

June 22, 2020

Nikkei Inc.
Japan Exchange Group, Inc.
Osaka Exchange, Inc.
Tokyo Commodity Exchange, Inc.

Change of Calculation Method of Nikkei-JPX Leveraged Index and Nikkei-JPX Inverse Index

Nikkei, Inc. (Nikkei), Japan Exchange Group, Inc. (JPX), Osaka Exchange, Inc. and Tokyo Commodity Exchange, Inc. will change the calculation method for “Nikkei-JPX Leveraged Index”ⁱ and “Nikkei-JPX Inverse Index”ⁱ from July 27, 2020.

The Leveraged Index and the Inverse Index are designed to represent leveraged or inverse performance of commodity futures price index (base index). Recently the volatility of commodity futures price index tends to become higher due to the spread of the coronavirus. This may cause both of Leveraged and Inverse Index turning into negative values under the current calculation method if the base index fluctuates by more than a certain percentage.ⁱⁱ This would make it impossible to continue calculating the indices.

In order to avoid such situation, and continue providing both indices, calculation methods will be partially changed by placing certain limits on the index values of Nikkei-JPX Leveraged Index and Nikkei-JPX Inverse Index, so that the levels of these indices will not be less than 10% of the previous day’s values.

For details, please see the following Index Guidebook

▼ Reference

[“Nikkei-JPX Leveraged Index” “Nikkei-JPX Inverse Index” Index Guidebook effective on July 27, 2020](#)ⁱⁱⁱ

ⁱ Currently these two indices are called “Nikkei-TOCOM Leveraged Index” and “Nikkei-TOCOM Inverse Index” respectively. Their names will be changed on July 27, 2020. (“Notice on Name Change of Nikkei-TOCOM Commodity Index”, <https://www.jpx.co.jp/english/news/2040/20200501.html>)

ⁱⁱ Cases where it becomes difficult to continue calculation;
Base index fell by more than 50 % in comparison with the previous day: Leveraged Index becomes negative value
Base index rose by more than 100% in comparison with the previous day: Inverse Index becomes negative value

ⁱⁱⁱ “Index Guidebook effective on July 27, 2020”, which was published on May 1, 2020 along with the name change of index, will be revised in accordance with the above change.