

Floor for the Expiry Month Factor Contract Size Reduction - Update

Summary

As a result of regular review, the Floor for the Expiry Month Factor (EMF) contract size reduction is adjusted as of September 2023.

The new parameters applicable will be:

Parameter	Current	New
Floor EMF Contract Size Reduction	0.1	0.5

Contact

European Commodity Clearing AG
Clearing & Settlement
Phone: +49 341 24680-444
E-mail: clearing@ecc.de

Adjustment Process

The new value for the Floor EMF Contract Size Reduction is applicable with immediate effect for the current delivery month for all Balance of Month (BOM) contracts coming into effect as of Monday 18 September 2023 and is published in the ECC Risk Parameters on the ECC website.

Information

The EMF is a multiplier for the Single Margin Parameter (SMP) that is applicable during the delivery of physically settled derivative contracts. It covers additional market price - and delivery risks that result from the constant settlement price during the delivery period. The contract size is reduced during this period in line with remaining delivery days but capped with the Floor EMF for Contract Size Reduction to ensure sufficient margin requirements. Detailed information can be found in the ECC Derivative Market Margining documentation on the ECC Website.