MCX, CME Group sign MoU on various cooperation activities, business opportunities

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Multi Commodity Exchange of India Limited (MCX) and CME Group, a diverse derivatives marketplace, on Tuesday signed a memorandum of understanding (MOU) on various cooperation activities and potential business opportunities, including a joint viability study of setting up operations in an International Finance Service Center in India.

Under this MOU, various initiatives between MCX and CME Group will also include the establishment of a joint working group to explore opportunities to develop and market new products and services for the US and Indian markets, as well as collaboration on customer education.



(Under this MOU, various...)

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At the same time, MCX and CME Group also announced the extension of the licensing agreement which enables MCX to settle their rupee-denominated oil and gas contract to CME Group's NYMEX prices.

"India is key to our Asia growth strategy, and we have had a strong relationship with MCX since 2005," said Terry Duffy, Executive Chairman and President of CME Group. "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 liberalization."

"We are pleased to sign an MOU to explore opportunities and cooperate on product development and market education, and at the same time, extending the licensing agreement with MCX," said Derek Sammann, Senior Managing Director, Global Head of Commodities & Options Products, CME Group. "We look forward to working more closely with MCX in internationalizing its commodity markets and providing international market participants greater access to markets in India."

Satyananda Mishra, Chairman of MCX said, "This agreement gives us the opportunity to build upon the existing relationship between MCX and CME Group since October 2005. It aims to bestow the marketplace with best practices and with a much diversified product slate to the stakeholders of Indian commodities markets to hedge their risks and better manage their businesses. We hope to build on this relationship for achieving a higher level of inclusive growth, and we look forward to a more mutually rewarding relationship between the two exchanges."

Parveen Kumar Singhal, Joint Managing Director of MCX said, "This extension of agreement with CME Group marks a new milestone and will go a long way in serving the needs and interests of the Indian derivatives market. 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. Besides, the relationship holds particular significance in the forthcoming new liberalized and stronger-governed era of commodities markets under the purview of SEBI."