MCX plans new contracts in tea, coffee, brass

OUR BUREAU

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Commodity bourse Multi Commodity Exchange of India Ltd (MCX) is considering offering three more commodities for futures trading in addition to the existing 15 commodities that it currently offers.

Speaking on the sidelines at the inauguration of the Exchange's newly built office at GIFT City in Gandhinagar, Mrugank Paranjape, MCX's Managing Director & CEO, said: "We are looking at two-three commodities for futures trading. We have sent a proposal for the same with SEBI. Those which are probable commodities for futures trading include tea, coffee and some in the metal space such as brass. But we wouldn't be able to give you the exact timeline to offer the same."

MCX is the largest commodity exchange in the country with 90.35 per cent market share in the commodities trading segment for the first 9 months of fiscal year 2016-17. The exchange has reported an average daily turnover of ₹21,023 crore for the third quarter of the fiscal year.

On the options trading in commodities, Paranjape said that after the comments received from stakeholders on options trading in commodities, SEBI would issue the final notification, following which a decision will be taken on the products to be offered.

"We will bring agri and non-agri commodities for options trading. Based on the regulations and potential, we will consider a few more commodities in the non-agri segment, such as gold, silver, copper and crude, which will qualify easily for options trading considering the liquidity and participation," he added.

"Also for the agri segment, there are two potential commodities: cotton and CPO. The industry has been witnessing demand for options trading in these," he said.