



Circular No: MCX/TRD/456/2020

June 29, 2020

Launch of Futures contracts on MCX iCOMDEX Bullion and Base Metal Indices

In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange, members of the Exchange are notified as under:

The Exchange is pleased to announce that it has received permission from SEBI for launch of Futures contracts on MCX iCOMDEX Bullion and Base Metal indices.

The date of launch of the Index Futures contracts shall be informed to the market participants separately. The details of the approved contract specifications and trading parameters of the contracts on MCX iCOMDEX Bullion and Base Metal indices are specified in **Annexure 1 and Annexure 2**, respectively.

Members are requested to take note of the same.

Niket Patel
Manager

Encl: As above

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

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Contract Specifications of MCX iCOMDEX Bullion Index Futures

Parameter	Particulars
Symbol	MCXBULLDEX
Description	MCXBULLDEXMMYY
Underlying Index	MCX iCOMDEX BULLION
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	20 th day of contract launch month. If 20 th day is a holiday then the following working day.
Last Trading Day	One business day prior to the start of rollover period in the underlying constituent/(s) index. In case, if there are no rollover during any calendar month, the contract will expire on 25 th day of the month. If 25 th day is a holiday, then preceding working day.
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 (1 Lot)	Rs. 50 * MCX iCOMDEX Bullion Index
Quotation / Base Value	Index Points
Maximum Order Size	80 Lots
Tick Size (Minimum Price Movement)	1
Daily Price Limits	<p>The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade.</p> <p>In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%.</p> <p>In case price movement in underlying Commodity Index is more than the maximum daily price limit of index futures (currently 9%), the price limit of the index futures may be further relaxed in steps of 3% and informed to the Regulator immediately</p>
Initial Margin*	Minimum 5% or based on SPAN whichever is higher
Extreme Loss Margin	Minimum 1%
Additional and / or Special Margin	In case of additional volatility, an additional margin (on both buy & sell side) and / or special margin (on either buy or sell side) at such percentage, as deemed fit, will be imposed in respect of all outstanding positions.
Maximum Allowable Open Position	<p>For individual clients: 1,000 lots or 5% of market wide open position, whichever is higher for all MCX iCOMDEX Bullion index futures contracts combined together.</p> <p>For a member collectively for all clients: 10,000 lots or 15% of market wide open position, whichever is higher for all MCX iCOMDEX Bullion index futures contracts combined together.</p>
Due Date Rate	The Final Settlement Price will be the underlying Index price arrived at based on Volume Weightage Average Price of the

	<p>constituents of the underlying Index between 4:00 p.m. and 5:00 p.m. on the expiry day of the Index futures contract.</p> <p>In absence of trading in any of the constituent of the underlying Index between 4:00 p.m. and 5:00 p.m. on the expiry day of the Index futures contract, the below methodology will be followed to obtain the appropriate price of <u>only</u> such constituent to arrive at the underlying Index price:</p> <ol style="list-style-type: none"> i. If there are no trades in the constituent during 4:00 p.m. and 5:00 p.m. on the expiry day of the Index futures contract, then it will be based on the weighted average price of the last 10 trades executed during the day. ii. If the number of trades done during the day are less than 10, then it is taken as the weighted average of all the trades executed during the day. iii. If no trades have been executed in a contract on a day, then the official Closing Price of the previous day will be considered. <p>On the day of expiry, the trading in expiring contract shall be allowed up to 5:00 p.m.</p> <p>The index value so arrived will be rounded off to the nearest tick. For example, on the day of expiry, if index value arrived based on VWAP of the constituents of the underlying Index during the above said period is 11,800.15, then DDR for the contract would be 11,800 (rounded off to the nearest tick) and if index value is 11,800.50, then DDR for the contract would be considered as 11,801 for settlement purpose.</p>
Settlement Mechanism	The contract would be settled in cash

* The Margin Period of Risk (MPOR) shall be 3 days and the computation of Initial Margin shall be based on VaR over three-day horizon (i.e. MPOR = 3 days).

