



Circular No.: MCX/TRD/103/2026

March 2, 2026

Modification in Number of Strikes of Natural Gas Options on Futures (1,250 MMBtu) and Natural Gas Mini Options on Futures (250 MMBtu) 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:

In order to ensure that sufficient strikes are available and appropriate price range is covered for the market participants, the Exchange has decided to carry out a modification in the 'Number of Strikes' parameter of the MCX Natural Gas Options on Futures (1,250 MMBtu) Contract and Natural Gas Mini Options on Futures (250 MMBtu) Contract specification, with effect from March 3, 2026. The same is being done due to ongoing geopolitical tensions and extreme exigencies arising from ongoing war situations. Details of the modification are provided below.

Commodity	Existing Strikes	Modified Strikes	Applicability	Contract Specification
Natural gas Options on Futures (1250 MMBtu)	30-1-30 The Exchange, at its discretion, may introduce additional strikes, if required.	40-1-40 The Exchange, at its discretion, may introduce additional strikes, if required.	Running and yet to be launched contracts	Annexure 1
Natural gas Mini Options on Futures (250 MMBtu)	30-1-30 The Exchange, at its discretion, may introduce additional strikes, if required.	40-1-40 The Exchange, at its discretion, may introduce additional strikes, if required.	Running and yet to be launched contracts	Annexure 2

The contract specification and trading parameters of the contracts, as specified in Annexures herewith, shall be binding on all the Members of the Exchange and constituents trading through them. Further, for 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.

Rohit Lunker
Assistant Vice President- Market Operations

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

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**Contract Specification for Natural Gas Options with Natural Gas
(1250 MMBTU) Futures as underlying**

Symbol	NATURALGAS
Underlying	Underlying shall be Natural Gas Futures contract traded on MCX
Description	Option on Natural Gas Futures
Option Type	European Call & Put Options
Contract Listing	Contracts will be available as per the Contract Launch Calendar
Contract Start Day	The next business day immediately after the expiry of the near month Futures Contracts
Expiry Day (Last Trading Day)	Two business days prior to the Expiry day 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 Natural Gas Futures Contract
Underlying Quotation/Base Value	Rs. / MMBtu
Strikes	40 In-the-money, 40 Out-of-the money and 1 Near-the-money (81CE and 81 PE). The Exchange, at its discretion, may introduce additional strikes, if required.
Strike Price Intervals	Rs. 5
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. 0.05
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 B. Volatility Scan Range – 10 % (or such other % as prescribed by MCXCCL based on risk framework)

	<p>C. Short Option Minimum Margin – 10% (or such other margin as prescribed by MCXCCL based on risk framework)</p> <p>D. Extreme Loss Margin – Minimum 1% (or such other margin as prescribed by MCXCCL based on risk framework)</p> <p>E. Premium of buyer shall be blocked upfront on real time basis The Margin Period of Risk (MPOR) shall be at least three days (or such other margin period of Risk (MPOR) as prescribed by MCXCCL based on risk framework).</p> <p>Parameters would be reviewed and changed, if required.</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	

<p>Maximum Allowable Position</p>	<p>Open</p> <p>Position limits for Options would be separate from the position limits applicable on Futures Contracts.</p> <p>For individual clients: 120,00,000 MMBtu or 5% of the market wide open position, whichever is higher for all Natural Gas Options Contracts combined together.</p> <p>For a member collectively for all clients: 12,00,00,000 MMBtu or 20% of the market wide open position, whichever is higher for all Natural Gas Options Contracts combined together.</p> <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.</p>
<p>Settlement</p>	
<p>Settlement of premium/Final Settlement</p>	<p>T+1 day</p>
<p>Mode of settlement</p>	<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 Natural Gas Options on Natural Gas (1,250 MMBTU) Futures expiring during the Calendar year 2026

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

**Contract Specification for MCX Natural Gas Mini Options with Natural Gas Mini
(250 MMBtu) Futures as underlying**

Symbol	NATGASMINI
Underlying	Underlying shall be Natural Gas Mini Futures contract traded on MCX
Description	Options on Natural Gas Mini Futures
Option Type	European Call & Put Options
Contract Listing	Contracts will be available as per the Contract Launch Calendar
Contract Start Day	The next business day immediately after the expiry of the near month Futures Contracts
Expiry Day (Last Trading Day)	Two business days prior to the Expiry Day 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 Natural Gas Mini Futures Contract (250 MMBtu)
Underlying Quotation/Base Value	Rs. / MMBtu
Strikes	40 In-the-money, 40 Out-of-the money and 1 Near-the-money (81CE and 81 PE). The Exchange, at its discretion, may introduce additional strikes, if required.
Strike Price Intervals	Rs. 5
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. 0.05
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: F. Price Scan Range – 3.5 G. Volatility Scan Range – 10 % (or such other % as prescribed by MCXCCL based on risk framework) H. Short Option Minimum Margin – 10% (or such other margin as prescribed by MCXCCL based on risk framework) I. Extreme Loss Margin – Minimum 1% (or such other margin as

	<p>prescribed by MCXCCL based on risk framework)</p> <p>J. Premium of buyer shall be blocked upfront on real time basis. The Margin Period of Risk (MPOR) shall be at least three days (or such other margin period of Risk (MPOR) as prescribed by MCXCCL based on risk framework).</p> <p>Parameters would be reviewed and changed, if required.</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>c) 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>d) The penalty for short collection / non collection due to increase in initial margins resulting from devolvment 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 Position	<p>Position limits for Options would be separate from the position limits applicable on Futures Contracts.</p> <p>For individual clients: 120,00,000 MMBtu or 5% of the market wide open position, whichever is higher for all Natural Gas Options Contracts combined together.</p> <p>For a member collectively for all clients: 12,00,00,000 MMBtu or 20% of the market wide open position, whichever is higher for all Natural Gas Options Contracts combined together.</p> <p>Upon expiry of the Options Contract, after devolvment 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.</p>
Open Position	

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 Natural Gas Mini Options on Natural Gas Mini (250 MMBtu) Futures expiring during the Calendar year 2026

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