MCX
METAL & ENERGY
Trade with Trust

INDEX FUTURES PERFORMANCE REVIEW



2024-2025

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FOREWORD

The Index Futures Performance Report (PR) is the outcome of the SEBI circular SEBI/HO/CDMRD/DNPMP/CIR/P/2020/21 dated February 04, 2020, directing all recognised Stock Exchanges offering Commodity Derivatives Segment to conduct performance review of commodity derivatives contracts on an annual basis based on various parameters. The said performance review shall be consulted with the Product Advisory Committee (PAC) and the same shall be disclosed by 30th June of the following financial year.

Following the above directive, the Index Product Management Team at the exchange has created PR for index futures contracts that are traded on the exchange. These have been approved by the PAC.

The Index Futures Performance Report highlights information on the Volume, Turnover, Open Interest of Index Futures on MCX iCOMDEX BULLDEX® and METLDEX® on the Exchange, along with the price correlations with underlying instrument.

Acknowledgement

We have been ably guided by the MCX Index Futures PAC members in improving the content of the report and we are extremely thankful to them. We hope to keep improvising the report going forward.

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INDEX FUTURES PERFORMANCE REPORT

1. BACKGROUND

a. Brief about the Commodity Index

MCX India Commodity Indices (iCOMDEX) are excess return indices which consist of Single Commodity Indices, Sectoral Indices and Composite Index. MCX iCOMDEX indices derive values from prices of futures contracts traded on Multi Commodity Exchange of India Ltd. (MCX). An excess return index is considered to be ideal for benchmarking and trading as, along with price returns, it also shows the return attributed to rolling constituent contracts to a new expiry.

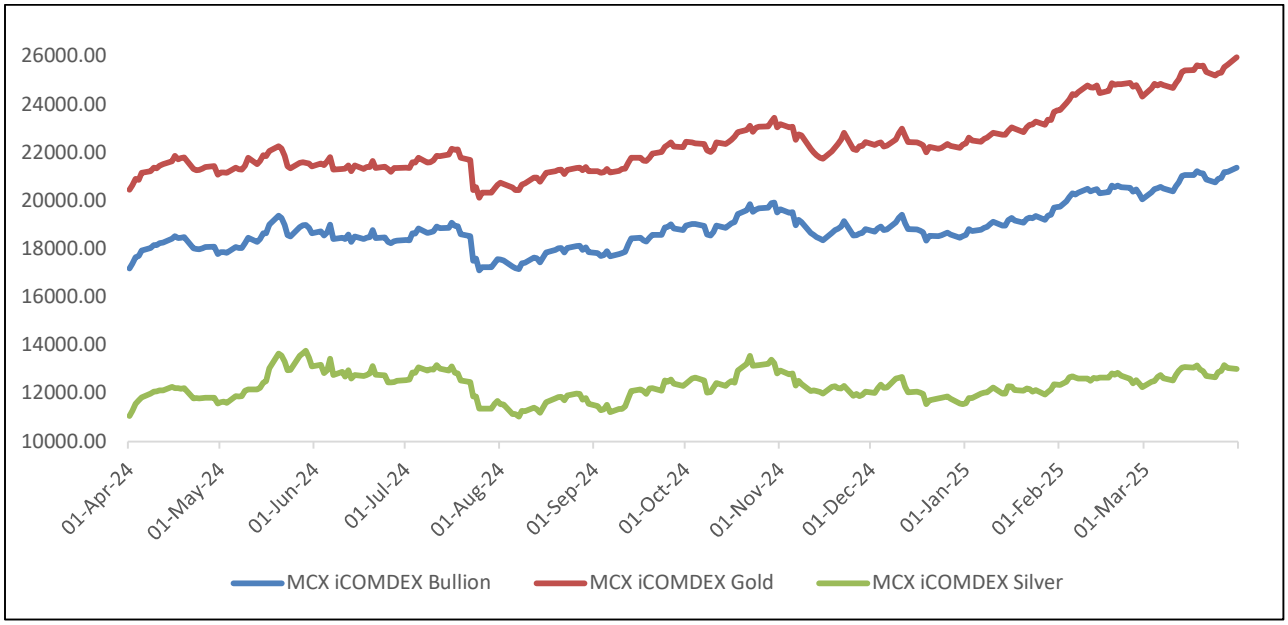
I. BULLDEX

MCX iCOMDEX Bullion Index® (BULLDEX®) is one of the sectoral indices in the MCX iCOMDEX family that reflects real-time performance of bullion sector as a whole. It provides an efficient tool to investors looking to manage their investments in bullion. The index includes gold (1 Kg) futures and silver (30 kg) futures listed on MCX. Each commodity within the index is weighted three-fourths by its liquidity and one-fourth by its physical market size in India, determined by local production and imports.

