

Press Statement on publication of FBIL-G-SEC Valuation Benchmark

Date: 28th March 2018

In its February 07, 2018 Statement on Developmental and Regulatory Policies, Reserve Bank of India announced that the benchmark administration activities relating to the valuation of Government of India Securities (G-Sec) and State Development Loans (SDL) shall be transferred from FIMMDA to Financial Benchmarks India Pvt. Ltd. (FBIL). RBI has requested FBIL to take over this activity with effect from March 31, 2018.

So far, the benchmark yield-to-maturity (YTM)/price/par yield curve in respect of G-Sec and SDL for their periodic valuation were being calculated and published by FIMMDA as per the methodology available on FIMMDA website.

The Board of FBIL is of the view that a comprehensive review of the methodology will be in order in view of the change of the administrator of this important benchmark from FIMMDA to FBIL. Such a review would involve extensive data analysis, examination of alternative methodologies, consultation with all stakeholders including the regulatory authorities and giving notice to all the market participants before any change in the methodology, if needed, is adopted.

Till such a review is undertaken, the Board has decided that the FBIL will commence publication of the following G-Sec and SDL valuation benchmarks with effect from March 31, 2018 based on the extant methodology with FIMMDA as the Calculating Agent.

1. FBIL Prices/ YTM for G-Sec, including FRBs and IIBs.
2. FBIL Par Yield Curve.
3. FBIL Prices/ YTM for Special Securities.
4. FBIL Prices/ YTM for STRIPS and ZCYC.
5. FBIL Prices/ YTM for SDL.

The valuation benchmarks will be published on all Mumbai business days (i.e., excluding Saturday, Sunday and Holidays in Mumbai) by 7 PM. The publication time may be suitably

extended if the closing time of the NDS-OM Trading platform is extended for any reason. The month-end valuation data will be published on the working day following the last business day of the month. All such publications will be available on FBIL/FIMMDA websites.
