

National Stock Exchange Of India Limited

Department : Commodity Derivatives Segment

Download Ref No: NSE/COM/48232

Date : May 10, 2021

Circular Ref. No: 14/2021

All Members,

Introduction of Futures contracts on Gold (1 Gram) in Commodity Derivatives Segment

This is in continuation with the Exchange circular NSE/COM/44484 dated May 27, 2020 regarding Commodity Derivatives Consolidated Circular and Exchange circular NSE/COM/47756 regarding Daily Price Limit (DPL) & Close Price for Commodity Future Contracts.

Exchange is pleased to inform its members that having received approval from SEBI, Futures contracts on Gold (1 Gram) would be available for trading in Commodity Derivatives segment with effect from June 07, 2021.

In this reference, Exchange notifies details of contract specifications which are as follows:

Commodity Name	Annexure No.
Gold Futures	A

For any queries related to Risk Management, Clearing and Settlement, members are requested to contact NSE Clearing Limited. A separate circular shall be issued by NSE Clearing Limited in this regard.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

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Annexure - A

Contract Specifications: Gold Futures (1 Gram)

COMMODITY FUTURES:	
Underlying	Gold
Instrument Type	Futures Contract (FUTBLN)
Underlying Symbol	GOLD1G
Description	GOLD1GY MMMM
Contract Listing	Monthly contracts. Details as per the launch calendar
Contract Commencement Day	6th day of contract launch month. If 6th day is a holiday then the following working day. (Expiry Day + 1)
Last Trading Day (Contract Expiry)	5th day of contract expiry month. If 5th day is a holiday then preceding working day. On the day of expiry, the trading shall be allowed up to 11:30 pm/11:55 pm* *based on US daylight saving time period
TRADING:	
Trading Period	Mondays to Fridays
Trading Session	Monday - Friday 09:00 am to 11:30 pm/11:55 pm* *based on US daylight saving time period
Trading Unit	1 gram
Quotation/Base Value	Rs. Per gram
Price Quote	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs but excluding all taxes and levies relating to GST, any other additional tax or surcharge on GST)
Maximum Order Size	10 Kg
Tick Size (Minimum Price Steps)	Rs.1.00
Daily Price Limits	The base price limit shall be 6%. In case the daily price limit of 6% is breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% beyond the maximum permitted limit, and informed to the Regulator immediately.
Initial Margin	Minimum margin based on volatility category or based on SPAN whichever is higher
Extreme Loss Margin	1%
Additional And/ Or Special Margin	In case of additional volatility, an additional margin (on both buy & sale position) and/ or special margin (on either buy or sale position) at such percentage, as deemed fit; will be imposed in respect of all outstanding positions.

Maximum Allowable Open Position	<p>For a member collectively for all clients: 50 MT or 20% of the market wide open position whichever is higher, for all Gold Futures contracts combined together.</p> <p>For individual client: 5 MT for all Gold Futures contracts combined together or 5% of the market wide open position whichever is higher, for all Gold Futures contracts combined together.</p>																
Daily Settlement Price	<p>Daily Settlement Price for mark to market settlement of unexpired futures contracts shall be the closing price of such contracts on the trading day. The closing price for unexpired futures contract shall be calculated on the basis of the last half an hour weighted average price of such contract, subject to minimum 10 trades in last half hour or weighted average price of last 10 trades of the day for such contract or such other price as may be decided by the relevant authority from time to time.</p>																
DELIVERY:																	
Delivery Unit	1 gram																
Delivery Period Margin	<p>Delivery period margins shall be higher of:</p> <p>a. 3% + 5 day 99% VaR of spot price volatility Or b. 20%</p>																
Delivery Centre(S)	Designated clearinghouse facilities at Ahmedabad																
Additional Delivery Centre(S)	Nil																
Quality Specifications	<p>999 purity.</p> <p>LBMA approved suppliers or below mentioned NSE empanelled refiners, to be submitted along with supplier's quality certificate/certcard which mentions the serial number of the 1 gram gold coin</p> <ol style="list-style-type: none"> 1. MD Overseas Pvt Ltd 2. KundanCare Products Ltd 3. AugmontEnterprises Ltd 4. GGC Gujarat Gold Centre Pvt Ltd 																
Due Date Rate (Final Settlement Price)	<p>For contracts where Final Settlement Price (FSP) is determined by polling, unless specifically approved otherwise, the FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E-1 and E-2 is not available; the simple average of the last polled spot price of E0, E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under:</p> <table border="1" data-bbox="486 1825 1388 2027"> <thead> <tr> <th rowspan="2">SCE NAR IO</th> <th colspan="4">POLLED SPOT PRICE AVAILABILITY ON</th> <th rowspan="2">FSP SHALL BE SIMPLE AVERAGE OF LAST POLLED SPOT PRICES ON</th> </tr> <tr> <th>E0</th> <th>E-1</th> <th>E-2</th> <th>E-3</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes/No</td> <td>E0, E-1, E-2</td> </tr> </tbody> </table>	SCE NAR IO	POLLED SPOT PRICE AVAILABILITY ON				FSP SHALL BE SIMPLE AVERAGE OF LAST POLLED SPOT PRICES ON	E0	E-1	E-2	E-3	1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2
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	E0	E-1	E-2	E-3													
1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2												

	2	Yes	Yes	No	Yes	E0, E-1, E-3
	3	Yes	No	Yes	Yes	E0, E-2, E-3
	4	Yes	No	No	Yes	E0, E-3
	5	Yes	Yes	No	No	E0, E-1
	6	Yes	No	Yes	No	E0, E-2
	7	Yes	No	No	No	E0
	<p>In case of non-availability of polled spot price on expiry day (E0) due to sudden closure of physical market under any emergency situations noticed at the basis Centre, Exchange shall decide further course of action for determining FSP in consultation with SEBI.</p> <p>The spot price would be polled in Rs. Per 10 grams for 995 purity gold. This polled price would be converted to Rs. Per gram for 999 purity gold by using the following formula. Polled spot price divided by 10 multiplied by 999 divided by 995.</p>					
Delivery Logic	Compulsory delivery					
Settlement Of Contract	On expiry all the open positions shall be marked for delivery. Delivery pay-in will be on E + 1 basis by 11.00 a.m. except Saturdays, Sundays and Trading Holidays.					

Contract Launch Calendar

GOLD 1 Gram	
Contract Launch Month	Contract Expiry Month
On Product Launch date	Jul-21
	Aug-21
	Sep-21
	Oct-21
Jul-21	Nov-21
Aug-21	Dec-21
Sep-21	Jan-22
Oct-21	Feb-22
Nov-21	Mar-22
Dec-21	Apr-22
Jan-22	May-22
Feb-22	Jun-22
Mar-22	Jul-22
Apr-22	Aug-22

May-22	Sep-22
Jun-22	Oct-22
Jul-22	Nov-22
Aug-22	Dec-22

Kindly refer latest circular issued by Exchange / Clearing Corporation for updated Margins, Position Limits and Expiry Dates etc.

