MCX gains 26% on listing day

NSE adopts stock under 'permitted' category

Our Bureau

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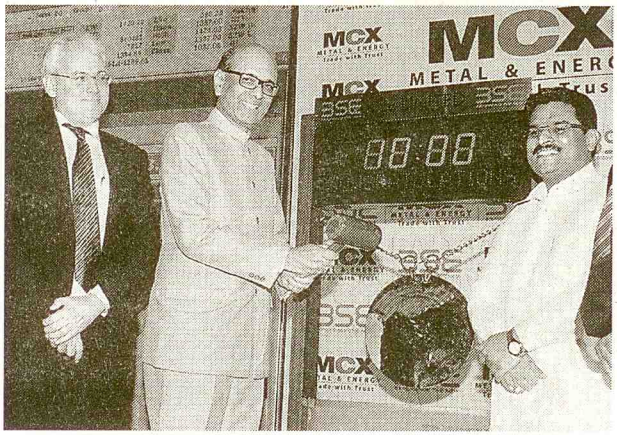
The Multi Commodities Exchange (MCX) got listed on the Bombay Stock Exchange at a 34-per cent premium to its IPO price on Friday. Not only was it the first exchange to be listed, but was also the first IPO to follow the new price-discovery mechanism.

To reduce manipulation and volatility on the listing day, SEBI had extended the call auction concept to initial public offerings and relistings. Through this mechanism the discovered price of MCX was Rs 1,387. This was much above the decided IPO price of Rs 1,032. The upper and lower circuit limits of the stock were Rs 1,664 and Rs 1,109 respectively.



Bright opening: Mr Venkat Chary, Chairman, MCX, strikes the gong to list the shares of the company at the BSE in Mumbai on Friday. He is flanked by Mr Lamon Rutten, MD and CEO, and Mr Jignesh Shah, Vice-Chairman. — Paul Noronha

NEW METHOD

Commenting on the price-discovery mechanism, Mr Vikas Khemani, President and Head (wholesale capital markets), Edelweiss Financial Services, merchant bankers to the issue said "This mechanism has worked very well for us and it helped reduce the volatility at the time of listing. The discovered price of Rs 1,387 was fairly efficient."

After reaching an intra-day high of Rs 1,426, the scrip closed with a gain of 26 per cent over IPO price at Rs 1,297 on the BSE.

Although MCX had planned to list on the BSE only, NSE voluntarily agreed to incorporate the exchange in its "permitted to trade" securities.

Market experts believe that the large market capitalisation of the stock and the pressure from investors and member brokers of the NSE, facilitated the exchange to add MCX to the list. The stock which is a part of the "permitted to trade" category of the NSE closed at Rs 1,294.

NSE LISTING LATER

After a listing ceremony at BSE, MCX said it will consider listing on the NSE as well at an appropriate time. Mr Jignesh Shah, Vice –Chairman of MCX told reporters that "listing on NSE would be a gradual step."

NSE admits shares under permitted category when securities are being admitted to trading from another exchange by way of direct listing/MoU/ or traded under permitted category in that exchange.

In terms of volume, around 60.2 lakh shares were traded on the BSE, while 79.4 lakh shares were traded on the NSE.

The stock of Financial Technologies (India) Ltd closed at Rs 811.50, down 6.04 per cent from its previous close on the BSE.

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