Long-term investors can use the MCX iCOMDEX Bullion Index® (BULLDEX®) for gaining exposure to the bullion sector as an asset class. Market participants including individual investors, professional traders, and financial institutions such as hedge funds and mutual funds, can use the MCX iCOMDEX Bullion Index® (BULLDEX®) either as a reference benchmark for their investments in bullion or related asset classes or as the basis of investment products which provide direct exposure to bullion.

The MCX iCOMDEX Bullion Index® (BULLDEX®) conforms to the standards of the International Organisation of Securities Commissions (IOSCO) Principles for Financial Benchmarks (July 2013) in its computation and governance.

The price movements in the MCX iCOMDEX Bullion, Gold and Silver indices are provided below.



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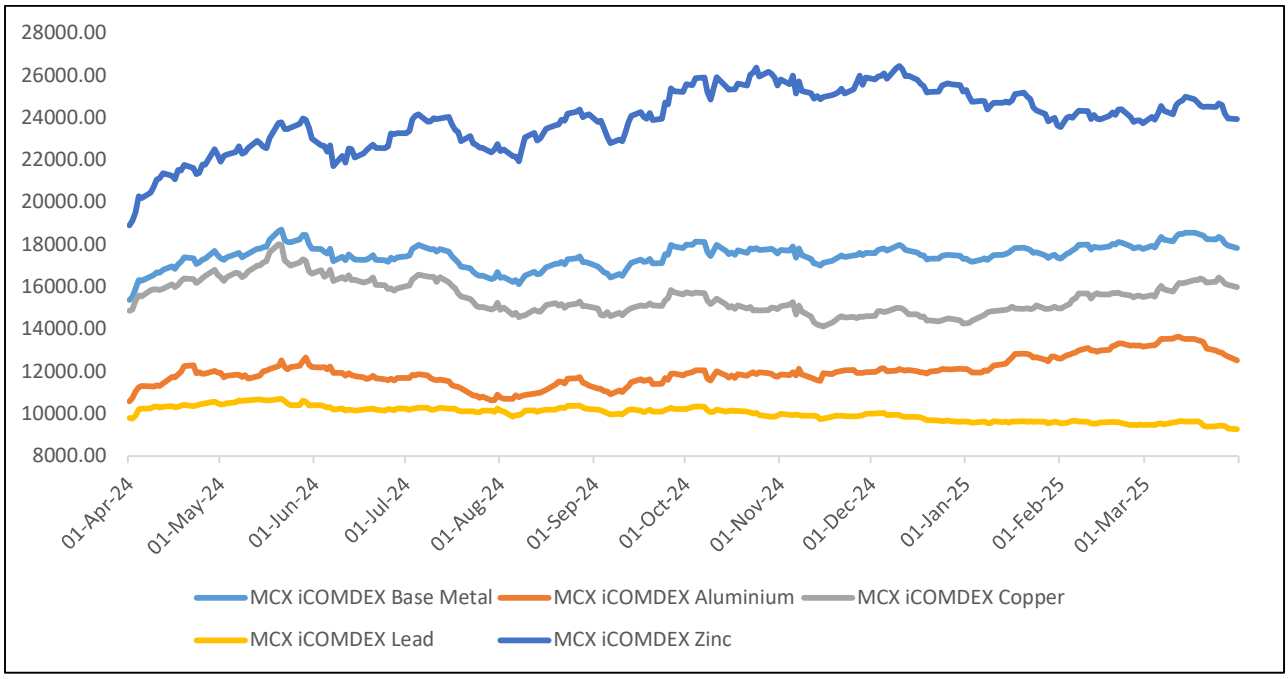
II. METLDEX

MCX iCOMDEX Base Metal Index® (METLDEX®) is one of the sectoral indices in the MCX iCOMDEX family, providing an efficient tool to investors looking to manage their investments in base metals. The index includes 4 base metals futures listed on MCX, viz., Aluminium (5 MT), Copper (2.5 MT), Lead (5 MT), and Zinc (5 MT). This index can therefore serve as an indicator of the performance of the Indian industrial sector. Every commodity within the base metal index is weighted three-fourths by its liquidity and one-fourth by its physical market size in India, determined by local production and imports. Additionally, the commodity selection process is also subject to further conditions and needs to meet the threshold set forth in the methodology.

