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MCX, Singapore Diamond Investment Exchange sign MoU

By Sutanuka Ghosal, ET Bureau | Updated: Feb 16, 2017, 04.06 PM IST

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Kolkata: Multi Commodity Exchange of India Limited (MCX) and Singapore Diamond Investment Exchange (SDiX), the world's first and only commodity exchange trading in physically settled diamonds, have signed a Memorandum of Understanding (MoU) for establishing areas of cooperation between the two exchanges.

The MoU was signed at a ceremony in Mumbai on Thursday by Mrugank Paranjape, MD & CEO of MCX and Linus Koh, CEO of SDiX. The MoU is intended to facilitate cooperation between the two exchanges in areas such as knowledge sharing and research, standardization of the product for Indian markets and enhancing transparency in pricing, as well as to explore areas for further collaboration between the exchanges.

India is the largest global hub for the cutting and polishing of diamonds, and has several thousand small medium and large enterprises which are involved in the diamond business. Moreover, through this partnership, the exchanges have agreed to work towards the goal of assisting the stakeholders in India's diamond industry by bringing international best practices in price risk management and price discovery through innovative spot and derivative market operations. The move will also foster the development of communication channels for the sharing of information between the exchanges.

Mrugank Paranjape, MD & CEO, MCX said, "We are pleased to have signed this MoU with SDiX. The MoU will support the mutual interests of MCX and SDiX towards establishing price discovery, enhancing transparency in prices and help the value-chain with a risk management platform, in a commodity like Diamond in which India has a significant global presence. MCX already has the patronage of the Bullion & Jewellery value-chain in India. Through this association, both the exchanges, as well as the market stakeholders they serve, will be able to capitalize on the synergies, leverage knowledge and expertise to support innovations and development in diamond trading."

Alain Vandenborre, Founder and Executive Chairman, SDiX said, "We are extremely happy to sign the MOU with MCX which is India's No. 1 commodity futures exchange. This partnership will help us to further understand India's derivatives market which has grown rapidly in the recent years. Through this opportunity, we hope to achieve a win-win situation for the prosperous development of the markets that MCX and SDiX cater to India's commodity derivatives market which is a fast growing market with growing trading volumes and expanding product range. Today's signing represents another important milestone in its progress."