Hindu Business Line, 2 December 2009

MCX unveils futures for physical deals

Dow Jones

Mumbai, Dec. 1

Multi Commodity Exchange, the country's largest commodity bourse by trade value, said on Tuesday it has launched an exchange of futures for physical transaction facility. EFP is a way to use the futures market to reduce price risk on physical sales and purchases. Under EFP, a trader buys a commodity in the physical market and sells the futures contract of the commodity while a trader sells the commodity in the physical market and buys the futures contract of the commodity.