

**Notice No.:** TRDG-2015-034

**Issue Date:** November 30, 2015

**Subject:** Introduction to Chinese Yuan Futures Cash Settled Contracts

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Notice to all Members,

**Subject:** Introduction to Chinese Yuan Futures Cash Settled Contracts

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In pursuance of the By-Laws of DGCX and Clearing Rules of DCCC, the following is hereby notified:

The Exchange shall introduce cash settled Chinese Yuan (CNH) Futures Contract on DGCX platform effective **Friday, December 18, 2015**.

Details about the Contract can be found in the attached Annexures:

- Annexure 1 - CNH Futures Contract Specifications.
- Annexure 2 - Amendments and additions made to Part M of the By-Law for launch of CNH Futures
- Annexure 3 - Contract Calendar
- Annexure 4 - Fee Schedule.

Members are requested to take note of the above.

**For Dubai Gold & Commodities Exchange**

**Navin Dsouza**

**Head of Operations**

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**Annexure 1 - Contract Specifications**

Specifications	Parameters
<b>Contract Symbol</b>	DUSDCNH
<b>Underlying</b>	Offshore Chinese Yuan/US Dollar
<b>Contract Size</b>	USD 50,000
<b>Trading Currency</b>	Chinese Yuan (CNH)
<b>Settlement Currency</b>	US Dollars (USD)
<b>Price Quote</b>	CNH for 1 USD (e.g. CNH 6.3680 / 6.3682 Per 1 USD)
<b>Minimum Tick Size</b>	0.0002 CNH
<b>Tick Value</b>	CNH10
<b>Trading Days</b>	Monday through Friday
<b>Trading Hours</b>	07:00 - 23:30 Hours Dubai time (GMT+4)
<b>Trading Months</b>	First 12 consecutive serial months.
<b>Last Day of Trading</b>	Second last business day of the contract month
<b>New Contract Listing</b>	Business Day immediately following the Last Day of Trading
<b>Daily and Final Variation Margin (VM) payment</b>	<b><u>From Trading Currency to Settlement Currency</u></b> Based on Spot Prices available for USD/CNH at the end of DGCX Trading Hours
<b>Final Cash Settlement Price Basis</b>	Open Positions at expiry of contract shall be settled in US Dollars as per the Final Cash Settlement Price (FCSP) declared by the Exchange.
	The Final Cash Settlement Price shall be the Spot USD/CNY (HK) Fixing published by the Treasury Markets Association of Hong Kong at approximately 11.15 Hour Hong Kong time on the Last Trading Day, rounded to the nearest tick size.

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Settlement	
<b>Settlement Basis</b>	Cash settled
<b>Wholesale Trades</b>	Block trade facilities available with minimum permitted block size of 100 lots
<b>Daily Price Movement Limit</b>	No price limit**
<b>Maximum Order Size</b>	500 contracts for Banks and institutions promoted by Banks.
	All other entities 200 contracts
<b>Initial Margin based on SPAN</b>	The Initial Margin will be denominated in CNH and the same shall be converted into equivalent USD at the prevalent Spot market rate of USD/CNH to display Initial Margin Utilization in USD terms.
	At the outset, Initial Margin shall be CNH 6,500 per contract subject to change from time to time.
<b>Indicative VM</b>	Indicative VM on EOS-Clear will be displayed in USD as per the prevalent spot market rate for USD/CNH
	DCCC shall update the spot rates for USD/CNH intraday for at least 3 times at 0600 hrs, 1500 hrs and End of DGCX Trading Hours
<b>Calendar Spread Margin</b>	100% benefit is offered on calendar spread positions
<b>Spot Rate</b>	Shall be taken from available market data sources like Bloomberg and Thomson Reuters

\*\* For the avoidance of 'fat finger' errors price band shall be CNH0.10 from previous settlement price e.g. if previous settlement price is CNH 6.3802 then the price band is from CNH 6.2802 to CNH 6.4802). Exchange shall relax the intra-day price range for the prices of the contract approaching the CNH 0.10 limit

### Conversion of Variation Margin from Trading Currency into Settlement Currency-Example

VM at Close of DGCX Trading Hours is 300,000 CNH (Trading Currency)

The USDCNH spot rate is 6.70 at close of DGCX Trading Hours.

