National Stock Exchange Of India Limited

Department : Commodity Derivatives Segment	
Download Ref No: NSE/COM/46294	Date : November 06, 2020
Circular Ref. No: 40/2020	

All Members,

Introduction of Futures contracts on underlying Crude Degummed Soybean Oil in Commodity Derivatives Segment

Exchange is pleased to inform its members that having received approval from SEBI, Futures contracts on underlying Crude Degummed Soybean Oil spot price would be available for trading in Commodity Derivatives segment with effect from December 1, 2020.

In this reference, Exchange notifies details of contract specifications which are as follows:

Commodity Name	Annexure No.
Crude Degummed Soybean Oil Futures	A

For any queries related to Risk Management, Clearing and Settlement, members are requested to contact NSE Clearing Limited.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

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Annexure – A

Instrument Type	FUTAGR
Product	Crude Degummed Soybean Oil Futures
Symbol	DEGUMSYOIL
Description	DEGUMSYOILYYMMM
Contract Listing	Monthly contracts. Details as per the launch calendar.
Contract Commencement Day	1st calendar day of contract launch month. If 1st calendar day is a holiday then the following working day. (Expiry Day + 1)
Last Trading Day	Last calendar day of contract expiry month. If last calendar day is a holiday then preceding working day.
Trading	
Trading Period	Mondays through Fridays
Trading Session	Monday - Friday 9:00 am to 9:00 pm
Trading Unit	10 MT
Quotation / Base Value	₹ per 10 Kg
Price Quote	Ex-tank, Kandla inclusive of all duties and exclusive of GST
Maximum Order Size	700 MT
Tick Size (Minimum Price Movement)	₹ 0.10
Daily Price Limit	The base price limit shall be 3%. Whenever the base daily price limit is breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed upto 4%.
Initial Margin	The Initial Margin requirement shall be so as to cover potential losses for at least 99% VaR subject to minimum percentage floor value as prescribed by SEBI from time to time
Extreme Loss Margin	1%
Additional and / or Special Margin	In case of additional volatility, an additional margin (on both buy & sale position) and/ or special margin (on either buy or sale position) at such percentage, as deemed fit; will be imposed in respect of all outstanding positions.
Maximum Allowable Open Position	For a member collectively for all clients: 4,56,800 MT or 15% of the market wide open position whichever is higher, for all contracts of the commodity combined together. For individual client: 45,680 MT for all contracts of the commodity combined together. For Near Month Contracts: For a member collectively for all clients: 1,14,200 MT or one-fourth of the member's overall position limit in that commodity, whichever is higher. For individual client: 11,420 MT Exchange-wide Position Limits - 22,84,250 MT

<table>
<tr><td>Quality Specifications</td><td>
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<tr><td>FFA (As oleic with a molecular weight of 282)</td><td>Max 1%</td></tr>
<tr><td>Moisture and Volatile Matter</td><td>Max 0.20%</td></tr>
<tr><td>Impurities (insoluble in petroleum ether)</td><td>Max 0.10%</td></tr>
<tr><td>Sediment (Gardner Break Test)</td><td>Max 0.10%</td></tr>
<tr><td>Lecithin (expressed as Phosphorous)</td><td>Max 0.02%</td></tr>
<tr><td>Colour (Lovibond cell 1 inch)</td><td>Not darker than 50 yellow plus 5 red</td></tr>
<tr><td>Flash point</td><td>Min 250oF (121oC)</td></tr>
<tr><td>Unsaponifiable Matter (test as per N.S.P.A.)</td><td>Max 1.50%</td></tr>
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</td></tr>
<tr><td>Due Date Rate (Final Settlement Price)</td><td>
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:
<table>
<tr><td rowspan="2">Scenario</td><td colspan="4">Polled spot price availability on</td><td rowspan="2">FSP shall be simple average of last polled spot prices on:</td></tr>
<tr><td>E0</td><td>E-1</td><td>E-2</td><td>E-3</td></tr>
<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>
</table>
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 in consultation with SEBI.
</td></tr>
<tr><td>Settlement Mechanism</td><td>The contract would be Cash Settled</td></tr>
<tr><td>Settlement of Contract</td><td>On expiry all the open positions shall be settled in cash as per the Final Settlement price (FSP).</td></tr>
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Contract Launch Calendar

Contract Launch Month	Contract Expiry Month
1 December 2020	31 December 2020
	29 January 2021
	26 February 2021
	31 March 2021
January 2021	April 2021
February 2021	May 2021
March 2021	June 2021
April 2021	July 2021
May 2021	August 2021
June 2021	September 2021
July 2021	October 2021
August 2021	November 2021
September 2021	December 2021

Kindly refer latest circular issued by Exchange / Clearing Corporation for updated Margins, Position Limits and Expiry Dates etc.