

ICEX launches Monthly MS Ingots & Billets Futures Contracts

Steel News - Published on Wed, 29 Aug 2018

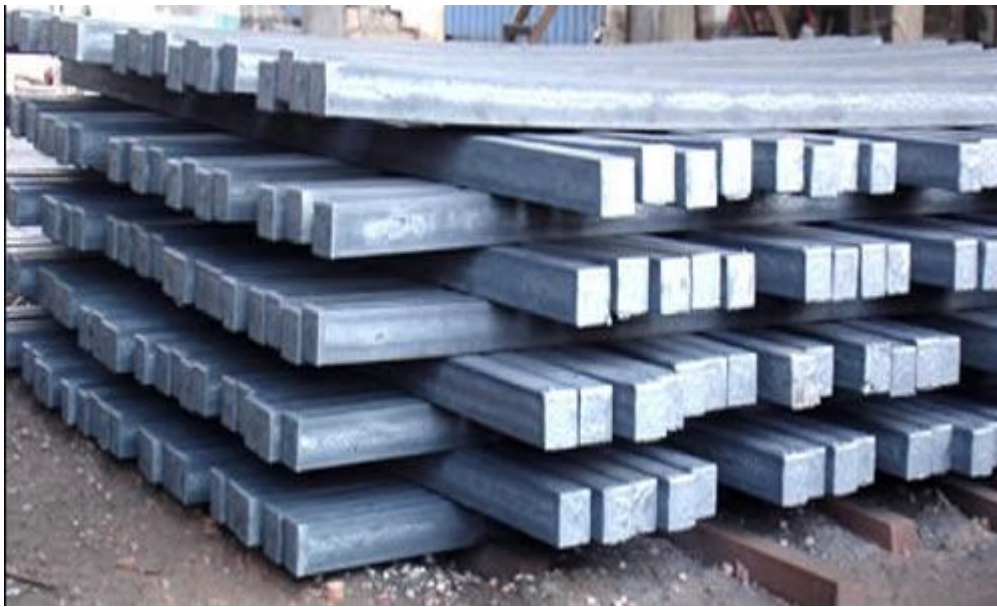


Image Source: IndiaMARTIndian

Commodity Exchange (ICEX) announced that it has launched trading steel long futures on its trading platform from Tuesday August 28. It said The futures trading in steel long will provide the industry with a more structured and healthy price discovery platform as well as a national level benchmark price as a ready reference for the participants, enabling them to mitigate price risk. Initially, three contracts expiring in November 2018, December 2018 and January 2019 will be available for trading. The trading lot size and delivery unit of the contract is 10 MT, with compulsory delivery at Ghaziabad the designated delivery location. The price will be quoted ex-warehouse Ghaziabad (basis centre) exclusive of GST and other levies, but inclusive of basic customs duty and other related duties in case of imports."

Elaborating about the launch, Sanjit Prasad, managing director and CEO, ICEX, said, "Steel industry is exposed to tremendous price volatility. In the last 1-year steel spot prices rose by 40 per cent to reach peak in June 2018 and then came down by 10 per cent from its peak and are currently again on an upward trend. The launch of steel long futures contract will serve the immediate need of market participants. Post GST, the commodity will see participation from the stakeholders including, traders, importers, exporters, manufacturers and infrastructure industry among others, who are looking to hedge their price exposure."

STEEL LONG NOVEMBER 2018, DECEMBER 2018 and JANUARY 2019 contracts will be available for futures trading with effect from Tuesday, August 28, 2018.

<i>Underlying</i>	<i>Symbol</i>	<i>Expiry</i>
STEELONG	STEELONG	05NOV2018
STEELONG	STEELONG	05DEC2018
STEELONG	STEELONG	04JAN2019

Instrument Type - Monthly Futures Contract

Product - Steel Long

Symbol – STEELONG

Description – STEELONGDDMMYYYY

Contract Listing - Contracts will be available as per the Contract Launch Calendar

Contract - 6th day of contract launch month. If that day is a holiday then the following commencement working day.

Last Trading Day - 5th day of contract expiry month. If 5th day is a holiday then preceding working day

Trading Period - Mondays through Fridays

Trading Session - Mondays through Fridays: 10.00 a.m. to 11.30 / 11.55* p.m

Trading Unit - F O O 10 MT

Quotation/ Base Value - Rs. Per MT

Price Quote - Ex Ghaziabad (exclusive of GST and other levies, but inclusive of basic customs duty and other related duties in case of imports

Maximum Order Size - 500 MT

Tick Size (Minimum Price Movement)- Re. 10 per MT

Daily Price Limit The base price limit will be 3%. Whenever the base daily price limit is breached, the relaxation will be allowed up to 6% without any cooling off period. In case the daily price limit of 6% is also breached, then the trades shall be permitted throughout the day within the enhanced total limit of 6%

Initial Margin - Min. 4 % or VaR whichever is higher and in addition to this, ELM of 1% shall be levied

Maximum Allowable Open Position For individual client: 1,20,000 MT for all Steel Long contracts combined together or 5% of the market wide open position whichever is higher, for all Steel Long contracts combined together. For a member collectively for all clients: 6,00,000 MT or 20% of the market wide open position whichever is higher, for all Steel Long contracts combined together

Quality Specifications - Mild Steel (MS) Ingots

Size 3 1/2*4 1/2 inch

Chemistry:Carbon content upto 0.3 % max Manganese minimum 0.4 % Sulphur upto 0.06% max Phosphorus upto 0.09% max Sulphur + Phosphorous upto 0.14% max

Weight min of 90 Kgs per ingot Length min of 48 inches per ingot

Heat number to be mentioned on each ingot

Ingots without harmful and appreciable hollowness, piping and rising. Ingots must have reasonably plain surface. Ingots must be free of harmful refractories

Quality Specifications - Mild Steel (MS) Billets

Size: 100*100 to 110*110 mm Length: 6 m +/- 200 mm

Chemistry of Billet to be same as Mild Steel Ingot

Heat number to be mentioned on each Billet

Source : **STRATEGIC RESEARCH INSTITUTE, STEELGURU**