MCX & IGIDR to take up Research Initiatives for further developing the Commodity Derivatives Markets in India

Mumbai, September 28, 2016: Multi Commodity Exchange of India Limited (MCX), India's No. 1 Commodity Exchange signed an agreement with Indira Gandhi Institute of Development Research (IGIDR) earlier this month to support and undertake research on contemporary issues of relevance in India's commodity derivatives market.

India is one of the largest producers and consumers of most commodities. This gives Indian exchanges the potential to emerge as the regional, if not global center for commodity derivatives trade. This requires world class research and policy framework by exchanges, regulators and market participants, which is an area that IGIDR anticipates to highlight through this research initiative.

MCX will provide extensive data support to IGIDR for carrying out independent research work. IGIDR will identify and evaluate issues affecting the growth of Indian commodities market and will provide plausible policy/institutional solution to address them. Further, the research studies would endeavour to create awareness about the various microstructure concerns in India's commodity derivatives market and highlight the past and possible future impacts of the events/actions as per the themes identified.

Mrugank Paranjape, Managing Director & Chief Executive Officer, MCX said, "We are happy to collaborate with IGIDR, an institution highly reputed for its development economics research competence. With this initiative, we expect this relationship will help bridge the gap between the institutional/policy needs for development of Indian commodity markets and research inputs with their extensive empirical studies."

Professor Dr. Susan Thomas, IGIDR, Finance Research Group (FRG) said, "At IGIDR FRG, our objective is to obtain complete knowledge of India's financial system. MCX is one of the four big exchanges in India, and we are delighted to bring them into our work. We hope to add value to the Indian financial markets ecosystem by studying their big data. There is a huge opportunity for India in exporting financial services for gold, and with the SEBI-FMC merger behind us, that should be an important policy priority."

About MCX:

Having commenced operations on November 10, 2003, Multi Commodity Exchange of India Limited (MCX) is India's first listed, national-level, electronic, commodity futures exchange with permanent recognition from the Government of India. In the financial year 2015–16, the market share of MCX was 84.30%. MCX offers the benefits of fair price discovery and price risk management to the Indian commodity market ecosystem. Various commodities across segments are traded on MCX. These include bullion, energy, metals and agri commodities. The exchange has forged strategic alliances with various Indian and International commodity exchanges and business associations.

About IGIDR:

Indira Gandhi Institute of Development Research (IGIDR) is an advanced research institute established and fully funded by the Reserve Bank of India for carrying out research on development issues from a multi-disciplinary point of view. Subsequently, the Institute was recognized as a Deemed University under Section 3 of the UGC Act. Since then it has been awarded the highest National Assessment and Accreditation Council (NAAC) rating of A++ (under the old methodology) given to Indian academic institutions. The aims and objectives of the Institute are to promote and conduct research on developmental issues from a broad inter- disciplinary perspective (economic, technological, social, political and ecological.

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