Axis Securities launches commodity trading



OUR BUREAU

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Axis Securities has launched commodity broking services through its membership with MCX and become the first bank subsidiary to enter the commodity broking business.

All existing Axis Direct customers can now trade in 29 commodity futures and five options contracts, covering bullion, industrial metals, energy and agricultural segments, simply through a one-time online registration process.

Within 48 hours of online request, customers will get rights to trade in commodity derivatives and use the same login credentials of Axis Direct to access the commodities platform with real-time market information.

With this launch, Axis Direct has expanded its overall investment product bouquet, which includes equities, mutual funds, initial public offerings, derivatives, bonds, debentures, exchange traded funds, company fixed deposits and overseas trading.

In Budget 2017-18, Finance Minister Arun Jaitley had proposed integration of commodities and securities derivative markets by mooting common participants, brokers and operational frameworks.

Later, in September 2017, SEBI allowed brokers to operate both stock and commodity derivatives businesses under a single entity.

Subsequently, the RBI allowed bank subsidiaries to provide broking services in commodities derivatives and Axis Securities became the first-ever bank-sponsored broking firm to avail MCX membership.

Mrugank Paranjape, Managing Director, MCX, said with its large client base, supported by a huge branch network and research facility, Axis Securities will take commodity derivatives trading to more customers and deepen the market.

Arun Thukral, Managing Director, Axis Securities, said the move to allow bank-led brokers to offer commodity derivatives will increase retail participation.

Commodity trading could be used as a tool to diversify a portfolios beyond traditional equities, he said, given that commodities and stocks traditionally move in opposite directions.