KELER CCP Ltd.'s (Vol. 33-2019) Announcement on CEEGEX spot market

Effective from: 6 May 2019

In line with KELER CCP Ltd.'s General Business Rules, KELER CCP Ltd. approved the **CEEGEX spot market margin requirements** for its Clearing Members as follows:

Calculation of the spot margin requirement

The calculation of spot margin requirement consists from two parts, the turnover margin and the delivery margin.

$$M_{(t+1)} = max \begin{cases} \text{Min\_value} + \text{Round.up}\,[M_{\text{delivery}(t+1)} * (1+\text{VAT});\ 0] \\ \text{Round.up}\,[(M_{\text{spot}(t+1)} + M_{\text{delivery}(t+1)}) * (1+\text{VAT});\ 0] \end{cases}$$

where:

- $M_{(t+1)}$: spot margin requirement
- VAT: the current value of the value-added tax in %, except in case of foreign clearing members, where the value of VAT – in this calculation - is 0%.
- Round up: rounding up to one EUR
- The minimum value of the spot margin requirement is 0 EUR

Turnover margin ($M_{turnover}$)

The calculation of the turnover margin is based on the data of the daily net purchase price amount where only positive amount are taken into consideration (on a 7/7 daily basis).

- **Short average**

$$S\_average_{(t)} = Average\_if\ [(SN)_{[t-d1];} >0\ ]$$

where,
d1=14 – number of the days of the short lookback period
SN –net purchase price amount (on a 7/7 daily basis)

- **Long average**

$$L\_average_{(t)} = Average\_if\ [(SN)_{[t-d2];} >= S\_average_{(t)}]$$

where,
d2=365 - number of the days of the long lookback period.
SN –net purchase price amount (on a 7/7 daily basis)

- **Lookahead period (E)**
The lookahead period is the number of the days that remains until the next settlement day

Parameters:
  - Monday, Tuesday, Wednesday, Friday: **2,**
  - Thursday: **3,**
  - on holiday weekends the parameter could differ, and be bigger than 3 .

- **Cap**
Upper limit for turnover margin

$$Cap_{(t+1)} = Max(TN_{[t-d3]})$$

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TN – daily settlement net purchase price amount
d3 =60 - number of the days of the lookback period

- **$M_{spot(t+1)}$**

$$M_{spot(t+1)} = Min(L\_average_{(t+1)} * E \; ; \; Cap_{(t+1)})$$

Delivery Margin $M_{delivery(t+1)}$

In case of products that are in the delivery cycle, the calculation is based on the daily delivery payments. The delivery margin is provided by the buyer.

$$M_{delivery(t+1)} = (D_{(t+1)} + D_{(t+2)}) * H$$

where,

t – date of the calculation
D – payment amount

H= N/2+1, where N equals the number of non settlement days between t and t+2 settlement days.

CEEGEX Position limit

$$\text{position limit} = ((B_{asset(t)} \div (1+VAT)) - M_{futures(t)} - M_{delivery(t)} \pm S_{purchase\ price(t)}) + \sum_{n=1}^{n} K\,(B;S)_{daily}$$

where,

$B_{asset(t)}$ =	the value of the assets blocked with CEEGEX title and with KELER CCP being the beneficiary of the blocking
VAT=	the current value of value-added tax. In this calculation, the value of VAT is 0% for non-resident clearing members.
$M_{futures(t)}$ =	margin requirement for open CEEGEX physical futures position
$M_{delivery(t)}$=	actual delivery margin requirement for physical future products that are in the delivery cycle
$S_{purchase\ price(t)}$ =	financially settled net purchase price on t day
K_{daily} =	financially not settled CEEGEX spot trades' cumulated financial position, where B = buy-side trade and S = sell-side trade
n =	number of trading days within the clearing cycle

2 May, 2019

KELER CCP Ltd.