MCX launches futures trading in natural rubber

Mumbai, December 28, 2020: Multi-Commodity Exchange of India Ltd (MCX), India's largest Exchange in the commodity derivatives segment, today launches futures trading in natural rubber.

At present, four contracts of rubber futures viz. January 2021, February 2021, March 2021 and April 2021 contracts are made available for trading. The futures contract enables market participants to trade in rubber of 'Ribbed Smoked Sheets4 (RSS4)' quality for a minimum lot size of 1 MT. The rubber futures are of compulsory delivery logic contracts. They would finally be settled at expiry on the last business day of the contract month. The tick size (minimum price movement) for the contract is Re.1. Pegged at a minimum initial margin of 10%, the price to be quoted will be for 100 kg as per the ex-warehouse rates, exclusive of sales/GST with delivery centre at Palakkad, Kerala. MCX rubber futures are available for trading from 9.00am to 5.00pm on weekdays.

The new rubber futures at the exchange aims at providing a fair and transparent price discovery mechanism that reflects fundamentals in the physical market, both domestic and global, to the rubber value chain participants including growers, traders, exporters, importers and end-users like the tyre industry.

"Given the huge market size for natural rubber in India in terms of production and imports, and its global price linkages and volatility, the launch of rubber futures on the exchange holds significance for industry stakeholders as an efficient hedging tool for managing price risk," said Mr. P.S. Reddy, MD & CEO, MCX.

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 2019-20, the market share of MCX was at a record high of 94.01%. 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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