



Contract Specifications

Contract Specification Comparison

WMP, SMP, BTR, AMF Futures	NZX Current Spec	SGX-NZX Spec
Unit of Trading	1 tonne (MT)	
Price basis	USD/tonne	
Minimum Price Movement	USD5 per tonne (USD5)	
Contract Months	Consecutive calendar month such that 18 months are available for Trading, starting with current month	
Trading Hours	Normal Trading: 7.00am – 10.00pm NZT	T session: 7.25am - 6.00pm (Singapore Time)
Last Trading Day	Trading shall terminate on the last business day preceding the last GDT Auction of the month i.e. Trading in the March WMP Future	Last GDT auction of the month
Final Settlement	WMP = Cash Settled - Average of winning prices for Whole Milk Powder, Regular - NZ, Contract 2 in GDT Auction SMP = Cash Settled - Average of winning prices for Skim Milk Powder, medium heat - NZ, Contract 2 in GDT Auction BTR = Cash Settled - Average of winning prices for Unsalted 25kg - NZ, Contract 2 in GDT Auction AMF = Cash Settled - Average of winning prices for Anhydrous Milk Fat, Premium 210kg drum - NZ, Contract 2 in GDT Auction	
Clearing House	New Zealand Clearing Limited	Singapore Exchange Derivatives Clearing (SGX-DC)

Contract Specification Comparison

WMP, SMP, BTR, AMF Futures	NZX Current Spec	SGX-NZX Spec
Common Trading Facilities	Block Trading Facility, Exchange for Physicals Facility, Exchange for Swaps Facility	Negotiated Large Trade (NLT), Exchange for Physicals Facility, Exchange for Swaps Facility
Common Trading Facilities Minimum Volume Threshold	Block Trade thresholds: WMP & SMP = 150 lots BTR & AMF = 50 lots EFP, EFS thresholds: 0 lots	NLT thresholds: WMP & SMP = 100 lots BTR & AMF = 50 lots EFP, EFS thresholds: 0 lots
Cross Transactions Minimum Time Period	15 seconds	NA

Contract Specification Comparison

MKP Futures	NZX Current Spec	SGX-NZX Spec
Unit of Trading	6,000 kilograms of milk solids (kg MS)	
Price Basis	NZD / kg MS	
Minimum Price Movement (Tick Size and Value)	NZD 0.01 per kg MS (NZD 60)	
Contract Months	3 consecutive calendar years	
Trading Hours	Normal Trading: 7.00am – 10.00pm NZT	T session: 7.25am - 6.00pm
Last Trading Day	Second Thursday of September each calendar year	Last business day of September
Final Settlement	Cash settled to the relevant Farmgate Milk Price	
Clearing House	New Zealand Clearing Limited	Singapore Exchange Derivatives Clearing (SGX-DC)

Contract Specification Comparison

MKP Futures	NZX Current Spec	SGX-NZX Spec
Common Trading Facilities	Block Trading Facility, Exchange for Physicals Facility, Exchange for Swaps Facility	Negotiated Large Trade (NLT), Exchange for Physicals Facility, Exchange for Swaps Facility
Common Trading Facilities Minimum Volume Thresholds	Block trade thresholds: 15 lots EFP, EFS thresholds: 0 lots	NLT: 15 lots EFP, EFS thresholds: 0 lots
Cross Transactions Minimum Time Period	15 seconds	NA

Contract Specification Comparison

Global WMP/SMP Options	NZX Current Spec	SGX-NZX Spec
Underlying Futures Contract	One NZX Derivatives Market Contract No. 1 Global Whole Milk Powder (WMP) Futures Contract One NZX Derivatives Market Contract No. 3 Global Skim Milk Powder (SMP) Futures Contract (SMP Futures)	SGX-NZX Global Whole Milk Powder Futures SGX-NZX Global Skim Milk Powder Futures
Price Basis	USD/tonne	
Minimum Price Movement (Tick Size and Value)	USD \$0.50 per tonne	
Contract Months	Every calendar month such that 12 months are available for Trading, starting with current month	
Trading Hours	Normal Trading: 7.00am – 10.00pm NZT	T session: 7.25am - 6.00pm Singapore time
Last Trading Day	The last trading day of WMP/SMP Futures	
Exercise Price Intervals	All contract months minimum US\$50 intervals	All contract months minimum USD\$25 intervals
Exercise Procedures	American Style	

