

**KELER CCP Ltd.'s (Vol. 47-2016)  
Announcement on CEEGEX spot market**

**Effective from: 3 October 2016**

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.

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

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 ( $M_{\text{turnover}}$ )

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**

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

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**

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

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

$$\text{Cap}_{(t+1)} = \text{Max}(\text{TN}_{[t-d3]})$$

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TN – daily settlement net purchase price amount

d3 =60 - number of the days of the lookback period

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

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

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

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

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

where,

t – date of the calculation

D – payment amount

### CEEGEX Position limit

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

where,

$B_{\text{asset}(t)}$  = 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.

$M_{\text{futures}(t)}$  = margin requirement for open CEEGEX physical futures position

$M_{\text{delivery}(t)}$  = actual delivery margin requirement for physical future products that are in the delivery cycle

$S_{\text{purchase price}(t)}$  = financially settled net purchase price on t day

$K_{\text{daily}}$  = 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

30 September, 2016

KELER CCP Ltd.