MCX, IGIDR take up research initiatives for Commodity Derivatives Markets in India

India Infoline News Service | Mumbai | September 28, 2016, 15:41 IST

MCX will provide extensive data support to IGIDR for carrying out independent research work. IGIDR will identify and evaluate issues affecting the growth of Indian commodities market and will provide plausible policy/institutional solution to address them.

Multi Commodity Exchange of India Limited (MCX), India's No. 1 Commodity Exchange signed an agreement with **Indira Gandhi Institute of Development Research (IGIDR)** earlier this month to support and undertake research on contemporary issues of relevance in India's commodity derivatives market.

India is one of the largest producers and consumers of most commodities. This gives Indian exchanges the potential to emerge as the regional, if not global center for **commodity derivatives trade**. This requires world class research and policy framework by exchanges, regulators and market participants, which is an area that IGIDR anticipates to highlight through this research initiative.

MCX will provide extensive data support to IGIDR for carrying out independent research work. IGIDR will identify and evaluate issues affecting the growth of Indian commodities market and will provide plausible policy/institutional solution to address them. Further, the research studies would endeavour to create awareness about the various microstructure concerns in India's commodity derivatives market and highlight the past and possible future impacts of the events/actions as per the themes identified.

Mrugank Paranjape, Managing Director & Chief Executive Officer, MCX said, "We are happy to collaborate with IGIDR, an institution highly reputed for its development economics research competence. With this initiative, we expect this relationship will help bridge the gap between the institutional/policy needs for development of Indian commodity markets and research inputs with their extensive empirical studies."

Professor Dr. Susan Thomas, IGIDR, Finance Research Group (FRG) said, "At IGIDR FRG, our objective is to obtain complete knowledge of India's financial system. MCX is one of the four big exchanges in India, and we are delighted to bring them into our work. We hope to add value to the Indian financial markets ecosystem by studying their big data. There is a huge opportunity for India in exporting financial services for gold, and with the SEBI-FMC merger behind us, that should be an important policy priority."