



Circular No.: MCX/TRD/003/2019

January 02, 2019

Modifications in Aluminium and Zinc Futures Contracts

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

The Exchange has received permission from SEBI to modify the contract specifications in Aluminium and Zinc contracts i.e. from "Both Options" to "Compulsory delivery". SEBI has further permitted the Exchange to implement the said modifications for March and April 2019 for Aluminium futures contracts and April 2019 for Zinc futures contract provided these contracts have no open interest. Accordingly Members are notified as under:

The revised contract specifications for above mentioned contracts specified in **Annexure 1 & 2** with regards to Price Quote, Delivery Unit, Delivery Centre, Additional Delivery Centre (s), Quality Specifications & Shape, Additional Deliverable Grade, Due Date Rate (Final Settlement Price) and Delivery Logic will be implemented w.e.f. January 03, 2019.

The Delivery and Settlement procedure has been separately informed by Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) vide MCXCCL Circular No. MCXCCL/C&S/001/2019 dated January 02, 2019.

Members are requested to take note of the above.

Sanjiv Kapur
Asst. Vice President

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

----- Corporate office -----
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www.mcxindia.com email: customersupport@mcxindia.com

Annexure - 1

Contract Specifications of Aluminium for March and April 2019

Symbol	ALUMINIUM
Description	ALUMINIUMMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	1 st day of contract launch month. If 1 st day 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 preceding working day.
Trading	
Trading Period	Mondays through Friday
Trading Session	Monday to Friday: 09.00 a.m. to 11.30 p.m. / 11.55 p.m.* (* based on US daylight saving time period)
Trading Unit	5 MT
Quotation/ Base Value	1 Kg
Price Quote	Ex-Warehouse Thane district (excludes only GST).
Maximum Order Size	150 MT
Tick (Minimum Price Movement)	5 paisa per kg
Daily Price Limits	<p>The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed up to 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed up to 9%.</p> <p>In case price movement in international / local markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% and inform the Regulator immediately.</p>
Initial Margin*	Minimum 4% 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 & 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	<p>For individual client: 25,000 MT or 5% of the market wide open position, whichever is higher for all Aluminium contracts combined together.</p> <p>For a member collectively for all clients: 2,50,000 MT or 20% of the market wide open position, whichever is higher for all Aluminium contracts combined together.</p>
Delivery	
Delivery Unit	5 MT with tolerance limit of + / - 3%
Delivery Margin***	<p>Delivery period margins shall be higher of:</p> <p>a. 3% + 5 day 99% VaR of spot price volatility</p> <p>Or</p>

	b. 25%																																																				
Delivery Centre	Ex-Warehouse at Thane district in Maharashtra																																																				
Additional Delivery Centre (s)	None																																																				
Quality Specifications & Shape	Primary Aluminium Ingots with minimum purity of 99.70%. Only LME approved brands will be accepted. For the purpose of quality assessment, reliance shall be placed by the WSP on the Certificate of Analysis (CoA) issued by the producer.																																																				
Additional Deliverable Grade	Any other Primary Aluminium producer brand as approved by MCX																																																				
Due Date Rate (Final Settlement Price)	<p>The Final Settlement Price (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.</p> <p>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><tr><th rowspan="2">Scenario</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><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><tr><td>2</td><td>Yes</td><td>Yes</td><td>No</td><td>Yes</td><td>E0, E-1, E-3</td></tr><tr><td>3</td><td>Yes</td><td>No</td><td>Yes</td><td>Yes</td><td>E0, E-2, E-3</td></tr><tr><td>4</td><td>Yes</td><td>No</td><td>No</td><td>Yes</td><td>E0, E-3</td></tr><tr><td>5</td><td>Yes</td><td>Yes</td><td>No</td><td>No</td><td>E0, E-1</td></tr><tr><td>6</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td><td>E0, E-2</td></tr><tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>E0</td></tr></table> <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 center, further course of action for determining FSP shall be decided in consultation with SEBI.</p> <p>On the day of expiry the trading shall be allowed up to 5pm.</p>	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
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*The Margin Period of Risk (MPOR) shall be 2 days in accordance with SEBI Circular no. SEBI/HO/CDMRD//DRMP/CIR/P/2016/77 dated September 01, 2016 accordingly, the initial margin shall be scaled up by root 2.

**As per SEBI directive CIR/CDMRD/DRMP/01/2015 dated October 1, 2015

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

Annexure - 2
Contract Specifications of Zinc for April 2019

Symbol	ZINC
Description	ZINCMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	1 st day of contract launch month. If 1 st day 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 preceding working day.
Trading	
Trading Period	Mondays through Friday
Trading Session	Monday to Friday: 09.00 a.m. to 11.30 p.m. / 11.55 p.m.* (* based on US daylight saving time period)
Trading Unit	5 MT
Quotation/Base Value	1 Kg
Price Quote	Ex-Warehouse Thane district (excludes only GST)
Maximum Order Size	100 MT
Tick Size (Minimum Price Movement)	5 paisa per kg
Daily Price Limits	<p>The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed up to 6% without any cooling off period in the trade. In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed up to 9%.</p> <p>In case price movement in international / local markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3%-and inform the Regulator immediately.</p>
Initial Margin*	Minimum 4% 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 & 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	<p>For individual clients: 7000 MT or 5% of the market wide open position, whichever is higher for all Zinc contracts combined together.</p> <p>For a member collectively for all clients: 70,000 MT or 20% of the market wide open position, whichever is higher for all Zinc contracts combined together.</p>
Delivery	
Delivery Unit	5 MT with tolerance limit of + / -3%
Delivery Margin***	<p>Delivery period margins shall be higher of:</p> <p>3% + 5 day 99% VaR of spot price volatility</p> <p>Or</p> <p>25%</p>
Delivery Centre	Ex-Warehouse at Thane district in Maharashtra

Additional Centre (s)	Delivery	None																																																				
Quality Specifications & Shape	<p>Primary Special High-Grade Zinc with minimum purity of 99.995%.</p> <p>Only LME approved brands will be accepted. For the purpose of quality assessment, reliance shall be placed by the WSP on the Certificate of Analysis (CoA) issued by the producer.</p>																																																					
Additional Grade	Deliverable	Any other Primary Zinc producer brands as approved by MCX																																																				
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