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FBIL Newsletter

FROM CHAIRPERSON'S DESK:

FBIL is recognized by the Reserve Bank of India as a benchmark administrator for money foreign exchange and government securities markets. In the four years since it commenced activity, FBIL has developed 11 benchmarks that are published daily. Four of these related to the foreign exchange market and the rest are interest rate benchmarks. In compliance with IOSCO's principles on financial benchmarks, FBIL has followed a transparent benchmarks setting process, with wide consultation with all stakeholders along. It is now felt necessary to reach a wider audience of investors, policy makers and market watchers for the benchmarks being produced by FBIL. I hope that financial analysts and researchers will find this newsletter useful. Suggestions for improvement will be most welcome!

Section 1: New Developments

- Reserve Bank has decided to inject Rupee liquidity for longer duration through long-term foreign exchange Buy/Sell swap. RBI will conduct a USD/INR Buy/Sell swap auction of USD 5 billion for tenor of 3 years on March 26, 2019.

- RBI in its sixth bi-monthly monetary policy statement dated February 07,2019 announced that draft guidelines for regulation of financial benchmarks relating to financial products and markets regulated by RBI are being issued for public consultation.

- The Financial Stability Board published its progress report on reforming major interest rate benchmarks on 14November 2018. The report highlighted the progress made with regard to reforms of various Interbank Offer Rates(IBOR). The report mentions that a consensus is emerging among the FSB member authorities that international financial markets need to move away from LIBOR across the five LIBOR currencies. UK authorities has already stated that they will neither persuade nor compel banks to participate in LIBOR panels after end-2021. To make such a transition orderly, the markets need sufficiently robust reference rates that are transaction data based and nearly risk-free.
- The report also mentions the following important developments:

a) The Federal Reserve Bank of New York has started daily publication of Secured Overnight Financing Rate (SOFR) on 3rd April 2018.

b) A working group on euro risk-free rate has identified Euro Short-Term Rate (ESTER) as the new euro risk-free rate. ECB is likely to release ESTER from October 2019.

Section 2: MARKET WATCH

Benchmark: FBIL MIBOR (Mumbai Interbank Outright Rate)
Category: Rupee Interest Rate
Type: Traded data (Vol in ₹Crs and rates in %)*
Source: NDS Call (Negotiated Dealing System)

	Vol	Tr	Rate
Jan	5409.23	53	6.00
Feb	4626.72	47	6.03
Mar	5478.61	56	6.19
Apr	4744.21	51	6.00
May	4523.48	45	6.04
Jun	5577.48	55	6.20
Jul	5025.41	54	6.29
Aug	6021.05	61	6.48
Sep	6097.44	62	6.56
Oct	7621.38	70	6.54
Nov	4597.33	56	6.54
Dec	4440.75	52	6.57

Benchmark: FBIL MROR (Market Repo Overnight Rate)
Category: Rupee Interest Rate
Type: Traded data (Vol in ₹Crs and rates in %)*
Source: CROMS (Clearcorp Repo Order Matching System)

	Vol	Tr	Rate
Jan	20085.45	78	5.89
Feb	21929.80	84	5.93
Mar	15644.95	71	5.93
Apr	17462.78	96	5.92
May	16278.49	98	5.99
Jun	20220.82	111	6.14
Jul	19672.47	114	6.22
Aug	18025.59	104	6.39
Sep	21383.71	120	6.39
Oct	32481.25	144	6.39
Nov	22525.17	115	6.40
Dec	22047.86	130	6.48

*The data in all the tables are monthly average of daily published rates for the year 2018.

