



Bid/ask spread: 10 – 20 bps
Avg. daily vol: INR 3-5 bn (sporadically traded)
Ref. source: Reuters page <MIOCS=>, <MIFOR=>

IRS/FRA

Regulatory: Self-certification of underlying exposures. Only plain vanilla IRS/FRAs are allowed.
Avg. ticket size: INR 500mn
Tenor: 1 month – 10 years
Bid/ask spread: 1 – 2 bps for tenors less than 5Y, 10bp for tenors more than 5Y
Avg. daily vol: INR 70 bn (for OIS),
Ref. source: Reuters page <MIOIS=>
Fixing page: Reuters page <INRONDFIX=>

Short-term money market instruments

Regulatory: Open to local residents and NRIs
Liquidity: Good for CP market,
Deep Overnight-repo market for govt. securities
RBI recently permitted repos for corporate debt, market to evolve for repo of CPs and other corporate debt
Avg. ticket size: INR 250m for CP
Bid/ask spread: 5 – 10bp
Avg. daily vol: INR 3 bn
Ref. source: CP: Reuters page <INCPRATE>

Government bond

Regulatory: Only SEBI registered foreign portfolio investors (FPIs) are allowed access to local currency bond market. A medium-term framework for FPI limits in debt securities was put in place by RBI in October 2015, including:
(I) limits for FPI investment will henceforth be fixed in rupee terms;
(II) limits will be increased in phases to 5 per cent of outstanding stock by March 2018;
(III) there will be a separate limit for investment by FPIs in the State Development Loans (SDLs), increased in phases to reach 2 per cent of outstanding stock by March 2018;
(IV) the increase in limits will be announced every half year and released every quarter;
(V) minimum residual maturity of three years on G-Sec investment will continue to apply; and
(VI) aggregate FPI investments in any Central Government security is capped at 20% of the outstanding stock of the security. Investments at existing levels in the securities over this limit may continue but not get replenished through fresh purchases by FPIs till this falls below 20%.
Avg. ticket size: INR 200m
Bid/ask spread: 0.5 – 1bp
Avg. daily vol: INR 300bn
Ref. source: Reuters page <INTSY=>, Bloomberg page <DABA7>,

Offshore INR products

Non-Deliverable Forward (NDF)

Regulatory: ISDA documentation applies. Onshore players cannot trade NDFs.
Avg. ticket size: USD 10mn