Contract Specification Comparison

Global WMP/SMP Options	NZX Current Spec	SGX-NZX Spec
Clearing House	New Zealand Clearing Limited	Singapore Exchange Derivatives Clearing (SGX-DC)
Final Settlement Price	In-the-money options are automatically exercised on the day following the Last Trading Day in accordance with the C&S Procedures unless manually abandoned. To manually abandon an option, an instruction must be given through the Clearing House System no later than 22:02 hrs NZST/NZDST on the day following the Last Trading Day. At-the-money and out-of-the-money options shall expire worthless at 22:02 hrs NZST/NZDST on the day following the Last Trading Day unless manually exercised.	In-the-money options are automatically exercised on the day following the Last Trading Day
Common Trading Facilities	Block Trading Facility	Negotiated Large Trade (NLT)
Common Trading Facilities Minimum Volume Thresholds	50 lots	10 lots
Cross Transactions Minimum Time Period	15 seconds	NA

Contract Specification Comparison

MKP Options	NZX Spec	SGX-NZX Spec
Underlying Future Contract	One NZX Derivatives Market Contract No. 8 Milk Price (MKP) Futures Contract	SGX-NZX NZ Milk Price (MKP) Futures
Price Basis	NZD / kg MS	
Minimum Price Movement (Tick Size and Value)	NZD\$0.01 per kg MS (NZD 60)	
Contract Months	3 consecutive calendar year	
Trading Hours	Normal Trading: 7.00am – 10.00pm NZT	T session: 7.25am - 6.00pm
Last Trading Day	Trading shall terminate at the Close of Trading on the second Thursday of September each calendar year, or such other time as specified by NZX in accordance with the Contract Terms and Administrative Procedures for NZX Derivatives Market Contract No 9 (“Contract T&Ps”)	The last trading day of the contract month of the underlying Futures contract
Exercise Price Intervals	All contract months minimum NZD\$0.05 intervals.	
Exercise Procedures	American Style	European Style

Contract Specification Comparison

MKP Options	NZX Spec	SGX-NZX Spec
Clearing House	New Zealand Clearing Limited	Singapore Exchange Derivatives Clearing (SGX-DC)
Final Settlement Price	In-the-money options are automatically exercised on the Expiry Day in accordance with the C&S Procedures unless manually abandoned. To manually abandon an option, an instruction must be given through the Clearing House System no later than 22:02 hrs NZST/NZDST on the Expiry Day. At-the-money and out-of-the-money options shall expire worthless at 22:02 hrs NZST/NZDST on the Expiry Day unless manually exercised.	In-the-money options are automatically exercised on the day following the Last Trading Day
Common Trading Facilities	Block Trading Facility	Negotiated Large Trade (NLT)
Common Trading Facilities Minimum Volume Thresholds	15 lots	5 lots
Cross Transactions Minimum Time Period	15 seconds	NA



Data Codes

▶ New Zealand's Exchange
Te Paehoko O Aotearoa



Exchange Codes

	NZX	SGX
Global Whole Milk Powder Futures	WMPF	WMP
Global Whole Milk Powder Options	WMP	CWMP/ PWMP
Global Skim Milk Powder Futures	SMPF	SMP
Global Skim Milk Powder Options	SMP	CSMP/ PSMP
Global Butter Futures	BTRF	BTR
Global Anhydrous Milk Fat Futures	AMFF	AMF
NZ Milk Price Futures	MKPF	MKP
NZ Milk Price Options	MKP	CMKP/ PMKP

