



Circular no.: MCX/S&I/591/2019

October 17, 2019

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### **Additional Surveillance Measures-Selected commodities**

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As per Joint Surveillance meeting of Exchanges, Clearing Corporations and SEBI, Members are hereby advised to take note that the Additional Surveillance Margin (ASM) and Event based Additional Surveillance Margin (E-ASM) would be also be made applicable on below listed commodities:

1. Cardamom
2. Mentha Oil
3. Black Pepper

### **Additional Surveillance Margin (ASM)**

Threshold for applicability of the Additional Surveillance Margin (ASM) for the above listed commodities is as under:

Thresholds for applicability	Margin levels
Open Interest value less than Rs. 100 crore \$	2.5%
Open Interest value more than Rs. 100 crore	5%

*\$ Applicable from November 15, 2019.*

As on date the Open interest value in commodities Cardamom, Mentha Oil and Black Pepper is less than Rs. 100 crore. Accordingly, the additional surveillance margin would be made applicable as under:

1. ASM of up to 2.50%\* as mentioned below would be applicable on both long and short side of all running and yet to be launched contracts of Cardamom, Mentha Oil and Black Pepper.

Initial Margin + Extreme Loss Margin	Additional Surveillance Margin on both Long side and short side	Risk based margin + Additional Surveillance Margin
Up to 17.50%	2.50% *	Initial Margin + Extreme Loss Margin as applicable + 2.5%

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17.51 – 17.99%	2.50%	20%
18.00 – 18.99%	2.00%	20%
19.00% - 19.99%	1.00%	20%
20% and above	Nil	Initial Margin + Extreme Loss Margin as applicable

*\* If the Open Interest value increases beyond Rs. 100 crore and the same settles for the month at INR 100 crore or above, the additional surveillance margin of 2.5% would be made applicable.*

### **Event Based Additional Surveillance Margin (E-ASM)**

An additional 5% E-ASM on both long and short side would be made applicable in Cardamom, Mentha Oil and Black Pepper at the commodity level (for all the contracts), whenever any of the following events occur:

Price Movement	Duration (Trading days)	Margin Imposition
High / Low Variation +/-7%	Within 3 Days	5%
High / Low Variation +/-10%	Within 5 Days	
High / Low Variation +/-15%	Within 10 Days	

E-ASM would be applicable, if top 2 contracts based on Open interest meet the aforesaid criteria of price movement.

E-ASM would be applicable for a period of 15 trading days, from the date of occurrence of event. Further, if any of the above events, or any other event as may be decided by the Exchange, happens/recurs during the period for which E-ASM is applicable, the period of applicability of 15 trading days shall get reset and will begin from the date of the latest event.

All other margins will continue to be levied as applicable.

Event Based Additional Surveillance Margin (E-ASM) will be applicable with effect from beginning of day Friday, November 01, 2019.

Members are requested to take note of the same.

Armaan Gaus  
Asst. Vice President

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Kindly contact Customer Support on 022 - 6649 4040 or send an email at customersupport@mcxindia.com for further clarification.