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MCX removes vault charges on gold guinea

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Enthused by the response from retailers and traders, MCX has withdrawn vaulting charges for its gold guinea, which is a mini contract that can be traded in eight gram units.

The vaulting and storage charges would not be levied till December 31, sources said.

MCX gold guinea contracts for July and August, launched on May 8, have an open interest position of 25 kg, which has nearly doubled in the last 10 days, sources said. The average daily volume is 100-120 kg.

"The buyer-friendly contracts may attract more retail participants including individual buyers and small traders after the vaulting charge is removed," an analyst said.

The participants are expected to benefit from the nil vaulting and storage charges, besides low premium against the banks' 10-15 per cent, he said.

MCX has delivery centres at Ahmedabad, New Delhi, Mumbai, Hyderabad, Bangalore, Chennai and Kolkata.