MCX cotton surges 119% for 2018-19

The Multi Commodity Exchange of India (MCX) on Tuesday said its cotton contract delivery from October 2018 to August 2019 surged by 119 per cent, with record delivery of 398,600 bales, valued at ₹853.12 crore.

The figure stood at 182,300 bales during the previous cotton season, MCX said in a release. During this season, cotton deposits, at the MCX Clearing Corporation's 42 designated warehouses, logged an all-time high of 214,000 bales, compared to 181,000 bales last year.

"Efficient price discovery, coupled with robust delivery and settlement mechanism of the MCX cotton futures contract, made it widely acceptable as one of the most effective tools for managing cotton price risk amongst the value chain participants," said P S Reddy, MD and CEO of MCX.

Increase in overall participation from the cotton value chain led to higher delivery and deposits of cotton at the exchange-accredited warehouses at Rajkot, Kadi and Mundra (Gujarat), Jalna and Yavatmal (Maharashtra), and Adilabad and Warangal (Telangana), it added.

During this crop year, till August, average daily traded volume increased to 101,125 bales against 84,112 bales last year, while daily average open interest increased to 345,580 bales from 253,963 bales last year. PTI