



**nairobi
securities
exchange**
Discover Opportunity

Options on Futures Product Report

August 2024

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Approved

1. INTRODUCTION

The Nairobi Securities Exchange (NSE), having obtained approval from the Capital Markets Authority (CMA), proposes to introduce Options on Futures as part of its strategy to expand and deepen the Kenyan derivatives market. This initiative is designed to enhance the suite of financial instruments available to market participants, thereby facilitating more sophisticated risk management strategies and investment opportunities. The introduction of these contracts is not only a response to growing market demand but also a strategic move to position the NSE as a leading derivatives market in the region.

All contracts will be cash-settled using the existing infrastructure of NSE Clear and supported by our network of Clearing Members and Trading Members. The introduction of these products is designed to meet growing market demand while adhering to stringent risk management and regulatory standards.

2. OPTIONS ON FUTURES

What are Options?

An option is a contract that gives the buyer the right, but not the obligation, to sell or buy a particular asset at a particular price, on or before a specified date. The seller of the option, conversely, assumes an obligation in respect of the underlying asset upon which the option has been traded.

Options are available on a variety of underlying assets – physical assets, like oil and sugar, and financial assets, such as cash shares and FX forwards. The option may be based on a futures contract, where the underlying asset is a future; these are known as options on futures.

As with futures, investors attempting to place directional bets in options are known as speculators, but options can also be used to hedge existing positions. Options are trading and risk management tools which offer an extremely wide set of choices for investors and fund managers with differing attitudes to market direction and volatility and with differing appetites for risk.

A call option is an option to buy an asset (the underlying) for a specified price (the strike or exercise price), on or before a specified date.

A put option is an option to sell an asset for a specified price on or before a specified date.

The buyer of an options contract is said to be long, or the holder or owner of the contract. The seller of an options contract is said to be short, or the writer of the contract.

An option's premium is the cost of the option to the buyer. Premiums are non-returnable and are paid by the option holder to the option writer.

The exercise style of an option describes how it may be exercised. A European-style option is an option that can be exercised on its expiry day only. An American-style option is an option that the holder can exercise on any day during its life.

The parties to an options contract are summarized in the table below:

	Call Option	Put Option
Holder	The holder of a Call option has the right but not obligation to exercise the option to buy the underlying.	The holder of a Put option has the right but not obligation to exercise the option to sell the underlying.
Writer	The writer of a Call option receives a premium from the holder and is obligated to sell the underlying if the holder exercises the option.	The writer of the Put option received a premium from the holder and is obligated to buy the underlying if the holder exercises the option.

The value of an option is determined by whether the option is in-the-money (worth greater than Kes 0) or out-of-the-money at expiration.

Option Moneyness	
In-the-money	
Call option	Spot price > Strike price
Put option	Spot price < Strike price
At-the-money	
Call option	Spot price = Strike price
Put option	Spot price = Strike price
Out-of-the-money	
Call option	Spot price < Strike price
Put option	Spot price > Strike price

3. PRODUCT SPECIFICATIONS

3.1 Product Design

3.1.1 Underlying

The futures contracts listed on the Exchange which conform to the eligibility criteria and in accordance to the NSE Derivatives Rules shall be permitted.

The options underlying securities will comprise of the listed futures contracts approved, listed and/or trading on the NSE Derivatives market. The contract specifications of the options will therefore be align with those of the underlying futures. These include:

Security	Contract Size	Settlement Methodology	Category
Safaricom Plc (SCOM)	1:1000	Cash Settled	Single Stock Future
KCB Group Plc (KCBG)	1:1000	Cash Settled	Single Stock Future
Equity Group Holdings Plc (EQTY)	1:1000	Cash Settled	Single Stock Future
ABSA Bank Kenya Plc (ABSA)	1:1000	Cash Settled	Single Stock Future
NCBA Group Plc (NCBA)	1:1000	Cash Settled	Single Stock Future
The Co-operative Bank of Kenya Ltd (COOP)	1:1000	Cash Settled	Single Stock Future
I&M Group Plc (IMHP)	1:1000	Cash Settled	Single Stock Future
East African Breweries Ltd (EABL)	1:100	Cash Settled	Single Stock Future
British American Tobacco Kenya Plc (BATK)	1:100	Cash Settled	Single Stock Future
Standard Chartered Bank Kenya Ltd (SCBK)	1:100	Cash Settled	Single Stock Future
Mini NSE 25 Share Index (25MN)	1:10	Cash Settled	Index Future
Mini NSE 10 Share Index (10MN)	1:10	Cash Settled	Index Future

3.1.2 Trading Hours

The trading hours for the single stock futures will be between 9.00 a.m. and 3.00 p.m. The Exchange will ensure that risk management systems and infrastructure are installed and adequate to support the trading hours.

