Press Release

MCX launches futures trading in Thermal Coal

Mumbai, 7th August, 09: Multi Commodity Exchange of India Ltd. (MCX) today launched New Castle Thermal (non coking) Coal contract. The August contract opened at Rs. 3525 per MT. Over 5500 metric tons of coal was traded on the first day till 4:00 pm with an open interest of 2600 metric tons which shows a healthy participation from the trade. Initially August and September contracts will be available for trading and more contracts will be introduced in due course of time.

The trading unit is 100 MT with delivery unit as 1,000 MT with a tick size as 1 rupee per MT. The initial margin is 5% with daily price limit of 4%. The exchange can impose a special margin of 2% in case of excess volatility. The maximum allowable position for an individual client is 2,00,000 MT, while for members it is 6,00,000 MT or not more than 15% of the market's open interest, whichever is higher. The contract is an ex-Chennai contract excluding all taxes, levies and freight. The contract will be settled on the last Friday of the contract month basis international spot prices.

Mr. Lamon Rutten, MD & CEO, MCX said, "MCX coal contracts will provide a platform for fair price discovery and also enable market participants to hedge their risks arising from volatile coal prices. This contract will be useful for participants from several industries such as power, cement, fertilizer, Aluminium, paper, defense, steel, chemical and textile for price risk management."

Coal is the primary source of supply of commercial energy in India. Of the four major fuel sources – oil, natural gas, coal, and uranium – India has the largest domestic reserve base for coal and it contributes to the largest share of its energy production and consumption.

About MCX

Headquartered in the financial capital of India, Mumbai, MCX (www.mcxindia.com) is a demutualised nationwide electronic multi commodity futures exchange set up by Financial Technologies (India) Ltd. with permanent recognition from Government of India for facilitating online trading, clearing & settlement operations for futures market across the country. The exchange started operations in November 2003.

MCX offers futures trading in 60 commodities as on June 19, 2009, defined in terms of the type of contracts offered, from various market segments including bullion, energy, ferrous and non-ferrous metals, oils and oil seeds, cereals, pulses, plantations, spices, plastics and fibres. The exchange has forged strategic alliances with various Indian and International commodity exchanges, trade exchanges and associations.

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