Benchmark: FBIL CD Rates (Certificate of Deposit)
Category: Rupee Interest Rate
Type: Traded data (Vol in ₹Crs and rates in %)*
Source: Reported data on Clearcorp Trade Reporting System

	14 D			1 M			2 M			3 M		
	Vol	Tr	Rate	Vol	Tr	Rate	Vol	Tr	Rate	Vol	Tr	Rate
Jan	553.63	6	6.03	449.67	6	6.23	1227.82	11	6.41	901.79	9	6.67
Feb	580.09	8	6.11	583.93	7	6.27	404.00	7	6.85	1579.50	16	7.24
Mar	1072.11	11	6.49	286.00	5	6.85	870.63	12	7.15	2437.63	25	7.12
Apr	562.40	8	6.39	1116.25	12	6.46	1439.21	17	6.46	1945.54	20	6.73
May	1069.09	13	6.55	728.00	10	6.72	662.67	8	7.42	796.67	9	7.45
Jun	786.10	10	6.34	543.33	6	7.04	721.94	7	7.17	886.67	8	7.22
Jul	903.25	10	6.44	390.71	5	6.55	573.95	7	6.75	1062.73	9	7.04
Aug	619.64	7	6.57	447.00	6	6.67	517.60	5	7.03	1045.00	11	7.19
Sep	916.80	9	6.75	385.50	4	7.13	944.17	9	7.38	653.93	6	7.40
Oct	536.80	4	6.69	610.71	6	6.97	862.39	8	7.19	450.25	5	7.60
Nov	770.00	7	6.76	689.42	7	6.90	1133.61	10	7.24	879.12	9	7.47
Dec	1041.42	8	6.75	665.00	8	6.91	1051.73	10	7.00	1494.30	13	7.10

Benchmark: FBIL T-Bill Rates (Treasury Bills)
Category: Rupee Interest Rate
Type: Traded data (Vol in ₹Crs and rates in %)*
Source: NDS – OM (Negotiated Dealing System-Order Matching)

	3M			6M			12M		
	Vol	Tr	Rate	Vol	Tr	Rate	Vol	Tr	Rate
Jan	996.95	28	6.31	343.58	6	6.37	593.07	8	6.48
Feb	889.56	17	6.34	182.90	6	6.44	322.62	9	6.57
Mar	966.65	21	6.18	193.74	10	6.35	574.35	15	6.54
Apr	1396.09	29	6.10	368.92	11	6.27	587.98	12	6.47
May	1398.96	17	6.30	207.48	8	6.56	226.09	6	6.74
Jun	1204.66	15	6.47	374.09	14	6.83	216.75	5	7.02
Jul	1002.51	20	6.53	451.56	15	6.88	286.44	11	7.18
Aug	2505.80	39	6.78	642.45	11	6.96	164.56	7	7.26
Sep	1595.57	29	6.97	187.23	7	7.20	341.43	9	7.56
Oct	1154.08	25	6.93	555.22	14	7.22	593.31	13	7.51
Nov	1595.25	25	6.83	529.95	10	7.07	884.80	19	7.30
Dec	914.02	16	6.69	700.10	14	6.90	1007.80	16	7.03

Benchmark: FBIL MIBOR OIS (Overnight Index Swap)
Category: Rupee Interest Rate
Type: Traded data (Vol in ₹Crs and rates in %)*
Source: Deals reported on CCIL (Clearing Corporation of India Limited)

	3M			6M			1Y			5Y		
	Vol	Tr	Rate	Vol	Tr	Rate	Vol	Tr	Rate	Vol	Tr	Rate
Apr				2920.31	12	6.21	4656.94	34	6.48	3734.74	97	6.86
May				2205.00	15	6.46	3017.73	33	6.71	3130.23	82	7.15
Jun				1702.38	13	6.58	2888.75	31	6.85	2382.14	66	7.25
Jul	918.75	6	6.50	1183.66	11	6.66	2719.05	29	6.95	2375.24	65	7.31
Aug	1004.50	6	6.65	3329.38	23	6.77	3471.75	37	7.01	2005.25	54	7.30
Sep	2936.54	14	6.92	8227.31	51	7.14	4518.08	54	7.38	2906.15	77	7.65
Oct	3696.43	17	6.75	3176.19	21	6.99	7220.48	65	7.26	2822.86	72	7.56
Nov	4690.00	18	6.67	3260.94	18	6.84	4019.72	36	7.03	3154.17	73	7.28
Dec	6597.37	32	6.61	3143.42	16	6.66	6154.75	52	6.68	2776.25	70	6.74

