MCX to start brass futures trading on Monday

OUR BUREAU

Mumbai, March 22

Multi Commodity Exchange, the country's largest commodity exchange, will start trading in world's first brass futures contract from Monday.

To start with, three contracts ending in April, May and June 2018 will be available for trading. The lot size of the contract is one tonne. The brass futures will be the first non-ferrous contract with compulsory delivery option. The price is quoted ex-warehouse Jamnagar (basis centre) inclusive of taxes and duties, excluding GST. The ingots and billets are of IS-319 grade.

Mrugank Paranjape, Managing Director, MCX, said the contract will lead to best price discovery for brass, which is key to all stakeholders including importers, exporters, manufacturers, refiners, and processors among others who are looking to hedge their price exposure.

Tulsibhai Gajera, President, Jamnagar Factory Owners Association, said the entire value chain including scrap importer, processors and final product manufacturers will be able to have a reference price derived on a transparent online platform and hedge their risk exposure.

The estimated domestic annual production of brass is about 1-1.50 lakh tonnes including that of primary and recycled brass. India imports huge quantities of brass scrap from the US, West Asia, Africa and Europe, while it is the largest exporter of finished brass products.