

Circular No: ACE/T&S-005/2012/015

Date: January 23, 2012

Commencement of trading - Launch of Yellow Soybean Meal contract

In terms of the provisions of Byelaws, Rules and Business Rules of the Exchange, members are hereby informed the commencement of futures trading in Yellow Soybean Meal contract on the Exchange platform from **January 27, 2012**. Initially February 2012, March 2012 and April 2012 contracts will be available for trading on the Exchange platform. The contract specifications and the launch calendar is enclosed as Annexure.

Sr. no	Name of the commodity	Contract Expiry Month	Ticker Symbol	Reference to Contract specifications
1	Yellow Soybean Meal	February 2012	SOYMEAL	Annexure
		March 2012		
		April 2012		

Subsequent contracts will be available for trading as per the launch calendar enclosed below. The location premium discount will be announced prior to launch of the contract.

Members and their clients are requested to take note of the same.

For and on behalf of
Ace Derivatives and Commodity Exchange Ltd

Sanvali Kaushik
Chief – Products and Strategy

For any clarifications or assistance, please contact the Customer Service Group at 022-6670 9201 or send us an email at services@aceindia.com

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Ace Derivatives and Commodity Exchange Limited
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Tel: 022-66709000, Fax: 022-66709290 Website: www.aceindia.com

Annexure

Contract Specifications of Yellow Soybean Meal

Name of Commodity	Yellow Soybean Meal													
Ticker symbol	SOYMEAL													
Basis centre	Ex-Warehouse Indore (inclusive of all taxes and without 'H' Form)													
Unit of trading	10 MT													
Delivery Type	Both Option													
Delivery unit	10 MT													
Price quotation	Rs per MT (1000 Kgs)													
Tick size	Re. 1													
Quality specification	<table border="1"> <tr> <td>Moisture</td> <td>11% Basis</td> </tr> <tr> <td>Protein</td> <td>48% Basis</td> </tr> <tr> <td>Oil</td> <td>1.5% Max</td> </tr> <tr> <td>Fibre</td> <td>6% Max</td> </tr> <tr> <td>Sand / Silica</td> <td>2% Basis</td> </tr> <tr> <td>Urease (by EEC method)</td> <td>0.30 units basis</td> </tr> </table>		Moisture	11% Basis	Protein	48% Basis	Oil	1.5% Max	Fibre	6% Max	Sand / Silica	2% Basis	Urease (by EEC method)	0.30 units basis
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Sand / Silica	2% Basis													
Urease (by EEC method)	0.30 units basis													
Deliverable Grades	Yellow Soybean Meal of grade of Expander Type / Flaker type produced from Yellow Soybean seed only													
Quality premium / discount	<p>Quality variations shall be accepted with discounts as under:</p> <p>Moisture: From 11% to 12% accepted at 1:1 or part thereof. Above 12% rejected.</p> <p>Protein: From 48% to 46% accepted at 1:1 or part thereof. Below 46% rejected.</p>													

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	<p>Oil: Above 1.5% rejected.</p> <p>Fiber: Above 6% rejected.</p> <p>Sand/Silica: From 2% to 2.5% accepted at 1:1 or part thereof. Above 2.5% rejected.</p> <p>Urease activity: From 0.3 units to 0.35 units accepted at 0.1% for every 0.01 unit increase in Urease activity. Above 0.35 units rejected.</p> <p>Free from pesticide (especially organochlorine compound group e.g. DDT, dieldrin including aldrin and heptachlor)</p> <p>Free from poisonous seeds and/or foreign seeds, free from castor seeds and/or husk, free from lumps, free from weevils, free from urea and/or other chemical substance</p>
Additional Delivery Center	<p>Kandla</p> <p>(Delivery will be acceptable in exchange accredited warehouse located within 50 km radius from the municipal limits.)</p>
Quantity Variation	+/- 2%
Delivery Method	<p><u>Demat Delivery</u></p> <p>Seller shall deliver the goods through Exchange accredited Warehouse.</p> <p>Goods will have to pass through the Quality Certification process during inbound delivery. Quality certification of Goods will be done by Exchange authorized assayer.</p>

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	Buyer will receive the goods from the Exchange Accredited Warehouse.
Delivery Centre	Indore (Delivery will be accepted in Exchange accredited warehouse located within 50 km radius from the municipal limits.)
Trading Hours	Monday to Friday: 10.00 a.m. to 5.00 p.m. Saturday: 10.00 a.m. to 2.00 p.m.
Contract Expiry Date	20th day of the delivery month. If 20 th happens to be a holiday, a Saturday or a Sunday then the Expiry date shall be the immediately preceding trading day of the Exchange, which is not a Saturday.
Opening of Contract	New contracts will be available for trading from 11 th day of the month as per the launch calendar. If the 11 th day happens to be a non-trading day, new contracts would open on next trading day.
Daily Price Limit	Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter the price band would be raised by (+/-) 1%. If the price hits the revised price band (4%) again during the day, trade will only be allowed within the revised price band. No trade / order shall be permitted during the day beyond the revised limit of (+ / -) 4%.
Position Limits	Member level: 80,000 MT or 15 % of market open interest, whichever is higher. Client level: 20,000 MT The above limits will not apply to bonafide hedgers. For bonafide hedgers the Exchange will decide the limits on a case-to-case basis. Near month limits (Applicable from 28 days prior to expiry date of the contract).

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	<p>Member level: 20,000 MT or 15 % of the market-wide near month open position, whichever is higher.</p> <p>Client level: 4,000 MT</p>
Maximum Order Size	500 MT (50 Lots)
Fresh Positions	No fresh positions will be allowed 5 trading days before the expiry of the contract including the expiry day. The members and their clients can only square off the outstanding trade.
Final Settlement Price FSP	<p>The Exchange shall adopt the following methodology for arriving at the Final Settlement Price.</p> <ul style="list-style-type: none"> • The Final Settlement Price (FSP) shall be arrived at by taking the simple average of the last three trading days polled spot price, viz. E-0 (expiry day), E-1, E-2. • In the event of the spot prices of any of the E-1 and E-2 is not available, the spot prices of E-3 would be used for arriving at the average. • In case the spot prices are not available for both E-1, and E-2, then the average of E-0 and E-3 (two days) would be taken. • If all the three days' prices, viz., E-1, E-2 and E-3 are not available, then only one day's price, viz., E-0, will be taken as the FSP.
Minimum Initial Margin	5%
Special Margin	When there is excess volatility, Exchange may impose special margin of appropriate percentage, as deemed fit and proper on either long or short side in respect of all outstanding positions. This margin will remain till such excess volatility persists, after which the same will be relaxed.

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Additional Margin	The Exchange may impose additional margins on both long and short side at such other percentage, as deemed fit. Removal of such Margins will be at the discretion of the Exchange
Regulatory Margin	In addition to the above margins, the Regulator may impose additional margins on long and/or short side at such other percentage as deemed fit. Removal of such Margins will be at the discretion of the Regulator.

Contract Launch Calendar – Yellow Soybean Meal

Contract Launch Month	Contract to be launched
January 27, 2012	February, 2012; March, 2012 and April, 2012
February, 2012	May, 2012
March, 2012	June, 2012

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