

香港期貨結算有限公司

(香港交易及結算所有限公司全資附屬公司)

HKFE CLEARING CORPORATION LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Margin Rates and Update of PC-SPAN Organisation Master File for the TSI Iron Ore Fines 62% Fe CFR China Futures

Enquiry: 2211-6901

Reference is made to the circular (Ref: [MKD/CMD/006/17](#)) dated 26 October 2017 regarding the introduction of the TSI Iron Ore Fines 62% Fe CFR China Futures on 13 November 2017. Please be advised that pursuant to Exchange Rule 617(d) and HKCC Rule 402, the Exchange and the Clearing House have determined that with effect from the commencement of trading on **Monday, 13 November 2017**, the margin levels of the TSI Iron Ore Fines 62% Fe CFR China Futures Contracts shall be as follows:

		<u>Client Margin</u>		<u>Clearing House Margin</u>
		Initial	Maintenance	
		(USD)	(USD)	(USD)
TSI Iron Ore Fines 62% Fe CFR China Futures Monthly Contracts	Full Rate	659 /lot	527 /lot	496 /lot
	Spread Rate	289 /spread	231 /spread	218 /spread
	Inter-Commodity Spread	Please refer to attachment		
		(USD)	(USD)	(USD)
TSI Iron Ore Fines 62% Fe CFR China Futures Quarterly Contracts	Full Rate	486 /lot	388 /lot	366 /lot
	Spread Rate	321 /spread	256 /spread	242 /spread
	Inter-Commodity Spread	Please refer to attachment		

The above minimum margin rates are for your firm's financially strongest clients. Exchange Participants should set their margin requirements according to each client's individual circumstances.

For Participants who decide to use PC-SPAN¹ to calculate the margin requirements of these products, please be reminded to update the Organisation Master File **on or before Monday, 13 November 2017**. Participants may choose to update the Organisation Master File via one of the following alternatives:

1. Replace the existing Organisation Master File with the latest one available on the HKEX web site.

Hyperlink of the file:

http://www.hkex.com.hk/eng/market/rm/rm_dcrm/riskdata/orgmast/orgmast.zip

This file contains up-to-date parameters of all HKEX products cleared by the HKCC and SEOCH only and does not carry parameters of other exchanges and clearing houses; or

2. Replace the existing Organisation Master File with the one posted on the Chicago Mercantile Exchange (CME) website.

The file available on the CME website is maintained by the CME. Please refer to advisory notices published by the CME from time to time for the update time of the file; or

3. Manual input via the PC-SPAN interface.

Participants should use this alternative only as a last resort to avoid potential human errors during the manual process.

Should Participants choose to update the Organisation Master File via alternatives 2 and 3, you are strongly advised to ensure the accuracy of the Organisation Master File before making any margin calculations by checking it against the one available on the HKEX website which is accessible through the hyperlink provided in alternative 1 above.

For and on behalf of
HKFE Clearing Corporation Limited

Terence Low
Authorized Signatory

Att.

¹ SPAN (Standard Portfolio Analysis of Risk) is a registered trademark of the Chicago Mercantile Exchange

Attachment

**Inter-commodity Spread Credit Rates
(With effect from 13 November, 2017)**

Product Pair	Delta/Spread Ratio	Spread Credit Rate
TSI Iron Ore Fines 62% Fe CFR China Futures Monthly Contracts vs TSI Iron Ore Fines 62% Fe CFR China Futures Quarterly Contracts	1 vs 2 ^Δ	64%

^Δ A ratio with positive value means the net deltas of the two products shall be of opposite direction (e.g. 1 net long delta in TSI Iron Ore Fines 62% Fe CFR China Futures Monthly Contract and 2 net short delta in TSI Iron Ore Fines 62% Fe CFR China Futures Quarterly Contract) in order to form inter-commodity spread. In PRiME, this is represented by A vs B, indicating opposite side of the market for the two products. For details, please refer to [PRiME Margining Guide](#).