



Circular No.: MCX/TRD/371/2019

July 15, 2019

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### **Launch of Silver Micro February 2020 Futures Contract with modifications**

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In terms of the provisions of the Rules, Bye-Laws and Business Rules of the Exchange and in continuation to Exchange circular no. MCX/TRD/297/2019 dated May 31, 2019, the Members of the Exchange are hereby notified as under:

The Exchange had, interalia, received permission from SEBI to modify the contract specifications in Silver Micro contract i.e. from **“Both Options” to “Compulsory Delivery”**. The Exchange has decided to implement the said modifications from the February 2020 contract onwards.

The revised contract specifications for the above mentioned contract, as specified in **Annexure 1** with regards to Delivery Unit, Due Date Rate (Final Settlement Price) and Delivery Logic will be implemented **w.e.f. July 19, 2019** when the above contract will be available for trading.

The contract specifications and trading parameters of the above contract as specified in Annexure 1 herewith, shall be binding on all the Members of the Exchange and constituents trading through them.

Members may further note that the DPL on the first trading day of the contract shall be determined as per the provisions of para 4 of SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/83 dated September 7, 2016.

Members are advised to take due care while placing orders and note that this is a Compulsory delivery contract.

Members are requested to note that buyers shall have to pay Rs 400 (over and above the DDR) per Silver bar (1 Kg) as a making charge, which shall be paid to the seller, at the time of delivery.

The Delivery and Settlement procedure is separately intimated by Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) through MCXCCL Circular No. MCXCCL/C&S/ 159/2019 dated July 15, 2019.

The procedure for Warehousing Operations will be informed separately by MCXCCL.

Members are requested to take note of the above.

Himanshu Ashar  
Vice President

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Kindly contact Customer Support on 022 - 6649 4040 or send an email at [customersupport@mcxindia.com](mailto:customersupport@mcxindia.com) for any clarification.

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## Contract Specifications of Silver Micro

Annexure – 1

<b>Symbol</b>	SILVERMIC
<b>Description</b>	SILVERMICMMYY
<b>Contract Listing</b>	Contracts are available as per the Contract Launch Calendar.
<b>Contract Start Day</b>	1 <sup>st</sup> day of contract launch month. If 1 <sup>st</sup> day is a holiday then the following working day.
<b>Last Trading Day</b>	Last calendar day of the contract expiry month. If last calendar day is a holiday then preceding working day.
<b>Trading Period</b>	Mondays through Friday
<b>Trading Session</b>	Monday to Friday: 09.00 a.m. to 11.30/ 11.55 p.m.
<b>Trading Unit</b>	1 kg
<b>Quotation/Base Value</b>	1 kg
<b>Price Quotation</b>	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs but excluding GST, any other additional tax, cess, octroi or surcharge as may be applicable)
<b>Maximum Order Size</b>	600 kg
<b>Tick Size (Minimum Price Movement)</b>	Re. 1 per kg
<b>Daily Price Limits</b>	<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. 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 international markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% beyond the maximum permitted limit, and inform the Regulator immediately.</p>
<b>Initial Margin*</b>	Minimum 4% or based on SPAN whichever is higher
<b>Extreme Loss Margin</b>	Minimum 1%
<b>Additional and/ or Special Margin</b>	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.
<b>Maximum Allowable Open Position</b>	<p>For individual client: 100 MT or 5% of the market wide open position whichever is higher for all Silver contracts combined together</p> <p>For a member collectively for all clients: 1000 MT or 20% of the market wide open position whichever is higher, for all Silver contracts combined together.</p>
<b>Delivery</b>	
<b>Delivery Unit</b>	<b>1 kg</b>
<b>Delivery period margin**</b>	Delivery period margins shall be higher of:

	a. 3% + 5 day 99% VaR of spot price volatility Or b. 25%																																																				
<b>Delivery Center(S)</b>	Ahmedabad at designated clearing house facilities																																																				
<b>Quality Specifications</b>	Grade: 999 and Fineness: 999 (as per IS 2112: 1981)  No negative tolerance on the minimum fineness shall be permitted.  If it is below 999 purity, it is rejected.  It should be serially numbered silver bars supplied by LBMA approved suppliers or other suppliers as may be approved by MCX to be submitted along with supplier's quality certificate.																																																				
<b>Due Date Rate (Final Settlement Price)</b>	<p><b>For contracts where Final Settlement Price (FSP) is determined by polling, unless specifically approved otherwise, the FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event the spot price for any one or both of E-1 and E-2 is not available; the simple average of the last polled spot price of E0, E-1, E-2 and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be as under:</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Scenario</th> <th colspan="4">Polled spot price availability on</th> <th rowspan="2">FSP shall be simple average of last polled spot prices on:</th> </tr> <tr> <th>E0</th> <th>E-1</th> <th>E-2</th> <th>E-3</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes/No</td> <td>E0, E-1, E-2</td> </tr> <tr> <td>2</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>Yes</td> <td>E0, E-1, E-3</td> </tr> <tr> <td>3</td> <td>Yes</td> <td>No</td> <td>Yes</td> <td>Yes</td> <td>E0, E-2, E-3</td> </tr> <tr> <td>4</td> <td>Yes</td> <td>No</td> <td>No</td> <td>Yes</td> <td>E0, E-3</td> </tr> <tr> <td>5</td> <td>Yes</td> <td>Yes</td> <td>No</td> <td>No</td> <td>E0, E-1</td> </tr> <tr> <td>6</td> <td>Yes</td> <td>No</td> <td>Yes</td> <td>No</td> <td>E0, E-2</td> </tr> <tr> <td>7</td> <td>Yes</td> <td>No</td> <td>No</td> <td>No</td> <td>E0</td> </tr> </tbody> </table> <p><b>In case of non-availability of polled spot price on expiry day (E0) due to sudden closure of physical market under any emergency situations noticed at the basis centre, Exchanges shall decide further course of action for determining FSP in consultation with SEBI.</b></p>	Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:	E0	E-1	E-2	E-3	1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2	2	Yes	Yes	No	Yes	E0, E-1, E-3	3	Yes	No	Yes	Yes	E0, E-2, E-3	4	Yes	No	No	Yes	E0, E-3	5	Yes	Yes	No	No	E0, E-1	6	Yes	No	Yes	No	E0, E-2	7	Yes	No	No	No	E0
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1	Yes	Yes	Yes	Yes/No	E0, E-1, E-2																																																
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6	Yes	No	Yes	No	E0, E-2																																																
7	Yes	No	No	No	E0																																																
<b>Delivery Logic</b>	<b>Compulsory Delivery</b>																																																				

\*The Margin Period of Risk (MPOR) shall be 2 days in accordance with SEBI Circular no. SEBI/HO/CDMRD//DRMP/CIR/P/2016/77 dated September 01, 2016 accordingly, the initial margin shall be scaled up by root 2.

\*\* As per SEBI directive SEBI/HO/CDMRD/DRMP/CIR/P/2016/77 dated Sep 01, 2016.

### Contract Launch Calendar of Silver Micro

<b>Contract Launch Months</b>	<b>Contract Expiry Months</b>
June 2019	February 2020
August 2019	April 2020
October 2019	June 2020
December 2019	August 2020
March 2020	November 2020