



Commencement of Future Trading in Heating Oil 8400 US Gallon Contract

In terms of the provisions of the Bye Laws, Rules and Regulations of the Exchange, the Clearing Member, Trading Members, Sub Trading Members and the Clients are notified as under:

Heating Oil 8400 US Gallon Future Contract will be available for trading from Monday, the 4th January, 2010.

The contract specifications and settlement procedures are specified in Annexure 1 and will be binding on all the members of the Exchange and constituents trading through them.

Clearing Member phone 01-4432597/4442665 or through email at info@kch.com.np for any clarification.

For and on behalf of

**Nepal Derivative Exchange Ltd.
Tinkune, Kathmandu
Phone: 01-4469999/4462438
Email: info@ndex.com.np**

CONTRACT SPECIFICATION OF HEATING OIL -8400 US GALLON

Contract Details	
Product	HEATING OIL
Description	Heating Oil Regular or Heating Oil 8400 US Gallon Contract
Code of contract	HEA/ MM/ YY
Contract	
Daily Contract	Buying and selling on intra-day basis will be permitted, but all positions outstanding at end of trading session on a day must result into compulsory cash settlement.
Trading Day	Mondays through Friday
Daily Open Time	3:45:00 AM
Daily Close Time	2:59:59 AM
Specification	
Trading Platform	NDEX Trader Work Station – TWS
Contract Type	Financial Futures
Contract Months	ALL MONTHS
First Trading Date	NDEX will update the notification in webpage
Last Trading Date	NDEX will update the notification in webpage
Contract size	8400 US GALLON
Quotation/Price Based On	NPR PER 1 US GALLON
Tick Size (Minimum Price Movement)	NPR 0.1 Per 1 US GALLON
Daily Price Limits	No limit
Price Quote	Ex-NDEX (exclusive of all taxes and levies relating to import duty, customs, VAT, any other additional tax or surcharge on sales tax, local taxes.)
Spread Type	Fixed
Minimum Spread	NPR 0.2 Per 1 US GALLON
Minimum Order size (Per Deal)	8400 US GALLON per deal
Maximum Order Size (Per Deal)	42000 US GALLON per deal
Maximum Lot for Settlement (Daily)	420000 US GALLON per day
Maximum Lot Hold (Weekly Holding)	840000 US GALLON per week
Maximum Lot Hold (Monthly Holding)	2520000 US GALLON per month
Commissions	NPR 1200 PER LOT + VAT
Margin Structure	
Initial Margin	NPR 75,000
Maintenance Margin Required	Equal to Initial Margin.

Margin Call	Margin call shall be applicable on an email or short notification through NDEX TWS according to the Circular issued by NDEX.
Liquidation Margin	NPR 0.00
Margin Call Cutoff Time	3:00 PM
Settlement	
Settlement Unit	8400 GALLON and multiples thereof
Settlement Center(s)	NDEX Designated Clearing Member
Delivery Logic/Settlement Logic	Cash Settlement
Final Settlement/Contract Expiry	Last Trading Date (As per the notification by Exchange)

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