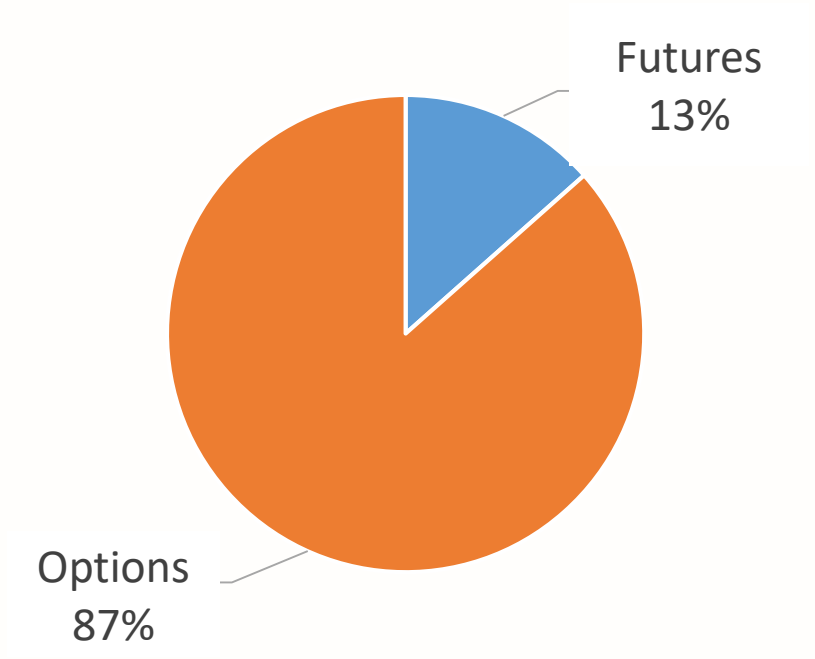
MCX
METAL & ENERGY
Trade with Trust



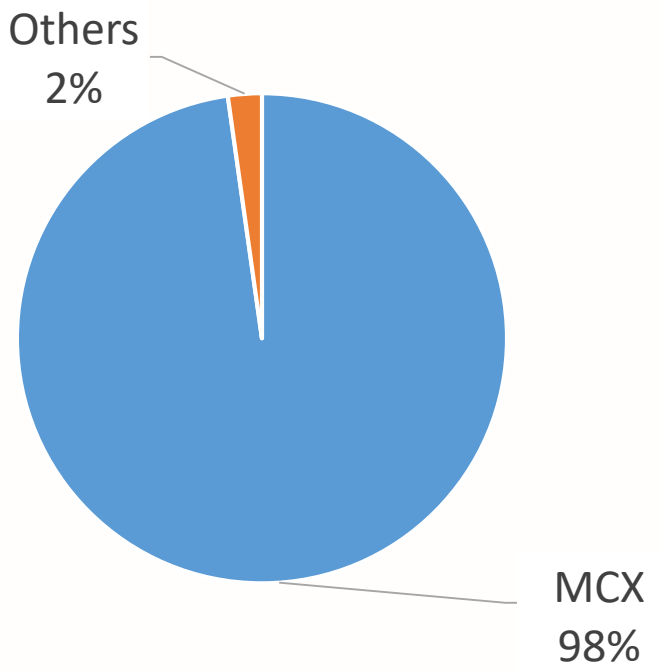
FPI Participation in Indian Commodity Derivatives Market

COMMODITY DERIVATIVES MARKET IN INDIA

Commodity Derivatives Market In India
FY 2024-25*



- In FY 2024-25* – Indian Commodity Market ADT was $25.4 Billion
- ADT Futures & Options - $3.3 and 22.1 Billion respectively

