

DME Consultation Paper

Date	03 February 2020
Circular No.	20-004
Category	Products & Services
Summary of Content	Marker Price cool down period

This Consultation Paper (“CP”) has been issued to provide market participants with an opportunity to comment on DME’s proposal to introduce a cool down period for Marker price published for the following products at DME:

1. DME Oman Crude Oil Futures Contract, "OQD"
2. DME Oman Crude Oil Financial Futures Contract, "ZGD"

Application

This CP is directed primarily at current and prospective DME Members and Customers, but DME welcomes comments from any other interested parties.

Overview of this proposal

DME currently publishes a daily Marker price for OQD and ZGD at 1630 Singapore time (1230 Dubai Time, 0230 CST or 0330 CDT). This price represents the weighted average price of trades in the nearby Contract Month between 1625 and 1630 (Singapore Time). DME proposes to embed cool down period for the disseminated Marker price. If deemed necessary, DME reserves the right to change the price, due to unforeseen circumstances. The cool down period starts from the initial publication of the respective Marker price and ends when the published Marker price is considered to be final. The duration of the cool down period would be 60 minutes and the daily Marker price for OQD and ZGD would be considered final at 1730 Singapore time (1330 Dubai Time, 0330 CST or 0430 CDT adjusted accordingly with DST as applicable).

Introducing a cool down period supports managing expectations towards market participants. Therefore, the Marker price should be considered final only at 1730 Singapore time (1330 Dubai Time, 0330 CST or 0430 CDT adjusted accordingly with DST as applicable), although we will

continue to publish the Marker price at (1230 Dubai Time, 0230 CST or 0330 CDT) and notification will be sent to the market in case there is any change to the Marker price.

Rationale of this proposal

The cool down period helps DME to:

- Perform verification on the price calculation process and outcome thereof;
- Assess a trade review / trade bust request of a trade effected during the trading window.

How to provide comments

The deadline for providing comments on this Consultation Paper is thirty (30) calendar days from publication. For the avoidance of doubt, all comments must be received by the Exchange on or before March 03 at 6:00 PM in Dubai. All comments on the proposed changes should be sent by email to the DME Compliance Department at compliance@dubaimerc.com

Next steps

Unless specifically requested otherwise, DME may publish any comments received on its website. As soon as practicable following the deadline for comments on the proposals in this Consultation Paper, DME will consider whether any amendment or revision to the proposed changes is appropriate. DME will then implement the change(s) if any.

Should you have questions, please feel free to contact DME Compliance Department at compliance@dubaimerc.com or +971 4 365 5513.

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DME is the premier energy-focused commodities exchange in the Middle East and Asia Pacific and home to the world's third crude benchmark.

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