

CNIX IT

in a new **avatar** starting from
May 29, 2015



- About the CNX IT index
- Key changes to the index
- Derivatives product specifications
- Product usage



- Benchmark for capturing the performance of Indian IT Sector
- Computed using Free float market capitalization method
- 20 stock constituents (till May 28, 2015)
- Base Date : January 01,1996
- Base Value: 100
- Represents
 - 11.27% of free float Mcap of stocks listed on NSE
 - 97.25% of free float Mcap of stocks forming part of IT sector
- Returns in last 1 year 29.95% and Standard deviation@ 18.63%



- Companies with more than 50% of their turnover from IT related activities
- Stock must rank within the top 500 companies by average free-float market capitalisation and aggregate turnover for the last six months
- Company should form a part of the IT sector
- The stock's trading frequency should be at least 90% in the last six months
- The company should have reported a positive net worth
- The company should have an IWF of at least 10%
- Final selection of 10 companies shall be done based on the free-float market capitalization

Starting from May 29, 2015 CNX IT index undergoes the following changes

- Reduction in the number of constituent stocks from 20 to 10
 - Expected to bring ease in replicating the index
- Capping on maximum weightage of a single stock @ 25%
 - For true reflection of sector performance as a whole through minimizing impact of any single stock
- CNX IT index in a new avatar

Particulars	Existing scenario	New avatar w.e.f May 29, 2015 #
No. of constituent stocks	20	10
Weight of top 1 stock	42%	25%
Weight of top 2 stocks	66%	50%
% of no. of stocks available in derivatives	50%	80%
% of stocks weights available in derivatives	94.90%	97.10%

- Benchmark for Indian IT Sector – represents 93% of Mcap of IT sector
11% of the total Mcap
- 10 stocks index – easy to replicate and trade
- Maximum weightage of stocks capped at 25%
- 5 CNXIT stocks are part of Nifty (15.4%)
- Actively traded underlying stocks in cash and stock derivative segments.

Sr. No	Stock Name	Symbol
1	Infosys Ltd.	INFY
2	Tata Consultancy Services Ltd.	TCS
3	HCL Technologies Ltd.	HCLTECH
4	Tech Mahindra Ltd.	TECHM
5	Wipro Ltd.	WIPRO
6	Oracle Financial Services Software Ltd.	OFSS
7	MindTree Ltd.	MINDTREE
8	Info Edge (India) Ltd.	NAUKRI
9	Cyient Ltd.	CYIENT
10	Justdial Ltd.	JUSTDIAL

