

Notice No.: TRDG-2007-010

Issue Date: April 16, 2007

Sub.: Introduction of Options on Gold Futures

Notice to all Members,

Sub.: Introduction of Options on Gold Futures

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

The Exchange shall introduce Options on Gold futures for trading on the Exchange with effect from Monday, April 30, 2007.

The detailed contract specifications & contract calendar are enclosed in Annexure 1 & 2 respectively.

In order to provide an opportunity to members to get them familiarized with trading in Options on Gold futures, two mock trading sessions will be conducted on Saturdays, April 21 & 28, 2007 between 1100 to 1300 hours.

Members are requested to take note of the above.

For Dubai Gold & Commodities Exchange

Gaurang Desai
Head of Market Operations

Annexure 1 – Contract Specifications for Options on Gold Futures

Trading Symbol

DGO

Trading Unit

One DGCX Gold Futures contract

Trading Hours

As specified by the Exchange from time to time

Price Quotation

US Dollars and cents per fine ounce

Minimum Price Fluctuation

US\$ 0.10 per troy ounce

Maximum Daily Price Fluctuation

No Daily Limit

Trading Months

The nearest three contract months (February, April, June, August, October and December) will be available at all times.

The options are American-style and can be exercised at any time up to expiration. On the first day of trading for any options contract month, there will be a minimum of 7 strike prices each for puts and calls.

Last Trading Day

Last trading day for gold futures options shall be the tenth business day prior to the start of tender period of the underlying Gold futures contract.

If the last trading day falls on a Friday or an Exchange holiday, last trading day will occur on the previous business day.

Exercise of Options

On the last trading day, all in-the-money options will be exercised automatically against Settlement Price, however, should a member choose not to exercise an in-the-money option, the member is required to notify the Exchange latest by 2345 hrs (15 minutes after trading ceases). All out-of-the-money options will automatically expire worthless and they can not be exercised.

Strike Prices

For each option contract, the strike prices will be at increments of US\$10.00.

Position Limit

Initially, same as specified for Gold Futures contract.

Margin Requirement

Buyer pays full premium, while the seller is margined on the SPAN basis.

Option Settlement Premium

1. For traded contracts, The Exchange shall determine the Option Settlement Premium based on following order:
 - a. Value Weighted Average Price (VWAP) of trades executed in last 10 minutes for the trading day provided there were at least 15 trades executed during the last 10 minutes.
 - b. VWAP of last 15 trades executed during the day provided 15 trades are executed
 - c. The Options Settlement Premium as declared by a Price Committee consisting of Exchange/Clearing Corporation officials.
2. For contracts not traded on a given trading day, Options Settlement Premium will be determined based on theoretical prices.



بورصة دبي للذهب والسلع
DUBAI GOLD & COMMODITIES EXCHANGE

Notice No.: TRDG-2007-010

Issue Date: April 16, 2007

Sub.: Introduction of Options on Gold Futures

Annexure 2 – Contract Calendar for Options on Gold Futures

Symbol	Expiry Month	Underlying Contract	Trading Start Date	Trading End Date	Last Date	Exercise
DGO	Jun-07	DG : Jun-07	30-Apr-2007, Mon	17-May-2007, Thu	17-May-2007, Thu	
DGO	Aug-07	DG : Aug-07	30-Apr-2007, Mon	17-Jul-2007, Tue	17-Jul-2007, Tue	
DGO	Oct-07	DG : Oct-07	30-Apr-2007, Mon	13-Sep-2007, Thu	13-Sep-2007, Thu	