

Circular No. 22 of 2020

8 May 2020

Revised Margin Rates for APEX Low Sulphur Fuel Oil Futures Contract

Asia Pacific Exchange Pte. Ltd. (the “Exchange”) and Asia Pacific Clear Pte. Ltd. (the “Clearing House”) would like to inform all participants of the applicable margin rates for the APEX Low Sulphur Fuel Oil Futures Contract.

Pursuant to Clearing Rule 406 and Clearing Procedures 5, the Exchange and its Clearing House have set the following SPAN® Margin Parameters with effect from Trading Day 15 May 2020, Friday.

Price Scanning Ranges (Outright Margin Rates)

Product Name	Product Code	Combined Commodity Code	Margin Rate
APEX Low Sulphur Fuel Oil Futures	LFO	LFO	USD 520

Intra-Commodity Tier Structure

Product Name	Product Code	Combined Commodity Code	Tier	Contracts
APEX Low Sulphur Fuel Oil Futures	LFO	LFO	1	All the contract months that have passed their Last Trading Days and first contract that is available for trading
APEX Low Sulphur Fuel Oil Futures	LFO	LFO	2	Second contract that is available for trading
APEX Low Sulphur Fuel Oil Futures	LFO	LFO	3	Remaining contracts that are available for trading

Intra-Commodity Spread Margin Rates and Charges

Product Name	Product Code	Combined Commodity Code	Priority	Leg A Tier	Leg B Tier	Margin Rate
APEX Low Sulphur Fuel Oil Futures	LFO	LFO	1	3	3	USD 450
APEX Low Sulphur Fuel Oil Futures	LFO	LFO	2	2	3	USD 450
APEX Low Sulphur Fuel Oil Futures	LFO	LFO	3	1	1	USD 1040
APEX Low Sulphur Fuel Oil Futures	LFO	LFO	4	1	2	USD 1040
APEX Low Sulphur Fuel Oil Futures	LFO	LFO	5	1	3	USD 1040

Inter-Commodity Spread Margin Rates and Charges

Priority	Inter-commodity Spread (A:B)	Tier A :Tier B	Spread Credit	Delta Ratio
1	LFA: LFO	2:3	55%	1:1
2	LFA: LFO	1:2	55%	1:1
3	LFA: LFO	1:3	55%	1:1
4	LFA: LFO	2:2	55%	1:1

Delivery Charge Add on for Front Month Contracts

Delivery Margin	Product Code	Combined Commodity Code	Charge		Note
			Outright Positions	Spread Positions	
First Delivery Margin	LFO	LFO	3% of Contract Value ¹		Imposed on the 25 th Calendar Day of the Front Contract Month ²
Second Delivery Margin	LFO	LFO	15% of Contract Value ³ less Initial Margin and First Delivery Margin		Imposed on the 2 nd business day following the last trading day

¹Based on the Daily Settlement Price of the preceding business day.

²The immediately preceding business day if the 25th Calendar Day is not a Business Day.

³The Contract Value is based on the Final Settlement Price.

The above information can be found in APEX website at https://www.asiapacificex.com/?p=operation_info and the SPAN risk parameter files can be downloaded at this link https://www.asiapacificex.com/?p=span_download.

Please ensure that the appropriate staff within your organisation are made aware of the contents of this Circular.

FOR MORE INFORMATION, PLEASE CONTACT

Risk Management

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