Press Release

MCX SUCCESSFULLY COMPLETES THE FIRST SETTLEMENT CYCLE IN INDIA'S FIRST COMMODITY OPTIONS CONTRACT – OPTIONS ON GOLD FUTURES

30th November 2017, Mumbai: India's first Options contract in Gold, with the Gold (1Kg) Futures as the underlying, witnessed active participation from the commodity market participants. The Exchange had, on 17th October 2017 launched two options contracts viz. expiring on 28-Nov-17 and 29-Jan-18. These option contracts had the 05-Dec-17 and 05-Feb-18 Futures contract, respectively, as the underlying.

The performance highlights of Gold Options for the period between 17th October to 28th November 2017 were as follows-:

- The open interest (OI) increased from first day's 1030 lots to a peak of 1969 lots.
- The total notional turnover of options during the period was Rs 6037.1 crores and the premium turnover was Rs 39.79 crores. The front month option contracts with 28-Nov-17 expiry witnessed notional turnover of Rs 3862.28 crores (12,913 kilograms) for call options and Rs 2056.75 crores (6978 kilograms) for put options.
- Of the front month option series, the Call option with strike price of Rs 29,800 and put option with Rs 29,000 were the most traded contracts.
- During the period, Average OI and Volume in Gold Options were 21.25% and 9.24% respectively, that of the underlying Gold 1KG Futures contract.
- Nearly 60% of the registered members had participated in Gold options.
- At expiry of 28-Nov-17 option series contracts, there were 858 open positions. And, of the 47 In-the-Money (ITM) and Close-to-the-money (CTM) contracts (which were exercisable) 44 contracts valuing Rs 13 crore were exercised and their positions devolved into underlying futures positions.
- On the day of option's expiry, the underlying 5-Dec-17 Gold futures contract closed at Rs 29,393 per 10 grams.

Highlights of the unique settlement mechanism in Options-:

The Exchange and market participants successfully went through the trading and settlement cycle that entailed - (i) sensitivity report being disseminated from 22nd November 2017 end of day onwards to members with positions, preparing them for margins on devolvement (conversion) of options to futures (ii) pre-expiry margins being levied by the exchange on positions on 27th & 28th November 2017 (iii) the exercise session being used by members for position conversion into underlying Gold futures.

The entire devolvement process went through smoothly.

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. It is also the first exchange to introduce commodity options in India. In the financial year, 2016–17, the market share of MCX was 90.37%. 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 the Exchange platform. These include bullion, energy, metals and agri commodities. The exchange has forged strategic alliances with various international exchanges, as well as Indian and international trade associations. For more information about MCX and its products visit www.mcxindia.com.

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