FIMMDA-THOMSON REUTERS TREASURY BILL BENCHMARK

**Objective:** The objective of the FIMMDA Thomson Reuters India Treasury Bill Benchmark is to provide a uniform industry standard for the purpose of valuation of Treasury Bills in the portfolio of market participants and also to extend the valuation to other money market instruments by assigning suitable spreads.

**Usage:** A FIMMDA Thomson Reuters India Treasury Bill Benchmark yield curve on a daily basis can be generated out of the Benchmark rates for the use of the market participants. The Benchmark can be used as a reference for the expected cut-off rates in the forthcoming Treasury Bill auctions. The Benchmark may also be used to price derivative instruments and issue of floating rate bonds.

**Panel of Contributors:** Total – 20; including 2 Mutual fund (Canara Mutual Fund, UTI Mutual Fund), 7 Nationalized Bank (Bank of India, State bank of Hyderabad, State bank Of Mysore, State bank Of Travancore, Syndicate bank, Union bank, Vijaya bank, and State bank of India.), 5 Private Banks (Axis Bank, Development Credit Bank, HDFC Bank, Jammu & Kashmir Bank, Karur vyasa Bank.), 3 Primary Dealers (HSBC PD, SBI DFHI, ICICI SECURITIES) and 2 Brokers (I-Cap, & Karvy) and are included in the Panel of Contributors. Panel of contributors are reviewed periodically and necessary changes are incorporated accordingly.

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

**Source:** Treasury bill dealers of all the above participants are polled by Thomson Reuters personnel daily to get the quotes of Treasury Bills.

**Tenor:** FIMMDA Thomson Reuters India Treasury Bill Benchmark rates are available for 1 Week, 2 Weeks, 1 Month, 2 Months, 3 Months, 4 Months, 5 Months, 6 Months, 7 Months, 8 Months, 9 Months, 10 Months, 11 Months and 1 Year.
**Computation:** The Benchmarks are based upon the rates of pre-determined Treasury Bills which are selected at the beginning of every week taking into account the whole week’s Reserve Bank of India (RBI) Negotiated Dealing System (NDS)

**EXPLANATION:**

The Benchmarks are based upon the rates of pre-determined T-Bills which are selected at the beginning of every week taking into account the whole week’s NSE WDM trades. The T-Bills having the maximum trading volumes during the previous week maturing in specific residual maturity buckets are considered as Benchmarks.

Both Bid and Ask rates for the Benchmark T-Bills are polled from the panel of contributors by Thomson Reuters personnel at around 11:45 a.m on all working days. The median bid and offer yields for each Benchmark T-Bills are taken as the Benchmark bid and offer yields. The residual maturity in days is computed every day for each of the Benchmark T-Bills. The dealt rates in NDS & NDS OM too are considered while computing the benchmarks.

Finally, to arrive at fixed tenor yields for 1 week, 2 weeks, 1 month, 2 month...12 month, the yields of Benchmark Treasury Bills are interpolated or extrapolated as the case may be.

The fixing may delayed in case of delay in sourcing contribution.

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