

**MANILA FUTURES EXCHANGE PLANS NEW CONTRACTS.**By **Chaitanya Kalbag**

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MANILA, Oct 14 - The Manila International Futures Exchange Inc (MIFE) hopes to start trading coconut oil, copra and coffee contracts later this month to enhance its sugar and soybean trading base, the president of the company which manages the exchange, Uisdein McInnes, said in an interview.

He said he hopes permission for the new contracts would be granted by the Securities and Exchange Commission (SEC) before the exchange celebrates its first anniversary on October 20.

The MIFE averages 1,100 contracts worth 200 million pesos daily but needs more than two contracts, he added.

MIFE figures show 127,326 lots of sugar worth 21.6 billion pesos and 100,532 lots of soybeans worth 13 billion pesos were traded between October 20, 1986 and October 12, 1987.

McInnes said the MIFE, which has 18 brokers with two applications pending, hopes to branch out into minerals and currency and trade gold, copper and peso/dollar futures.

The coconut oil and copra futures contracts specify 20 tonne lots, with a quality allowance of plus five pct or minus 10 pct FOB-basis at 14 designated Philippine ports.

Prices will be quoted in Philippine pesos and centavos with a minimum fluctuation of 20 centavos per kg.

The coffee futures contracts specify 2.5 tonne lots with a quality allowance of around three pct. Prices will be quoted with a minimum fluctuation of one centavo per kg.

Trading will be conducted for deliveries in every month of the calendar year up to six trading months ahead. There will be four trading sessions daily from Monday to Friday, with each commodity traded in separate sessions every 15 minutes.

McInnes said MIFE wanted a major Philippine bank to take control of its clearing house. MIFE now owns 40 pct of the capital, unidentified Hong Kong traders 30 pct and McInnes's firm, Moncom Management Services Inc, owns the remainder.

"The futures market will provide a hedging facility that is not available to producers, traders and millers at the moment," McInnes said. "They have of necessity concentrated solely on the physical market. Futures trading earlier tended towards speculation and did not include legitimate hedging."

He said the SEC may ban overseas futures trading but foreign exchange controls already inhibit people from investing abroad.

Only two Manila brokers are permitted to trade overseas but the SEC is considering taking away their authority and not issuing new licences, he added.

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