

## **AMENDMENTS TO THE FCPO CONTRACT SPECIFICATIONS**

Bursa Malaysia Derivatives Berhad intends to amend the FCPO Contract Specifications w.e.f. Friday, 16 March 2007, in the following aspects:

- Introduction of new contract months up to 24 months forward
- Increase in position limits
- Change of price limits

### **Frequently Asked Questions (FAQs)**

#### **1. What will be the new FCPO contract months available for trading?**

Previously, the FCPO contracts available for trading were spot, next 5 succeeding months and thereafter, alternate months up to 12 months forward. With the revision to the current specifications, FCPO contracts will be available for trading up to 24 months forward, with the introduction of 6 additional alternate month contracts. A schedule of the FCPO contracts available for trading is attached as Appendix 1.

#### **2. What are the new position limits?**

The maximum number of net long or net short positions which a Client or a Participant may hold or control is:

- (1) 500 contracts for spot month;
- (2) **5,000** contracts for any one delivery month except for spot month; and
- (3) **8,000** contracts for all months combined.

#### **3. What are the new price limits?**

A +/- 10% limit from the Settlement Prices of the previous trading day will apply for all contract months, except for the spot month. When at least 3 non-spot contract months are trading at limit, a 10 minute Cooling Off period will apply for all contract months, where trading shall only take place within the 10% Limit (except spot month as there are no price limits for spot month contract). Following the Cooling Off period, all quoted months shall be interrupted (refer Q4) for 5 minutes, after which the price limit will be expanded to +/-15%.

The 10% price limit will apply for the rest of the 1<sup>st</sup> trading session if the price limit is triggered less than 30 minutes before the end of session, and the price limit will be expanded to 15% for the 2<sup>nd</sup> trading session.

If the 10% limit is triggered less than 30 minutes before the end of the 2<sup>nd</sup> trading session, the 10% limit will apply for the rest of the trading day.

An example of how the new price limits will apply is attached as Appendix 2.

**4. What does “interrupted status” means?**

When a Contract Group is specified as “**interrupted**”, orders in relation to the Contract Group may be entered, modified and cancelled but shall not be matched.

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The Business Rules of Bursa Malaysia Derivatives Berhad supersedes all matters pertaining to derivatives contracts. Please ensure that an updated version of the Current Business Rules of Bursa Malaysia Derivatives Berhad is referred to for trading and contract specifications as such specifications may change from time to time.

Please contact your futures broker or Bursa Malaysia Derivatives Berhad concerning current contract specifications.

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**Schedule of Additional FCPO Contracts Months**

	2007												2008												2009											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Jan-07	X	X	X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O												
Feb-07		X	X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X											
Mar-07			X	X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X												
Apr-07				X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	X	O	X									
May-07					X	X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	X	O	X									
Jun-07						X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X								
Jul-07							X	X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X								
Aug-07								X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X				
Sep-07									X	X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X				
Oct-07										X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X		
Nov-07											X	X	X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X			
Dec-07												X	X	X	X	X	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	O	X	

**FCPO Revised Price Limit: An Operational Example**

11.00am	<p>At least 3 FCPO non-spot contract months are trading at above/(below) 10% price limit.</p> <p>The Exchange shall announce via SPI mail, the timing of the start and end of the :</p> <ul style="list-style-type: none"> <li>• 10 minute Cooling-Off period <i>Trading to continue within the +/- 10% price limit</i></li> <li>• 5 minute Interrupted status</li> </ul>	<p>Total 10 minutes cooling off period from when 10% limit is triggered.</p>
11.10am	<p>All FCPO quoted months shall be placed under Interrupted state. Traders are allowed to perform order entries, modify and cancel orders, but orders cannot be executed.</p> <p>Continuous Trading is preceded by a 1-minute Pre Opening phase. The system broadcasts a dynamically calculated price known as Theoretical Opening Price (TOP). Opening price is last TOP calculated before matching and will be subject to new 15% price limit.</p>	<p>5 minutes Interrupted status /Pre Opening Phase</p>
11.15am	<p>Continuous Trading will commence with the revised 15% price limit.</p>	