



Concentration Margin

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) and in pursuant to MCXCCL Circular No. dated MCXCCL/RISK/003/2018 dated August 31, 2018, Clearing Members of the MCXCCL are notified as under:

As an additional risk management measure, Commodities shall be eligible for concentration margin if any one of the following conditions is met:

- A. The Open Interest Value of the commodity exceeds 5% of the Exchange Open Interest Value
- B. Threshold limits specified in Annexure 1.

Based on the assessment for the month of July 2018, the concentration margin for the period September 1, 2018 to September 14, 2018 shall be levied as under:

The applicable concentration margins at Client Level shall be as under:

Client OI vs. Exchange OI (In Value)	Commodities specified in Annexure 2A	Commodities specified in Annexure 2B
Up to 5%	Nil	Nil
5% to 10%	1.00%	1.50%
10% to 15%	1.50%	2.50%
15% to 20%	2.00%	3.50%
20% to 25%	2.50%	4.50%
Above 25%	3.00%	5.00%

The applicable concentration margins at Clearing Member Level shall be as under:

Member OI vs. Exchange OI (In Value)	All Commodities
0% to 10%	Nil
10% to 15%	1.00 %
15% to 20%	1.50 %
20% to 25%	2.00 %
25% to 30%	2.50 %
Above 30%	3.00 %

Additional points:

1. The concentration margins shall be calculated at the end of each day and shall be applicable for the next trading day till the End of Day and shall remain blocked from the available collateral deposits of the Member.
2. Concentration margin shall be over and above all other margins as may be applicable.
3. For Clients who have submitted documents for hedge limits and have been allocated Hedge Code, such positions in Hedge Code shall be excluded from levy of concentration margin.
4. Client's commodity level open interest shall be computed as netted position across contracts and variants.
5. In addition to client level concentration margins, Clearing Member level concentration margins shall also be applicable on incremental basis based on the defined slabs.
6. Clearing Member's commodity level open interest shall be computed as higher of summation of Long or Short positions of each TM-Client combination in the respective commodity grossed up at Clearing Member Level.
7. Concentration margins shall be made applicable only to open positions in Futures Contracts.
8. A file "MemberID_Conc_Margin_ddmmyyyy.xls" and a file "MemberID_Conc_Margin_CLI_ddmmyyyy.xls" providing the extent of concentration margin blocked from the collateral deposits will be available in Member SFTP download folder.
9. The applicable concentration margins in narrow and sensitive commodities (specified in Annexure 3) shall be double the normal concentration margin slabs.
10. The Threshold Limits, applicable concentration margins and list of narrow / sensitive commodities shall be informed to the market participants on a monthly basis by way of a circular.

The provisions of this circular shall be applicable from September 01, 2018.

Members are requested to take note of the same.

Dhawal Shah
Vice President

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

-----Corporate office -----
Multi Commodity Exchange Clearing Corporation Limited
Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai – 400 093
Tel.: 022 – 67318888 Fax: 022 – 67269558 CIN: U74999MH2008PLC185349
www.mcxcl.com email: customersupport@mcxindia.com

Annexure 1

Threshold Limits for Concentration Margin

Sr. No.	Commodity	Threshold Limits	Unit
1	ALUMINIUM	36400	MT
2	BRASSPHY	3000	MT
3	CARDAMOM	62000	KGS
4	CASTORSEED	3000	MT
5	COPPER	24242300	KGS
6	COTTON	144700	BALES
7	CPO	79300	MT
8	CRUDEOIL	2771700	BBL
9	GOLD	11900	KGS
10	LEAD	26400	MT
11	MENTHAOIL	2599700	KGS
12	NATURALGAS	14305800	mmBtu
13	NICKEL	3911200	KGS
14	PEPPER	3000	MT
15	RBDPMOLEIN	3000	MT
16	RUBBER	3000	MT
17	SILVER	892500	KGS
18	ZINC	58100	MT

Annexure 2A

List of Commodities
ALUMINIUM
BRASSPHY
COPPER
CRUDEOIL
GOLD
LEAD
NATURALGAS
NICKEL
ZINC

Annexure 2B

List of Commodities
CARDAMOM
CASTORSEED
COTTON
CPO
MENTHAOIL
PEPPER
RBDPMOLEIN
RUBBER
SILVER

Annexure 3

List of Narrow and Sensitive Commodities

Commodity
CARDAMOM
CASTORSEED
MENTHAOIL
PEPPER