

About the Nifty Financial Services Index

The Nifty Financial Services Index is designed to reflect the behaviour and performance of the Indian financial market which includes banks, financial institutions, housing finance, insurance companies and other financial services companies.

The index has 20 constituents and weightage of each stock in the index is calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

The Nifty Financial Services index has a 94% correlation and a beta value of 1.2 with the Nifty 50 Index. It has a correlation of 98% with the Nifty Bank index. The Nifty Financial Services index has delivered annualized returns of 14.99% in the last 5 years.

10 out of 20 stocks in Nifty Financial Services index are constituent stocks of Nifty 50 index. They account for 92.97% weightage in Nifty Financial Services index and 38.41% weightage in Nifty 50 Index.

5 out of 20 stocks in Nifty Financial Services index are constituent stocks of Nifty Bank index. They account for 63.89% weightage in Nifty Financial Services index and 87.48% weightage in Nifty Bank Index

Why Financial Services Sector?

- ✓ Larger sector amongst listed companies; accounts for 33.5% of the Nifty 500 Index
- ✓ 35% of FPIs assets under managements are invested in the financial services sector
- ✓ 48% of FPIs net inflows in recent period is invested in the financial services sector
- ✓ Last few years have seen big IPOs in the financial services sector and few big companies are in process of getting listed on the exchanges
- ✓ Most Asset management companies have schemes themed on the financial services sector

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Index Constituents

Sr	SECURITY NAME	Weights %
1	HDFC BANK LTD.	27.13
2	HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	17.51
3	ICICI BANK LTD.	14.14
4	KOTAK MAHINDRA BANK LTD.	12.1
5	AXIS BANK LTD.	6.46
6	BAJAJ FINANCE LTD.	5.64
7	STATE BANK OF INDIA	4.06
8	HDFC LIFE INSURANCE COMPANY LTD.	2.21
9	BAJAJ FINSERV LTD.	2.29
10	SBI LIFE INSURANCE COMPANY LTD.	1.43
11	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD.	1.37
12	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	0.74
13	PIRAMAL ENTERPRISES LTD.	0.68
14	BAJAJ HOLDINGS & INVESTMENT LTD.	0.66
15	HDFC ASSET MANAGEMENT COMPANY LTD.	0.59
16	SHRIRAM TRANSPORT FINANCE CO. LTD.	0.87
17	POWER FINANCE CORPORATION LTD.	0.54
18	CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LTD.	0.66
19	REC LTD.	0.49
20	MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD.	0.44

Contract Specifications

PARTICULARS	FUTURES	OPTIONS
Symbol	FINANCIALS	FINANCIALS
Instrument	FUTIDX	OPTIDX
Tick Size (Price Steps)	Re 0.05	Re 0.05
Contract Size (Lot Size)	40	40
Trading Cycle	7 serial weekly excluding the monthly expiry and 3 monthly expiries	
Expiry Day	Last Thursday of the expiry month for monthly contracts and Thursday of the expiring week for weekly expiry contracts	
Strike Scheme	-	30-1-30
Strike Interval	-	100
Option Type	-	Call and Put European (CE,PE)
Settlement	Cash Settled	Cash Settled
Quantity Freeze	5001	5001
Price Band	Operating range of 10% of the base price	A contract specific price range based on its delta value is computed and updated on a daily basis

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