MCX launches India's first Commodity Options on futures today

Mumbai, October 17, 2017: India's no.1 commodity exchange, MCX has launched India's first Commodity Options today in New Delhi on the auspicious day of Dhanteras at the hands of Hon'ble Union Minsiter of Finance and Corporate Affairs, Shri Arun Jaitley, who was the Chief Guest of the inauguration ceremony. Dr Bibek Debroy, Member, NITI Aayog & Chairman, Economic Advisory Council to Prime Minister (EAC-PM) and Shri Ashok Lavasa, Finance Secretary, Government of India were present to grace the occasion. The event was also attended by luminaries from the Government, regulatory bodies, professional bodies, corporate, banks, academia, financial market fraternity and media. The ceremony was live webcasted on internet.

Today's option launch marks momentous landmark in the modern history of Indian commodity derivatives market. The product is an unique and first of its kind, yet is the most familiar one to Indian market participants. The European-styled Gold options are hedger-friendly and physically settled, which means on exercise at expiration the options position developes into corresponding underlying MCX 1 KG Gold futures position at the strike price of the exercised options. Options give buyers right to buy or sell the underlying, but no obligation, at a specified price at the expiry. Thus, for buyers, the risk is limited only to the premium paid to the option seller (i.e. Option writer).

Gold Option contract, with Gold (1 Kg) futures as underlying, expiring on 28th November 2017 and 29th January 2018 are made available for trading from today. The detailed contract specifications and other aspects of the Gold Options are available on www.mcxindia.com.

Mr Saurabh Chandra, Chairman, MCX said, "The launch denotes one of the most significant reform measures since modern commodity derivatives trading started 14 years ago. There has been a very conscious effort by the government and SEBI to develop and integrate commodity markets in a phased manner. We are encouraged by the support and the approach, marked with a great degree of pragmatism. The introduction of options gives a strong impetus towards systematic development and transformation of commodity derivatives market in India, ushering in a new era in price risk management in response to stakeholder expectations."

Mr Mrugank Paranjape, MD & CEO, MCX said, "The long wait for Commodity options has finally come to an end. I commend the policymakers for having been proactive in bringing new products as well as new participants, facilitating further growth and development of India's commodity derivatives market. As a low risk and powerful tool, the product further extends the benefits of effective price risk management to the stakeholders at large. Options would complement the existing array of commodity futures contracts and help in enriching the informational efficiency of the market's price discovery process. It gives market participants great flexibility to manage risk and achieve their trading objectives."

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 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.

For further details, contact:
Nilesh Chauhan
+91 82919 94791
nilesh.chauhan@mcxindia.com