

An Index is used to give information about the price movements of products in the financial, commodities or any other markets. Financial indexes are constructed to measure price movements of stocks, bonds, T-bills and other forms of investments. Stock market indexes are meant to capture the overall behaviour of equity markets. A stock market index is created by selecting a group of stocks that are representative of the whole market or a specified sector or segment of the market. An Index is calculated with reference to a base period and a base index value.

Stock market indexes are useful for a variety of reasons. Some of them are :

- They provide a historical comparison of returns on money invested in the stock market against other forms of investments such as gold or debt.
- They can be used as a standard against which to compare the performance of an equity fund.
- In It is a lead indicator of the performance of the overall economy or a sector of the economy
- Stock indexes reflect highly up to date information
- Modern financial applications such as Index Funds, Index Futures, Index Options play an important role in financial investments and risk management

## Broad Market Indices

These indices are broad-market indices, consisting of the large, liquid stocks listed on the Exchange. They serve as a benchmark for measuring the performance of the stocks or portfolios such as mutual fund investments.

- CNX Nifty
- CNX Nifty Junior
- LIX 15
- LIX15 Midcap
- CNX 100
- CNX 200
- CNX 500
- CNX Midcap\*
- Nifty Midcap 50
- CNX Smallcap Index
- CNX Midcap 200 \*\*
- India Vix

\* *CNX Midcap - Introduced from July 18, 2005*

\*\* *CNX Midcap 200 - Discontinued from July 18, 2005*

## CNX Nifty

Nifty Stockwatch



The CNX Nifty is a well diversified 50 stock index accounting for 23 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds.

CNX Nifty is owned and managed by India Index Services and Products Ltd. (IISL). IISL is India's first specialised company focused upon the index as a core product.

- The CNX Nifty Index represents about 66.85% of the free float market capitalization of the stocks listed on NSE as on June 30, 2014.
- The total traded value for the last six months ending June 2014 of all index constituents is approximately 50.39% of the traded value of all stocks on the NSE.
- Impact cost of the CNX Nifty for a portfolio size of Rs.50 lakhs is 0.07% for the month June 2014.
- CNX Nifty is professionally maintained and is ideal for derivatives trading.

From June 26, 2009, CNX Nifty is computed based on free float methodology.

## **India VIX \***

Volatility Index is a measure of market's expectation of volatility over the near term. Volatility is often described as the "rate and magnitude of changes in prices" and in finance often referred to as risk. Volatility Index is a measure, of the amount by which an underlying Index is expected to fluctuate, in the near term, (calculated as annualised volatility, denoted in percentage e.g. 20%) based on the order book of the underlying index options.

India VIX is a volatility index based on the NIFTY Index Option prices. From the best bid-ask prices of NIFTY Options contracts, a volatility figure (%) is calculated which indicates the expected market volatility over the next 30 calendar days. India VIX uses the computation methodology of CBOE, with suitable amendments to adapt to the NIFTY options order book using cubic splines, etc.

## **Sectoral Indices**

**CNX Auto Index**

**CNX Bank Index**

**CNX Energy Index**

**CNX Finance Index**

**CNX FMCG Index**

**CNX IT Index**

**CNX Media Index**

**CNX Metal Index**

**CNX Pharma Index**

**CNX PSU Bank Index**

**CNX Realty Index**

**IISL CNX Industry Indices**