

Proposed Contract Specifications- Cotton J-34 Futures

Symbol	COTTONJ34
Contract Listing	Contracts are available as per the Contract Launch Calendar
Contract Start Day	1 st day of the Contract launch month. If 1 st day is a holiday, then the following working day.
Last Trading Day	Last trading day of the contract month. If last trading day is a holiday, then preceding trading day.
Trading	
Trading Period	Monday to Friday
Trading Session	Monday to Friday: 09.00 a.m. to 09.00 p.m.
Trading Unit	25 Bales
Quotation/Base Value	Rs. / Bale
Price Quote	Ex-Warehouse Hanumangarh (Radius 100 kms within the state of Rajasthan) excluding all taxes, duties, levies, charges as applicable
Maximum Order Size (Qty)	1200 Bales
Tick Size (Minimum Price Movement)	Rs.10
Daily Price Limit	Daily price limit is (+/-) 3%. Once the 3% limit is reached, then after a period of 15 minutes this limit shall be increased further by 1%. The trading shall be permitted during the 15 minutes period within the 3% limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.
Initial Margin	As per SEBI circular -SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated 27th January 2020
Margin Period of Risk ("MPOR")	2 days
Extreme Loss Margin	1%
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.
Maximum Allowable Open Position	For individual clients: 3,60,000 bales For a member collectively for all clients: 36,00,000 bales or 15% of the market wide open position whichever is higher. For Near Month Delivery For individual clients: 90,000 bales Near month member level position limit shall be equivalent to the one fourth of the overall member level position limit.
Delivery	

Delivery unit	25 Bales
Delivery Period Margin	Delivery period margins shall be higher of: a. 3% + 5 day 99% VaR of spot price volatility Or b. b. 20%
Delivery Centre(s)	Hanumangarh (Main Delivery Centre)
Additional delivery Centres	Bhatinda, Sirsa, Abhor
Quality Specifications on Physical Inspection and HVI Mode	<p>Goods should lie within the Tenderable Range according to defined quality specifications. Outlaying goods will not be accepted for delivery.</p> <p>Ginning Pattern: Roller Ginned Cotton. Saw Ginned Cotton will be accepted with discount.</p> <p>1) Basis Grade: Standardized grade as per HVI Strict Low Middling 41-4; grades of 41-5, 32-4, 32-5, 42-4 and 51-4, are accepted with discount.</p> <p>2) Staple 2.5% span length – 28 mm (+2.0mm/-1mm) with premium/discount. Below 27 mm reject. - 28 mm (- 1.0 mm) with discount. Below 27 mm reject and above 28 mm no additional premium.</p> <p>3) Micronaire (MIC): 3.7 – 4.9 (+/-0.2 with discount). Below 3.5 and above 5.0 reject.</p> <p>4) Tensile Strength: 28 GPT Minimum, No premium or discount</p> <p>5) Trash: 4.0% +/-1.5% with premium and discount. More than 5.5% reject.</p> <p>6) Moisture: Up to 9.0%. Acceptable up to 10.0% (average) at 1:1 discount.</p>
Quantity Variation	(42.5 quintals* or 12 candy approx.) *+/- 7%
Trading & Delivery Months	March, May, July, October, December

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Physical Condition of Bales	<p>All bales of the lot should be in good condition should be free from oil/ ink stains penetrating the bale or damaged in any other way. It should have all the proper markings. The label should give details of variety, weight, and crop year.</p> <p>The bale must be fully covered with hessian cloth/cotton fabric and no cotton shall be exposed. The bales must be securely strapped with iron bailing hoops / plastic straps.</p>																																																				
Crop conditions	Only Current season Indian crop is deliverable.																																																				
Final Settlement Price (FSP)	<p>For contracts where, Final Settlement Price (FSP) is determined by polling, unless specifically approved otherwise, the FSP shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., EO (expiry day), E-1 and E-2. In the event the spot price for any one or both of EI and E-2 is not available; the simple average of the last polled spot price of EO, EI, EO and E-3, whichever available, shall be taken as FSP. Thus, the FSP under various scenarios of non-availability of polled spot prices shall be asunder:</p> <table><tr><th rowspan="2">Scenario</th><th colspan="4">Polled spot price availability on</th><th rowspan="2">FSP shall be simple average of last polled spot prices on:</th></tr><tr><th>EO</th><th>E-1</th><th>E-2</th><th>E-3</th></tr><tr><td>1</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes/No</td><td>EO, E-1, E-2</td></tr><tr><td>2</td><td>Yes</td><td>Yes</td><td>No</td><td>Yes</td><td>EO, E-1, E-3</td></tr><tr><td>3</td><td>Yes</td><td>No</td><td>Yes</td><td>Yes</td><td>EO, E-2, E-3</td></tr><tr><td>4</td><td>Yes</td><td>No</td><td>No</td><td>Yes</td><td>EO, E-3</td></tr><tr><td>5</td><td>Yes</td><td>Yes</td><td>No</td><td>No</td><td>EO, E-1</td></tr><tr><td>6</td><td>Yes</td><td>No</td><td>Yes</td><td>No</td><td>EO, E-2</td></tr><tr><td>7</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>EO</td></tr></table> <p>In case of non-availability of polled spot price on expiry day (EO) due to sudden closure of physical market under any emergency situations noticed at the basis centre, Exchanges shall decide further course of action for determining FSP and which shall be in accordance with BSE circular no. 20200501-5 dated 01st May 2020.</p>	Scenario	Polled spot price availability on				FSP shall be simple average of last polled spot prices on:	EO	E-1	E-2	E-3	1	Yes	Yes	Yes	Yes/No	EO, E-1, E-2	2	Yes	Yes	No	Yes	EO, E-1, E-3	3	Yes	No	Yes	Yes	EO, E-2, E-3	4	Yes	No	No	Yes	EO, E-3	5	Yes	Yes	No	No	EO, E-1	6	Yes	No	Yes	No	EO, E-2	7	Yes	No	No	No	EO
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6	Yes	No	Yes	No	EO, E-2																																																
7	Yes	No	No	No	EO																																																
Delivery Logic	Compulsory Delivery.																																																				

Contract Launch Calendar Cotton J-34 Futures

Contract Month	Contract Launch Date	Contract Expiry Date
March 2021	March 2021	March 2021
May 2021	March 2021	May 2021
July 2021	April 2021	July 2021
October 2021	June 2021	October 2021



December 2021	August 2021	December 2021
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