Conclusion of Client Consultation – Proposed introduction of trade data for INR Indian Rupee

Many thanks for the responses received to the client consultation announced on 2nd January on the proposed introduction of trade data for INR Indian Rupee.

Whilst the number of responses was limited, clients raised the following questions and comments:

- Confirmation was sought that the Local Close methodology will continue to apply for INR.
- Clarification of the ‘Local Close’ time was sought, with confirmation provided that this will change to 5pm local time, from 4.30pm presently, thereby capturing the final 30mins of trading.

All responses received were replied to, to the satisfaction of each client, and all responses are now considered closed.

The governance process has therefore now concluded, and Refinitiv intends to introduce trading platform data from Thomson Reuters Matching for Indian Rupee, and adjust the local close time to be 5pm Local, 11.30GMT.

This methodology will become effective in the WM/Reuters Spot Rate service from Monday 1st April 2019.

Reminder of Proposal, issued 2nd January 2018

INR spot benchmark rate is currently sourced from indicative interbank quoted rates, provided by multiple financial institutions. We have undertaken analysis considering the feasibility of introducing additional transactional data from the available foreign exchange trading platforms. This analysis confirmed that the inclusion of data from the Thomson Reuters Matching trading platform achieves the necessary requirements regarding sufficiency, quality and data hierarchy to enable this proposal to be put before clients.

We therefore propose that INR will become a ‘Trade’ currency within the WM/Reuters Spot Rate service, and the benchmark rates will be calculated using the WM/Reuters Trade methodology, with data sourced from Thomson Reuters Matching.

In order to reflect local market practices, the WM/Reuters INR spot benchmark rate observes the ‘Local Close’ methodology, therefore benchmark rates are only produced during the hours of domestic market trading i.e. 9am to 4.30pm Local. With the introduction of trading platform data we therefore propose to extend the current ‘close’ time of 4.30pm Local to 5pm Local, in order to capture the last half hour of the trading day. The impact of this change means that subsequent fix times, including the WM/Reuters Closing Spot benchmark rate, will reference the rate published at the 5pm Local fix.

Please reference the WM/Reuters Trade Methodology_proposed.pdf for full details of the change.