The VM will be  $300,000/6.70 = \text{USD } 44,776.12$  (Settlement Currency) rounded off to the nearest US¢.

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**Annexure 2: Amendments and additions made to Part M of the By-Law for launch of CNH Futures Contracts are highlighted Red**

**Part M: Currency Futures and Options Contract Specification**

**M.1.7 Currencies Futures Contracts Delivery Day**

**Addition**

The Currencies Futures Contract Delivery Day, with an exception of the Indian Rupee Futures Contract, Indian Rupee "Quanto" Futures Contracts, Mini INR/EUR Futures Contracts, Mini INR/GBP Futures Contracts, US Dollar-Russian Ruble Futures Contracts US Dollar- Korean Won Futures Contracts, US Dollar-South African Rand Futures **Contracts and Chinese Yuan Futures Contracts**, shall be the third Wednesday of the Delivery Month, except where such Wednesday is a bank holiday in Dubai, in which case the Currencies Delivery Day shall be the first Business Day preceding the third Wednesday of the Delivery Month that is not a bank holiday in Dubai.

**M.1.9 Last Trading Day**

**Addition**

**(h) In case of Chinese Yuan Futures Contracts, the Last Trading Day shall be the second (2nd) last Business Day of the contract month, except where that day is a bank holiday in either Dubai or Hong Kong, in which case the Last Trading Day shall be the preceding Business Day that is not a bank holiday either in Dubai or Hong Kong.**

**M.4.7 Establishment of Final Cash Settlement Price**

**Addition**

**(g) For Chinese Yuan Futures Contracts**

**The Final Cash Settlement Price shall be based on the spot US Dollar/Chinese Yuan fixing published by the Treasury Markets Association of Hong Kong and issued at approximately 11.15 A.M Hong Kong Time on the Last Trading Day.**

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## M.8 Specifications for Individual Currency Futures Contracts

### Addition

#### M.8.15 Specifications for the Chinese Yuan Futures Contracts:

- (a) The Currency Contract Unit for Contracts is fifty thousand (50,000) US Dollars.
- (b) The minimum price fluctuation for Chinese Yuan Futures Contracts is CNH 0.0002.
- (c) The Cash Settlement Day shall be the Business Day immediately following the Last Day of Trading.

### Annexure 3: Contract Calendar

Contract Symbol	Contract Month	Trading Start Date	Last Trading Date
DUSDCNH-20160128	January 2016	18-Dec-15	28-Jan-16
DUSDCNH-20160226	February 2016	18-Dec-15	26-Feb-16
DUSDCNH-20160330	March 2016	18-Dec-15	30-Mar-16
DUSDCNH-20160428	April 2016	18-Dec-15	28-Apr-16
DUSDCNH-20160530	May 2016	18-Dec-15	30-May-16
DUSDCNH-20160629	June 2016	18-Dec-15	29-Jun-16
DUSDCNH-20160728	July 2016	18-Dec-15	28-Jul-16
DUSDCNH-20160830	August 2016	18-Dec-15	30-Aug-16
DUSDCNH-20160929	September 2016	18-Dec-15	29-Sep-16
DUSDCNH-20161028	October 2016	18-Dec-15	28-Oct-16
DUSDCNH-20161129	November 2016	18-Dec-15	29-Nov-16
DUSDCNH-20161229	December 2016	18-Dec-15	29-Dec-16
DUSDCNH-20160128-20160226	Calendar Spread (M1-M2)	18-Dec-15	28-Jan-16

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**Annexure 4: Fee Schedule**

Fees	Per side per lot (US\$)
Trade Fee***	0.35
Clearing Fee	0.10
SCA Fee	0.03

\*\*\* The Trade Fee will be waived off for all trades executed from date of launch of the contracts till **December 31, 2015**. Trade Fees will become chargeable effective **Monday January 4, 2016**.