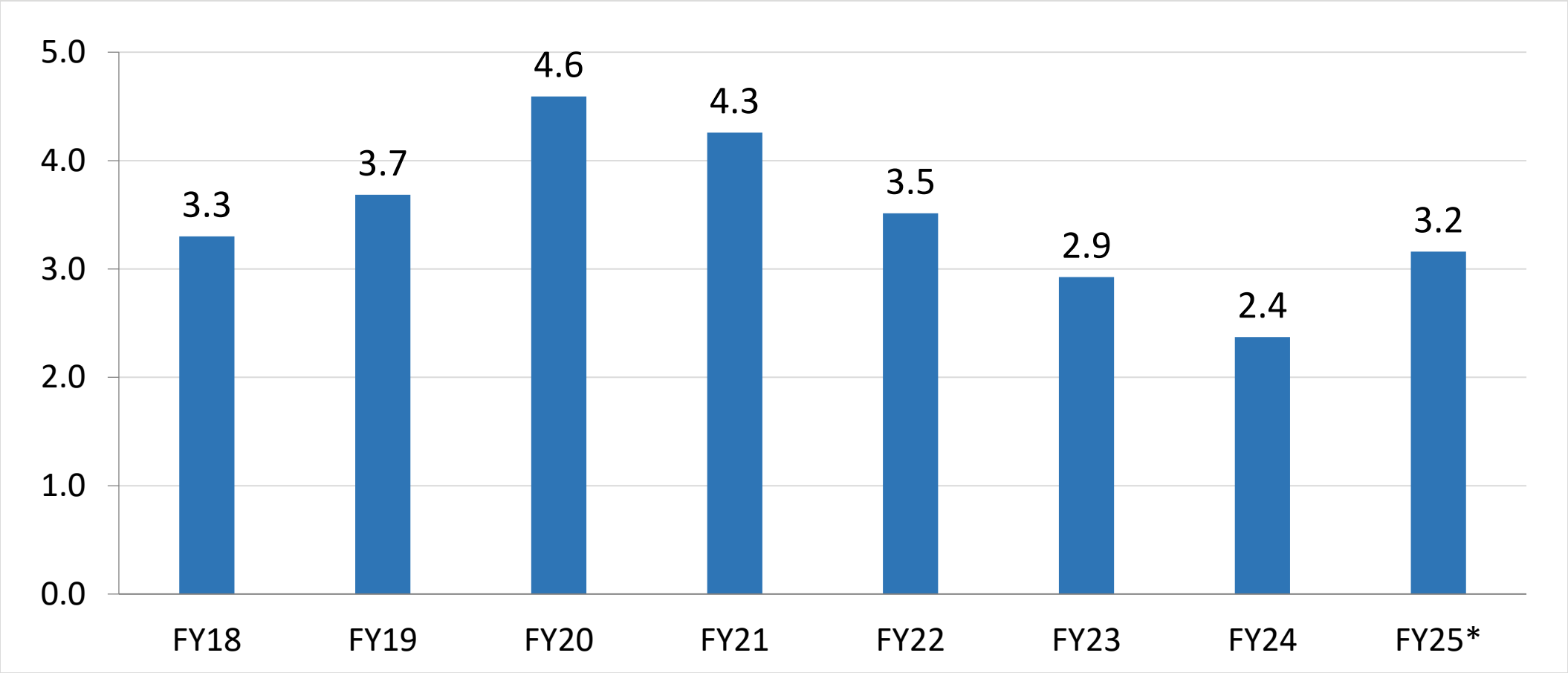


- In FY 2024-25* – MCX ADT was $24.8 Billion
- ADT Futures & Options was - $3.2 and 21.6 Billion respectively

Source: Calculated from SEBI Dec 2024 monthly report.; *Data for Apr-Dec 2024
ADT – Average Daily Turnover

GROWTH IN MCX FUTURES SEGMENT

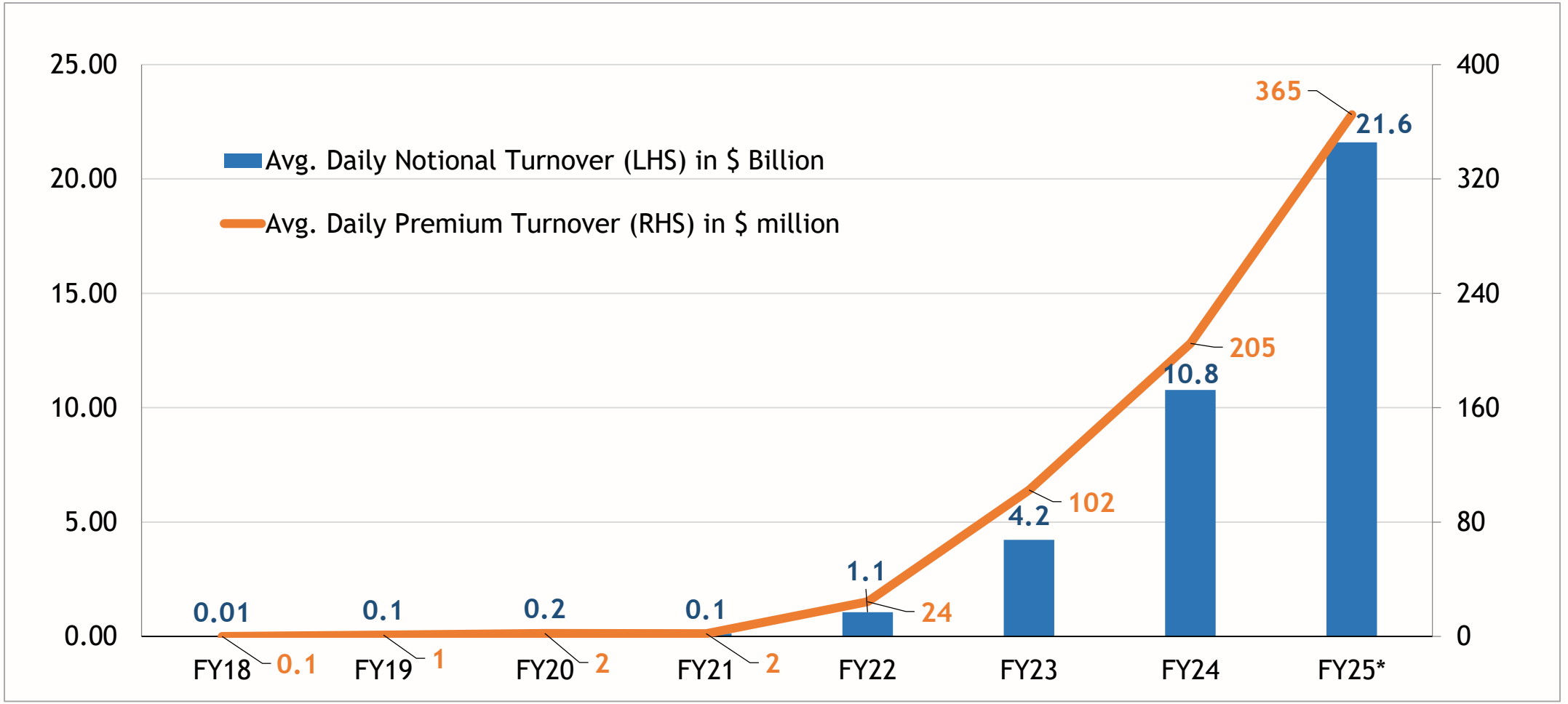
MCX ADT in Futures Over Years (in USD Billion)



