

Bullion

Gold & Silver



Business is subjected to unforeseeable risk due to changes in the raw material cost and business environment. Business having an underlying exposure to commodity prices are exposed to price risk due to factors like international commodity price movement, USDINR movement, premium / discount to international prices, etc. The volatility in the above-mentioned factors can be significant and cause erosion in profit margins and may require higher deployment of capital. It is possible to mitigate such risks by using suitable commodity derivative products for hedging. Options and Futures are by far the most commonly used Commodity Derivatives.



Ideal product for investors, bullion dealers, jewellers, financial players to trade and hedge against volatility

Gold

Traditionally, Gold has been used as money and also served as a relative standard for currency equivalents specific to economic regions or countries, until recent times. The Industrial demand especially in the Electrical Sector for gold is mainly on account of its excellent thermal and electrical properties. Besides, a significant amount is consumed in dentistry and medicine. Continuing research has discovered new applications for gold as catalyst and in nano-technology.

From an overall evaluation it is seen that India has a traditional and stable market for gold consumption. There is increase in demand from Ornamental and Electronic Sectors. Gold is considered a valuable asset, for investments and bank reserves. A huge gap exists between demand and indigenous production which is likely to continue



Contract Specifications for Gold Futures Contracts

Parameter	GOLD	GOLD MINI	GOLDGUINEA	GOLD 1G
Quality	Grade : 995 purity		Grade : 999 purity	
Lot Size/ Delivery Unit	1 Kg	100 grams	8 grams	1 gram
Quotation	Rs. per 10 grams		Rs. Per 8 grams	Rs. Per 1 gram
Tick Size	Rs.1.00			
Contract Cycle	Bimonthly/trimonthly contracts.		Monthly contracts	
Price Quote	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs but excluding all taxes and levies relating to GST, any other additional tax or surcharge on GST)			
Trading Hours	09:00 am to 11:30 pm/11:55 pm* from Monday to Friday * based on US daylight saving time period			
Expiry	5 th day of the contract expiry month. If 5 th day is a holiday then preceding working day			



Contract Specifications for Gold Futures Contracts

Prameter	GOLD	GOLD MINI	GOLDGUINEA	GOLD 1G
Settlement Mechanism	Compulsory Delivery.			
Due date rate (DDR) / Final Settlement Price (FSP)	FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days In case of non-availability of polled spot price on expiry day 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			
Primary Delivery Centre	Ahmedabad			
Additional Delivery Centres	Mumbai, Delhi, Chennai.		Nil	
Initial Margin	Minimum margin based on volatility category or based on SPAN whichever is higher.			
Extreme Loss Margin	1%			



Contract Specifications for Gold Options

Prameter	GOLD	GOLD MINI
Instrument Type	Options on futures (OPTFUT)	
Lot Size/ Delivery Unit	1 KG	100 grams
Quotation	Rs. Per 10 grams	
Tick Size	Rs. 0.50	
Contract Cycle	Bimonthly/trimonthly contracts	Monthly contracts
Underlying Price Quote	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs but excluding all taxes and levies relating to GST, any other additional tax or surcharge on GST)	
Trading Hours	09:00 am to 11:30 pm/11:55 pm* from Monday to Friday * based on US daylight saving time period	
Expiry	On expiry of options contract, the open position shall devolve into underlying futures position All such devolved futures positions shall be opened at the strike price of the exercised options	
Last Trading Day	Three business days prior to the first business day of Tender Period of the underlying futures contract	
Due date rate (DDR) / Final Settlement Price (FSP)	Daily settlement price of underlying futures contract on the expiry day of options contract	

Silver

Silver has been used for thousands of years for ornaments and utensils, trade, and as the basis for many monetary systems. Its value as a precious metal was long considered second only to gold. Silver is a brilliant grey-white metal that is soft and malleable. Its unique properties include its strength, malleability, ductility, electrical and thermal conductivity, sensitivity, high reflectance of light, and reactivity.

India is fourth largest consumer of Silver in the world. Further, it is globally linked commodity traded widely across globe and have a well-developed futures market across the globe.

The market participants engaged in import, exports, domestic trading, and manufacturing of gold / silver and jewellery in gold / silver are exposed to price risk. Commodity derivatives product provide an effective hedging tool much to the advantage of market participants.



Contract Specifications for Silver Futures Contracts

Parameter	SILVER	SILVER MINI	SILVER MICRO
Quality	Grade: 999 and Fineness: 999		
Lot Size/ Delivery Unit	30 Kgs	5 Kgs (five nos. of 1Kg Bars)	1 Kg
Quotation	Rs. Per 1 Kg		
Tick Size	Rs.1.00		
Contract Cycle	Bimonthly/trimonthly contracts.		
Underlying Price Quote	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs but excluding all taxes and levies relating to GST, any other additional tax or surcharge on GST)		
Trading Hours	09:00 am to 11:30 pm/11:55 pm* from Monday to Friday * based on US daylight saving time period		
Expiry	5 th day of the contract expiry month. If 5 th day is a holiday then preceding working day	Last calendar day of the contract expiry month. If last calendar day is a holiday then preceding working day	
Settlement Mechanism	Compulsory Delivery		
Due date rate (DDR) / Final Settlement Price (FSP)	FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days In case of non-availability of polled spot price on expiry day 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		
Primary Delivery Centre	Ahmedabad		
Additional Delivery Centres	Mumbai, Delhi, Chennai		
Initial Margin	Minimum margin based on volatility category or based on SPAN whichever is higher		
Extreme Loss Margin	1%		



Contract Specifications for Silver Options

Parameter	SILVER	SILVER MINI
Instrument Type	Options on goods (OPTBLN)	Options on futures (OPTFUT)
Lot Size/ Delivery Unit	30 Kgs	5 Kgs (five nos. of 1Kg Bars)
Quotation	Rs. Per 1 Kg	
Tick Size	Rs. 0.50	
Contract Cycle	Bimonthly/trimonthly contracts	



Contract Specifications for Silver Options

Parameter	SILVER	SILVER MINI
Underlying Price Quote	Ex-Ahmedabad (inclusive of all taxes and levies relating to import duty, customs but excluding all taxes and levies relating to GST, any other additional tax or surcharge on GST)	
Trading Hours	09:00 am to 11:30 pm/11:55 pm* from Monday to Friday *based on US daylight saving time period	
Settlement Mechanism	Compulsory Delivery	On expiry of options contract, the open position shall devolve into underlying futures position. All such devolved futures positions shall be opened at the strike price of the exercised options
Last Trading Day	Last Day of Trading shall be the business day preceding the start of tender period in the corresponding expiry Futures with the same underlying. In case the last business day is a holiday, then the preceding business day shall be the last trading day for the contract	Three business days prior to the first business day of Tender Period of the underlying futures contract
Due date rate (DDR) / Final Settlement Price (FSP)	FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days. In case of non-availability of polled spot price on expiry day 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	Daily settlement price of underlying futures contract on the expiry day of options contract

Key Benefits of Trading at NSE



Fungibility of Collateral across segments



NIL Exchange Transaction Charges



Robust, safe and resilient technology platform

DISCLAIMER

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