Options trading to formalise gold trade, says Jaitley

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FINANCE MINISTER Arun Jaitley on Tuesday launched gold options trading on the commodity bourse MCX and said this is one of the steps towards formalising gold trade.

MCX said it will later approach the regulator Sebi seeking permission for other commodities like cotton, crude palm oil, silver and copper.

"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 today.

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 the regulator Sebi has allowed after 14 years of commencement of commodity exchanges in the country, he added.

According to MCX, gold options contracts are available for trading from Tuesday and investors can trade in one kg gold. The contracts will expire in November and January 2018.

Finance Secretary Ashok Lavasa, Member, NITI Aayog & Chairman, Economic Advisory Council to Prime Minister (EAC-PM) Bibek Debroy, MCX chairman Saurabh Chandra and MCX managing director and CEO Mrugank Paranjape were present at the event.



Union Finance Minister Arun Jaitley along with Chairman, Economic Advisory Council to the Prime Minister, Bibek Debroy, Finance Secretary Ashok Lavasa and other dignitaries at the launch of the commodity options on gold futures, in New Delhi on Tuesday. *PTI*