the S&P BSE Indices

**MUMBAI, APRIL 28, 2023:** On March 27, 2023, with reference to [Notice No: 20230327-65](#) BSE Indices Ltd, announced revision in contract specifications of S&P BSE SENSEX derivatives contracts in equity derivatives segment. The monthly expiry day for S&P BSE SENSEX derivatives contracts is changing from Thursday to Friday.

In response to this development and to align the S&P BSE Indices, Asia Index Private Limited (“AIPL”) announces the following methodology changes to the S&P BSE Indices.

## S&P BSE SENSEX Futures Index

Methodology	Future Roll
Previous	The near-month futures contract expires on the last Thursday of each month. In case the last Thursday is a holiday, it expires on the immediately preceding business day.
Updated	The near-month futures contract expires on the last <b>Friday</b> of each month. In case the last <b>Friday</b> is a holiday, it expires on the immediately preceding business day.

This change will be implemented in conjunction with the May 2023 roll over, which takes effect after the market close on Tuesday, May 23, 2023.

## S&P BSE Arbitrage Rate Index

Methodology	Rebalancing
Previous	The index is rebalanced monthly, effective after the close one business day prior to the expiration of the futures contract. The near-month futures contract expires on the last Thursday of each month. If the last Thursday is a holiday, the contract expires on the immediately preceding business day.
Updated	The index is rebalanced monthly, effective after the close one business day prior to the expiration of the futures contract. The near-month futures contract expires on the last <b>Friday</b> of each month. If the last <b>Friday</b> is a holiday, the contract expires on the immediately preceding business day.

This change will be implemented in conjunction with the May 2023 rebalancing, which takes effect after the market close on Wednesday, May 24, 2023.

## S&P BSE Realized Volatility Indices

Methodology	Index Calculations
Previous	The formula for realized volatility uses continuously compounded daily returns assuming a mean daily price return of zero. The summation of the squared daily returns is annualized, assuming 252 business days per year.  The formula is used to calculate the value of the index on the n <sup>th</sup> day of the underlying option expiration cycle. At BSE, the options expire on the last Thursday of the month.
Updated	The formula for realized volatility uses continuously compounded daily returns assuming a mean daily price return of zero. The summation of the squared daily returns is annualized, assuming 252 business days per year.  The formula is used to calculate the value of the index on the n <sup>th</sup> day of the underlying option expiration cycle. At BSE, the options expire on the last <b>Friday</b> of the month.

This change will be implemented effective after the market close on Friday, May 26, 2023.

Please note that the methodology document located on the AIPL website ([www.asiaindex.co.in](http://www.asiaindex.co.in)) is being updated to reflect this change.

Please contact Client Services at [index\\_services@spglobal.com](mailto:index_services@spglobal.com) with any questions or requests for further information.

#### About ASIA INDEX PRIVATE LIMITED

Asia Index Pvt. Ltd is a 50-50 partnership between S&P Dow Jones Indices LLC, the world's largest provider of financial market indices, and BSE Ltd, Asia's oldest stock exchange and home to the iconic SENSEX index – a leading indicator of Indian equity market performance. Asia Index Pvt. Ltd, which combines the benchmarks, market intelligence, and insights of both parent companies, each established more than 115 years ago, aims to provide a full array of indices enabling global and domestic investors to participate in South Asia's vibrant economies. The Company is best known for calculating, publishing, and maintaining a diverse family of Asian indices under the umbrella brand, S&P BSE Indices.

#### About BSE

BSE (formerly Bombay Stock Exchange) established in 1875, is Asia's first & now the world's fastest Stock Exchange with a speed of 6 microseconds. BSE is India's leading exchange group and has played a prominent role in developing the Indian capital market. BSE is a corporatized and demutualized entity, with a broad shareholder. BSE provides an efficient and transparent market for trading in equity, debt instruments, equity derivatives, currency derivatives, commodity derivatives, interest rate derivatives, mutual funds and stock lending and borrowing.

BSE also has a dedicated platform for trading in equities of small and medium enterprises (SMEs) that has been highly successful. BSE also has a dedicated MF distribution platform BSE StAR MF which is India Largest Mutual Funds Distribution Infrastructure. On October 1, 2018, BSE launched commodity derivatives trading in Gold, Silver, Copper, Oman Crude Oil Guar Gum, Guar Seeds, Almond & Turmeric.

BSE provides a host of other services to capital market participants including risk management, clearing, settlement, market data services and education. It has a global reach with customers around the world and a nation-wide presence. BSE's systems and processes are designed to safeguard market integrity, drive the growth of the Indian capital market and stimulate innovation and competition across all market segments.

Indian Clearing Corporation Limited ("ICCL") was incorporated in 2007 as a wholly owned subsidiary of BSE Ltd. ("BSE"). ICCL carries out the functions of clearing, settlement, collateral management and risk management for various segments of BSE such as equity cash market (including BSE SME, offer for sale, securities lending & borrowing, corporate bonds and government securities), equity derivatives segment (stock & index futures and options), currency derivatives (currency (including cross-currency) futures and options, interest rate futures and options), commodity derivatives and debt products, including tri-party repo products. Post the introduction of interoperability, in 2019, ICCL also provides clearing and settlement

services for trades executed in the interoperable segments (viz., equity cash market, equity derivatives segment and currency derivatives segment) of BSE as well as other exchanges.

BSE has set up an Investor Protection Fund (IPF) on July 10, 1986 to meet the claims of investors against defaulter Members, in accordance with the framework issued by the Ministry of Finance, Government of India and SEBI. BSE Investor Protection Fund is responsible for creating Capital markets related awareness among the investor community in India.

India International Exchange (IFSC) Limited (India INX) is India's first international exchange in International Financial Services Centre (IFSC) located at the Gujarat International Finance - Tec City (GIFT City). India INX is a subsidiary of BSE Limited. The Exchange was inaugurated by Hon'ble Prime Minister of India, Shri Narendra Modi, on Jan 09, 2017, and commenced its operations from Jan 16, 2017.

#### About S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

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