MCX to launch two new contracts - Silver 1000 *and Kapasia Khalli* (Cotton Seed Oil Cake)

- **Silver 1000 – a 1 Kg deliverable contract with New Delhi as the base delivery centre**
- **Kapasia Khalli contract offered with smaller tick size of 50 paise to ensure better liquidity**

Mumbai, September 26, 2012: Multi Commodity Exchange of India Ltd (MCX) will offer futures trading in two new contracts - Silver 1000 and cotton seed oil cake or *Kapasia Khalli* (as it is popularly called in Hindi), from tomorrow, September 27, 2012.

Silver 1000 is a first of its kind innovative deliverable 1 kg silver contract with New Delhi as the base delivery centre. With New Delhi being one of the largest consumers of silver in India, this contract will cater to the needs of small jewellers and retail investors, who wish to take physical delivery of 1 kg silver bar in demat or physical form.

Kapasia Khalli is the by-product which remains after oil from cotton seed. It is primarily used as cattle feed either directly or as an ingredient for production of compound cattle feed in large industrial units. *Kapasia Khalli* is the largest consumed oil cake in India. Almost the entire production of *Kapasia Khalli* is consumed domestically with the recent years witnessing insignificant imports or exports of the commodity. The trading unit of the *Kapasia Khalli* contract is 10 MT and its tick size is 50 paise per 100 kg (inclusive of sales tax/VAT). The deliverable contract has Rajkot (Gujarat) as the base delivery centre with Kadi (Gujarat) and Akola (Maharashtra) as additional delivery centres.

Mr. Shreekant Javalgekar, **MD & CEO, MCX** said: "MCX's contracts have always tried to meet the varied needs of all the stakeholders of a commodity's value chain. The Silver 1000 contract is a unique contract that will go a long way in meeting the needs of physical market participants and retail investors as it will enable them to take delivery of 1 kg silver bar at lower margins as compared to the hitherto 30 kg bars. With the festive season fast approaching, this contract is an ideal offering from the Exchange to the market participants.

"The Kapasia *Khalli* contract with a tick size of 50 paise will ensure better liquidity. This contract will help ginners to hedge their margins. The base delivery centre of the contract is Rajkot, which is located in Gujarat, which accounts for 35 percent of Kapasia *Khalli* produced in the country. The additional delivery centres of the contract, Kadi and Akola, will attract a location premium discount of Rs. 20 and Rs. 30, respectively. With this contract, MCX's cotton basket offerings will include Cotton (29 mm), Kapas and Kapasia *Khalli,* which will enable us to meet the needs of most stakeholders of the cotton trade value chain," he added.

About MCX:

Located in Mumbai, MCX (www.mcxindia.com) is India's first listed, demutualised nationwide electronic commodity futures exchange with permanent recognition from the Government of India. MCX offers the benefit of fair price discovery and price risk management to the commodity market ecosystem. Various commodities across segments are traded on MCX. These include bullion, energy, metals and agri commodities. The exchange has entered into strategic alliances with various Indian and International commodity exchanges and business associations.

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