Circular no.: MCX/S&I/336/2020 May 11, 2020

Advisory - COVID-19 pandemic

In terms of provisions of the Rules, Bye-laws and Business Rules of the Exchange, the Members of the Exchange are hereby notified as under:

In the recent past, commodities markets have been witnessing increased volatility owing to concerns relating to COVID-19 pandemic and the resultant fear of economic slowdown. The Exchange continues to ensure orderly functioning of markets during the pandemic.

In view of the increased volatility, Members are hereby advised that they should continuously satisfy themselves about the genuineness and financial soundness of their clients and their investment objectives to deal in commodities and/or to deal in derivative contracts. Market participants are also encouraged to keep track of the underlying physical as well as international commodity markets.

In the light of the risks involved, market participants are advised to undertake transactions after understanding the nature of the contractual relationship into which they are entering and the extent of its exposure to risk.

Members are advised to exercise caution and conduct necessary due diligence in their dealings with their authorized persons and clients. Members and clients are further advised to follow sound risk management practices and not to be carried away by unfounded rumors, tips etc. Further, Members may put in place appropriate systems and procedures towards ensuring orderly trading, delivery and settlement.

Members and their constituents are requested to take note of the above.

Armaan Gaus
Asst. Vice President

Kindly contact Customer Support on 022 - 6649 4040 or send an email at customersupport@mcxindia.com for further clarification.