



## FIMMDA -THOMSON REUTERS INDIA COMMERCIAL PAPER BENCHMARK

Fixed Income Money Market & Derivatives Association of India (FIMMDA) has approved FIMMDA Thomson Reuters India Commercial Paper Benchmark

**Objective:** The objective of the FIMMDA Thomson Reuters India Commercial Paper Benchmark is to provide a uniform industry standard for the purpose of valuation of Commercial Papers in the portfolio of market participants and also to extend the valuation to other money market instruments by assigning suitable spreads. A Commercial Paper Benchmark yield curve on a daily basis can be generated out of the benchmark rates for the use of the market participants.

**Usage:** Apart from the purpose of valuation by market participants, issuers as a reference for their new issues could use the Benchmark. The Benchmark may also be used to price derivative instruments and issue of floating rate bonds.

**Panel of contributors:** Total Contributors - 25, Comprising of Investor - 21 including 3 Foreign Banks (Deutsche Bank, HSBC and Standard Chartered Bank), 5 Nationalized Banks (Bank of Baroda, Central Bank of India, State Bank Of India, State Bank Of Hyderabad and Union Bank), 1 Primary Dealer (STCI), 4 Brokers (Derivium, I-Cap, Mata Securities and A.C.Mehta), 8 Mutual Funds (Deutsche MF, Fortis MF, Principal MF, Reliance MF, Sundaram MF, Tata MF, Templeton MF, UTI MF); Issuers - 4 including Manufacturing Companies /Corporates, PD and Companies in the Service sector (GE Capital, HCL Info systems, ISEC and RABO India Finance Corp).

The panel of contributors is chosen depending upon the activity levels of the market participants.

**Time and Frequency:** The panel of contributors are polled by Thomson Reuters personnel on all weekdays at 11:45 A.M. to 12:15 Noon and the computed Benchmark released daily excluding Saturdays, Sundays and holidays at around 12:30 Noon.

**Rating:** Only top rated contributors (P1+) are considered.

**Tenor:** Benchmark rates are available for 1 month, 2 months, 3 months, 4 months, 5 months, 6 months, 7 months, 8 months, 9 months, 10 months, 11 months & 1 year.

**Computation:** Indicative quotes from Investors, Issuers as well as Brokers are polled from the panel of contributors by Thomson Reuters personnel for 1 month, 3 month, 6 month and 1 year primary P1+ commercial papers. Bid Rate, Ask Rate or both Bid Rate and Ask Rate as the case may be is considered for the benchmarks. Median Bid Rate and Median Ask Rate is computed. The FIMMDA Thomson Reuters 1 month Commercial Paper Benchmark is the mean or simple average of the 1 month Median Bid Rate and the 1 month Median Ask Rate. Similarly the 3 month, 6 month and 1 year Commercial Paper Benchmarks are computed. The 2 month benchmarks is computed by interpolating the 1 month and 3 month benchmarks, the 4 month and 5 month benchmarks are compute by interpolating the 3 month and 6 month benchmarks and the 7 month, 8 month, 9 month, 10 month and 11 month benchmarks are computed by interpolating the 6 month and 1 year benchmarks.

**Availability:** The FIMMDA Thomson Reuters India Commercial Paper Benchmark is available in the Thomson Reuters products in various applications like Chains, Pages, News and RIC's , which can be used in various applications like Quote List facilitating charting of the historical data.