



Circular no.: MCX/TRD/021/2026

January 13, 2026

**Modification in Copper Options Contract with Copper (2500 Kilograms) Futures
(Compulsory delivery) as underlying**

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 decided to modify and introduce additional strikes in copper options contracts with effect from January 27, 2026. Details of modification is as below

Commodity	Existing Strikes	Modified Strikes	Applicability
Copper Options on futures	7-1-7	15-1-15	February 2026 expiry and onwards

The contract specification and trading parameters of the contracts as specified in Annexure herewith, shall be binding on all the Members of the Exchange and constituents trading through them. Further, for all the applicable margins, the Members are requested to refer the latest circulars issued by Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) from time to time.

Members are requested to take note of the above changes.

Prayag Shelatkar
Senior Manager - Market Operations

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

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**Contract Specification for Copper Options with
Copper (2500 Kilograms) Futures as underlying**

Symbol	COPPER
Underlying	Underlying shall be Copper Futures contract traded on MCX
Description	Option on Copper Futures
Option Type	European Call & Put Options
Contract Listing	Contracts will be 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 business day.
Expiry Day (Last Trading Day)	Three business days prior to the first business day of Tender Period of the underlying futures contract.
Trading	
Trading Period	Mondays through Fridays
Trading Session	Monday to Friday: 9.00 a.m. to 11.30 / 11.55 p.m.* * based on US daylight saving time period
Trading Unit	One MCX Copper futures contract
Underlying Quotation/ Base Value	Rs. Per Kg
Underlying Price Quote	Ex-Warehouse Thane district (excludes only GST)
Strikes	15 In-the-money, 15 Out-of-the-money and 1 Near-the-money. (31 CE and 31 PE). The Exchange, at its discretion, may introduce additional strikes, if required.
Strike Price Intervals	Rs. 5.00
Base price	Base price shall be theoretical price on Black 76 option pricing model on the first day of the contract. On all other days, it shall be previous day's Daily Settlement Price of the contract.
Tick Size (Minimum Price Movement)	Rs. 0.01
Daily Price Limit	The upper and lower price band shall be determined based on statistical method using Black76 option pricing model and relaxed considering the movement in the underlying futures contract. In the event of freezing of price ranges even without a corresponding price relaxation in underlying futures, if deemed necessary, considering the volatility and other factors in the option contract, the Daily Price Limit shall be relaxed by the Exchange.
Margins	The Initial Margin shall be computed using SPAN (Standard Portfolio Analysis of Risk) software, which is a portfolio based margining system. To begin with, the various risk parameters shall be as under: A. Price Scan Range – 3.5 Standard Deviation (3.5 sigma)

	<p>B. Volatility Scan Range – Minimum 5% or as decided by MCXCCL from time to time. For applicable VSR refer latest circulars issued by MCXCCL.</p> <p>C. The Short Option Minimum Margin (SOMM) and 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 SOMM and MPOR refer latest circulars issued by MCXCCL from time to time.</p> <p>D. Extreme Loss Margin – Minimum 1% (to be levied only on short option positions).</p> <p>E. Premium of buyer shall be blocked upfront on real time basis.</p>
Premium	Premium of buyer shall be blocked upfront on real time basis.
Margining at client Level	Initial Margins shall be computed at the level of portfolio of individual clients comprising of the positions in futures and options contracts on each commodity
Real time computation	The margins shall be recomputed using SPAN at Begin of Day, 9.30 am, 11.00 am, 1.00 pm, 3.00 pm, 5.00 pm, 7.00 pm, 8.30 pm, 10.30 pm and End of Day.
Mark to Market	The option positions shall be marked to market by deducting / adding the current market value of options positions (positive for long options and negative for short options) times the number of long / short options in the portfolio from / to the margin requirement. Mark to Market gains and losses would not be settled in Cash for Options Positions.
Risks pertaining to option that devolve into futures on expiry	<p>a) In the initial phase, a sensitivity report shall be provided to members of the impending increase in margins at least 2 days in advance. The mechanism shall be reviewed and if deemed necessary, pre-expiry option margins shall be levied on the buy / sell / both positions during last few days before the expiry of option contract.</p> <p>b) The penalty for short collection / non collection due to increase in initial margins resulting from devolvement of options into futures shall not be levied for the first day.</p>
Additional and/ or Special Margin	At the discretion of the Exchange when deemed necessary
Position Limits	
Maximum Allowable Open Position	<p>Position limits for options would be separate from the position limits applicable on futures contracts.</p> <p>For client level: 14,000 MT or 5% of the market wide open position, whichever is higher - For all Copper Options contracts combined together.</p> <p>For a member level: 1,40,000 MT or 20% of the market wide open position, whichever is higher - For all Copper Options contracts combined together.</p>

	Upon expiry of the options contract, after devolvement of options position into corresponding futures positions, open positions may exceed their permissible position limits applicable for future contracts. Such excess positions shall have to be reduced to the permissible position limits of futures contracts within two trading days.
Settlement	
Settlement of premium/Final Settlement	T+1 day
Mode of settlement	<p>On expiry of options contract, the open position shall devolve into underlying futures position as follows:-</p> <ul style="list-style-type: none"> • long call position shall devolve into long position in the underlying futures contract • long put position shall devolve into short position in the underlying futures contract • short call position shall devolve into short position in the underlying futures contract • short put position shall devolve into long position in the underlying futures contract <p>All such devolved futures positions shall be opened at the strike price of the exercised options</p>
Exercise Mechanism at expiry	<p>All In the money (ITM)# option contracts shall be exercised automatically, unless 'contrary instruction' has been given by long position holders of such contracts for not doing so.</p> <p>The ITM option contract holders who have not submitted contrary instructions shall receive the difference between the Settlement Price and Strike Price in Cash as per the settlement schedule.</p> <p>In the event contrary instruction are given by ITM option position holders, the positions shall expire worthless.</p> <p>All Out of the money (OTM) option contracts shall expire worthless.</p> <p>All devolved futures positions shall be considered to be opened at the strike price of the exercised options.</p> <p>All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.</p> <p>#ITM for call option = Strike Price < Settlement Price ITM for put option = Strike Price > Settlement Price</p>
Due Date Rate (Final Settlement Price)	Daily settlement price of underlying futures contract on the expiry day of options contract.

**Contract Launch Calendar for Copper Options contracts on
Copper (2500 Kilograms) Futures, expiring during the year 2026**

Option Contract Launch Month	Option Contract Expiry Month
October 2025	January 2026
November 2025	February 2026
December 2025	March 2026
January 2026	April 2026
February 2026	May 2026
March 2026	June 2026
April 2026	July 2026
May 2026	August 2026
June 2026	September 2026
July 2026	October 2026
August 2026	November 2026
September 2026	December 2026