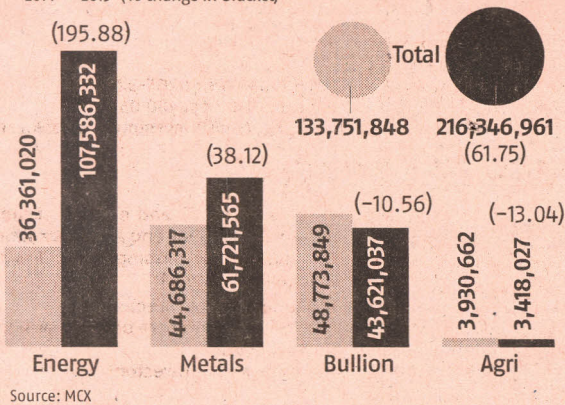
MCX ranking up in global comex futures



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Multi Commodity Exchange (MCX), the country's largest in this segment's derivative trade, is inching towards a higher ranking among global exchanges. Its 2015 ranking rose to sixth, from seventh a year before.

This means in terms of number of contracts traded, MCX is now the world's sixth largest, ahead of London Metal Exchange (LME). The year before, it was the other way round. The ranking is by the Washington-based Futures Industries Association (FIA). The latter compiles data on all derivatives, including futures and options. Options are not allowed in India and so, the ranking is based on futures trading data. FIA is the leading global trade body for the futures, options and centrally cleared derivatives markets.

MCX's total of contracts traded rose from 133.8 million to 216.3 mn, an increase of 60 per cent, in 2015. In contrast, the LME volumes fell a bit, from 168.7 mn lots or contracts to 161.9 mn in 2015.

MCX is still far away from the top five exchanges here. The top three are all from China in the commodity options and futures segment. CME Group (includes CME, CBOT & NYMEX) and ICE Group (includes ICE US, Europe, Canada) retained their respective fourth and fifth ranks.

According to the FIA data, National Commodity and Derivatives Exchange (NCDEX) slipped to ninth place from eighth the previous year. The ranking is made on the number of contracts traded. Since in 2015 there was general caution in commodity derivatives, in view of expected regulatory changes, NCDEX saw fewer numbers traded.

According to the split in total contracts traded, provided by MCX, the highest increase was in the energy segment, followed by metals. The bullion segment saw a fall. The rising trading interest on MCX when prices were falling also shows the exchange, under pressure after imposition of the commodities transaction tax in July 2013, following the exit of its promoters, is coming back on track.