*April 2024 to December 2024
Source: SEBI, MCX, RBI
ADT – Average Daily Turnover

GROWTH IN MCX OPTIONS SEGMENT

Growth of MCX ADT in Options and Premium Turnover

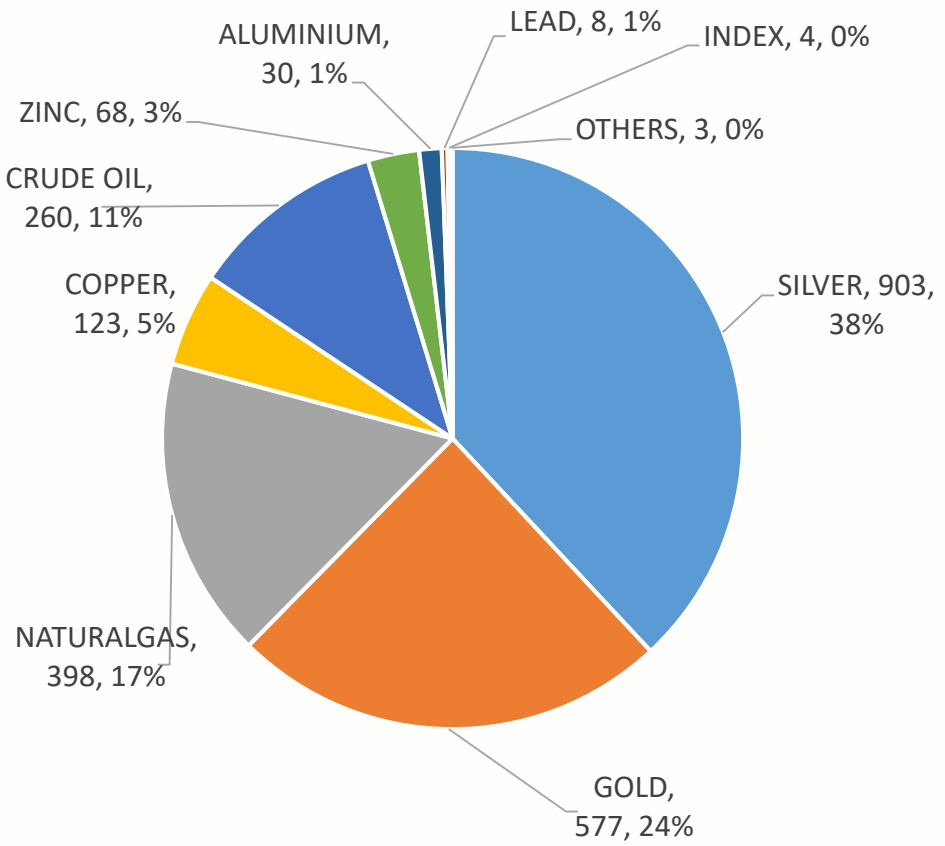


*April 2024 to December 2024
Source: SEBI, MCX, RBI
ADT – Average Daily Turnover

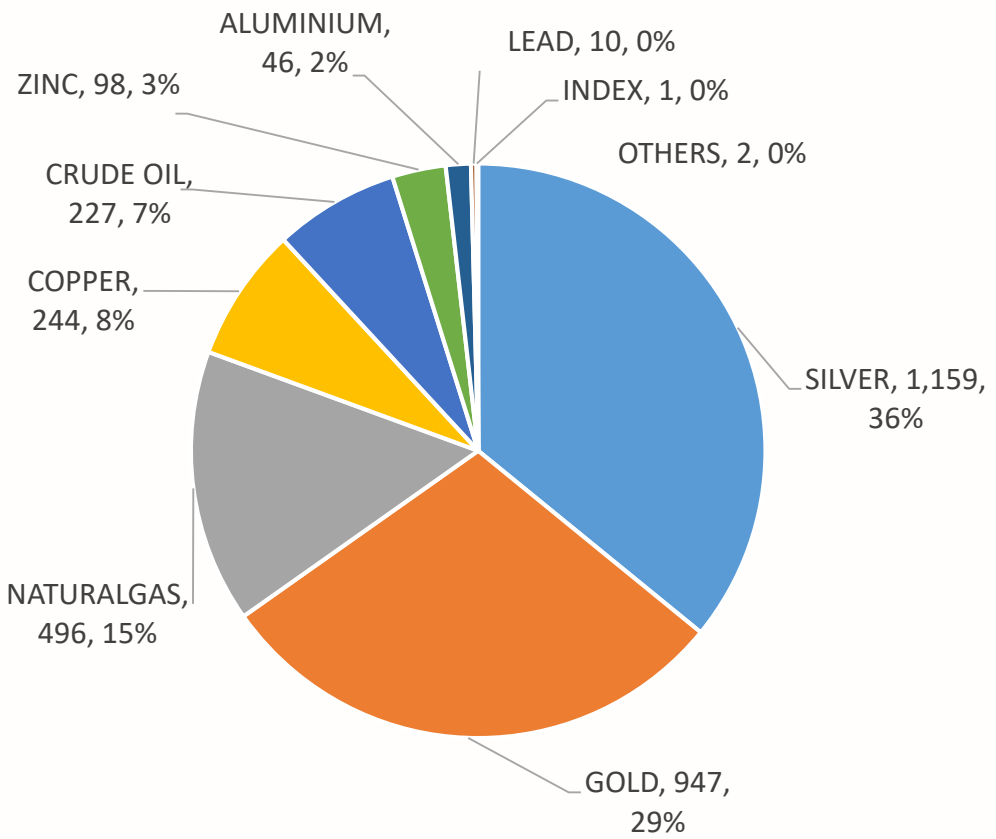
COMMODITY WISE BREAKUP OF TURNOVER ON MCX – FUTURES SEGMENT

MCX METAL & ENERGY Trade with Trust