Data Vendor Codes

	Bloomberg	ICE	Refinitiv	IRESS	CQG
	SGX-NZX	SGX-NZX	SGX-NZX	SGX-NZX	SGX-NZX
Global Whole Milk Powder Futures	OMRA Comdty	F:WMP\MY	0#SWMP:	WMP	F.US.WMP
Global Whole Milk Powder Options	OMRZ1C 1 Comdty	O:WMP\MY\STRIKE	0#SWMP+	WMP (Call and Put) e.g., WMP-28Jan26C-3400	C/P.US.WMP
Global Skim Milk Powder Futures	LMAA Comdty	F:SMP\MY	0#SSMP:	SMP	F.US.NSM
Global Skim Milk Powder Options	LMAZ1C 1 Comdty	O:SMP\MY\STRIKE	0#SSMP+	SMP (Call and Put)	C/P.US.NSM
Global Butter Futures	KTDA Comdty	F:BTR\MY	0#SBTR:	BTR	F.US.BTR
Global Anhydrous Milk Fat Futures	OMAA Comdty	F:AMF\MY	0#SAMF:	AMF	F.US.AMF
NZ Milk Price Futures	KKPA Comdty	F:MKP\MY	0#SMKP:	MKP	F.US.MKP
NZ Milk Price Options	KKPU2C 1 Comdty	O:MKP\MY\STRIKE	0#SMKP+	MKP (Call and Put)	C/P.US.MKP



Market Settings

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Order Entry Types & MVTs

SGX trading rules allow for two types of order entry:

1. On-Screen orders and;
2. NLT (Block) trades registration
3. Exchange for Physical (EFP) / Exchange for Swap (EFS) registration

Under SGX [Rules](#) pre-negotiated trades are conducted via NLT. Therefore, NZX's current option to pre-negotiate and 'cross' orders on screen within the minimum time period of 15 seconds will be required to be entered as an 'off screen' NLT.

Minimum thresholds for NLT trades can be found below. Note fees for NLT will be waived for the first six months, till end of May 22.

Note there are no minimum volume thresholds for Exchange or Physical (EFP) and Exchange for Swap (EFS) trades

NLT (Block) Minimum Threshold

Contract	NLT Minimum Threshold
Whole Milk Powder (WMP), Skim Milk Powder (SMP) Futures	100 lots
Whole Milk Powder (WMP), Skim Milk Powder (SMP) Options	10 lots
Anhydrous Milk Fat (AMF), Butter (BTR) Futures	50 lots
NZ Milk Price (MKP) Futures	15 lots
NZ Milk Price MKP Options	5 lots

Calendar Spreads & Strips

Calendar spread combinations

Under the SGX partnership the following calendar spread combinations will be available at implementation:

Gaps between months*:

1-2, 1-3, 1-4, 1-5, 1-6, 1-7

2-3, 2-4, 2-5, 2-6, 2-7

3-4, 3-5, 3-6, 3-7

4-5, 4-6, 4-7

5-6, 5-7

6-7

**Starting from the beginning of the calendar year e.g. 1 = January, 2 = February*

Options Settings

Options strikes listed

Dairy ingredients

- +/-8 strikes on either side of yesterday's DSP at USD\$25, rounded to intervals of USD\$25 will be available – effectively covering USD\$200 on both sides

NZ Milk Price

- +/-8 strikes on either side of yesterday's DSP at NZD\$0.05, rounded to intervals of NZD\$0.05 will be available – effectively covering NZD\$0.40 on both sides

Strikes that are listed automatically will stay listed (accumulate over time) and the system will update daily as the underlying daily settlement prices (DSP) for futures changes.

Requests to create a new strike price for an options product, will generally be completed within the current trading session if the request is submitted at least one hour before the close of the trading session.

