

## USD/NGN OTC FX FUTURES CONTRACT SPECIFICATION

<b>Name</b>	<b>FMDQ Naira-settled OTC FX Futures</b>
<b>Contract</b>	US Dollar/Nigerian Naira OTC FX Futures Contract
<b>Underlying Instrument</b>	Rate of exchange between one (1) US Dollar and Nigerian Naira (USD/NGN)
<b>Contract Code</b>	NGUS [Contract Expiry Month, Day & Year]; e.g. NGUS JUN 24 2020
<b>Quote Convention</b>	Price; in NGN per USD to two (2) decimal points
<b>Trading System</b>	FMDQ Futures Trading & Reporting System (FFTRS)
<b>Trading Hours</b>	9:00 AM – 2:00 PM
<b>Standard Contract Tenors</b>	The contract cycle consists of sixty (60) consecutive monthly contracts
<b>Expiry Date</b>	Contracts expire on the last Wednesday of each calendar month
<b>Termination of Trading</b>	Trading shall cease at 2:00 PM, eight (8) calendar days before the expiry date of each respective contract. i.e. the Tuesday preceding the week the contract expires
<b>Settlement Method</b>	<ul style="list-style-type: none"> <li>▪ Cash-settled in Nigerian Naira</li> <li>▪ Margin Calls: T + 0</li> <li>▪ Final Settlement: T + 0</li> </ul>
<b>Mark to Market Model</b>	As determined in the FMDQ NAFEX <sup>1</sup> Methodology
<b>Final Settlement Price</b>	NAFEX Spot on Expiry Date
<b>Clearing Agent</b>	FMDQ Clear Limited (FMDQ Clear)
<b>Margin Requirements</b>	Initial Margin – As determined and communicated by FMDQ Clear <sup>2</sup> Maintenance Margin – 75% of Initial Margin
<b>Position Limit</b>	Subject to CBN-Advised Foreign Currency Trading Position Limit

<sup>1</sup> Nigerian Autonomous Foreign Exchange Fixing

<sup>2</sup> <https://fmdqgroup.com/wp-content/uploads/2020/10/Initial-Margin-Rates-for-Naira-settled-OTC-FX-Futures-Contracts.pdf>