Futures Segment: Commodity Wise T/O Share on MCX FY 2023-24



Futures Segment: Commodity Wise T/O Share on MCX FY 2024-25*

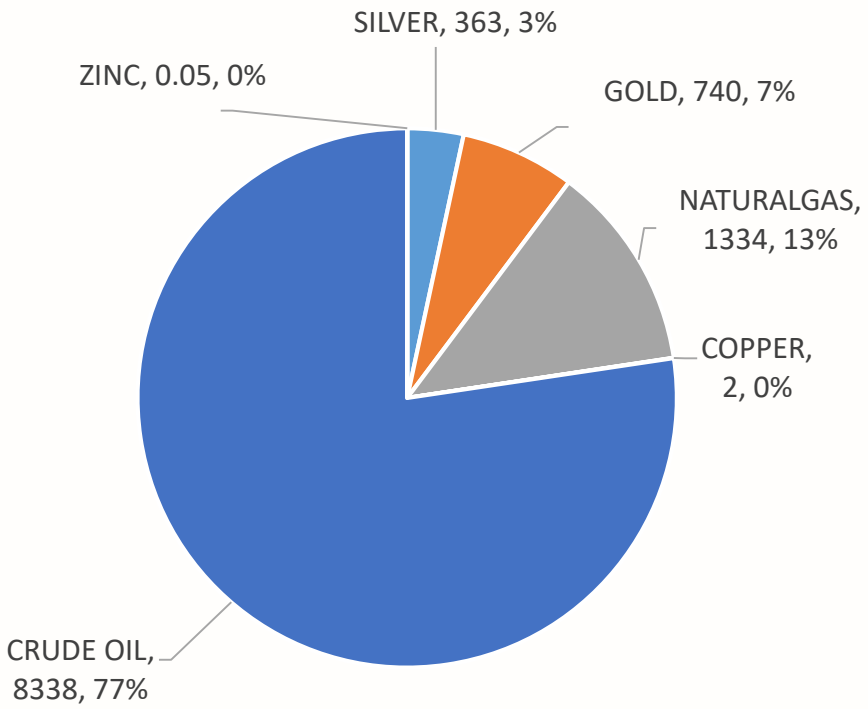


- MCX commodity wise ADT share in Futures segment in USD Million and in %
- In FY 2024-25*, Energy Futures Contributed to 22% T/O on MCX

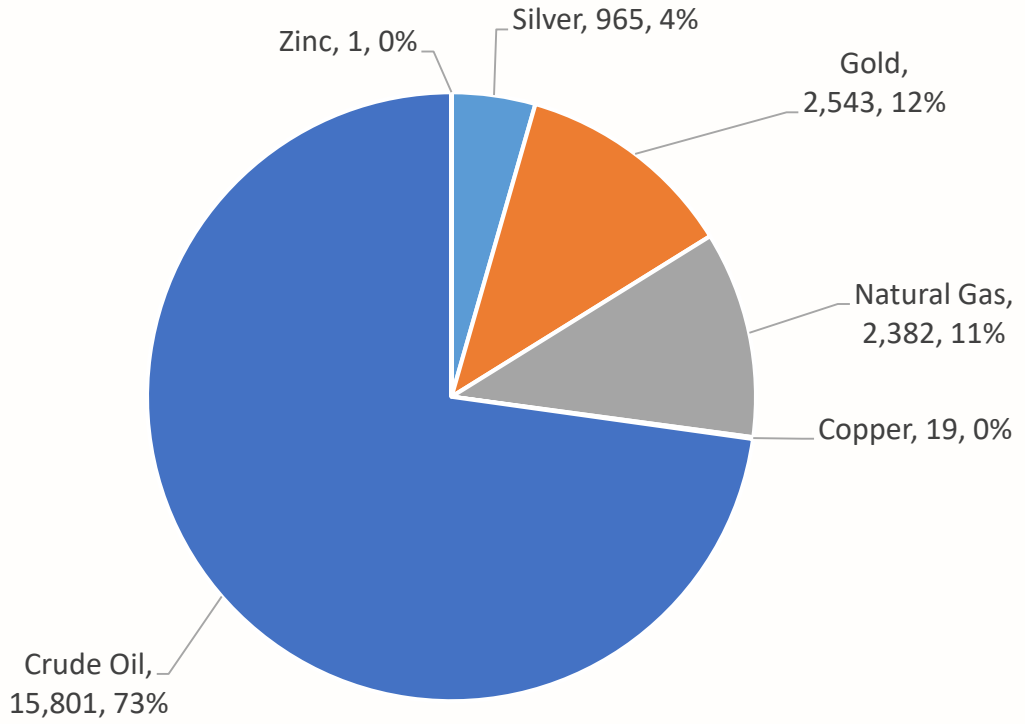
*April 2024 to Dec 2024
Source: MCX & RBI
T/O – Turnover; ADT – Average Daily Turnover,
Others include agri commodities

