



NCDEX SPOT Exchange Limited

Circular to all trading and clearing members of the Exchange

Circular No. : NCDEX SPOT/TRADING/023 /2010/033

Date : 24th April 2010

Subject : Commencement of trading in STEEL LONG-CST Contract

Exchange is pleased to announce the commencement of trading in Direct Delivery Steel Long – CST Contract in the Continuous Market Platform with effect from 26th April 2010.

Members are requested to refer to Annexure I for the contract specifications. The detail of the contract is as follows:-

Sr No	Commodity	Symbol	Ex Location
1	STEEL LONG	STLLONGCST	GHAZIABAD

For and on behalf of
NCDEX SPOT Exchange Limited

Praveen Hiremath
VP-Products & Business Development

For further information / clarifications, please contact

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Annexure I: - Contract Specification

Type of contract	Spot																
Name of commodity	Steel Long CST																
Ticker symbol	STLLONGCST																
Trading system	NCDEX Spot Trading System																
Basis	FOR Ghaziabad/ EX seller warehouse at notified production centers, on trade price plus actual excise duty basis																
Unit of trading	10 MT																
Delivery unit	10 MT																
Quotation/base value	Rs. Per MT																
Tick size	Rs. 10/- per MT																
Quality specification	<p>Mild Steel Ingot/Steel Long</p> <table border="1"> <tr> <td>Size</td> <td>3^{1/2} * 4^{1/2} inch</td> </tr> <tr> <td>Carbon content</td> <td>upto 0.3 % max</td> </tr> <tr> <td>Manganese</td> <td>min 0.4 %</td> </tr> <tr> <td>Sulphur</td> <td>upto 0.06% max</td> </tr> <tr> <td>Phosphorus</td> <td>upto 0.09% max</td> </tr> <tr> <td>Sulphur + Phosphorous</td> <td>upto 0.14% max</td> </tr> <tr> <td>Weight</td> <td>min of 90 Kgs per ingot</td> </tr> <tr> <td>Length</td> <td>min of 48 inches per ingot</td> </tr> </table> <p>Ingots without harmful and appreciable hollowness, piping and rising. Ingots must have reasonably plain surface. Heat number to be mentioned on each ingot. Ingots must be free of harmful refractories.</p>	Size	3 ^{1/2} * 4 ^{1/2} inch	Carbon content	upto 0.3 % max	Manganese	min 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
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Weight	min of 90 Kgs per ingot																
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Quantity variation	+/- 3% or 5 MT, whichever is lower																
Delivery center	Ghaziabad (FOR buyer choice or NCDEX Accredited IEM Warehouse)																
Additional Delivery Centers	Mandi Gobindgarh, Bhiwadi , Muzzafarnagar, Aligarh																
Production Centers	Shall be notified with their respective premium discount structures from time to time vide circulars.																
Trading hours	<p>Monday through Friday: 11:00 AM to 07:00 PM Saturday: 11.00 AM to 2.00 PM The Exchange may vary the above timing with due notice</p>																
Delivery specification	The contracts will be operational on a one day Daily Net Settlement mode. At the end of trading hours on each trading day all open positions will result into delivery.																
No. of active contracts	A new contract will be launched for each trading day																

Due Date/ Expiry Date	End of day for each trading date
Price band	Daily price fluctuation limit is (+/-) 4%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter the price band would be raised by another 50% of the existing limit i.e. (+/-) 2%. If the price hits the revised price band (6%) again during the day, trade will only be allowed within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-) 6%.
Margins	The buyer and seller will need to deposit the prescribed margin before taking any trading position. They will be permitted to square off their position on an intra day basis. However all open positions at the end of trading day will be settled by delivery. Additional Margin shall be levied on the buyer wanting delivery on the prescribed date as per timeline.
Margin %	4 %
Partial Pay-in %	20%
Location Premium/Discount	The discounts applicable to the production centres within Uttar Pradesh (UP) state from where ex-delivery shall be effected shall be announced from time to time by way of circulars taking into account the applicable transport charges. Standard Deduction of 0.85% shall be levied on the traded price from the seller and the same shall be passed on the buyer. In case of ex delivery, the standard deduction shall be of 1% from the seller and the same shall be passed on to the buyer.
Delivery Logic	Compulsory Delivery for all open positions at EOD.