



## Nifty Next 50 index

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The [National Stock Exchange \(NSE\)](#) has announced the introduction of derivative contracts on the **Nifty Next 50 index**, set to commence from 24<sup>th</sup> April 2024.

- The Nifty Next 50 Index represents 50 companies from Nifty 100, excluding the **Nifty 50 companies**.
  - NSE has received approval from the [Securities and Exchange Board of India \(SEBI\)](#) for these derivative contracts.
- The exchange will provide three serial monthly index **futures and index options** contract cycles.
  - Contracts will be cash-settled and expire on the last Friday of the expiry month.
- Derivatives in the market refer to **financial contracts between two or more parties** and derive their value from an underlying asset or benchmark.
  - There are two main types of derivatives:
    - **Futures**, which involve a binding agreement to buy or sell the underlying security on a future date.
    - **Options**, which give the holder the right (but not the obligation) to buy or sell the underlying asset at a predetermined price within a specified period.
- The NSE is one of the two main stock exchanges in India, with the other being the [Bombay Stock Exchange \(BSE\)](#). It was the first exchange in India to provide modern, fully automated electronic trading.
  - NSE emerged as the **world's largest derivatives exchange in 2023**, in terms of the number of contracts traded, according to the **Futures Industry Association (FIA)**.

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