MCX Commences Options Trading on Copper Futures

Mumbai, May 21, 2018: Multi Commodity Exchange of India Ltd. (MCX), the country's largest commodity derivatives exchange, today launched India's first options contract on copper futures. **As at 5:00 pm today, the contract has clocked a traded volume of 461 lots with value of Rs. 21.89 crore**.

Currently, June, August and November 2018 option contracts are available for trading, with one MCX copper futures contract (1 MT) as the underlying. The exercised positions of the options contract post expiry shall devolve into the respective underlying future positions. This new options contract provides the optimal tool to hedge and mitigate price risk in copper for the stakeholders. MCX copper options are available to trade from 10:00am-11:30pm/11:55pm on weekdays.

In order to encourage active participation in the market the exchange is not levying any transaction fees on all the commodity options contracts till September 30, 2018.

Speaking on the launch, **Mr. Mrugank Paranjape, MD & CEO, MCX** said, "This promising start of our copper options trading by virtue of its design value adds to the underlying futures and gives copper industry a greater flexibility with alternative opportunities to take on price risk. We expect that this new tool will gain overtime from industry confidence and support as a highly attractive hedging instrument to keep risks of price uncertainty under their control."

Mr. Devendra Surana, Chairman, Telangana State Council of FICCI; and MD, Bhagyanagar India Limited said, "Copper options launched by MCX is a welcome move as this would help the corporates to do a better budgeting exercise as the premiums would be known. This will help us to procure material at prices that we have envisaged specially in situations like tender or open orders. The options contracts will complement the current futures contracts on the Exchange extremely well."

Mr. Sandeep Jain, Sr. Vice President, Bombay Metal Association; and MD, Laurel Wires Ltd. said, "In sync with the needs of the copper value chain participants, we applaud the copper options launch by MCX today. This new instrument will bring greater vibrancy to the metals market and will give us an opportunity to better manage our price risk. I am positive that copper options contract will not only propel copper stakeholders to stay competitive but quite possibly thrive and emerge stronger."

Copper ranks as the third-most-consumed industrial metal in the world, after iron and aluminium. The world's refined copper usage has surged in the last few years, owing to the growing demand in sectors like electrical and electronic products, building construction, industrial machinery and equipment, transportation equipment, and consumer and general products. Copper ore production in India stood at 3,846 thousand tonnes in 2016-17. India's consumption demand for refined copper stood at 820 thousand tonnes in the FY16 (Source: Annual Report 2017-18, Ministry of Mines, Government of India).

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 derivatives exchange. It is also the first exchange to introduce commodity options in India. In the financial year 2017–18, the market share of MCX was 89.58%. 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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