COMMODITY WISE BREAKUP OF TURNOVER ON MCX – OPTIONS SEGMENT

Options Segment: Commodity Wise T/O Share on MCX FY 2023-24



Options Segment: Commodity Wise T/O Share on MCX FY 2024-25*

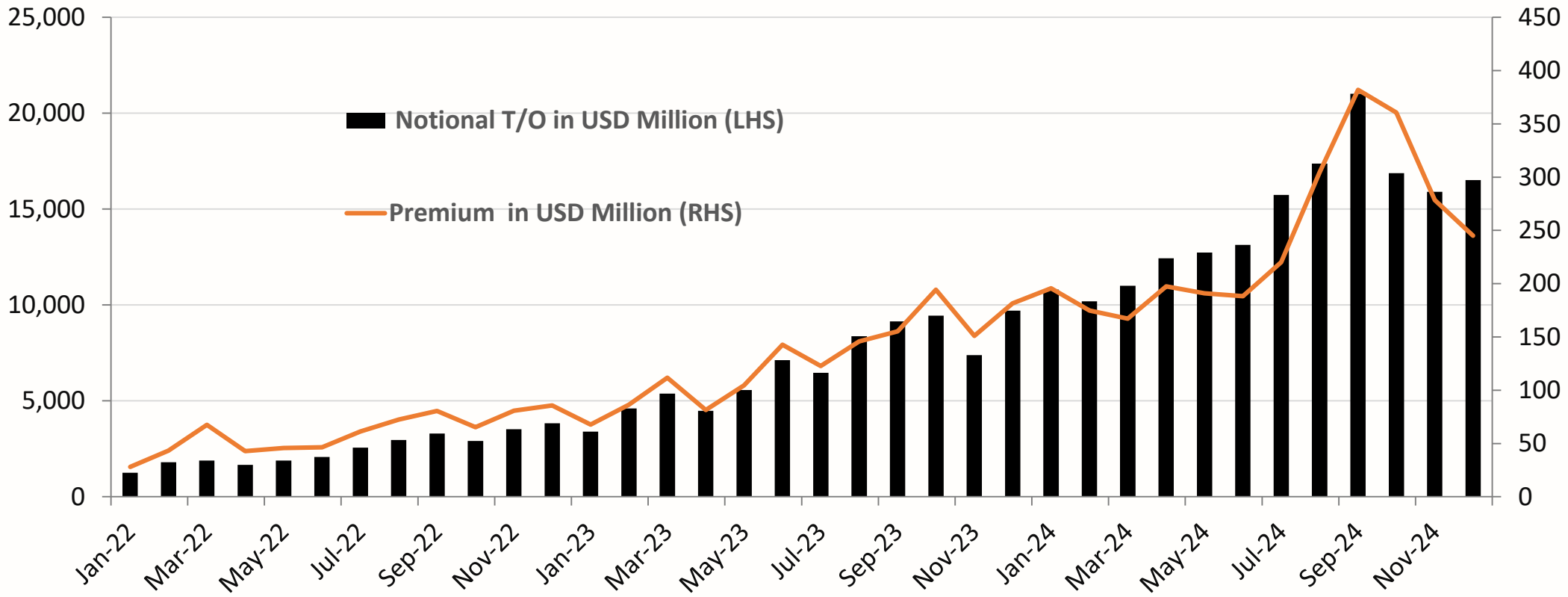


- MCX commodity wise ADT share in Options segment in USD Million and in %
- In FY 2024-25*, Energy Options Contributed to 84% T/O on MCX

*April 2024 to December 2024
Source: MCX & RBI
T/O – Turnover; ADT – Average Daily Turnover

