KELER CCP Ltd.'s (Vol. 07-2015) Announcement on CEEGEX spot market

Effective from: 1 February 2015

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.

$$M_{(t+1)} = max \begin{cases} \text{Min\_value} + \text{Round.up}\ [M_{delivery(t+1)} * (1 + VAT);\ -3] \\ \text{Round.up}\ [(M_{spot(t+1)} + M_{delivery(t+1)}) * (1 + VAT);\ -3] \end{cases}$$

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 thousand HUF
- The minimum value of the spot margin requirement is 0 HUF

Turnover margin ($M_{turnover}$)

The calculation of the turnover margin is based on the data of the daily net purchase price amount (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=180 - 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

- $\mathbf{M_{spot(t+1)}}$

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

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

In case of products that are in the delivery cycle, the calculation is based on the daily delivery payments

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

where,

t – date of the calculation
D – payment amount

CEEGEX Position limit

The value of collateral assets blocked with CEEGEX purpose and with KELER CCP beneficiary, reduced with the margin requirement for open CEEGEX physical future positions, and with the delivery margin requirement.

$$\text{Position limit}_{(t)} = B_{asset\ (t)} - M_{\text{margin requirement for physical futures}\ (t)} - M_{delivery\ (t)}$$

where,

$B_{asset\ (t)}$ –the value of the assets blocked with CEEGEX title and with KELER CCP being the beneficiary of the blocking
$M_{\text{margin for physical futures}\ (t)}$ – margin requirement for open CEEGEX physical future positions
$M_{delivery\ (t)}$ – actual delivery margin requirement for physical future products that are in the delivery cycle

22 January, 2015

KELER CCP Ltd.