Contract Launch Calendar for MCX iCOMDEX Bullion Index Futures

Contract Month	Contract Launch Month	Contract Expiry Month
August 2020	On approval from SEBI	August 2020
September 2020	On approval from SEBI	September 2020
October 2020	On approval from SEBI	October 2020
November 2020	August 2020	November 2020
December 2020	September 2020	December 2020
January 2021	October 2020	January 2021
February 2021	November 2020	February 2021
March 2021	December 2020	March 2021
April 2021	January 2021	April 2021
May 2021	February 2021	May 2021
June 2021	March 2021	June 2021
July 2021	April 2021	July 2021

Annexure 2

Contract Specifications of MCX iCOMDEX Base Metal Index Futures

Parameter	Particulars
Symbol	MCXMETLDEX
Description	MCXMETLDEXMMYY
Underlying Index	MCX iCOMDEX BASE METAL
Contract Listing	Contracts available as per the Contract Launch Calendar.
Contract Start Day	15 th day of contract launch month. If 15 th day is a holiday then the following working day.
Last Trading Day	One business day prior to the start of rollover period in the underlying constituent/(s) index.
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 (1 Lot)	Rs. 50 * MCX iCOMDEX Base Metal Index
Quotation / Base Value	Index Points
Maximum Order Size	80 Lots
Tick Size (Minimum Price Movement)	1
Daily Price Limits	<p>The base price limit will be 4%. Whenever the base daily price limit is breached, the relaxation will be allowed upto 6% without any cooling off period in the trade.</p> <p>In case the daily price limit of 6% is also breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 9%.</p> <p>In case price movement in underlying Commodity Index is more than the maximum daily price limit of index futures (currently 9%), the price limit of the index futures may be further relaxed in steps of 3% and informed to the Regulator immediately</p>
Initial Margin*	Minimum 5% or based on SPAN whichever is higher.
Extreme Loss Margin	Minimum 1%
Additional and / or Special Margin	In case of additional volatility, an additional margin (on both buy & sell side) and / or special margin (on either buy or sell side) at such percentage, as deemed fit; will be imposed in respect of all outstanding positions.
Maximum Allowable Open Position	<p>For individual clients: 1,000 lots or 5% of market wide open position, whichever is higher for all MCX iCOMDEX Base Metal index futures contracts combined together.</p> <p>For a member collectively for all clients: 10,000 lots or 15% of market wide open position, whichever is higher for all MCX iCOMDEX Base Metal index futures contracts combined together.</p>
Due Date Rate	The Final Settlement Price will be the underlying Index price arrived at based on Volume Weightage Average Price of the constituents of the underlying Index between 4:00 p.m. and 5:00 p.m. on the expiry day of the Index futures contract.

	<p>In absence of trading in any of the constituent of the underlying Index between 4:00 p.m. and 5:00 p.m. on the expiry day of the Index futures contract, the below methodology will be followed to obtain the appropriate price of <u>only</u> such constituent to arrive at the underlying Index price:</p> <ol style="list-style-type: none"> i. If there are no trades in the constituent during 4:00 p.m. and 5:00 p.m. on the expiry day of the Index futures contract, then it will be based on the weighted average price of the last 10 trades executed during the day. ii. If the number of trades done during the day are less than 10, then it is taken as the weighted average of all the trades executed during the day. iii. If no trades have been executed in a contract on a day, then the official Closing Price of the previous day will be considered. <p>On the day of expiry, the trading in expiring contract shall be allowed up to 5:00 p.m.</p> <p>The index value so arrived will be rounded off to the nearest tick. For example, on the day of expiry, if index value arrived based on VWAP of the constituents of the underlying Index during the above said period is 11,800.15, then DDR for the contract would be 11,800 (rounded off to the nearest tick) and if index value is 11,800.50, then DDR for the contract would be considered as 11,801 for settlement purpose.</p>
Settlement Mechanism	The contract would be settled in cash

* The Margin Period of Risk (MPOR) shall be 3 days and the computation of Initial Margin shall be based on VaR over three-day horizon (i.e. MPOR = 3 days).

Contract Launch Calendar for MCX iCOMDEX Base Metal Index Futures

Contract Month	Contract Launch Month	Contract Expiry Month
October 2020	On approval from SEBI	October 2020
November 2020	On approval from SEBI	November 2020
December 2020	On approval from SEBI	December 2020
January 2021	October 2020	January 2021
February 2021	November 2020	February 2021
March 2021	December 2020	March 2021
April 2021	January 2021	April 2021
May 2021	February 2021	May 2021
June 2021	March 2021	June 2021
July 2021	April 2021	July 2021
August 2021	May 2021	August 2021
September 2021	June 2021	September 2021