3.1.3 Size of the Contract

The contract size of the Options on futures contract will be such that 1 options contract represents 1 futures contract. The contract size for single stock futures contract shall be categorized as follows:

- Counters trading below Ksh.100 shall have a contract size of 1,000 shares per contract; and

- Counters trading above Ksh.100 shall have a contract size of 100 shares per contract.

3.1.4 Minimum Price Fluctuations

The minimum price fluctuations are based on the price bands within which the specific single stock future trades. This is guided by the global practice of having the tick size in the single stock futures lower to enhance price discovery of the derivative instrument as well as ensure that there is no mispricing between the option on futures, futures contract and the spot market.

The minimum price fluctuations will be as follows:

PRICE RANGE	TICK SIZE
Below 100.00	0.01
$\geq 100.00 < 500.00$	0.05
≥ 500.00	0.25

3.1.5 Quotation

The options on single stock futures contracts shall be quoted in Kenya Shillings terms.

3.1.6 Tenor of the Contract

The options on single stock futures contracts shall have monthly or quarterly expiries. Where quarterly, the expiries will be during the months of March, June, September and December.

3.1.7 Available Contracts

There will be monthly or quarterly (March, June, September, and December) contracts available.

3.1.8 Price Limits

There will be no daily price limits for these contracts, as the strike price will be determined by the market.

3.1.9 Settlement Mechanism

The contracts will be cash settled in Kenya Shillings.

3.1.10 Settlement Price

The settlement price of the options on single stock futures will be determined based on the Back-76 European options pricing model.

The Black-76 is represented using the formula below to calculate the European Call option where:

c = call option

e^{-rT} = discount factor

FN = Futures price

KN = Strike price

T = Time to expiry

σ = Volatility

d_1 = Conditional probability

d_2 = Probability the option will expire in the money

$$c = e^{-rT} [FN(d_1) - KN(d_2)]$$

The European Put option is then calculated as follows:

$$p = e^{-rT} [KN(-d_2) - FN(-d_1)]$$

Where:

$$d_1 = \frac{\ln\left(\frac{F}{K}\right) + \left(\frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

And:

$$d_2 = \frac{\ln\left(\frac{F}{K}\right) - \left(\frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}} = d_1 - \sigma\sqrt{T}$$

3.1.11 Expiry Time

The expiry time shall expressly be 3.00 p.m. on the contract's expiry date.

3.1.12 Final Settlement Day

The Exchange shall set the final settlement date as the third Thursday of every expiry month, and if the expiry date is a public holiday then the previous business day will be used.

While doing so, the Exchange shall have to ensure that there is no change in the contract specifications or the risk management framework and the integrity of the market is not affected in any manner.

4. RISK MANAGEMENT

The NSE will employ a robust risk management framework, consistent with the Derivatives Rules, which includes margining requirements and daily mark-to-market settlements to manage and mitigate potential risks. The Clearing House will act as the central counterparty to all trades, ensuring full novation and settlement.

4.1 Premiums and Margin

4.1.1 Option premium

To enter an option on futures contracts, the buyer of the option will be required to pay the seller a premium determined by the market. The options premium is non-refundable and acts as an incentive to sellers to act as counterparty to the options contract.

4.1.2 Variation Margin

This can be seen as your daily profit or loss. During the lifetime of the contract, the value of the contract will vary based on the price of the underlying futures contract, volatility of the underlying futures price and time to expiry of the contract.

4.2 Mark-to-Market Settlement

The Exchange prescribes for the payment of the mark-to-market to be before midday the next day to cover the potential losses. If the same is not done, then margin calls will be sent out to the clients. The Clearing House/clearing house has operational guidelines for collection of margin and standard guidelines for back office accounting at the level of clearing member and trading member to facilitate the detection of non-compliance at each level.

4.3 Contracts are automatically closed out on expiry

All contracts that have not been closed out or rolled over before expiry will go through the expiration process. All contracts held on expiry will be automatically closed out by the Exchange. The investor will receive a final Variation Margin flow which is calculated using the final settlement price of the contract. The exchange will charge trading fees for all contracts that expire.

4.4 How to close a trade position

Options on futures contracts are closed out by entering into an equal but opposite transaction. For example, if an investor had bought a call options, the investor would close out the trade by selling the call contract. The exchange will charge trading fees for all contracts that are closed out.

4.5 How to roll over a position

All investors who wish to hold their positions beyond the expiry date will be required to roll their positions over into the next expiry date. In other words assume an investor holding a December contract and wishing to roll their position into the March contract. The investors will need to close out their positions (as explained) & subsequently enter into the next contract expiry. In other words, if an investor bought a December call option contract, the investor would have to sell the December call option and subsequently buy a March call option. The benefit to the investor is that the same exposure is maintained.