Benchmark: FBIL MIFOR (Mumbai Interbank Forward Outright Rate)
Category: Forex Rate
Type: Traded data (Rates in %)*
Source: LIBOR (London Interbank Offer Rate) data from ICE (Intercontinental Exchange) and FBIL USD/INR Forward Premia curve

	O/N	1M	2M	3M	6M	12M
Mar	6.89	7.33	6.89	6.92	6.70	6.71
Apr	5.95	6.18	6.24	6.49	6.59	6.76
May	5.71	5.98	6.12	6.35	6.54	6.93
Jun	6.06	6.27	6.37	6.59	6.83	7.14
Jul	6.14	6.35	6.50	6.72	6.95	7.29
Aug	6.41	6.51	6.61	6.75	6.94	7.32
Sep	6.58	6.82	6.89	6.96	7.10	7.44
Oct	6.75	6.91	6.96	6.98	7.20	7.44
Nov	6.50	6.59	6.57	6.72	7.10	7.34
Dec	6.55	6.55	6.62	6.84	7.07	7.19

Benchmark: FBIL Reference Rate
Category: Forex Rate
Type: Traded data (USD/INR) and Quotes (Cross-currencies)
Source: FX Clear & Reuters

	Vol	Tr	USD	GBP	EUR	JPY
Jul	221.09	239	68.6949	80.2930	90.3702	61.4913
Aug	255.00	263	69.5465	80.4388	89.6929	62.5925
Sep	245.92	249	72.2153	84.2155	94.1888	64.4967
Oct	214.43	216	73.6323	84.6103	95.8700	65.2724
Nov	201.97	201	71.8542	81.6155	92.6219	63.3722
Dec	184.18	198	70.7311	80.4786	89.5832	62.9615

(Vol in USD Mio and Tr**:** pertains to USD/INR)
The INR rates are against I unit of USD,GBP, EUR and 100 units of JPY.

Benchmark: FBIL Forward Premia Curve
Category: Forex Rate
Type: Traded data (Vol in $Mio and rates in %)*
Source: USD/INR Trades reported to CCIL

	CT			1M			2M			3M			12M		
	Vol	**Tr**	**Rate**	**Vol**	**Tr**	**Rate**	**Vol**	**Tr**	**Rate**	**Vol**	**Tr**	**Rate**	**Vol**	**Tr**	**Rate**
Apr	5678.34	162	4.22	496.22	17	4.24	274.07	15	4.20	132.81	11	4.12	494.79	79	3.89
May	4701.07	146	3.97	278.20	13	3.98	270.33	15	4.00	130.07	9	3.97	384.55	59	4.01
Jun	4291.64	153	4.19	294.50	14	4.17	148.83	11	4.15	84.62	7	4.17	308.52	51	4.23
Jul	5064.08	168	4.19	325.18	16	4.19	203.39	14	4.27	110.69	8	4.31	432.55	60	4.33
Aug	4774.34	167	4.46	502.32	25	4.40	265.65	15	4.39	237.07	13	4.37	406.25	57	4.34
Sep	5718.89	189	4.61	313.09	15	4.59	208.26	13	4.62	188.81	14	4.57	604.56	81	4.40
Oct	5741.89	192	4.55	300.65	17	4.58	269.00	14	4.58	241.89	15	4.53	733.15	108	4.28
Nov	6002.32	212	4.29	370.21	17	4.25	236.44	14	4.17	125.55	11	4.00	462.39	73	4.06
Dec	5590.68	191	4.27	240.00	14	4.09	256.29	17	4.01	147.18	12	3.95	419.16	60	3.95

Benchmark: FC (Foreign Currency) Rupee Option Volatility Rate
Category: Forex Rate
Type: Polled data (Quotes in %)
Source: 13 Submitters