approximate weights

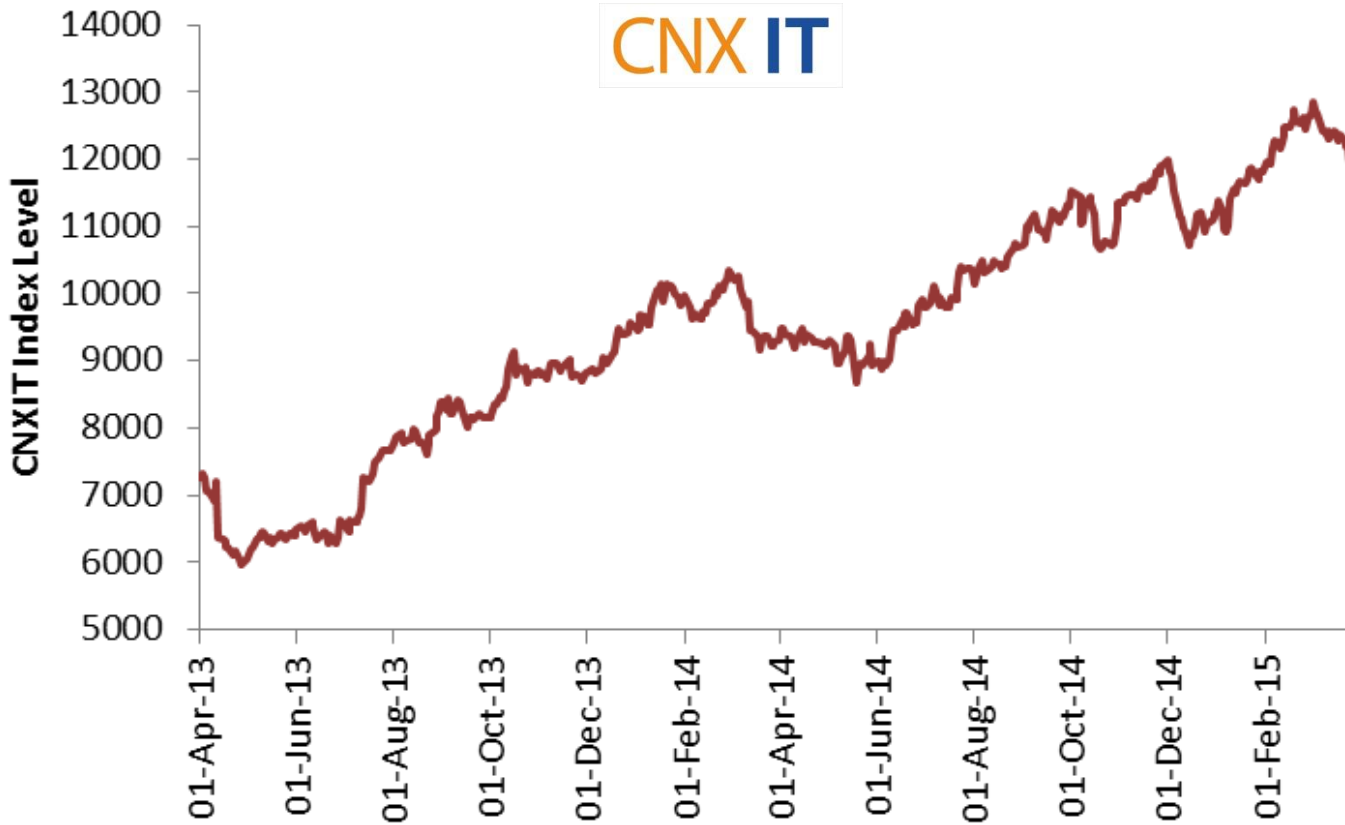
Sr. No	Stock Name	Symbol
1	Hexaware Technologies Ltd.	HEXAWARE
2	Firstsource Solutions Ltd.	FSL
3	KPIT Technologies Ltd.	KPIT
4	Mphasis Ltd.	MPHASIS
5	NIIT Technologies Ltd.	NIITTECH
6	Persistent Systems Ltd.	PERSISTENT
7	Polaris Consulting & Services Ltd.	POLARIS
8	Rolta India Ltd.	ROLTA
9	Tata Elxsi Ltd.	TATAELXSI
10	eClerx Services Ltd.	ECLERX



Underlying Index	CNX IT
Security descriptor	Futures: FUTIDX CNXIT Options: OPTIDX CNXIT
Contract Size	Permitted lot size shall be 25 and multiples thereof
Min Price fluctuation / Tick size	Re.0.05
Trading Cycle	Maximum of three months trading cycle (NM – MM - FM)
Expiration date and time / Last trading day & time	Last Thursday of the expiry month or the previous trading day if the last Thursday is a trading holiday
Settlement	Cash settled in INR
Daily Interim MTM settlement	Based on daily closing price of the contract
Final settlement	Based on closing price of underlying
Strike Scheme*	16 ITM – 1 ATM – 16 OTM with an interval of 100
Quantity Freeze	7500
Market timings	09.15 – 3.30



- Portfolio diversification
- Hedge underlying portfolio
- Express directional views on the performance of IT sector
- Various option trading strategies





May prosperity always bloom

To know more about the CNX IT index derivatives, visit:

http://www.nseindia.com/products/content/derivatives/equities/cnxit_fando.htm

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