MCX debuts on BSE at 34% premium

TNN & AGENCIES

Mumbai: Multi-Commodity Exchange (MCX), which debuted on the BSE on Friday to become the first Indian bourse to be listed, got a premium of 34% on its IPO price, listing at Rs 1,387 compared to its IPO price of Rs 1,032. Nearly 1.40 crore shares of the eight-year old exchange were traded on its debut day, more than double its offer size of 64.3 lakh shares. At the close of trading on the first day, MCX shares were at Rs 1,297, up almost 26% on the day, translating to a market capitalization of Rs 6,614 crore ($1.3 billion).

Although MCX did not formally list on the NSE, the country's largest stock exchange by turnover, and instead listed only on BSE. But after NSE brokers wanted to trade in MCX shares, the stock exchange allowed trading in MCX under its 'permitted to trade' rule, that is trading without formal listing of a stock. And as expected, NSE, with its wider reach and larger investor participation, hijacked what would otherwise have been a stellar show by BSE, Asia's oldest exchange. Compared to about 60.2 lakh shares being traded on the BSE, 79.4 lakh shares of MCX were traded on the NSE.

LISTING GAIN

IPO price	₹1,032
Listing price	₹1,387
Listing premium	34%
Traded on	NSE, BSE
Volume (NSE)	79.4L shares
Volume (BSE)	60.2L shares
Market cap	₹6,614 cr



When asked if MCX will formally list on NSE, which is a shareholder of the commodity bourse but at the same time the FT group, one of MCX's promoters, have fought bitter battles for years, Jignesh Shah, vice-chairman, MCX, said such a listing will be a gradual step, and will happen at the appropriate time. Its group company Financial Technologies is already listed on the NSE. Under current rules, an exchange can allow a stock on its trading platform even without a formal listing. For the company however, being allowed to trade, it will not be mandatory to follow the listing agreement and file annual reports, send press releases etc.

The MCX IPO was over-subscribed more than 54 times, generating bids worth about Rs 36,000 crore, compared to its offer size of Rs 663 crore through sale of 64.3 lakh shares. Commenting on pricing of the issue, Shah said, it had decided to go ahead with the IPO in last November and were guided by its merchant bankers. "We are happy along with our selling shareholder partners that investors have subscribed in IPO in large numbers. When decision was taken for IPO, this was the right pricing," he said.