



MCX Circular No. MCX/MCXCCL/639/2019
MCXCCL Circular No. MCXCCL/RISK/266/2019

November 13, 2019

Revision in Margin Period of Risk (MPOR)

In terms of the provisions of the Rules, Byelaws and Regulations of Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) and in continuation to Circular No. MCXCCL/RISK/003/2018 dated August 31, 2018 and Circular No. MCXCCL/RISK/256/2019 dated October 25, 2019, Clearing Members of MCXCCL 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 days) except for Cardamom and CPO where MPOR is 3 and Cotton where MPOR is 4. MPOR is one of the risk measures of liquidity/liquidation in commodity contracts.

MCXCCL has reviewed the liquidity and has decided that MPOR for Cardamom and CPO shall be continued as three days and that for Cotton shall be revised from four to two days.

Accordingly, for the computation of Initial Margin, the VaR for Cardamom and CPO shall continue to be scaled up by root 3. For all other commodities, the Initial Margin requirement shall be based on two-day MPOR.

The provisions of the circular shall be effective from **December 2, 2019**.

Members are requested to take note of the same.

Mohamed Aslam Shaikh
Head – Risk Management

Kindly contact Customer Support on 022- 6649 4000 or send an email at customersupport@mcxindia.com for further clarification.

-----Corporate office -----
Multi Commodity Exchange Clearing Corporation Limited
Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai – 400 093
Tel.: 022 – 67318888 Fax: 022 – 67269558 CIN: U74999MH2008PLC185349
www.mcxcl.com email: customersupport@mcxindia.com