MCX signs pact with CME Group of US

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New Delhi, July 22: Multi Commodity Exchange of India (MCX) has signed a memorandum of understanding with the US-based CME Group on potential business opportunities, including a joint viability study on setting up operations in an international financial service centre in India.

MCX and CME Group will also form a joint working group to explore opportunities to develop and market new products and services for the Indian as well as US markets, MCX said in a statement.

The two companies also announced the extension of a licensing agreement, which enables MCX to settle its rupee-denominated oil and gas contracts at prices on the NYMEX of CME Group.

"India is key to our Asia growth strategy, and we have had a strong relationship with MCX since 2005. We look forward to greater collaboration to better serve the Indian financial and commodities markets, and play a key role in the internationalization of their benchmark products, as India continues on its path of financial market liberalisation," Terry Duffy, executive chairman and president of CME Group, said.

MCX joint MD Parveen Kumar Singhal said, "The expertise of CME Group supplements MCX's efforts in identifying and providing suitable products to stakeholders, especially small and medium enterprises that at the moment cannot participate in international exchanges."