MCXCCL

MCX Circular No. MCX/MCXCCL/425/2018
MCXCCL Circular No. MCXCCL/RISK/040/2018

October 15, 2018

Revision in Margin Period of Risk (MPOR) for CPO, Gold Guinea, Rubber and Cardamom

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. MCXCCL/RISK/011/2018 dated September 1, 2018, Clearing Members of the 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 day) for all commodities except 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 in following contracts shall be increased to three days.

Sr. No.	Commodity
1	CPO
2	GOLD GUINEA
3	RUBBER

Accordingly, for Computation of Initial Margin, the Margin Period of Risk for above contracts shall be scaled up by root 3.

Further, MPOR for Cardamom contracts shall be revised to 2 days. For all other commodities including Cardamom, the Initial Margin requirement shall be based on two-day MPOR.

The provisions of the circular shall be effective from **November 01, 2018.**

Members are requested to take note of the same.

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