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MCX launches micro silver contract

The Multi Commodity Exchange, India's largest commodity derivatives exchange, will launch one kg silver contract on Friday for the benefit of small trader. Titled as "Silver Micro" the contract will be launched for delivery in April and June 2011 initially which will be expanded for other months later. Trading unit of this contract stands at 1 kg and tick size at Re 1 a kg with maximum order size at 600 kg. The delivery centre for this contract is initially set at Ahmedabad with initial margin is fixed at 5 per cent. "MCX has always taken the lead in developing different contract denominations to accommodate the needs of varied market participants. Silver micro is another innovative product, which is targeted at both an investment product and a hedging tool," said P K Singhal, Dy MD, MCX. **BS REPORTER**