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National Stock Exchange of India Limited

Circular

Department: COMMODITY DERIVATIVES	
Download Ref No: NSE/COM/58853	Date: October 10, 2023
Circular Ref. No: 52/2023	

All Members,

Introduction of Natural Gas Mini (Henry Hub) Futures Contract in Commodity Derivatives Segment

Exchange is pleased to inform members that with reference to approval received from SEBI, Natural Gas Mini Futures Contracts shall be made available for trading in Commodity Derivatives segment with effect from October 13, 2023.

The details of contract specifications are available in Annexure A and launch calendar details are available in Annexure B.

The risk management, clearing & settlement details shall be intimated separately by NCL.

The contract.gz file made available to trading members on the NSE Extranet (Path: //comtftp/comtcommon) from October 12, 2023, end of day and will reflect the new contracts. Members are advised to load the above file in the trading application before trading on October 13, 2023.

For and on behalf of
National Stock Exchange of India Limited

Aarti Surve
Chief Manager

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Annexure A

Contract Specifications: Natural Gas Mini Futures

PRODUCT PARAMETERS	NATURAL GAS HENRY HUB FUTURES
UNDERLYING	NATURAL GAS MINI
INSTRUMENT TYPE	FUTENR
PRODUCT	NATURAL GAS FUTURES
SYMBOL	NATGASMINI
DESCRIPTION	NATGASMINIYYMMMFUT
CONTRACT LISTING	Details as per the launch calendar
CONTRACT COMMENCEMENT DAY	As per the contract launch calendar
LAST TRADING DAY (CONTRACT EXPIRY)	As per the contract launch calendar
TRADING	
TRADING PERIOD	Mondays through Fridays
TRADING SESSION	Monday - Friday 9:00 am to 11:30 / 11:55 pm* * Based on US daylight saving time period
TRADING UNIT	250 MMBtu
QUOTATION / BASE VALUE	₹ per MMBtu
MAXIMUM ORDER SIZE	60,000 MMBtu
TICK SIZE (MINIMUM PRICE MOVEMENT)	₹ 0.10 (10 paise)
DAILY PRICE LIMIT	The base price limit shall be 6%. In case the daily price limit of 6% is breached, then after a cooling off period of 15 minutes, the daily price limit will be relaxed up to 9%. In case price movement in international markets is more than the maximum daily price limit (currently 9%) or if international price is beyond maximum daily price limit range (after appropriate currency conversion) when compared with closing price on previous day on domestic exchange, the same may be further relaxed in steps of 3% beyond the maximum permitted limit, by giving appropriate notice to the market. Only in the event of exceptional circumstances, where there is extreme price movement, beyond the initial slab of the daily price limit, in the international markets, during trading hours or after the closure of trading on domestic exchanges, the daily price limit may be relaxed directly by the required level, by giving appropriate notice to the market.
INITIAL MARGIN	Will be specified by NSE Clearing Corporation by separate circular

National Stock Exchange of India Limited

PRODUCT PARAMETERS	NATURAL GAS HENRY HUB FUTURES
EXTREME LOSS MARGIN	Will be specified by NSE Clearing Corporation by separate circular
ADDITIONAL AND / OR SPECIAL MARGIN	Will be specified by NSE Clearing Corporation by separate circular
MAXIMUM ALLOWABLE OPEN POSITION	For a member collectively for all clients: 6,00,00,000 MMBtu or 20% of the market wide open position, whichever is higher for all the Natural Gas Futures contracts combined together. For individual clients: 60,00,000 MMBtu or 5% of the market wide open position, whichever is higher for all the Natural Gas Futures contracts combined together.
SETTLEMENT	
SETTLEMENT LOGIC	The contract would be settled in Cash
QUALITY SPECIFICATIONS	Natural Gas meeting the specifications set forth in the FERC approved tariff of Sabine Pipe Line Company
FINAL SETTLEMENT PRICE (DUE DATE RATE)	Due date rate shall be the settlement price, in Indian rupees, of the New York Mercantile Exchange's (NYMEX)# Natural Gas (NG) front month contract on the last trading day of the NSE Natural Gas Mini contract. The last available RBI USDINR reference rate will be used for the conversion. The price so arrived will be rounded off to the nearest tick. For example, on the day of expiry, if NYMEX Natural Gas (NG) front month contract settlement price is $3.367 per MMBtu and the last available RBI USDINR reference rate is 83.2542, then DDR for NSE Natural Gas contract would be Rs. 280.32 per MMBtu (i.e., $3.367 * 83.2542 and rounded off to the nearest tick.) #A market division of Chicago Mercantile Exchange Inc. ("CME Group")

A) The Margin Period of Risk (MPOR) shall be in accordance with SEBI Circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated February 27, 2020.

B) For all the applicable margins, refer to the latest circulars issued by NCL from time to time.

National Stock Exchange of India Limited

Annexure B

Contract Launch Calendar

Contract launch Month	Contract Month	Contract Expiry Day
13th October 2023	November 2023	27th November 2023
	December 2023	26th December 2023
	January 2024	25th January 2024
	February 2024	26th February 2024
	March 2024	25th March 2024
	April 2024	25th April 2024
27th November 2023	May 2024	28th May 2024
26th December 2023	June 2024	25th June 2024
January 2024	July 2024	Will be announced later
February 2024	August 2024	Will be announced later
March 2024	September 2024	Will be announced later
April 2024	October 2024	Will be announced later
May 2024	November 2024	Will be announced later
June 2024	December 2024	Will be announced later

* The launch calendar may undergo some changes based on the announcement and revision in the holiday list.

* The specific dates of launch and expiry will be announced before the launch of contracts based on the announcement of the holiday list.

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

DISCLAIMER

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