	1 WEEK			1 MONTH			3 MONTHS			6 MONTHS			12 MONTHS		
	ATM Vols	**25D**		**ATM Vols**	**25D**		**ATM Vols**	**25D**		**ATM Vols**	**25D**		**ATM Vols**	**25D**	
	Mid	**RR**	**STR**	**Mid**	**RR**	**STR**	**Mid**	**RR**	**STR**	**Mid**	**RR**	**STR**	**Mid**	**RR**	**STR**
Jan	4.57	0.48	0.10	4.61	0.63	0.14	4.93	0.69	0.19	5.43	0.77	0.27	5.93	0.83	0.34
Feb	5.40	0.53	0.11	5.18	0.81	0.16	5.31	0.84	0.21	5.71	0.93	0.27	6.16	1.03	0.31
Mar	4.60	0.52	0.11	4.84	0.73	0.17	5.23	0.81	0.22	5.61	0.86	0.29	6.05	0.93	0.34
Apr	4.25	0.36	0.10	4.60	0.49	0.17	4.97	0.61	0.20	5.36	0.76	0.26	5.79	0.81	0.30
May	5.59	0.53	0.10	5.31	0.68	0.14	5.32	0.73	0.20	5.54	0.81	0.25	5.95	0.88	0.30
Jun	5.88	0.45	0.10	5.49	0.67	0.13	5.49	0.72	0.20	5.64	0.83	0.25	6.05	0.92	0.30
Jul	5.67	0.71	0.10	5.54	0.75	0.14	5.57	0.78	0.21	5.69	0.89	0.26	6.07	0.98	0.31
Aug	5.87	0.62	0.10	5.69	0.70	0.11	5.70	0.78	0.18	5.80	0.89	0.23	6.13	1.00	0.28
Sep	8.09	1.00	0.11	7.34	1.00	0.13	7.01	1.08	0.20	6.85	1.18	0.26	6.96	1.38	0.35
Oct	7.78	0.83	0.17	7.40	0.93	0.22	7.32	1.08	0.26	7.22	1.20	0.30	7.28	1.46	0.45
Nov	7.89	0.64	0.14	7.58	0.59	0.18	6.98	0.71	0.23	7.03	0.94	0.28	6.87	1.27	0.40
Dec	9.06	0.36	0.16	8.08	0.54	0.18	7.77	0.54	0.24	8.21	0.79	0.28	7.59	0.96	0.40

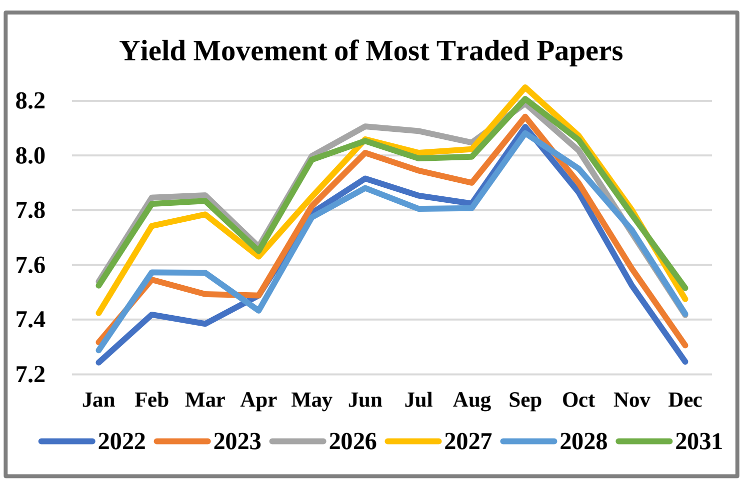
Submission data FC Rupee															
	1 WEEK			1 MONTH			3 MONTHS			6 MONTHS			12 MONTHS		
	ATM Vols	25D		ATM Vols	25D		ATM Vols	25D		ATM Vols	25D		ATM Vols	25D	
		RR	STR		RR	STR		RR	STR		RR	STR		RR	STR
Jan	12	12	11	12	12	12	12	12	12	12	12	12	12	12	12
Feb	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Mar	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Apr	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
May	13	13	13	13	13	13	13	13	13	13	13	13	13	13	12
Jun	13	13	13	13	13	13	13	13	12	13	13	12	13	13	12
Jul	13	13	13	13	13	13	13	13	12	13	13	13	13	13	13
Aug	13	13	12	13	13	13	13	13	13	13	13	13	13	13	12
Sep	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
Oct	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
Nov	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
Dec	13	13	13	13	13	13	13	13	13	13	12	13	13	13	13

