



Circular No: MCX/C&S/267/2018

July 16, 2018

Revision in Initial Margin Computation

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange and in continuation to the circular MCX/T&S/407/2016 dated November 29, 2016, members of the Exchange are notified as under:

Currently the Initial Margin requirement is based on VaR over two-day horizon (i.e. Margin Period of Risk or MPOR = 2 day) for all commodities. MPOR is one of the risk measures of liquidity/ liquidation in commodity contracts.

Exchange has reviewed the liquidity and has decided that MPOR in Cardamom contracts shall be increased to three days. Accordingly, the Initial Margin for Cardamom contracts shall be scaled up by root 3.

For all other commodities, the Initial Margin requirement shall continue to be based on two-day MPOR.

The provisions of the circular shall be effective **from 23 July, 2018**.

Members are requested to take note of the same.

Mohamed Aslam Shaikh
Sr. Manager

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