Options exercise style

American Exercise Style

Ingredients Options (Whole Milk Powder (WMP) and Skim Milk Powder (SMP)) will remain as American exercise style

European Exercise Style

NZ Milk Price (MKP) Options contracts will shift from American to European exercise style as of the first day of the partnership. Existing open interest will transfer to the new exercise style, following consultation with market participants

Trading hours

The market's trading hours will take place between 7.25am – 6.00pm SGT, effectively closing before midnight during New Zealand Standard (NZST) and Daylight Savings (NZDT) time.

Session state	Description	SGT	NZST	NZDT
Order_Cxl (for Options only)	This is a non-matching phase where cancellation of GTD and GTC orders will be allowed. Order entry and modification are not allowed.	7.10am (Options)	11.10am (Options)	12.10pm (Options)
Pre_Open	This is a non-matching phase where orders actions such as order entry on a FIFO basis, modification and cancellation will be allowed. The allowed order types are Limit, Market, Market-to-Limit and Session State Orders (SSO). The validity of the orders placed could be Day, GTD, GTC and Fill-And-Kill (FAK). Equilibrium prices will be calculated and disseminated throughout this opening auction.	7.10am (Futures)	11.10am (Futures)	12.10pm (Futures)
Non_Cxl	This is a non-matching phase where order entry for Limit, Market, Market-to-Limit and Session State Order (SSO) order types are allowed. The validity of the orders placed could be Day, GTD, GTC and Fill-And-Kill (FAK). Modification and Cancellation of orders are not allowed	7.23am (Futures)	11.23am (Futures)	12.23pm (Futures)
Open / Open_M / Open_MP	<p>Open & Open_M This is a matching phase and all 'match able' orders will be matched on a FIFO basis. Orders actions such as order entry on a FIFO basis, modification and cancellation are allowed. The acceptable order types are Limit, Market-to-Limit (MTL), Market, Stop Order and Session State Order (SSO). The validity of the orders placed could be Day, GTD, GTC, Fill-Or-Kill (FOK) and Fill-And-Kill (FAK). Mass quotes are allowed for session state OPEN_M.</p> <p>Open_MP This is a matching phase and all 'match able' orders will be matched based on the Price-point-maker and Pro-Rata allocation algorithm. Orders actions such as order entry, modification and cancellation are allowed. The acceptable order types are Limit, Market-to-Limit (MTL), Market, Stop Order and Session State Order (SSO). The validity of the orders placed could be Day, GTD, GTC, Fill-Or-Kill (FOK) and Fill-And-Kill (FAK).</p>	7.25am (Futures) / 7:25am (Options)	11.25am (Futures) / 11.25am (Options)	12.25pm (Futures) / 12.25pm (Options)

Trading hours

The market's trading hours will take place between 7.25am – 6.00pm SGT, effectively closing before midnight during New Zealand Standard (NZST) and Daylight Savings (NZDT) time.

Session state	Description	SGT	NZST	NZDT
Pre_Close	This is a non-matching phase where orders actions such as order entry on a FIFO basis, modification and cancellation will be allowed. Only Limit, Market, Market-to-Limit and Session State Order (SSO) may be placed during this state. The validity of the orders placed could be Day, GTD, GTC and Fill-and-Kill. Stop orders will remain active during the pre-close session state but cannot be triggered by changes to bid, ask or last. Equilibrium prices will be calculated and disseminated throughout this closing auction.	5.55pm (Futures)	9.55pm (Futures)	10.55pm (Futures)
Non-Cxl	As above, this is a non-matching phase where order entry for Limit, Market, Market-to-Limit and Session State Order (SSO) order types are allowed. The validity of the orders placed could be Day, GTD, GTC and Fill-And-Kill (FAK). Modification and Cancellation of orders are not allowed	5.59pm (Futures)	9.59pm (Futures)	10.59pm (Futures)
Surveillance Intervention (Surv-Int)	This session signifies the end of the trading session. Orders can still be cancelled by the users during this state.	6.00pm (Futures) / 6:00pm (Options)	10.00pm (Futures) / 10.00pm (Options)	11.00pm (Futures) / 11.00pm (Options)
Remove Day Orders	Day orders that still reside in the order book after T+1 trading will be purged during this session. For products with T-only session state, Day orders are also removed after T trading (before the next trading day)	6:04pm (Futures) / 6:49pm (Options)	10.04pm (Futures) / 10.49pm (Options)	11.04pm (Futures) / 11.49pm (Options)