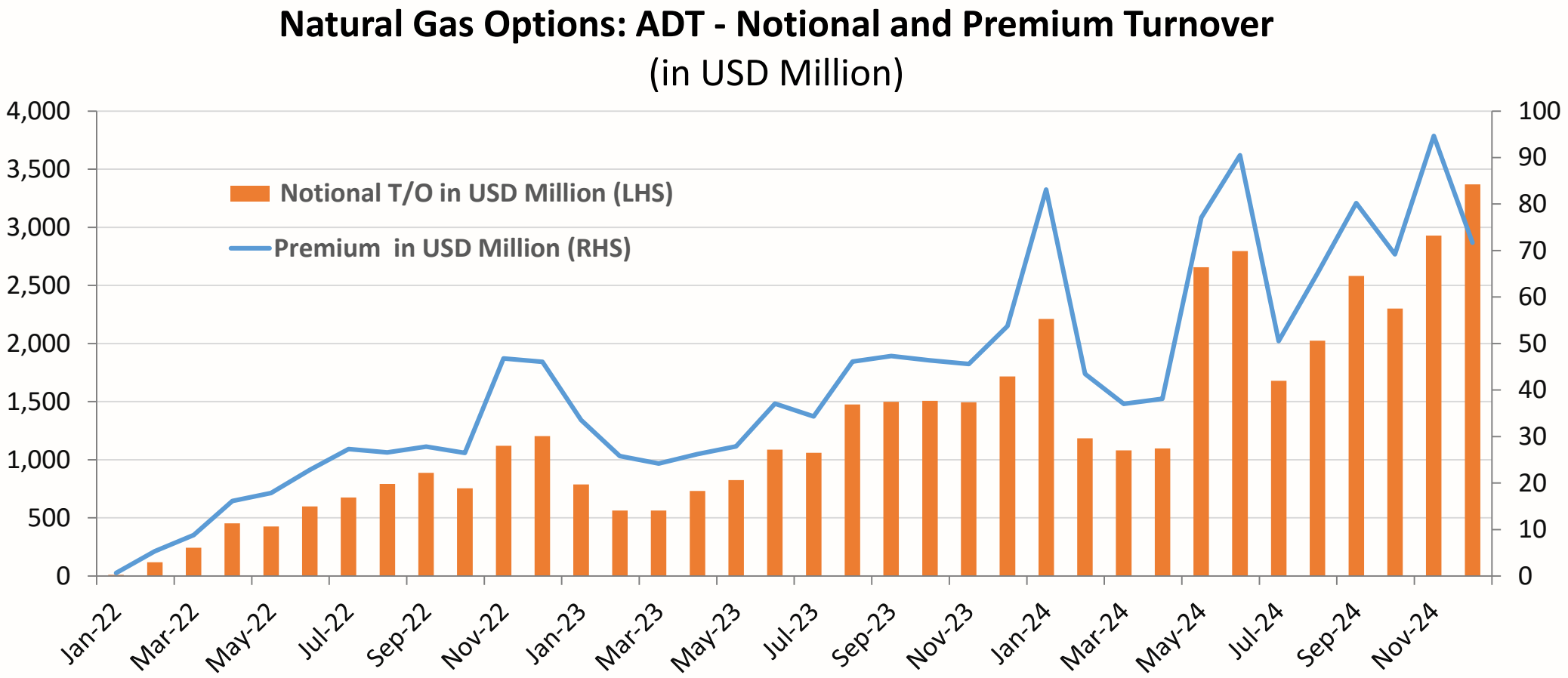
GROWTH IN MCX CRUDE OIL OPTIONS

Crude Oil Options: ADT - Notional and Premium Turnover (in USD Million)



Source: MCX, RBI
ADT – Average Daily Turnover
T/O - Turnover

GROWTH IN MCX NATURAL GAS OPTIONS



Source: MCX, RBI
ADT – Average Daily Turnover
T/O - Turnover

PRODUCT SUITE OF MCX

MCX METAL & ENERGY Trade with Trust

Bullion



- **Futures**
- Gold (1 kg., 100 gram, 8 gram & 1 gram)
- Silver (30 kg, 5 kg & 1 kg)
- **Options:**
- Gold 1 Kg, Gold 100 gram, Silver 30 Kg & 5 KG

Metals



- **Futures**
- Aluminium (5 & 1 MT)
- Copper (2.5)
- Lead (5 & 1MT)
- Nickel (1.5 MT)
- Zinc (5 & 1 MT)
- Steel Rebar (5MT)
- **Options:**
- Copper and Zinc (5 MT)

Energy



- **Futures**
- Crude Oil (100 & 10 barrels)*
- Natural Gas (1250 & 250 mmBtu)*
- **Options:**
- Crude Oil (100 & 10 bbls)*
- Natural Gas (1250 & 250 mmBtu)*

Agriculture



- **Futures**
- Cotton (25 bales, each bale of 170 kg approx.)
- Kapas (4MT)*
- Mentha Oil (360 kgs.)
- Cotton Wash Oil (5MT)*

*Cash settled

All other contracts are compulsory deliver contracts

MCX has also launched futures trading in Bullion Index (BULLDEX)* & Base Metals Index (METLDEX)*

SEBI CLEARS FPI PARTICIPATION IN ETCD MARKET

- FPIs are allowed to participate in Indian Exchange Traded Commodity Derivatives (ETCDs), subject to certain risk management measures;
- Participation through FPI route with or without actual exposure to Indian physical commodities;
- To begin with FPIs are allowed to trade only in following non-agricultural cash settled contracts;
    - WTI Crude Oil Futures and Options
    - Natural Gas Futures and Options
- Trading via Direct Market Access (DMA) is available

