MCX Circular No. MCX/MCXCCL/203/2019
MCXCCL Circular No. MCXCCL/RISK/091/2019

April 17, 2019

Revision in Margin Period of Risk (MPOR)

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) and in continuation to Circular No. MCXCCL/RISK/003/2018 dated August 31, 2018 and Circular No. MCX/MCXCCL/018/2019 dated January 15, 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) for all commodities except CPO and Cardamom where MPOR is 3. MPOR is one of the risk measures of liquidity/ liquidation in commodity contracts.

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

Accordingly, for the computation of Initial Margin, the VaR for Cardamom and CPO contracts shall be scaled up by root 4 and root 3 respectively. For all other commodities, the Initial Margin requirement shall be based on two-day MPOR.

The provisions of the circular shall be effective from **May 01, 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.