Market Holidays

Global Dairy Ingredients & NZ Milk Price (NZ National Holidays)

2021-2022 Dates	Description	Status
1 January or first business day of the year (3 January)	New Year's Day	Closed
2 January or second business day of the year (4 January)	Day after New Year's Day	Closed
6 February or following Monday (7 February)	Waitangi Day	Closed
15 April*	Good Friday	Closed
18 April*	Easter Monday	Closed
25 April or following Monday	Anzac Day	Closed
6 June or following Monday	Queen's Birthday	Closed
24 June*	Matariki	Closed
The fourth Monday in October (24 October)	Labour Day	Closed
25 December or first business day (27 December)	Christmas Day	Closed
26 December or first business day	Boxing Day	Closed

**Dates determined each year*



Fees

Under the SGX partnership, fees generally follow a like for like basis with NZX's current trading and clearing fee schedules.

Trading, Clearing, Settlement Fees

Dairy Ingredients

Fee Type & Code	Current fee currency	Current fee amount (fees per lot per side)	NZX-SGX fee currency	NZX-SGX fee amount (fees per lot per side)
Transaction, Clearing & Reporting fees				
Futures Trade Fee [WMP001, SMP001, AMF001, BTR001] + Futures Clearing Fee [CHO406 / CHO436 / CHO437 / CHO520]	USD	\$0.74 (\$0.28 + \$0.46)	USD	\$0.75
Options Trade Fee [ODF001, ODF101] + Options Clearing Fee [CHO495, CHO496]	USD	\$0.74 (\$0.28 + \$0.46)	USD	\$0.75
Block Trade Surcharge [WMP002, SMP002, AMF002, BTR002, ODF002, ODF102]*	USD	\$0.75	USD	\$0.50
EFP (Exchange for Physical) / EFS (Exchange for Swap) Surcharge [WMP003, WMP004, SMP003, SMP004, AMF003, AMF004, BTR003, BTR004]	USD	\$0.75	USD	\$0.75
Settlement & Exercise				
Futures Settlement Fee [CHO411]	USD	\$0.46	USD	\$0.46
Option exercise/assignment [CHO449]	USD	\$1.00		\$1.00.

*Waived for first 6 months

Trading, Clearing, Settlement Fees

NZ Milk Price

Billing for NZX Milk Price contracts which are currently charged in New Zealand dollars, are required to be denominated in US dollars under SGX's fee schedule and therefore have been converted to reflect this below

Fee Type & Code	Current fee currency	Current fee amount (per lot per side)	NZX- SGX fee currency	NZX-SGX fee amount (per lot per side)
Transaction, Clearing & Reporting fees				
Futures Trade Fee [MPF001] + Futures Clearing Fee [CHO606]	NZD	\$5.00 (\$2.00 + \$3.00)	USD	\$3.50
Options Trade Fee [MPO001] + Options Clearing Fee [CHO605]	NZD	\$5.00 (\$2.00 + \$3.00)	USD	\$3.50
Block Trade Surcharge [MPF002, MPO002]*	NZD	\$5.00	USD	\$2.30
EFP (Exchange for Physical) / EFS (Exchange for Swap) Surcharge [MPF003, MPF004]	NZD	\$5.00	USD	\$3.50
Settlement & Exercise				
Futures settlement fee [CHO611]	NZD	\$3.00	USD	\$2.10
Option exercise/assignment [CHO649]	NZD	\$1.40	USD	\$1.00

*Waived for first 6 months