

Press statement on Publication of FBIL - Certificates of Deposit (FBIL - CD) Benchmark - Revision in the methodology

7th December, 2017

FBIL has been publishing the FBIL - CD benchmark rates (CDCURVE) on a daily basis with effect from 23rd August, 2017. In the light of the experience gained so far and with a view to improving the quality of data and methodology, the existing methodology has been reviewed. Certain changes have been made in the existing document and the revised methodology document has been placed on the websites of FBIL, FIMMDA and CCIL. The revision will be effective from 19th December, 2017 (Version 2).

The following amendments have been made to the methodology:

- Trades in CDs reported on the FTRAC platform of CCIL settling on T+1 basis (in addition to T+0) will be included after adjusting the yield to T+0 equivalent basis. Further, trades in CDs issued by financial intuitions (FI) will also be included in the data set. However, the CDs issued by small finance banks will be excluded from the data set.
- In case the criteria for calculation of CDCURVE rate for a particular tenor are not met, the rate will be computed by using the previous day's CDCURVE rate for that tenor and adding to it the simple average spread (between the day and the previous day) of the CDCURVE rates of two adjacent tenors, provided the CDCURVE rates for the two adjacent tenors themselves were not calculated using this provision.
- If the CDCURVE rate for a particular tenor is not possible to be computed using the above step, it will be calculated by using the day's TBCURVE rate for the same tenor and adding to it the spread between the CDCURVE rate and the TBCURVE rate for the same tenor of the previous day.

- If the computation of the CDCURVE rate for a particular tenor is still not possible, it will be determined by using the day's TBCURVE rate for the same tenor and adding to it the spread between the CDCURVE rate and TBCURVE rate for the nearest tenor for the same day.
- In case it is not possible to calculate the CDCURVE rate for a particular tenor using all the steps mentioned above, the CDCURVE rate for that tenor for the previous day will be repeated.
- The publication of CDCURVE rates will be made at 5.45 PM, subject to the timely publication/ calculation of the TBCURVE rates. If the time for the publication of the TBCURVE rates is extended for any reason, the publication of the CDCURVE rates may also be delayed.
