Nickel Futures Contract Successfully Delivered on MCX

Mumbai, July 01, 2019: Continuing its streak of successful deliveries in Aluminium and Zinc, Multi Commodity Exchange of India Ltd. (MCX), India's largest exchange in the commodity derivatives segment, yet again seamlessly completed the first physical delivery of its Nickel June 2019 Contract. A settlement concluded today for a quantity of 85.50 MT (metric tonne).

With delivery based Nickel futures now available, its stakeholders, primarily importers, exporters, SMEs, processors including stockists among others, can now use such risk management products to effectively deal with the volatility and uncertainty in its prices thereby enabling them to efficiently manage their inventory as well as pricing. Prices of the new MCX Nickel delivery-based contract is quoted in Rs/Kg with lot size of 250 kg and delivery size of 1.5 MT. The deliverable grade is Primary Nickel Cathodes with minimum purity of 99.80% of LME approved brands. The delivery centre and price quote of the contract is ex-warehouse, Thane, Maharashtra.

The contract was physically settled at a delivery price based on the polled domestic spot prices. These prices were polled daily and taken from domestic market participants representing different segments in the Nickel value chain. Tender period in this contract is the last five days of the contract and an incremental margin of 5% per day is levied during this period on all the outstanding positions. The final settlement price of the contracts is the average of the last three days' evening spot prices.

Mr. P. S. Reddy, MD & CEO, MCX said, *"It is yet another feat for MCX and MCXCCL to be able to successfully complete the first physical delivery of the Nickel Futures contract for a quantity of 85.50 MT. Coming on the heels of the successful culmination into delivery of the Aluminium and Zinc Futures contract in the last few months, the delivery of Nickel has yet again demonstrated the efficiency of our impeccable delivery mechanism and efficacy of Exchange mechanism to handle physical delivery in a wide range of commodities- from agricultural commodities to metals."*

Mr. Sandeep Jain, Sr. Vice President, Bombay Metal Exchange Ltd. *said, "Within a short span of six months, MCX converted all its metal contracts to delivery-based, which is indeed a commendable achievement. It is heartening to see the overwhelming response the Exchange has received for their delivery-based contracts which is evident from the 3800 MTs of metal deposits in their warehouses at district Thane. Nickel, which is a 100% imported commodity in India, became deliverable on MCX from June 2019 onwards has also witnessed very robust deliveries on the Exchange. The metal industry today not only has a platform for hedging but also a platform to give or take deliveries."*

Nickel is a naturally occurring, lustrous, silvery white metal. It is primarily used (65%) in the manufacturing of stainless steel. About 20 % of the metal is used to produce other steel and non-ferrous alloys. Nearly 9% of the Nickel is used in electro-plating, while about 6% being used in coins and chemicals. It is also used in the production of super-alloys, which are used extensively in the aerospace industry. In 2018, the world refined Nickel production was around 1.38 million metric tonnes (MMT) as compared to 2.09 MMT in 2017. The world's refined Nickel consumption stood at 1.44 MMT in 2018 as compared to 2.14 MMT in 2017. India's refined Nickel consumption stood at 53,728 MT in 2018 as compared to 82,140 MT in 2017.

About MCX:

Having commenced operations on November 10, 2003, Multi Commodity Exchange of India Limited (MCX) is India's first listed, national-level, electronic exchange. It is also the first exchange to introduce commodity options in India. In the financial year 2018–19, the market share of MCX was 91.59%. 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:
Shivani Sharma
Manager – Media Relations, MCX
Mobile: +91 9833376243
shivani.sharma@mcxindia.com