Crude Oil Options Make an Encouraging Debut on MCX with Rs. 101.67 Cr. Volume

Mumbai, May 15, 2018: Multi Commodity Exchange of India Ltd. (MCX), the country's largest commodity derivatives exchange, today commenced options trading in crude oil contract. The contract has witnessed traded volume of 2058 lots with value of Rs 101.67 Crore, as of 05:30 pm today.

The exchange has currently launched June and July 2018 option contracts in crude oil, with one MCX crude oil futures contract (100 barrel) as the underlying. On its expiry, if exercised, the open position shall devolve into the respective underlying futures position. This new options contract alongside the popular crude oil and crude mini (10 barrel) futures contracts will benefit the crude oil stakeholders, providing them with an efficient solution to hedge against unfavourable price movements in the global crude oil markets. This options contract is available for trading on MCX from 10:00am to 11:30pm /11:55 pm.

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

Speaking on the launch, **Mr. Mrugank Paranjape, MD & CEO, MCX** said, "We're delighted with the successful launch of our options contract in crude oil. We are keen to ensure that our product portfolio has the diversity necessary to service a wide spectrum of commodity stakeholders. The new crude oil options contract will further strengthen our crude product basket while offering immense value to its stakeholders who are seeking to hedge against volatility in oil prices."

Mr. Sanjay Rawal, President, Commodity Participants Association of India (CPAI) said, "The options contract which would complement the crude oil futures contract is a welcome addition to MCX's energy basket. There is already a tremendous amount of interest as we see today from the market participants to hedge in this new product given the recent trends in global geopolitics and volatility in crude oil. We believe that the physical market participants will highly benefit from this contract."

Crude oil is one of the world's most widely used commodities. After refining, crude oil can be made into a variety of products such as fuel oil, petrol and diesel. In FY17, oil production in India reached 36 million metric tonnes (MMT) as compared to 36.94 MMT in FY16. In FY18, up to October 2017, oil production stood at 21.06 million metric tonnes. As of 2016, the country had 600 million metric tonnes of proven oil reserves. In FY17, total crude oil imports were valued at USD 80.3 billion as compared to USD70 billion in FY16. In FY17, imports accounted for 82% of the country's total oil demand. In FY18, up to October 2017, crude oil Imports stood at 2.52 million barrels per day.

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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