Circular No :- NMCE/2013-14/0080
Date: - 28-Dec-2013
For any Query/Clarification: - Ms. Sugandhee Gupta Mazgaonkar/ Mr. Jalaj Nagar (MW & S)
(☎) 079-40086015/32/37
Subject: - Spread Margin Benefits

To,
The Members,

In pursuance of the directives received from the Forward Markets Commission and in terms of the Bye-Laws, Rules and Regulations of the Exchange and in supersession of the earlier circular of the Exchange under reference no: NMCE/2007-08/0071 dated 16th November, 2007; the members of the Exchange are hereby notified that, the spread margin benefits have been revised as under:

i) Exchange will charge 50% of the initial margin (inclusive of exposure and volatility margin) on the positions in:
   a) Different month contracts on the same underlying commodity, and
   b) Two contracts variants having the same underlying commodity

ii) In case of spread trades, additional and special margins shall not be levied

iii) As far as (i) is concerned, the Exchange may charge margins higher than the minimum specified depending upon the risk perceptions.

The above procedure of spread margin benefits shall be implemented w.e.f. 1st January, 2014 in each commodity in the month of January, 2014 and will be made applicable for all running contracts from that day.

The Members and their Clients are requested to kindly note the above.

For and on behalf of
National Multi-Commodity Exchange of India Limited

Dinesh Shukla
Vice President (Market Watch & Surveillance)