5. SURVEILLANCE

The Nairobi Securities Exchange (NSE) will implement a comprehensive surveillance framework to ensure the integrity and orderly conduct of the Options on Futures market. This framework is aligned with the detailed procedures outlined in the NSE Derivatives Market Surveillance and Enforcement Manual and includes the following key elements:

5.1 Position Limits

Strict position limits are enforced, tied to the open interest of the underlying futures contracts. These limits are dynamically adjusted based on trading volumes and market conditions, and the surveillance system continuously monitors these thresholds. Automated alerts are generated whenever a participant approaches or exceeds these limits, ensuring real-time detection and response.

5.2 Client Codes

Each client will be assigned a unique code, enabling precise tracking of their positions and ensuring compliance with regulatory requirements. This system will help detect unusual trading patterns or concentration of trades that might indicate market manipulation.

5.3 Market Manipulation Detection

The surveillance system is equipped to detect a range of market manipulation techniques, including but not limited to:

- i. Wash Trades and Reversal of Trades: Identifying trades where there is no actual change in ownership to artificially inflate volumes.
- ii. Spoofing and Layering: Detecting the placement of non-bona fide orders intended to manipulate market prices, followed by order cancellations before execution.
- iii. Pump and Dump: Monitoring for sudden increases in trading volumes and prices, followed by rapid selling to profit from artificially inflated prices.
- iv. Marking the Close/Open: Surveillance for manipulative activities at the market's open or close aimed at distorting the settlement prices.

5.4 Market Alerts and Investigations

The Clarity Surveillance System generates real-time market alerts based on predefined parameters related to price and volume movements. Upon triggering an alert, the surveillance team initiates an investigation to determine the nature and extent of the suspected violation:

- i. **Initial Investigation:** Verification of client transactions, trading volumes, and market conditions leading up to the alert.
- ii. **Follow-Up:** In-depth analysis of trading patterns and communication with involved parties to ascertain the legitimacy of the trades.
- iii. **Reporting:** Preparation of a detailed report with findings and recommendations, which will be reviewed by the Manager of Surveillance and the Director of Regulatory Affairs.

5.5 Escalation and Enforcement

In cases where the investigation confirms a violation, the matter will be escalated to the Chief Officer, Regulatory Affairs, who will refer it to the NSE Chief Executive for enforcement action. Sanctions may include fines, suspensions, or referral to the NSE SROL Committee for further disciplinary measures. All actions will be taken in accordance with the NSE Derivatives Rules and the procedures outlined in the Surveillance and Enforcement Manual.

5.6 Regular Reporting

The surveillance team will prepare daily reports summarizing any unusual market activity, along with a status update on ongoing investigations. These reports will be submitted to the Chief Officer, Regulatory Affairs and reviewed by the NSE SROL Committee on a quarterly basis. Additionally, an annual report on all surveillance activities will be submitted to the Capital Markets Authority by the Derivatives team.

6. REGULATORY COMPLIANCE

All aspects of the product design, trading, and settlement of Options on Futures will be fully compliant with the NSE Derivatives Rules. This includes adherence to all regulations related to member conduct, client fund management, and market surveillance.

Client funds will be segregated and managed according to regulatory requirements, ensuring their protection and preventing commingling with member funds.

The NSE will conduct regular audits and compliance checks to ensure that all market participants adhere to the rules governing the trading of Options on Futures. Any violations will be addressed promptly in accordance with the enforcement provisions outlined in the Derivatives Rules.

7. ADDENDUM

7.1 Safaricom Plc

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE – Safaricom Plc – SCOM														
System code	19 SEP 24 SCOM 20.00 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Settlement methodology	Cash settled through the NSE.														
Contract size	One options contract equals 1 underlying single stock futures contract.														
Minimum price movement (Quote spread)	In Kenyan Shillings per two decimal places. (KES 0.01)														
Mark-to-market	Explicit daily. This is based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Market trading times	As determined by the NSE (09H00 to 15H00) local Kenyan time.														
Market fees	<table border="1"> <thead> <tr> <th>Participant</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>NSE Clear</td> <td>0.0125%</td> </tr> <tr> <td>Clearing Member</td> <td>0.0125%</td> </tr> <tr> <td>Trading Member</td> <td>0.05%</td> </tr> <tr> <td>IPF Levy</td> <td>0.005%</td> </tr> <tr> <td>CMA Fee</td> <td>0.005%</td> </tr> <tr> <td>TOTAL</td> <td>0.085%</td> </tr> </tbody> </table> <p>The percentages indicated above will be used to calculate the fees based on the notional contract value.</p>	Participant	Percentage	NSE Clear	0.0125%	Clearing Member	0.0125%	Trading Member	0.05%	IPF Levy	0.005%	CMA Fee	0.005%	TOTAL	0.085%
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TOTAL	0.085%														