FPIS TURNOVER ON MCX IN $MILLION

Month/Year	Crude Oil Futures	Crude Oil Options	Natural Gas Futures	Natural Gas Options	Total
2023^	**8.0**	**157.4**	**24.7**	**48.3**	**238.4**
Jan-24	3.4	185.2	11.9	16.2	216.6
Feb-24	5.2	180.7	13.2	15.5	214.6
Mar-24	10.1	288.0	19.5	16.0	333.6
Apr-24	21.5	333.8	21.5	26.3	403.2
May-24	19.1	352.1	20.1	52.7	444.0
Jun-24	11.0	443.2	21.7	63.9	539.9
Aug-24	20.5	735.0	13.3	54.4	823.2
Sep-24	23.2	822.5	25.1	77.6	948.5
Oct-24	25.2	1,068.3	18.7	81.5	1,193.7
Nov-24	22.1	1,205.1	21.2	99.1	1,347.4
Dec-24	27.2	1,177.6	30.0	167.6	1,402.3

Notional turnover in USD Million
^Data from Apr 21, 2023, till Dec 31, 2023
Source: MCX

POSITION LIMITS FOR FPI*^

Commodity	Contract Size	Quotation	Client level limit (CLL) for FPIs*^	~Dec 2024 Price (Rs)	Max OI Value (Close price X CLL) in USD million	Total Margin (Approx.)	Max Margin Requirement in USD million (Max OI Value X Margin)	Other FPIs (individuals, family offices and corporate bodies)
Crude Oil Futures	100 barrels/ 10 barrels	barrels^	4,80,000	5,700	33.0	34.25%	11.3	20% of client limit
Crude Oil Options$	100 barrels/ 10 barrels	barrels^	9,60,000	5,700	65.9	34.25%	22.6	20% of client limit
Natural Gas Futures	1,250 & 250 MMBtu	MMBtu^	60,00,000	240	17.3	24.00%	4.2	20% of client limit
Natural Gas Options$	1,250 & 250 MMBtu	MMBtu^	1,20,00,000	240	34.7	24.00%	8.3	20% of client limit

* For Cat 2 FPI (individuals, family offices and corporate bodies), 20% of the limit will be applicable, refer SEBI circular no SEBI/HO/MRD/MRD-RAC-1/P/CIR/2022/131 dated Sep 29, 2022

^ Above given limit Or 5% of the market wide open position, whichever is higher

$ Options on futures expires two business days prior to the expiry day of the underlying Futures Contract. Upon expiry of the Options Contract, after devolvement of Options position into corresponding Futures positions, open positions may exceed. If the OI on devolvement exceeds permissible limits, it needs to be bought within permissible limits in an orderly manner before the expiry of the futures contract

Margins are considered for near month contracts, in far dated illiquid contracts margins can be higher

USDINR 83.00

CONTRACT SPECIFICATIONS - FUTURES

Parameters	Crude Oil	Crude Oil Mini	Natural Gas	Natural Gas Mini
Trading Unit	100 Barrels	10 Barrels	1,250 mmBtu	250 mmBtu
Price Quotation	Rs./bbl		Rs./MMBtu	
Tick Size	Re. 1		10 paise	
Price Movement per Tick (in Rs.)	100	10	125	25
Initial Margin (in %)	Minimum 10% or based on SPAN whichever is higher			
Extreme Loss Margin	Minimum 1-%			
Open Interest Limit – Client*	4,80,000 barrels or 5% of the market wide open position, whichever is higher		60,00,000 mmBtu Or 5% of the market wide open position, whichever is higher	
Due Date Rate	(NYMEX)# Crude Oil (CL) X RBI Ref Rate		(NYMEX)# Natural Gas (NG) X RBI Ref Rate	

*For FPIs falling under the category of individuals, family offices and corporate, OI limits are 20% of the above

OPTIONS ON ENERGY FUTURES – CRUDE OIL & NATURAL GAS

OPTIONS ON CRUDE OIL FUTURES

EXPIRY DAY	2 business days prior to the Expiry day of the underlying
UNDERLYING PRICE QUOTE	Ex-Mumbai (excl. all taxes & levies)
EXERCISE STYLE	European Style options
STRIKE PRICE	25 each for ITM & OTM & 1 for Near the money
STRIKE INTERVAL	50
TICK SIZE	0.1
DAILY PRICE LIMIT	The upper & lower price band as determined based on Black76 model, relaxed considering the movement in the underlying
INITIAL MARGINS + ELM	• Upfront Premium blocked for the buyer • The Short Option Minimum Margin (SOMM) and Margin Period of Risk (MPOR) shall be in accordance with SEBI Circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/15 dated January 27, 2020. For applicable SOMM and MPOR refer latest circulars issued by MCXCCL from time to time. • Extreme Loss Margin – Minimum 1% (to be levied only on short option positions)
POSITION LIMITS*	Client: 9,60,000 barrels or 5% of the market wide open position, whichever is higher for all Crude Oil Options contracts combined
DAILY SETTLEMENT	• Options Premium settlement on T+1 day basis
SETTLEMENT	On exercise, Options positions devolve into underlying Futures position • long call position & short put position devolve into long position in the underlying futures contract • long put position & short call position devolve into short position in the underlying futures contract

