



Circular no.: MCX/TRD/097/2018

March 20, 2018

Commencement of Futures Trading in BRASSPHY April, May, June and July 2018 contract

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

BRASSPHY April, May, June and July 2018 contract will be available for futures trading with effect from Monday, March 26, 2018. Meanwhile, the members may download the symbol.

The contract specification are specified in Annexures 1 is attached herewith and shall be binding on all the Members of the Exchange and constituents trading through them. The Delivery and Settlement procedure of the contract will be issued separately.

Members are requested to take note of the same.

Sanjiv Kapur
Asst. Vice President

Encl.: As above

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

----- Corporate office -----
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Contract Specifications of BRASSPHY

Symbol	BRASSPHY
Description	BRASSMMYY
Contract Listing	Contracts are available as per the Contract Launch Calendar
Contract Start Day	1 st day of contract launch month. If 1 st day is a holiday then the following working day.
Last Trading Day	Last calendar day of the contract expiry month. If last calendar day is a holiday then preceding working day.
Trading	
Trading Period	Mondays through Friday
Trading Session	Monday to Friday: 10.00 a.m. to 11.30 p.m. / 11.55 p.m.
Trading Unit	1 MT
Quotation/Base Value	1 Kg
Price Quote	Ex-Warehouse at district Jamnagar in Gujarat (excludes only GST)
Maximum Order Quantity	20 MT
Tick Size (minimum price movement)	5 Paise per kg
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. 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 / local markets is more than the maximum daily price limit (currently 9%), the same may be further relaxed in steps of 3% and informed to the Regulator immediately</p>
Initial Margin	Minimum 4 % or based on SPAN whichever is higher
Extreme Loss Margin	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 by the Regulator / Exchange; will be imposed in respect of all outstanding positions.
Maximum Allowable Open Position	<p>For individual clients: 2,500 MT for all BRASS contracts combined together.</p> <p>For a member collectively for all clients: 25,000 MT or 15% of the market wide open position, whichever is higher for all BRASS contracts combined together.</p>
Delivery	
Delivery Unit	1 MT with tolerance limit of + / - 5%
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>

	b. 25%												
Delivery Center (s)	Ex-Warehouse at district Jamnagar in Gujarat.												
Quality Specifications	<p>Free cutting Brass Ingots as per IS 319- Grade 1 with below quality specs :</p> <table border="1"> <thead> <tr> <th>Metal</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Copper</td> <td>56.0 - 59.0 %</td> </tr> <tr> <td>Lead</td> <td>2.00 -3.5 %</td> </tr> <tr> <td>Iron , <i>Max</i></td> <td>0.35 %</td> </tr> <tr> <td>Total Other impurities (excluding iron), <i>Max</i></td> <td>0.7%</td> </tr> <tr> <td>Zinc</td> <td>Remainder</td> </tr> </tbody> </table> <p>1. Any nickel or silver present is to be counted as copper. 2. Other impurities do not preclude the possible presence of other unnamed elements.</p>	Metal	Percentage	Copper	56.0 - 59.0 %	Lead	2.00 -3.5 %	Iron , <i>Max</i>	0.35 %	Total Other impurities (excluding iron), <i>Max</i>	0.7%	Zinc	Remainder
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Size and weight	<p><u>Ingots:</u></p> <p>Weight: 18 to 25 Kg</p> <p>Breadth : Maximum 4 inch</p> <p>Length: 18 to 24 inch</p> <p>Thickness : 3 to 4 inches</p> <p>Ingots should be physically sound and free of harmful defects such as segregation, piping, cracks, inclusions and blow-holes.</p>												
Additional Deliverable Grade	<p><u>Billets:</u></p> <p>Diameter : 75mm or 100mm or 125mm Length : 3 to 6 feet</p> <p>Billets should be well and cleanly rolled, and free from all harmful defects such as cracks, surface flaws, laminations and rough, jagged and imperfect edges. Billets should be suitable for further value addition like re-rolling. Billet should bear the heat (batch) number. For each heat, mill test certificate to accompany. Chemical composition to be same as mentioned in the quality specification for Brass Ingot. <i>Grade premium/discount would be announced before launch of contracts.</i></p>												
Due Date Rate	<p>DDR is calculated on the Spot price on the day of expiry of the contract by around 5.35pm /*6.35 pm. On the day of expiry the trading shall be allowed upto 5.35pm / 6.35pm (* as per UK day light saving)</p> <p>The Final Settlement Price (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</p>												

	of polled spot prices shall be as under:					
	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
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 center, further course of action for determining FSP shall be decided in consultation with SEBI.						
Delivery Logic	Compulsory Delivery					

Contract Launch Calendar for BRASSPHY Contracts

Contract Launch Months	Contract Expiry Months
On receipt of the approval from SEBI	April 2018
On receipt of the approval from SEBI	May 2018
On receipt of the approval from SEBI	June 2018
March 2018	July 2018
April 2018	August 2018
May 2018	September 2018
June 2018	October 2018
July 2018	November 2018
August 2018	December 2018
September 2018	January 2019
October 2018	February 2019
November 2018	March 2019