



MARKET NOTICE

To: ALL MARKET PARTICIPANTS
From: DERIVATIVES MARKET GROUP
Reference: FMDQX/DMG/22/10/20/MN-22
Notice Date: October 22, 2020
Effective Date: October 19, 2020

REVISION OF THE INITIAL MARGIN RATES ON NAIRA-SETTLED OTC FX FUTURES CONTRACTS

1. This Market Notice is issued to provide information on the revision of the Initial Margin rates for transactions in the OTC FX Futures market.
2. Further to the introduction of tiered Initial Margin rates for Futures Banks' transactions in the OTC FX Futures market by the Clearing Agent FMDQ Clear Limited ("**FMDQ Clear**" or the "**Clearing Agent**") on February 12, 2020, recent market analysis necessitates another review of applicable Initial Margin rates.
3. To this end, market participants are hereby notified of the downward review of Initial Margin rates to 5% across all tenors (i.e. 1M¹ – 60M) of OTC FX Futures contracts effective October 19, 2020.
4. FMDQ Clear will continue to monitor the market to ensure that setting of Initial Margin for transactions in the OTC FX Futures market—and all other markets where it serves—are in alignment with prevailing market realities, catering for price volatility and changes in macroeconomic variables.

Please be guided accordingly.

Should you have any question(s) about this Market Notice, please do not hesitate to contact the FMDQ Exchange Derivatives Market Group at support@fmdqgroup.com

¹ Month