The CCIL - Spot Rates (INR-USD)
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A large part of the spot market inter-bank foreign exchange deals are settled through CCIL. Hence, all market participants are required to report their spot market deals to CCIL. Since these deals are matched by CCIL before settlement, the data that flows to CCIL settlement system is the dealt spot market transaction. The rates are actual dealt rates. As all these deals in the interbank foreign exchange market are reported to CCIL on daily basis for clearing and settlement, CCIL is in a position to disseminate a spot rate based on the actual trading activity. Furthermore as the data is collated at about 6.05 PM, it is more comprehensive as a large number of deals have been captured in the system. Historical data for the same are available on the CCIL website from January 01, 2004 onwards.

Data

CCIL extracts the deals reported before 6.05 PM on daily basis for computation of the spot rate. The deals included for the computation of the spot rate are:
- Deals that have been accepted by CCIL for guaranteed settlement.
- Deals that have been reported by both the counter-parties to CCIL.
- Deals reported to CCIL by one counter-party only.
- Deals which have gone for exposure check but are pending due to lack of limits.
- Deals in which the final net position of the parties is known.

Methodology

1. From the extracted data, trades having volume less than US$ 1 million are removed.

2. In order to determine outliers, two parameters viz. median and standard deviation are calculated.

3. Outliers are determined based on ± 3 Standard deviation. Exchange rates above upper limit and below lower limit are removed.

$$Upper\ Limit = Median + 3* Standard\ Deviation$$
$$Lower\ Limit = Median - 3* Standard\ Deviation$$

4. Weightage average rate (WAR) is calculated using volume and exchange rate for trades left after step (3).

$$WAR = \frac{\sum(Volume * Exchange\ Rate)}{\sum Volume}$$

5. Maximum and minimum rate is calculated for data.

Usage

The Spot Rates are mainly used by CCIL for Research purpose.