



ICEX

Seize the right opportunity



NMCE RUBBER CONTRACT

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INTRODUCTION

ABOUT NMCE: The National Multi-Commodity Exchange of India Limited (NMCE) was the first commodity exchange to be incorporated on 20th December 2001 at Ahmedabad and commenced trading operations on 26th November 2002.

Inception of rubber future trading: Futures trading in Rubber flagged off on 15th March 2003 for the very first time in India on NMCE platform. Since then large number of hedgers, traders and farmers have participated in the contract.

Merger of NMCE with ICEX: On August 27th 2018 the NCLT, Ahmedabad approved merger of NMCE with ICEX effective from 7th September, 2018. The merged entity retains the name of ICEX.

About ICEX: ICEX is a Securities & Exchange Board of India (SEBI) regulated commodity derivatives exchange. Some of the prominent shareholders of ICEX are CWC, Punjab National Bank (PNB), IDFC Bank, KRIBHCO (Krishi Bharti), Indian Potash, MMTC, Reliance Capital, Bajaj Holding & Indiabulls Housing Financial Services.

Contract Specification of NMCE Rubber traded on ICEX:

Asset Code	RUBBER
Product Code	RUBBERF
Series Code	RBRMMMMYYY
Trading Hours	Monday to Friday :10:00 am to 5:00 pm
Unit of Trading	1 MT
Delivery Unit	1 MT
Maximum order size	100 MT
Quotation/Base Value	100 Kgs - Ex. Warehouse - (exclusive of all tax and levies and GST)
Tick Size	Rs.1/-
Price Band	The DPL shall have two slabs - 3% Initial and 1% Enhanced Slab. Once the initial slab limit is reached in any contract, then after a period of 15 minutes this limit shall be increased further by enhanced slab, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.
Initial margin	Initial Margin shall be higher of minimum 4% or VaR margin for 2 days MPOR (Margin Period of Risk)
Extreme Loss Margin (ELM)	1%
Spread Margin Benefit	Margin benefit on spread positions shall be entirely withdrawn from the start of Delivery period i.e. Expiry-4th day.
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, will be imposed in respect of all outstanding positions.
Quality Specification	Ribbed Smoked Sheets 4 (RSS4)

Quality Specifications as provided under Part II Section 1 of the "Green Book" as detailed below:

- Nothing but coagulated Rubber Sheets, properly dried and smoked can be used in making these grades: block, cuttings, or other scrap or frothy sheets, weak, heated or burnt sheets, air dried or smooth sheets not permissible.
- Slight resinous matter (rust) and slight amounts of dry mould on wrappers bale surfaces and interior sheets, found at time of delivery will not be objected to .should "rust" or "dry mould" in an appreciable extent appear on more than 20% of the bales sampled, it shall constitute grounds for objection.
- Medium size bark particles, bubbles, translucent stains, slightly over smoked rubber are permissible to the extent shown in the sample.
- Oxidised spots or streaks, weak, heated, under cured, over smoked (in excess of the degree shown in the sample), and burnt sheets are not permissible.
- The Rubber must be dry, firm, and free of blemishes, blisters, sand, dirty packing and all other foreign matter other than specified above as permissible.

CONTRACT SPECIFICATION

Contract Specification of NMCE Rubber traded on ICEX:

