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# MCX introduces futures trading for 12 items

**MUMBAI:** The Multi-Commodity Exchange of India (MCX) has introduced the exchange of futures for physicals (EFP) transactions in 12 commodities from Tuesday, the bourse said in a release. An EFP transaction is one where two parties who have agreed to a physical transaction at a future date then enter into a similar transaction in futures on the bourse. The facility minimises the risk of default as the exchange imposes penalties in case of a default in a futures trade, while the physical trade offers no such recourse.

"This process will help traders who have already entered into an agreement for physical trade to take position on futures platform for transparent pricing mechanism," said Sumesh Parasrampuria, the chief business officer of MCX.