Jaitley says Options to formalise gold trade

New Delhi: Finance minister Arun Jaitley Tuesday launched gold Options trading on the leading commodity bourse MCX and said this is one of the steps towards formalising gold trade.

After the success of the gold Options, MCX said it will approach the regulator Sebi seeking permission for other commodities like cotton, crude palm oil, silver and copper.

At present, MCX offers futures trade in gold and other commodities even as the industry has been demanding other products like Options trade also for hedging.

"This marks a very important evolution in trading of yellow metal itself. It hedges all risks by giving them (traders) the option of futures," Jaitley said after unveiling the options trade on the auspicious day of Dhanteras.

Indians are great buyers of gold. This new product will be extremely successful, he said. Emphasising that the government is taking efforts to formalise gold trade, Jaitley said, "I am sure more it formalises, better it is for consumers, jewellers and those trading in this. That's in consonance with the business environment for future that we see for us". This is the first product for options trading that Sebi has allowed. —PTI