MCX to launch rubber futures tomorrow

OUR BUREAU

Mumbai, August 14

Leading commodity bourse Multi Commodity Exchange (MCX) will commence trading in rubber futures from Thursday.

Initially, contracts ending in September, October, November and December will be available for trading. The underlying quality of the contract is the Ribbed Smoked Sheets 4 (RSS-4) and the lot size is one tonne with a compulsory delivery option. The price for 100 kg is quoted ex-Kochi (Ernakulam), exclusive of all sales tax and GST.

The contract will provide a hedging solution to rubber value-chain participants, including growers, traders, exporters, importers, and tyre manufacturing companies, among others.

Mrugank Paranjape, Managing Director, said that with the launch of this new contract, the exchange expects to provide transparent and fair benchmark prices that closely reflect supply and demand fundamentals in the physical rubber market.

Sibi J Monippally, General Secretary, Indian Rubber Growers Association, said the rubber futures contracts are absolute necessary for price risk management and hedging and will act as a domestic benchmark price.