No. of delivery Contracts in a year	Maximum 12 monthly or minimum 2 monthly contracts running concurrently.
Delivery Centers	CWC Warehouses Cochin / Ernakulam (basis center), Kottayam, Calicut, Malapuram, Tricur, Kakkanad, Kankijikode , Kunnamthanam, Nagarcoil, Trivendrum.
Opening of Contracts	Trading in any contract month will open on the 16 th day of the month as per approved calendar.
Due Date	15 th day of the delivery months if 15 th happens to be holiday then previous working day.
Due Date Rate	Due date rate is calculated on the last day of contract maturity by way of taking the simple average of last 3 days spot price of the Cochin market for the basis variety.
Delivery Period / Tender Period	Delivery period shall be last 4 trading days i.e. 12 th to 15 th of delivery month in case of contracts expiring on 15 th day of the month. However, any trading holiday(s) falling in this period, shall prepone the delivery period by number of trading holiday(s). Seller can tender their Warehouse Receipt for settlement at closing price of the previous day. All the outstanding position on expiry date shall be settled through Warehouse Receipt at Due Date Rate.
Delivery Period Margin	Delivery Period margin shall be 3% + 5 days 99% VaR of Spot Price Volatility or 20%, whichever is higher. The Delivery Period Margin shall be applicable from the start of Delivery Period till the pay-ins is completed by the Members. The sellers tendering the Warehouse Receipt shall be exempted from the Delivery Margin.
Delivery Logic	Compulsory Delivery
Limit on open position	Aggregate: Member – 105,000 MT or 15% of total market open position in the commodity whichever is higher. Client – 10,500 MT Near Month Limit: Member – 26,250 MT Client – 2,625 MT

Contract specifications across exchanges

	NMCE Rubber-ICEX	TOCOM	SHFE	SICOM
Trading Unit	1 Metric Tonne	5 Tonnes	10 ton/lot	5 MT
Delivery Unit	1 Metric Tonne(MT)	5 Tonnes	10 ton	20 MT and its multiples
Quotation/ base value	Rs. Per Quintal	Yen per Kg	Yuan (RMB)/ton	US cents per kg
Tick Size	Rs. 1	JPY 0.1 per 1 kg (7 paisa per kg)	5 Yuan/ton (5 paisa per kg)	0.1 US cent per kg (7 paisa per kg)
Quality	Ribbed Smoked Sheets 4 (RSS4)	Ribbed Smoked Sheet (RSS) No.3	Standard goods: 1. Domestic: SCR WF as specified in the National Standard of GB8081-8089-87 2. Imported: RSS3 as specified in the International Quality And Packaging Standard of Rubber(1979)	According to the International Rubber Quality and Packing Conference's "Green Book" for RSS3
Delivery Period	Delivery period shall be last 4 trading	Until noon of the last day of each month except December (the 28 th for Dec).	Five consecutive business days after the last trading day	At any time of the delivery month but not earlier than the eighth business day of the delivery month.
Last Day of Contract	15 th of the expiry month	Day session on the fourth business day preceding to the Delivery Day	The 15 th day of the delivery month (If it is a public holiday, the last trading day shall be the 1 st business day after the holiday)	Last day of trading of the month preceding the Delivery Month.

Delivery of NMCE Rubber at ICEX:

The exchange has CWC warehouses at Kottayam, Aluva, Ernakulam, Kakkanad, Kakkanchery, Kozhikode, Trichur, Palakkadu, etc in south where Rubber is stored.

Comparison of trading time across exchanges

	NMCE Rubber-ICEX	TOCOM	SHFE	SICOM
Trading Hour (Local Timing)	Monday to Friday: 10:00 am to 5:00 pm	Day Session Opening Call Auction (Ita-awase) 8:45 am (JST) Continuous Trading (Zaraba) 8:45 am to 3:10 pm (JST) Closing Call Auction (Ita-awase) : 3:15 pm (JST) Night Session Opening Call Auction (Ita-awase) 4:30 pm (JST) Continuous Trading (Zaraba) 4:30 pm to 6:55 p.m. (JST) Closing Call Auction (Ita-awase): 7:00 pm (JST)	9:00 am to 11:30 am, 1:30 pm to 3:00 pm	7:55 am to 6:00 pm
Trading time in Indian Standard Time	Monday to Friday: 10:00 am to 5:00 pm	Day session: 5:15 am to 11:40 am Night Session: 1:00 pm to 3:30 pm	6:30 am to 9:00 am, 11 am to 12:30 pm	5:25 am to 3:30 pm

Important web resources:

1. <http://www.rubberboard.org.in>
2. <http://www.rubberstudy.com>
3. <http://www.anrpc.org>
4. <http://www.indiannaturalrubber.com>



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ICEX-SOCIAL/



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