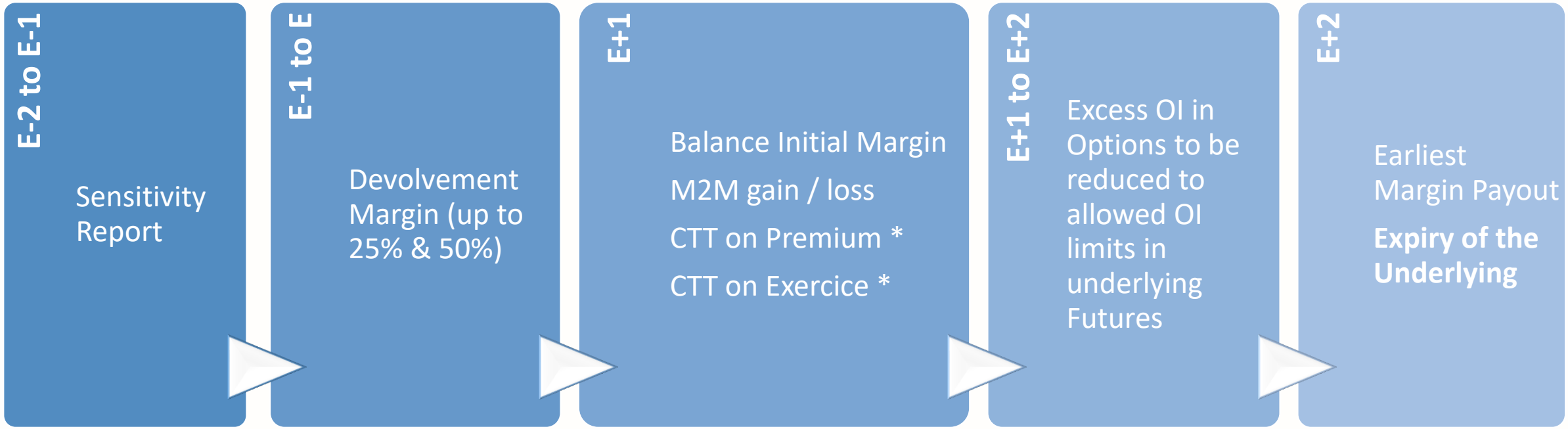
*For FPIs falling under the category of individuals, family offices and corporate, OI limits are 20% of the above

OPTIONS ON NATURAL GAS FUTURES

EXPIRY DAY	2 business days prior to the Expiry day of the underlying
UNDERLYING PRICE QUOTE	Ex-Mumbai (excl. all taxes & levies)
EXERCISE STYLE	European Style options
STRIKE PRICE	15 each for ITM & OTM & 1 for Near the month
STRIKE INTERVAL	Rs 5
TICK SIZE	Rs. 0.05
DAILY PRICE LIMIT	The upper & lower price band as determined based on Black76 model, relaxed considering the movement in the underlying
INITIAL MARGINS + ELM	• Upfront Premium blocked for the buyer • Short Option Minimum Margin – 10% (or such other margin as prescribed by MCXCCL based on risk framework) + Extreme Loss Margin – Minimum 1% (or such other margin as prescribed by MCXCCL based on risk framework)
POSITION LIMITS*	120,00,000 MMBtu or 5% of the market wide open position, whichever is higher for all Natural Gas Options Contracts combined together
DAILY SETTLEMENT	• Options Premium settlement on T+1 day basis • MTM on Options positions to be adjusted with margin requirement. **MTM gains and losses would not be settled in cash**
SETTLEMENT	On exercise, Options positions devolve into underlying Futures position • long call position & short put position devolve into long position in the underlying futures contract • long put position & short call position devolve into short position in the underlying futures contract

*For FPIs falling under the category of individuals, family offices and corporate, OI limits are 20% of the above

OPTIONS DEVOLVEMENT
(EXPIRY (E) & DEVOLVEMENT TO FUTURES – E+1)



*	CTT on Premium (sellers of call / puts)	0.05%
	CTT on Exercise (buyers of call / puts) – applied on notional value of futures contracts	0.0001%

WAYS FOR PARTICIPATION ON MCX

1. FPI route – FPI registration in Category 1, Category 2A, 2B
2. Register a local establishment and / or

   (A) take up membership of MCX

   - Trading Membership
   - Trading cum Clearing Membership
   - Institutional Trading cum Clearing Membership

   (B) trade as a client with another broker

MEMBERSHIP REQUIREMENTS AT MCX

		USD
A	Paidup Capital	36,000
B	Networth	
	• TM	1,20,000
	• TCM	6,00,000
	•ITCM	18,00,000
C	Base Minimum Capital	
	• With Algo	60,000
	• Without Algo	12,000
D	Admission Fee (Non Refundable)	
	• TM	9,000
	• TCM	12,000
	• ITCM	30,000

Timelines – 3/4 months approximately

THANK YOU

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