# MCX Launches Castor Seed Futures

**Mumbai, January 05, 2017**: Multi Commodity Exchange of India (MCX), India's No. 1 commodity exchange today launched a futures contract in Castor Seed, after receiving approval for the same from the Securities and Exchange Board of India. With this launch, MCX has added another contract to its agri-commodities products suite, in the oil and oilseeds complex.

The exchange has currently launched February, March, April and May 2017 contracts in Castor Seed, with 10 MT as the trading unit and Deesa (Gujarat) as the basis centre. Besides, in order to cater to the demand of a wide and diverse participants' group, MCX has decided to levy a flat transaction charge of 50 paise per one lakh rupees of transaction, the lowest in any commodity levied by the Exchange.

The response to this new contract has been quite satisfactory with traded volumes and Open Interest clocking 6050 tons and 1300 tons respectively, till the time of going to the Press.

India is the leader in global Castor Seed production and the country dominates international Castor Oil trade, meeting more than 80% of global demand of castor oil. India's export of Castor oil and derivatives are estimated to be over Rs.3,000 crores per annum, with indispensable usage in several industries like cosmetics, surface coatings, toiletries, pharmaceuticals, perfumes, soaps, lubricating formulations and medicines. By also meeting the hedging requirements of castor oil exporters and those connected to its exports, MCX Castor Seed Futures would fill in a critical gap in India's agri exports, playing its part in the Government's Make in India initiative.

**Mr. Mrugank Paranjape, MD and CEO, MCX** said, "The decision to launch Castor Seed futures contracts was made to cater to the need of the stakeholders of Castor Seed, particularly those from the physical market of this crop, for a reliable instrument for price discovery and risk management. With India dominating the global castor oil trade and rising volumes of production of Castor Seeds commensurate with an increasing trend in exports of its extract, there was a need felt for an effective instrument for hedging and appropriate price discovery, which the MCX Castor Seeds futures would address. Given the proven soundness of our Risk Management System and robustness of MCX's technology backbone, we are confident that all stakeholders of Castor Seed would find hedging their price risks on the MCX platform a superior economic proposition."

**Mr. Atul Chaturvedi, President, Solvent Extractors Association** said, "We are very glad that SEBI has permitted Commodity Exchanges to launch contract in Castor Seed futures, which we have been looking forward to, especially after futures contract in this commodity became

unavailable since last year. Businesses like ours are significantly exposed to castor oil price movements and our bottomlines are often adversely affected by the uncertainty and volatility of its prices."

**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. For more information about MCX and its products visit www.mcxindia.com

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