

Gold Futures

Gold Futures is the alternative investment tool which relies on the gold price movement. The investors can benefit from the gold futures investment by making profit from both directions either up or down side which is like SET50 Index Futures trading. In addition, Gold Futures can also hedge against gold price fluctuation or stock market volatility due to the negative correlation to the stock market. This will provide a greater opportunity to make profit when stock market declines during the economic downturn.

Gold Futures in Thailand is the futures contract which relies on the gold bullion with the purity of 96.5% due to its popularity among buyers nationwide in gold physical trading. Gold Futures trading implements a cash settlement method with no need of physical delivery.

Contract Specification of Gold Futures

Specification	10 Baht Gold Futures	50 Baht Gold Futures
Underlying Asset	Gold Bullion with a purity of 96.5%	
Expiration Month	3 nearest even month: February, April, June, August, October and December with no greater than 3 closest contract or settlement month	
Trading Session	Pre-open 9.15 – 9.45 Morning Session 9.45 – 12.30 Pre-open 14.00 – 14.30 Afternoon Session 14.30 – 16.55 Pre-open 19.15 – 19.30 Night Session 19.30 – 22.30	
Contract Size	10 Thai Gold Baht (152.44 grams)	50 Thai Gold Baht (762.20 grams)
Tick Size	10 Baht or equivalent to 100 Baht per 1 contract	10 Baht or equivalent to 500 Baht per 1 contract
Price Limit	Initial price limit is $\pm 10\%$ from previous day settlement price. Should traded price reach the limit, trading will be halted for a certain period as announced by TFEX. After trading resumes, the price limit will be expanded by another $\pm 10\%$	
Daily Settlement Price	Weighted average price during the last 5 minutes (4.50 P.M. – 4.55 P.M.)	

Specification	10 Baht Gold Futures	50 Baht Gold Futures
Final Settlement Price	<p>The basis of the London Gold A.M. Fixing Price announced by London Gold Market Fixing Limited on the last trading day and the foreign exchange rate for Baht to US dollars announced by TFEX on the last trading day, after conversion for weight and fineness. The formula for its calculation is as follow:</p> <p>Physical Gold Price / 1 Thai Gold Baht (Rounded into 2 decimals)</p> $= \text{London Gold A.M. Fixing} \times 15.244 \times 0.965 \times \text{THB/USD}$ <p style="text-align: center;">31.1035 0.995</p> <p>Note:</p> <ul style="list-style-type: none"> London Gold A.M. Fixing Price refers to Gold with the purity of 99.5% per 1 Troy Ounce (1 Troy Ounce = 31.105 grams) Physical gold weight 1 Baht = 15.244 grams The underlying asset for Gold Futures trading in Thailand refers to the gold with purity of 96.5% The exchange rate between Baht and US Dollar is the average price rate between bid and offer being announced by the commercial bank 	
Settlement Method	By cash (Cash Settlement)	
Position Limit	TFEX will announce the position limitation upon consideration periodically	
Large Trader Report	<p>Net 1,000 contracts in any one month or all contract month combined</p> <p>Notice: The report to TFEX is needed for every trading day after the position possession meet the following condition by TFEX and will continue until the position possession is lower than the figure set by TFEX in the day after that</p>	<p>Net 1,000 contracts in any one month or all contract month combined</p> <p>Notice: The report to TFEX is needed for every trading day after the position possession meet the following condition by TFEX and will continue until the position possession is lower than the figure set by TFEX in the day after that</p>

Specification	10 Baht Gold Futures	50 Baht Gold Futures
Last Trading Day	The business day immediately proceeding the last business day of the contract month which will end trading at 16.30 P.M. for that particular contract month	
Margin Requirement Calculation	Standard Portfolio Analysis of Risk (SPAN)	
Ticker Symbol of Gold Futures	<ul style="list-style-type: none"> Character no. 1 – 6 represent the underlying asset <ul style="list-style-type: none"> Mini-Gold Futures (10 Baht Thai Gold) is represented by GF10 Gold Futures (50 Baht Thai Gold) is represented by GF Character no. 7 represent the delivery month <ul style="list-style-type: none"> G : February - Q : August J : April - V : October M : June - z : December Character no. 8 – 9 represent the delivery year by using the last 2 digits of the delivery year 	
	<p><u>Example:</u> GF10Q12 represents mini- Gold Futures (10 Baht Thai Gold) was due to delivered in August, 2012</p>	<p><u>Example:</u> GFQ12 represents Gold Futures (50 Baht Thai Gold) was due to delivered in August, 2012</p>

Gold Futures Commission

Underlying		Retail			Institution		
		IM	MM	FM	IM	MM	FM
Gold (50 Baht)	Outright	66,500	46,550	19,950	47,250	35,000	N/A
	Spread	16,625	11,637.50	4,987.50	11,812.50	8,750	N/A
Gold (10 Baht)	Outright	13,300	9,310	3,990	9,450	7,000	N/A
	Spread	3,325	2,327.50	997.50	2,362.50	1,750	N/A

Inter-Commodities Spread

Delta per Spread Ratio	Initial Margin (IM) before reduction	The amount of IM before reduction	Percentage of reduction	Actual IM after reduction
Gold 50 1 : Silver 6	IM of Gold 50 1 Contract + IM of Silver 6 Contract	130,340	70%	39,102
Gold10 5 : Silver 6	IM of Gold 10 5 Contract + IM of Silver 6 Contract	130,340	70%	39,102

Gold Futures Commission

Commission calculation has been counted from the first contract sequentially in a number of contracts per day. Classifying each trading order execution channel to the following;

Fee includes all charges, commission, trading fee, expenses related to Clearing Fee

1. Gold Futures 50 Baht

No. of contract	Fee Charged (Marketing)	Fee Charged (Internet)
Contract No 1 – 5	500 THB	455 THB
Contract No 6 - 20	400 THB	365 THB
Contract No 21 – 50	300 THB	275 THB
Contract No 51 onward	250 THB	230 THB

2. Gold Futures 10 Baht

No. of contract	Fee Charged (Marketing)	Fee Charged (Internet)
Contract No 1 – 25	100 THB	91 THB
Contract No 26 - 100	80 THB	73 THB
Contract No 101 – 250	60 THB	55 THB
Contract No 251 onward	50 THB	46 THB

Notice: Fee charged above has not yet include VAT7%