7.2 Kenya Commercial Bank Group Plc

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE Kenya Commercial Bank Group Plc – KCB														
System code	19 SEP 24 KCBG 32.50 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
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TOTAL	0.085%														

7.3 Equity Group Holdings Plc

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE Equity Group Holdings Plc – EQTY														
System code	19 SEP 24 EQTY 43.00 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Settlement methodology	Cash settled through the NSE.														
Contract size	One options contract equals 1 underlying single stock futures contract.														
Minimum price movement (Quote spread)	In Kenyan Shillings per two decimal places. (KES 0.01)														
Mark-to-market	Explicit daily. This is based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
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TOTAL	0.085%														

7.4 The Co-operative Bank of Kenya Ltd

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE The Co-operative Bank of Kenya Ltd – COOP														
System code	19 SEP 24 COOP 13.00 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Settlement methodology	Cash settled through the NSE.														
Contract size	One options contract equals 1 underlying single stock futures contract.														
Minimum price movement (Quote spread)	In Kenyan Shillings per two decimal places. (KES 0.01)														
Mark-to-market	Explicit daily. This is based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
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TOTAL	0.085%														

7.5 Absa Bank Kenya Plc

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE Absa Bank Kenya Plc – ABSA														
System code	19 SEP 24 ABSA 14.50 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
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Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
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7.6 British American Tobacco Kenya Plc

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE British American Tobacco Kenya Plc – BAT														
System code	19 SEP 24 BATK 355.00 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
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7.7 East African Breweries Ltd

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE East African Breweries Ltd – EABL														
System code	19 SEP 24 EABL 145.20 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Settlement methodology	Cash settled through the NSE.														
Contract size	One options contract equals 1 underlying single stock futures contract.														
Minimum price movement (Quote spread)	In Kenyan Shillings per two decimal places. (KES 0.05)														
Mark-to-market	Explicit daily. This is based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Market trading times	As determined by the NSE (09H00 to 15H00) local Kenyan time.														
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TOTAL	0.085%														

7.8 NCBA Group Plc

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE NCBA Group Plc – NCBA														
System code	19 SEP 24 NCBA 41.50 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Settlement methodology	Cash settled through the NSE.														
Contract size	One options contract equals 1 underlying single stock futures contract.														
Minimum price movement (Quote spread)	In Kenyan Shillings per two decimal places. (KES 0.01)														
Mark-to-market	Explicit daily. This is based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Market trading times	As determined by the NSE (09H00 to 15H00) local Kenyan time.														
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Clearing Member	0.0125%														
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TOTAL	0.085%														

7.9 Standard Chartered Bank Kenya Ltd

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE Standard Chartered Bank Kenya Ltd – SCBK														
System code	19 SEP 24 SCBK 192.00 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Settlement methodology	Cash settled through the NSE.														
Contract size	One options contract equals 1 underlying single stock futures contract.														
Minimum price movement (Quote spread)	In Kenyan Shillings per two decimal places. (KES 0.05)														
Mark-to-market	Explicit daily. This is based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
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TOTAL	0.085%														

7.10 I&M Group Plc

NSE Derivatives Market															
Category of contract	Options on Single Stock Future														
Underlying financial instrument	Single stock futures listed on the NSE I&M Group Plc – IMHP														
System code	19 SEP 24 IMHP 22.00 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
Settlement methodology	Cash settled through the NSE.														
Contract size	One options contract equals 1 underlying single stock futures contract.														
Minimum price movement (Quote spread)	In Kenyan Shillings per two decimal places. (KES 0.01)														
Mark-to-market	Explicit daily. This is based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
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TOTAL	0.085%														

7.11 Mini NSE 25 Share Index

NSE Derivatives Market															
Category of contract	Options on Index Future														
Underlying financial instrument	Index futures listed on the NSE Mini NSE 25 Share Index – 25MN														
System code	19 SEP 24 25MN 2,729.00 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
Expiry times	At 15H00 Kenyan time.														
Listing program	Monthly or Quarterly														
Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
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Contract size	One options contract equals 1 underlying single stock futures contract.														
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7.12 Mini NSE 10 Share Index

NSE Derivatives Market															
Category of contract	Options on Index Future														
Underlying financial instrument	Index futures listed on the NSE Mini NSE 10 Share Index – 10MN														
System code	19 SEP 24 10MN 1,058.00 CALL/PUT														
Contract months	Monthly or quarterly (March, June, September and December).														
Expiry dates	The third Thursday of every expiry month. (If the expiry date is a public holiday then the previous business day will be used.)														
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Valuation method on expiry	This will be based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
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Contract size	One options contract equals 1 underlying single stock futures contract.														
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Mark-to-market	Explicit daily. This is based on the volume weighted average price of the underlying for liquid contracts, and the theoretical price (spot + cost of carry) for illiquid contracts.														
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