



Circular no.: MCX/TRD/490/2019

September 5, 2019

Commencement of Futures Trading in Gold Mini December 2019 contract and LTP Based Spread Trading Facility in Gold Mini Futures Contracts

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/431/2019 dated August 14, 2019, the Members of the Exchange are notified as under:

Gold Mini December 2019 Futures contract will be available for trading with effect from **Friday, September 6, 2019.**

The contract specification of Gold Mini Futures contract is revised with regards to Staggered Delivery Tender Period, Delivery allocation, Delivery order rate and Due Date Rate (Final Settlement Price). The revised contract specifications are specified in Annexure.

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

The Delivery and Settlement procedure is separately intimated by Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) vide MCXCCL Circular No. MCXCCL/C&S/207/2019 dated September 05, 2019.

Members are further requested to refer to MCXCCL Circular No. MCXCCL/WHL/010/2018 dated September 01, 2018 regarding various provisions with respect to Warehousing Operations.

With reference to circular no MCX/T&S/082/2015 dated March 19, 2015; the LTP based Spread Trading Facility will be available in below mentioned combinations with effect from **Friday, September 6, 2019.**

Commodity	Symbol	End Date of spread Contracts	Near month	Far Month
GOLDM	GDMOCTDE19	04-Oct-19	Oct-19	Dec-19
GOLDM	GDMNOVDE19	05-Nov-19	Nov-19	Dec-19

Members are requested to take note of the same.

Sanjiv Kapur
Asst. Vice President
Encl.: As above

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

Contract Specifications of Gold Mini

Symbol	GOLDM
Description	GOLDMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar.
Contract Start Day	6 th day of contract launch month. If 6 th day is a holiday then the following working day.
Last Trading Day	5 th of contract expiry month. If 5 th is a holiday then preceding working day.
Trading	
Trading Period	Mondays through Fridays
Trading Session	Monday to Friday: 09.00 a.m. to 11.30 / 11.55 p.m.
Trading Unit	100 grams
Quotation/Base Value	10 grams
Price Quote	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)
Maximum Order Size	10 kg
Tick Size (Minimum Price Movement)	Re. 1 per 10 grams
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. 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% informed to the Regulator immediately.</p>
Initial Margin*	Minimum 4% 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: 5 MT or 5% of the market wide open position, whichever is higher for all Gold contracts combined together.</p> <p>For a member collectively for all clients: 50 MT or 20% of the market wide open position, whichever is higher for all Gold contracts combined together.</p>
Delivery	
Delivery Unit	100 grams
Delivery Period Margin**	<p>Delivery period margins shall be higher of:</p> <p>a. 3% + 5 day 99% VaR of spot price volatility</p> <p>Or</p> <p>b. 25%</p>
Delivery Centre(S)	At designated Clearing House facilities at Ahmedabad and at additional delivery Centres at Chennai,

	Hyderabad, Kochi, Bengaluru, Kolkata, Mumbai and New Delhi for procedure please refer circular no. MCX/MCXCCCL/478/2018.
Quality Specifications	995 purity It should be serially numbered Gold bars supplied by LBMA approved suppliers or other suppliers as may be approved by MCX to be submitted alongwith supplier's quality certificate.
If the Seller Offers Delivery of 999 Purity	Seller will get a proportionate premium and sale proceeds will be calculated as under: Rate of delivery* 999/ 995 If the quality is less than 995, it is rejected.
Staggered Delivery Tender Period	The staggered delivery tender period would be the last 5 trading days (including expiry day) of the contracts. The seller/buyer having open position shall have an option, of submitting an intention of giving/taking delivery, on any day during the staggered delivery period. On expiry of the contract, all the open positions shall be marked for compulsory delivery.
Delivery allocation	Allocation of intentions received to give delivery during the day to buyers having open long position shall be as per random allocation methodology to ensure that all buyers have an equal opportunity of being selected to receive delivery irrespective of the size or value of the position. However, preference may be given to buyers who have marked an intention of taking delivery. Funds pay-in of the delivery allocated to the buyer will be on T+1 working days i.e. excluding Saturday, Sunday & Public Holiday. The buyer to whom the delivery is allocated will not be allowed to refuse taking delivery. If the seller fails to deliver, the penal provisions as specified for seller default shall be applicable.
Delivery order rate	On Tender Days: The delivery order rate (the rate at which delivery will be allocated) shall be the closing price (weighted average price of last half an hour) on the respective tender day except on the expiry date. On Expiry: On expiry date, the delivery order rate or final settlement price shall be the Due Date Rate (DDR) and not the closing prices.
Due Date Rate (Final Settlement Price)	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 asunder:					
	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
	<p>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, Exchange shall decide further course of action for determining FSP and which shall be in accordance with MCXCCL circular no. MCXCCL/SPOT/187/2019 dated August 16, 2019.</p>					
Delivery Logic	Compulsory					

*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 Gold Mini

Contract Launch Months	Contract Expiry Months
October 2018	January 2019
November 2018	February 2019
December 2018	March 2019
January 2019	April 2019
February 2019	May 2019
March 2019	June 2019
April 2019	July 2019
May 2019	August 2019
June 2019	September 2019
July 2019	October 2019
August 2019	November 2019
September 2019	December 2019