Press Release

MCX Silver Contract margin increased by 1.5%

Mumbai, October 14, 2025: There has been global volatility in silver prices in the recent days, which has also been reflecting in the domestic markets, in terms of difference in prices of silver contracts traded on the exchange as compared to prices in the local physical markets. This has also been coupled with reported shortages of available stock in the physical markets.

In the current context, there has been backwardation between futures and spot prices in global derivatives exchanges and spot markets. Silver's global futures and domestic MCX futures prices are aligned (accounting for currency conversion, customs duty, local dynamics, etc.). Since silver is a globally traded commodity, its price backwardation is being reflected in India, and on MCX, also due to the spike in demand for silver, driven by investment, industrial and festive demand.

At present, MCX provides trading in 30 kgs and 5 kgs silver futures and options contracts, as well as 1kg silver futures contracts. All these contracts are trading in a normal and orderly manner, without any disruption. MCX follows a fair, transparent and robust spot polling process, leading to MCX bullion prices having become the benchmark over the years for domestic pricing and risk management. Moreover, Multi Commodity Exchange Clearing Corporation Ltd. (MCXCCL), the clearing arm of MCX, operates sound risk management systems to ensure orderly clearing and settlement of all contracts traded on MCX as per the contract specifications.

The near month 30 kgs silver contracts traded on MCX are due to expire on December 5, 2025, whereas the 5 kgs and 1kg contracts are due to expire on November 28, 2025. The outstanding positions in these derivative contracts will settle by way of physical deliveries at the time of expiry. Moreover, for options contracts, only in-the-money contracts will devolve into the underlying futures contracts at option expiry.

As rule-based and regulated Market Infrastructure Institutions (MIIs), MCX and MCXCCL have a robust surveillance framework, adequate risk management and audit safeguards, systems, processes, rules and regulations to ensure that these and all other contracts traded on MCX are traded and settled in a fair and transparent manner, ensuring financial market integrity as per the extant norms. MCX and MCXCCL are monitoring these contracts and will take necessary steps to ensure the same. As part of its periodic review of adequacy of risk management measures, MCXCCL has recently increased the margins on both gold and silver contracts traded on MCX by 1% and 1.5% respectively, vide circular no. MCX/MCXCCL/527/2025 dated October 12, 2025.

About MCX:

Multi Commodity Exchange of India Limited (MCX), operational since 2003, is India's leading commodity derivatives exchange and the largest commodity options exchange globally (FIA 2024), with a market share of about 98.80 per cent in terms of the value of commodity futures contracts traded in Q1 FY2025-26 (April 2025 to June 2025). MCX serves as a dynamic platform for Indian commodity market ecosystem, offering dual advantages of fair price discovery and efficient risk management. It offers trading in a diverse range of commodities, spanning multiple segments including bullion, energy, metals and agri commodities, as well as sectoral commodity indices. 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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