

NSE Clearing Limited

DEPARTMENT : COMMODITY DERIVATIVES SEGMENT

Download Ref No: NCL/COM/47812

Date : March 26, 2021

Circular Ref. No: 121/2021

All Members,

Sub: Daily Settlement price for Commodity Futures

This is with reference to NSE circular no 009/2021(NSE/CMPT/47756) dated March 24, 2021 and in partial modification of our consolidated circular no 004/2021(NCL/COM/46886) dated January 01, 2021.

The clause 4.1 of Part B of Consolidated circular regarding Daily Settlement Price for mark to market settlement of unexpired futures contracts stands modified as below:-

4.1.1. Daily Settlement Price for mark to market settlement of unexpired futures contracts

Daily settlement price for unexpired futures contracts shall be the closing price of such contracts on the trading day. The closing price for unexpired futures contract shall be calculated on the basis of the last half an hour weighted average price of such contract, subject to minimum 10 trades in last half hour or weighted average price of last 10 trades of the day for such contract or such other price as may be decided by the relevant authority from time to time.

4.1.2. Theoretical daily settlement price for unexpired Commodities futures contracts

Daily settlement price for unexpired futures contracts, which have less than 10 trades in a day, the price shall be computed as per the formula detailed below:-

$$F = S * e^{rt}$$

Where:

F = theoretical futures price

S = Spot Price of the underlying Commodity

r = rate of interest (MIBOR)

t = time to expiration

Rate of interest may be the relevant MIBOR rate or such other rate as may be specified.

Members are advised to take note of the above.

**For and on behalf of
NSE Clearing Limited**

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Associate Vice President

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