



Circular No: MCX/TRD/970/2020

December 23, 2020

**Launch of Rubber January 2021, February 2021, March 2021 and April 2021
Futures Contracts**

In terms of provisions of the Rules, Bye-Laws and Business Rules of the Exchange, the Members of the Exchange are notified as under:

The Exchange is in receipt of approval from SEBI for launching Rubber Futures contracts. We are pleased to announce the launch of Rubber contracts.

Rubber January 2021, February 2021, March 2021 and April 2021 contracts will be available for trading **w.e.f. Monday, December 28, 2020.**

The contract specifications and trading parameters of the above contracts as specified in Annexure herewith, shall be binding on all the Members of the Exchange and constituents trading through them.

The Delivery & Settlement procedure and procedure at MCXCCL Accredited Warehouses will be informed separately by Multi Commodity Exchange Clearing Corporation Limited (MCXCCL).

Members are requested to take note of the above.

Niket Patel
Manager

Encl: As above

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

----- Corporate office -----
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Contract Specifications of Rubber

| | |
|---|---|
| Symbol | RUBBER |
| Description | RUBBERMMMY |
| Contract listing | Contracts are available as per the Contract Launch Calendar |
| Contract start day | 1 st day of the contract launch month. If 1 st is a holiday then the following working day. |
| Last trading day | Last calendar day of the contract expiry month; if last calendar day is a holiday, then the preceding working day. |
| Trading period | Mondays through Fridays |
| Trading sessions | Mondays through Fridays: 9.00 a.m. to 5.00 p.m. |
| Trading unit | 1 MT (1000 Kgs) |
| Quotation/Base Value | Rs per 100 Kgs |
| Price Quote | Ex - Palakkad, Kerala (exclusive of all tax and levies) |
| Maximum order size | 50 MT |
| Tick size (minimum price movement) | Re 1 |
| Daily price limits | DPL shall have two slabs - Initial and Enhanced Slab. Once the initial slab limit of 3% is reached in any contract, then after a period of 15 minutes, this limit shall be increased further by enhanced slab of 1%, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%. |
| Initial margin* | Minimum 10% or based on SPAN, whichever is higher |
| Extreme Loss Margin | Minimum 1% |
| Additional and/ or Special Margin | In case of additional volatility, an additional margin (on both buy & sell side) and/ or special margin (on either buy or sell side) at such percentage, as deemed fit; will be imposed in respect of all outstanding positions. |
| Maximum Allowable Open Position | For individual clients: 11,500 MT For a member collectively for all clients: 1,15,000 MT or 15% of the market wide open position, whichever is higher. Near Month Limits For individual clients: 2,875 MT Near month member level position limit shall be equivalent to the one fourth of the overall member level position limit. |
| Delivery | |
| Delivery unit | 1 MT and direct multiples thereof |
| Delivery center(s) | At Exchange designated warehouse at Palakkad, Kerala State (Within 100 Kms) |
| Delivery Period Margin ** | Delivery period margins shall be higher of; a. 3% + 5 day 99% VaR of spot price volatility Or b. 25% |

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| <p>Quality specifications</p> | <p><u>Ribbed Smoked Sheets 4 (RSS4)</u> Quality Specifications as provided under Part II Section 1 of the "Green Book" as detailed below:</p> <ol style="list-style-type: none"> 1. Nothing but coagulated Rubber Sheets, properly dried and smoked can be used in making these grades: block, cuttings, or other scrap or frothy sheets, weak, heated or burnt sheets, air dried or smooth sheets not permissible. 2. Slight resinous matter (rust) and slight amounts of dry mould on wrappers bale surfaces and interior sheets, found at time of delivery will not be objected to should "rust" or "dry mould" in an appreciable extent appear on more than 20% of the bales sampled, it shall constitute grounds for objection. 3. Medium size bark particles, bubbles, translucent stains, slightly over smoked rubber are permissible to the extent shown in the sample. 4. Oxidised spots or streaks, weak, heated, under cured, over smoked (in excess of the degree shown in the sample), and burnt sheets are not permissible. 5. The Rubber must be dry, firm, and free of blemishes, blisters, sand, dirty packing and all other foreign matter other than specified above as permissible. |
| <p>Staggered Delivery Tender Period</p> | <p>The staggered delivery tender period would be the last 5 trading days (including expiry day) of the contracts. The seller/buyer having open position shall have an option, of submitting an intention of giving/taking delivery, on any day during the staggered delivery period. On expiry of the contract, all the open positions shall be marked for compulsory delivery.</p> |
| <p>Delivery allocation</p> | <p>Allocation of intentions received to give delivery during the day to buyers having open long position shall be as per random allocation methodology to ensure that all buyers have an equal opportunity of being selected to receive delivery irrespective of the size or value of the position. However, preference may be given to buyers who have marked an intention of taking delivery. Funds pay-in of the delivery allocated to the buyer will be on T+2 working days i.e. excluding Saturday, Sunday & Public Holiday. The buyer to whom the delivery is allocated will not be allowed to refuse taking delivery. If the seller fails to deliver, the penal provisions as specified for seller default shall be applicable.</p> |
| <p>Delivery order rate</p> | <p>On Tender Days: The delivery order rate (the rate at which delivery will be allocated) shall be the closing price (weighted average price of last half an hour) on the respective tender day except on the expiry date. On Expiry: On expiry date, the delivery order rate or final settlement price shall be the Due Date Rate (DDR) and not the closing prices.</p> |

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|---|---|-----------------------------------|-----|-----|---------|--|
| Due Date Rate (Final settlement price) | 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: | | | | | |
| | Scenario | 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 |
| | 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 | |
| In case of non-availability of polled spot price on expiry day (E0)/predetermined number of days due to sudden closure of physical market under any emergency situations noticed, Clearing Corporation shall decide further course of action for determining FSP and which shall be in accordance with MCXCCL circular no. MCXCCL/SPOT/077/2020 dated April 13, 2020. | | | | | | |
| Delivery Logic | Compulsory delivery | | | | | |

*The Margin Period of Risk (MPOR) shall be in accordance with SEBI Circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020. For applicable minimum MPOR, refer latest circulars issued by MCXCCL from time to time.

** As per SEBI directive SEBI/HO/CDMRD/DRMP/CIR/P/2016/77 dated September 01, 2016.

**Contract Launch Calendar for Rubber Futures contracts expiring during the year
2021**

| Contract Launch Months | Contract Expiry Months |
|--------------------------------|-------------------------------|
| On receipt of approval of SEBI | January 2021 |
| | February 2021 |
| | March 2021 |
| | April 2021 |
| January 2021 | May 2021 |
| February 2021 | June 2021 |
| March 2021 | July 2021 |
| April 2021 | August 2021 |
| May 2021 | September 2021 |
| June 2021 | October 2021 |
| July 2021 | November 2021 |
| August 2021 | December 2021 |