

## News Update

- INE Announcement
- Liquidity Update

### INE Lowers Margin Requirement for January and February Crude Contracts

- INE (Shanghai International Energy Exchange) announced last night that beginning from the close of trade on August 2:
  - Margin requirement for SC1901 (2019 January Crude futures contract) will be adjusted from 7% to 6%; and
  - Margin requirement for SC1902 (2019 February Crude futures contract) will be adjusted from 7 % to 5.5%; and
  - Margin requirement will revert back to 7% if position of more than 30,000 lots (either buy or sell) is held after close of trade

### INE Crude Liquidity Update

- INE is lowering the margin requirement for next year's January and February contracts to encourage more liquidity. Volume for both contracts is very low.
- As per the exchange rule, for the active contract of September, the margin requirement has been adjusted from 7% to 10%, as the contract goes into August (the month before delivery month).
- To summarize, the margin requirements for different contract months are now as follows:

Month	Margin %
September 2018	10
October 2018	5.5
November 2018	6
December 2018	7
January 2019	6
February 2019	5.5

- A snapshot of liquidity for different contract months this morning:

Month	Trading Volume (lots, both sides)	OI (lots)
September 2018	211,148	26,710
October 2018	124	690
November 2018	0	70
December 2018	5,086	5,786
January 2019	12	106
February 2019	0	14

- It appears that some of the September contracts are gradually being rolled over to the month of December

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