We are planning for the next financial year: Mrugank Paranjape, MCX

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*In a chat with ET Now, **Mrugank Paranjape**, MD & CEO, **MCX**, says has to see how to deepen the participation in terms of having more institutions on board and also to encourage more people to hedge on MCX.*

Edited excerpts:

What are your expectations this year?

The year started on a note of great optimism because we saw the merger of FMC with Sebi. From our perspective, the overall volumes were looking very good. This year has shown great results till now. The results for the nine months till now have also been good.

We are now looking forward to and planning for the next financial calendar year and therefore there are expectations around how we will be able to develop our market in terms of the products. We are all very expectant in terms of how options should come through and with Sebi now working on this, there are great expectations from the white paper. We have also seen a lot of discussions around the institutional segment opening up.

We have worked a lot with mutual funds. We have had discussions with AIFs. That is the segment we are looking forward to and last but not the least, there is also the hope that with the announcements in the recent budget about making the futures market and the spot markets merge, and looking at getting more convergence between securities and commodities markets, next year again is going to see a lot of action and something for us to look forward to.

Do you think FY18 would be a year where finally things will take off in the commodities market? We know there has been a change of guard at Sebi with Mr Ajay Tyagi taking over as the new chairman. What are the three things which would be crucial for the commodities market according to you from a policy perspective that Sebi needs to focus on and get things in place as quickly as possible?

In terms of the direction that we have seen, Sebi has been really great in terms of how we are moving forward. I would just put it without trying to pin point where we want to go. There are three areas that all of us are looking forward to. How do we get more products? Now whether it is options or index or something else, let us agree but move forward.

The second is how do we deepen the participation in terms of having more institutions on board but also how do we encourage more people to hedge on this exchange?

Last but not the least, how do we broaden the entire distribution space? How do we encourage? How do we work with other regulators to see whether we can get banks subsidiaries to start distributing commodity products and whether we can get the integration of the securities market. So the focus has to be on these three -- product participants and distribution and how do we expand and deepen that.

During your discussions with the industry participants globally, domestically as well as with the regulator, mutual funds and banks, there are indications that perhaps with the first DIIs to be allowed for the commodities market, is it some time away before FPIs could trade or be allowed to trade in commodities market domestically? How do you look at it?

Our history in India has been that Indian retail and Indian institutions have been early adopters in terms of any new products that we have seen over the last couple of years. Commodities would be no different. Therefore in terms of interest or in terms of first movers, we are very sure that having established the retail and corporate market, if we move with the domestic institutions, it will be a better way of establishing how commodities in India can play a great role in future terms of allowing institutions to increase the bouquet of products that they have.