

NSE to launch India VIX futures contracts from February 26: report

To help investors hedge volatility risks in their equity portfolio, the National Stock Exchange (NSE) on Tuesday said it will launch its futures contracts on India VIX, called 'NVIX', from February 26.

The NVIX contracts will be available in the existing futures and options segment on the NSE as well as for all existing investors in the segment to transact in it, NSE officials told reporters here.

NVIX will help market participant to get directional view on volatility and will give option traders more device to hedge volatility risk in their option portfolios.

The contract symbol for NVIX will be IndiaViX and three-weekly contracts will be made available for trading. The contracts will expire every Tuesday and the contract value will be minimum Rs. 10 lakh.

The NSE, which constructed India VIX, started disseminating India VIX index since 2009.

India VIX indicates the investor's perception of the market's volatility in the near-term.

The index depicts expected market volatility over the next 30 calendar days.

A high India VIX value would suggest that the market expects significant increase in volatility, while a low value indicates the reverse. India VIX and Nifty has a negative correlation.