



The **National Stock Exchange of India (NSE)** is one of the largest and most advanced stock exchanges in the world. NSE is the largest exchange in Single Stock futures and the seventh largest futures exchange in the world. Its trading facility can be accessed across the country, through over 50000 trading terminals. The central order book with a tight bid-ask spread provides a highly liquid market for the investors.

Nifty 50 futures is the most actively traded contract. The Nifty 50 comprises of companies having leadership position in Indian economy. It consists of highly liquid, 50 largest market capitalized stocks listed on NSE. It is the benchmark of the Indian capital market.

Based on the evolving needs of the market and the investors, NSE introduces futures and options trading on Nifty Midcap 50 Index. It is a gateway for investors to invest in the medium capitalised segment of the stock market which is being increasingly perceived as an attractive investment strategy with high growth potential.



Think mid, think big

Nifty Midcap 50:

Returns on Nifty Midcap 50

- | | |
|---------------------------------------|--------------------------|
| ➤ April 1, 2004 to 30 Oct 2007 | 222.52 %(Approx) |
| ➤ April 1, 2007 to 30 Oct 2007 | 72.84 % (Approx) |

Salient Features:

- Comprises **50 stocks** that have high growth potential
- Benchmark index to capture movements in the medium capitalised segment
- Representation from **25 sectors** due weight-age to key drivers of Indian economy
- All 50 stocks available in **Futures & Options trading**
- Constituents not part of the S&P CNX NIFTY Index
- With Base date as **January 1, 2004**
- **Base index value -1000**



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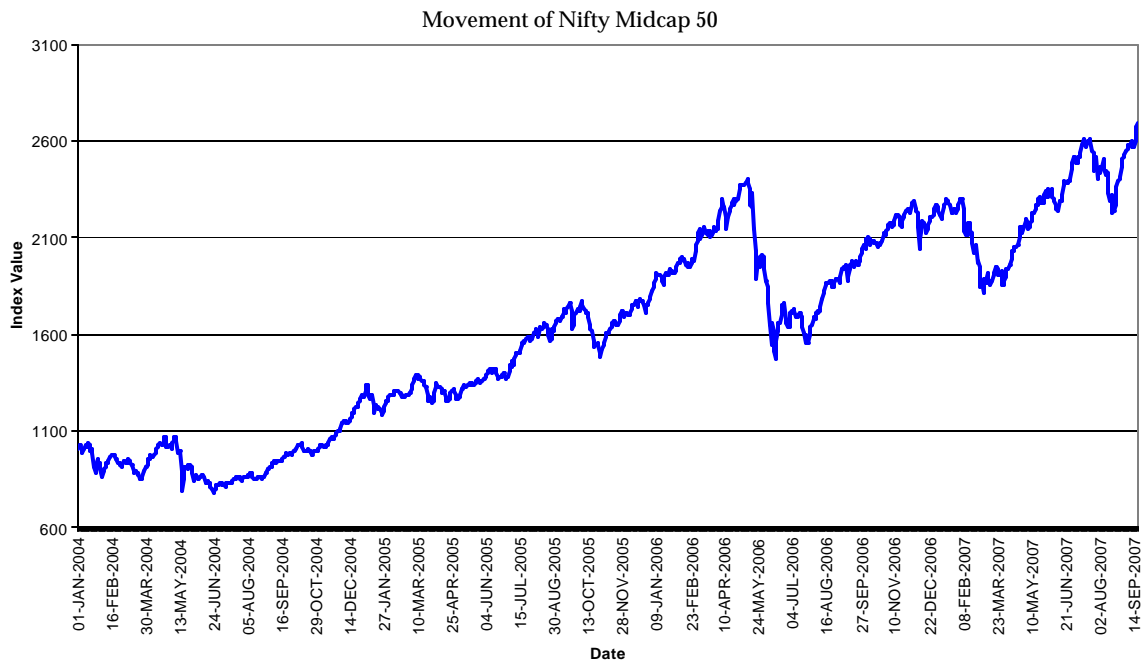
Why one should trade in Nifty Midcap 50 Futures & Options:

- **Invest:** Take a view on companies, which are fast growing, dynamic and highly competitive. They are aggressive companies in their respective industry sectors. Take an exposure to this dynamic pack of companies; invest in the entire basket of such stocks by buying or selling the Nifty Midcap 50 futures and options. The index gives a snapshot of overall performance of midcap companies. This index could also be used to forecast the movements of midcap companies. The trend of expiry of derivative contracts would reflect the market sentiment of a large group of players
- **Hedge:** Reduce risks associated with market exposure to Nifty Midcap 50 stocks by taking a hedged position in the Nifty Midcap 50 derivatives contracts.
- **Arbitrage:** Since, Nifty Midcap 50 index comprises of stocks which are already a part of the derivatives trade it offers a complete arbitrage opportunity between the index and respective stocks futures and options. Investors can also take advantage of the price difference between the Derivatives market and the cash market.



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Tracking Nifty Midcap 50 index since inception:



Nifty Midcap 50 vis-à-vis S&P CNX Nifty

(As on August 31 , 2007)	S&P CNX Nifty	Nifty Midcap 50
Average Market Cap (in Rs. Crs.) (Sept. 2006 – Aug. 2007)	2020004.67	179116.36
P/E Ratio	20.20	15.79
Price to Book	5.08	3.50
Dividend Yield	1.10	1.21
Volatility (of Avg. Daily Returns) (Sept.2006 – Aug 2007)	1.35	1.48



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Volatility of Nifty Midcap 50 vis-à-vis S&P CNX Nifty

Period	S&P CNX Nifty	Nifty Midcap 50
Jan 2004 – Dec 2004	1.74%	1.95%
Jan 2005 – Dec 2005	1.11%	1.31%
Jan 2006 – Dec 2006	1.65%	1.92%
Jan 2007 – Aug 2007	1.47%	1.56%

Correlation between Nifty Midcap 50 and S&P CNX Nifty

Period	Nifty Midcap 50
Jan 2004 – Dec 2004	0.89
Jan 2005 – Dec 2005	0.81
Jan 2006 – Dec 2006	0.86
Jan 2007 – Aug 2007	0.87

Beta value of Nifty Midcap 50 in comparison to S&P CNX Nifty

(For the period Sept. 2006 to Aug. 2007)

S. No.	Index	Beta
1	Nifty Midcap 50	0.95



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Indices Composition:

Index	No of Stocks	Industry Representation
Nifty	50	21
Nifty Junior	50	23
CNX 100	100	34
Nifty Midcap 50	50	25

Contract Specifications: Nifty Midcap 50 Futures and Options

Underlying Index	Nifty Midcap 50
Security descriptor	Futures : FUTIDX NIFTYMCAP50 Options : OPTIDX NIFTYMCAP50
Price steps	Re. 0.05
Lot size	75
Price Bands	Not applicable
Trading Cycle	Maximum of three months – the near month, the next month and the far month. New contract shall be introduced on the next trading day following the expiry of near month contract
Expiry day	Last Thursday of the expiry month or the previous trading day if the last Thursday is a trading holiday
Settlement basis	Cash settlement
Style of option	European



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Constituents of the Index:

Sr. No.	Company	Symbol	Market Cap as on Aug. 31, 2007 (Rs. Crs)	Weightages (%)
1	AIA Engineering Ltd.	AIAENG	2675.06	1.27
2	Allahabad Bank Ltd.	ALBK	4049.34	1.93
3	Alstom Projects India Ltd.	APIL	5037.87	2.40
4	Amtek Auto Ltd.	AMTEKAUTO	4908.84	2.34
5	Andhra Bank Ltd.	ANDHRABANK	4134.63	1.97
6	Ansal Properties & Infrastructure Ltd.	ANSALINFRA	2838.10	1.35
7	Aurobindo Pharma Ltd.	AUROPHARMA	3245.59	1.54
8	Bajaj Hindusthan Ltd.	BAJAJHIND	1904.05	0.91
9	Bharat Earth Movers Ltd.	BEML	5101.24	2.43
10	Birla Corporation Ltd.	BIRLAJUTE	2242.01	1.07
11	Bombay Dyeing & Manufacturing Co. Ltd.	BOMDYEING	2221.49	1.06
12	CESC Ltd.	CESC	3936.78	1.87
13	Chennai Petroleum Corporation Ltd.	CHENNPETRO	3897.01	1.85
14	Colgate-Palmolive (India) Ltd.	COLGATE	5269.04	2.51
15	Corporation Bank Ltd.	CORPBANK	4788.03	2.28
16	Divi's Laboratories Ltd.	DIVISLAB	7581.26	3.61
17	Great Eastern Shipping Co. Ltd.	GESHIP	4843.07	2.31
18	Hindustan Construction Co. Ltd.	HCC	3356.87	1.60
19	Hotel Leelaventure Ltd.	HOTELEELA	1590.45	0.76
20	India Cements Ltd.	INDIACEM	6413.00	3.05
21	IVRCL Infrastructures & Projects Ltd.	IVRCLINFRA	4903.18	2.33
22	Jammu & Kashmir Bank Ltd.	J&KBANK	3231.04	1.54
23	Kesoram Industries Ltd.	KESORAMIND	2171.44	1.03
24	Lanco Infratech Ltd.	LITL	6472.96	3.08
25	Lupin Ltd.	LUPIN	4820.71	2.29
26	Maharashtra Seamless Ltd.	MAHSEAMLES	4121.62	1.96
27	Mahindra Gesco Developers Ltd.	GESCOCORP	2072.07	0.99

Sr. No.	Company	Symbol	Market Cap as on Aug. 31, 2007 (Rs. Crs)	Weightages (%)
28	Matrix Laboratories Ltd.	MATRIXLABS	3703.47	1.76
29	Moser Baer India Ltd.	MOSERBAER	5129.66	2.44
30	Mphasis Ltd.	MPHASIS	6117.05	2.91
31	Nagarjuna Construction Co. Ltd.	NAGARCONST	4252.81	2.02
32	Patel Engineering Ltd.	PATELENG	2608.30	1.24
33	Peninsula Land Ltd.	PENINLAND	2286.70	1.09
34	Petronet LNG Ltd.	PETRONET	4623.75	2.20
35	Praj Industries Ltd.	PRAJIND	3448.41	1.64
36	Punj Lloyd Ltd.	PUNJLLOYD	8134.50	3.87
37	Reliance Natural Resources Ltd.	RNRL	6695.38	3.19
38	Rolta India Ltd.	ROLTA	3769.18	1.79
39	Shipping Corporation of India Ltd.	SCI	5401.86	2.57
40	Shree Cement Ltd.	SHREECEM	4284.28	2.04
41	Sterling Biotech Ltd	STERLINBIO	3603.38	1.72
42	Syndicate Bank	SYNDIBANK	4079.18	1.94
43	Tata Chemicals Ltd.	TATACHEM	5421.66	2.58
44	Tata Tea Ltd.	TATATEA	4657.16	2.22
45	Tata Teleservices (Maharashtra) Ltd.	TTML	5778.08	2.75
46	Titan Industries Ltd.	TITAN	5511.69	2.62
47	TVS Motor Company Ltd.	TVSMOTOR	1563.04	0.74
48	Vijaya Bank Ltd.	VIJAYABANK	2488.39	1.18
49	Voltas Ltd.	VOLTAS	4518.23	2.15
50	Wockhardt Ltd.	WOCKPHARMA	4198.51	2.00

Disclaimer

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