Institutional Participation in Commodity Derivatives Market - A Conference Jointly Organised by FICCI & MCX-IPF

Mumbai, February 28, 2019: MCX Investor Protection Fund (MCX-IPF) and FICCI today jointly organised the second edition of conference on Institutional participation in commodity markets in India titled '**Institutional Participation - Ushering a New Era in Commodity Derivatives Market**' in Mumbai. The conference was aimed at bringing together stakeholders of India's financial and commodity markets to deliberate on the multifarious ways the entry and participation of institutional players can be facilitated, so as to further deepen the commodity derivatives market as also enhance access of investors to commodities as an asset class.

Top professionals comprising of various stakeholders of Indian Mutual Funds and financial services industry presented their perspectives through panel discussions and presentations on the growth of the commodity derivative ecosystem, and shared their views on bringing in transformational changes in Indian commodity market with the participation of financial institutions.

The panel discussion on 'Commodity Derivatives: Next Big Opportunity for Mutual Funds', moderated by Mr Nilesh Shah, Managing Director, Kotak Mahindra Asset Management Company comprised of Mr. Prathit Bhobe, MD & CEO, Tata Asset Management Company; Mr Ashutosh Bishnoi, MD & CEO, Mahindra Asset Management Company; Mr Jimmy Patel, MD & CEO, Quantum Asset Management Company; Mr Anil Ghelani, Senior Vice President, DSP Investment Managers and Mr. Vishal V. Jain, Head-ETFs, Reliance Nippon Life Asset Management Company.

Thereafter followed a discussion on 'Redefining Wealth Management: Role of Commodity Derivatives', which witnessed participation from Mr Nalin Moniz, CIO, Alternative Equity & Business Head, Edelweiss Global Asset Management; Mr Umang Papneja, Sr. Managing Partner, IIFL Investment Managers; Mr Vikram Dhawan, Head-Commodities, Reliance Nippon Life Asset Management Company; Mr Chintan Haria, Head – Product Development & Strategy, ICICI Prudential Asset Management Company; Mr Ashwin Patni, Head-Products & Alternatives, Axis Asset Management Company and Mr Biharilal Deora, Director , Abakkus Asset Manager LLP.

Delivering the inaugural address, ***Shri S. K. Mohanty, Whole Time Member, SEBI*** *said, "The presence of financial institutions in commodity derivatives will not only provide the Indian investing public more avenues for safe financial investment through commodities, but also make the commodity derivatives market more robust and inclusive by providing liquidity and rich information based on world-class market research capabilities."*

Mr. Mrugank Paranjape, MD & CEO, MCX *said, "Institutional participation has been a long pending need for the growth and development of the commodity derivatives market. The presence of financial institutions such as mutual funds can not only offer the common domestic investors an additional avenue for better financial investment, but can also make this market more robust by providing liquidity especially to the far months' contracts. Enhanced liquidity and presence of diverse participation groups including hedgers and financial institutions would strengthen the price discovery mechanism and make risk management on exchange platforms more efficient and cost effective to the stakeholders by lowering the impact cost of trade."*

Mr. Jaspal Bindra, Chairman, FICCI Maharashtra State Council and Executive Chairman, Centrum Group *said, "Participation of institutions such as mutual funds, PMS, banks, and insurance companies among others, will be a stepping stone for further advancement and growth of commodity market in India. Their entry will not only benefit the market by way of infusion of liquidity but also through enhanced access to a large number of potential participants in this market."*

At the conference, MCX also released a compilation of wisdom series 'A Monk Who Trades' - An educational initiative by MCX-IPF to spread awareness about the Dos & Don'ts of Commodity Derivatives Trading.

About MCX IPF:
The IPF has been established since March 28, 2012 and is administered by way of registered trust created for the purpose. As on December 31, 2018 the IPF corpus stood at Rs.202.53 crore. Five trustees manage it, comprising of three public interest directors, a representative from SEBI recognized investor association and the compliance officer of the exchange. The IPF Trust adheres by the comprehensive guidelines issued by SEBI on IPF and related matters at the national commodity derivatives exchanges. In event of default by the member, all transactions executed on the exchange platform shall be eligible for settlement from IPF subject to the Rules, Bye-Laws and Business Rules of the Exchange. For more details, investors can visit- www.mcxindia.com/Investor-Services/defaulters/investors-protection-fund-overview

About FICCI:
Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies. A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies. FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

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