

Commodity Derivatives Segment

March 05, 2021

Circular No.: MCCIL/COM/1907/2021

Sub: Review of Margin Framework for Commodity Derivatives Segment

In terms of provisions of the Rules, Bye-Laws and Regulations of the Metropolitan Clearing Corporation of India Limited (MCCIL), the members and their constituents are hereby notified as under.

Reference is drawn to SEBI circular no SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020 and MCCIL circular no. MCCIL/COM/1749/2020 dated September 02, 2020 regarding review of margin framework for commodity derivatives segment.

In this context, Clearing Members are hereby informed that, the minimum Initial Margin (IM) and minimum Margin Period of Risk (MPOR) for commodity derivatives contracts stands revised according to the categorization of the commodities based on their realized volatility

MCCIL has categorized the commodities into three categories of volatility as given below. Accordingly, minimum initial margin (IM) and minimum MPOR as per the revised norms prescribed by SEBI shall be as under:

Sr. No	Commodity and variants	Identifier	Volatility Category	Realized Annualized Volatility criteria	Applicable Minimum IM	Applicable Minimum MPOR
1	DIAMOND0.3CT	Non-Agri	Low	0 to 15%	6.00%	2
2	DIAMOND0.5CT	Non-Agri	Low		6.00%	2
3	DIAMOND1CT	Non-Agri	Low		6.00%	2
4	ISABGS	Agri	Low		8.00%	3
5	JUTE	Agri	Low		8.00%	3
6	PEPPER	Agri	Low		8.00%	3
7	SOYOIL	Agri	Low		8.00%	3
8	RAPES	Agri	Medium	Above 15% to 20%	10.00%	3
9	RUBBER	Agri	Medium		10.00%	3
10	STEELONG	Non-Agri	Medium		8.00%	2
11	CARDAMOM	Agri	High	Above 20%	12.00%	4
12	CASTORS	Agri	High		12.00%	4
13	GUARS	Agri	High		12.00%	4

Note: In case of Agricultural Commodities an additional lean period margin of 2% shall be imposed on contracts expiring during the lean period. The details of lean period shall be available on the website of the lead Exchange.

The provisions of this circular shall be applicable from begin of day as on **April 1, 2021**.

Members are requested to take note of the above.

Kindly contact Risk department on 022-40381549/52 or send an e-mail to comrisk@mclear.in for any assistance.

For and on behalf of
Metropolitan Clearing Corporation of India Ltd.

Rakhi Bhoir
Sr. Manager