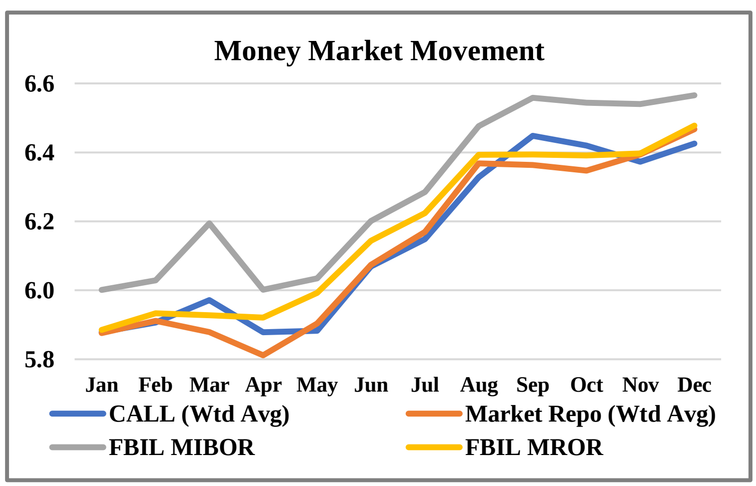
Benchmark: FBIL Government Securities (G.Sec) Valuation
Category: Rupee Interest Rate
Type: Traded data (Vol in ₹Crs)
Source: NDS – OM

	Vol	Tr
Jan	35,499.45	3393
Feb	30,081.84	2869
Mar	30,888.48	3063
Apr	41,059.90	3997
May	24,043.89	2407
Jun	26,862.68	2633
Jul	25,633.01	2549
Aug	30,733.98	2808
Sep	37,235.92	3789
Oct	31,897.21	2955
Nov	35,133.33	2970
Dec	47,415.51	3937

Benchmark: FBIL Term MIBOR
Category: Rupee Interest Rate
Type: Polled data (Quotes in %)
Source: 14 Submitters

				Submission Received		
	14D	1M	3M	14D	1M	3M
Jan	6.25	6.32	6.76	12	12	12
Feb	6.29	6.39	7.21	12	12	12
Mar	6.67	7.09	7.26	12	12	12
Apr	6.28	6.51	6.83	13	13	13
May	6.37	6.70	7.38	13	13	13
Jun	6.60	7.03	7.51	13	13	13
Jul	6.69	6.88	7.27	13	14	14
Aug	6.87	7.00	7.39	14	14	14
Sep	6.97	7.17	7.50	13	14	14
Oct	6.93	7.08	7.49	14	14	14
Nov	7.01	7.13	7.56	13	14	14
Dec	7.03	7.16	7.47	14	14	14





Disclaimer:

- Vol: Average volumes in a month in ₹Crores – all benchmarks except Forward Premia and USD/INR which are in $Mio.
- Tr: Average no. of trades in a month in round figures.
- Data published in the various tables except for G-Sec are the final output after removal of outliers used for calculation of the benchmark rates.
- MIBOR: The data on number of trades and volumes are based on the first hour trades from 9.00 hrs to 10.00 hrs on a trading day obtained from the NDS-CALL platform.
- MROR: The data on number of trades and volumes are based on the first hour trades from 9.00 hrs to 10.00 hrs on a trading day taken from the CROMS platform.
- Reference Rate: The data on number of trades and volumes in USD/INR are based on a random 15-min window between 11:30 and 12:30 hrs. obtained from FX Clear and Reuters. The quotes for Cross Currency pairs of GBP/INR, EUR/INR and 100 JPY/INR are indicative quotes in the same time window obtained from Reuters.
- Forward Premia curve: The data on number of trades and volumes are based on the USD/INR transactions data reported upto 3 PM on the CCIL platform.
- T-bill Rate: The data on number of trades and volumes are based on the total transaction done on NDS-OM platform upto 5 PM.
- CD rate: The data on number of trades and volumes based on the transactions upto 5 PM reported on the FTRAC of CCIL.
- MIBOR-OIS: The data on number of trades and volumes are based on the MIBOR-OIS transactions data reported to the CCIL upto 5 PM.
- G. Sec: The data on number of trades and volumes are based on the total transactions done on NDS-OM platform.