MCX and IamSMEofIndia sign MoU

The tie-up will help create awareness among MSMEs on the benefits of commodity price risk management

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Multi Commodity Exchange of India Ltd (MCX) and Integrated Association of Micro, Small & Medium Enterprises of India (IamSMEofIndia) signed a memorandum of understanding (MoU) aimed at creating awareness among micro, small and medium enterprises (MSMEs) on the benefits of commodity price risk management. "This would encourage them to hedge on exchanges and face competition adroitly,' said the exchange in a release.

MCX's collaboration with IamSMEofIndia will help in disseminating in-depth knowledge about the derivatives market and its benefits among MSMEs " would lead to their growth and development", said the release

P K Singhal, Joint Managing Director, MCX said: "Given the preponderance of MSMEs in the Indian industry, it is important that these small players are not only educated about the derivatives market but also get access to an efficient and cost-effective hedging platform for price discovery and price risk management. Hedging is very critical for stabilising the incomes of small enterprises so that these entities remain sustainable and competitive."