Market participants including individual investors, professional traders, and financial institutions such as hedge funds and mutual funds, can use the MCX iCOMDEX Base Metal Index® (METLDEX®) either as a reference benchmark for their investments in base metals or related asset classes, or as the basis of investment products to provide direct exposure to Indian base/industrial metals.

The MCX iCOMDEX Base Metal Index® (METLDEX®) conforms to the standards of the International Organisation of Securities Commissions (IOSCO) Principles for Financial Benchmarks (July 2013) in its computation and governance.

The price movements in the MCX iCOMDEX Base Metal Index® and other single commodity indices are provided below.



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b. Commodity fundamentals and balance sheet

c. Major changes in the polices governing trade in the spot markets of the commodity

d. Geopolitical issues in the commodity and its impact on Indian scenario.

Please find details in respect to points 1 (b), (c) and (d) below.

The brief fundamentals of underlying commodities are elucidated as under.

MCX iCOMDEX Bullion Index futures underlying commodities

Gold

- In 2024, global gold demand reached a record high of 4,974 tons, driven by strong central bank purchases and increased investment demand. This surge in demand, combined with record high gold prices, resulted in the highest total value of gold demand ever recorded, reaching $382 billion.
- Central banks continued their significant gold purchases, exceeding 1,000 tons for the third consecutive year. Q4 2024 saw a particularly strong surge, with purchases reaching 333 tons, bringing the annual total to 1,045 tons.
- Global investment demand also rose, increasing by 25% year-on-year to reach 1,180 tons, a four-year high. This growth was largely fueled by a resurgence in gold ETF demand in the latter half of the year, with a notable 19 tons added in Q4, marking two consecutive quarters of inflows for the asset class.
- While investment demand soared, high gold prices negatively impacted jewelry consumption, leading to an 11% decrease in annual demand, totaling 1,877 tons.
- Bar and Coin demand remained steady at 1,186 tonnes.

Silver

- Silver supply in 2024: global mine production rose by 0.9% y/y to 819.7Moz (25,497t). Primary silver supply fell to 227.5Moz (7,076t). Silver from copper production also fell, down 1.8% y/y to 219.4Moz (6,824t) as output from several large mines dropped. Supply from lead/zinc mines remained the main source of silver in 2024, but output was flat year-on-year. Silver derived from gold mines recorded the strongest growth, up 12% (+13.9Moz, 432t) y/y to a three-year high.
- Silver Demand in 2024: following a decline in 2023, total demand for silver fell further last year to 1,164.1Moz (36,207t), down 3% y/y. Much like in 2023, the drop was led by weakness in physical investment and silverware, while structural losses in areas such as photography continued. All of this was partially offset by the ongoing rise in industrial demand, which posted another record high in 2024.
- Silver deficit fell by 26% y/y last year, it remained high at 148.9Moz (4,632t), equivalent to 15% of global supply. Underpinning overall demand was another record high for industrial offtake, within which all major segments enjoyed gains.
- Further declines in bar and coin demand continued to offset this, however, resulting in a modest decline in total demand. Total supply rose by 2% last year, mainly due to higher recycling, although mine production was also up at the margin.
- Recycling rose 6% to a 12-year high of 193.9Moz (6,032t).

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- Net supply from the official sector fell by 9% in 2024. Nonetheless, absolute volumes remained trivial at just 1.5Moz (46t).
- India was the big outlier last year as its 21% rise took coin and bar demand to its highest level since 2015. Positive price expectations and import duty cut in July, were the main drivers. The rupee price continuing to make new highs also limited profit-taking.
- India's silver imports surged by 115% in 2024, rising from 114.9Moz (3,574t) in 2023 to 247.4Moz (7,695t), marking the second highest level of imports on record.

MCX iCOMDEX Base Metal Index futures underlying commodities

- Base Metals segment price performance was neutral to positive in FY 2024-25. Strong performance, driven by supply deficits and green demand, ending FY 2024-25 significantly higher.
- Proposed 25% tariffs on Canadian/Mexican imports and higher tariffs on Chinese aluminum (Q2 2024) increased premiums and disrupted supply chains, particularly for aluminum and copper.
- U.S. /U.K. bans on Russian metals tightened supply, boosting aluminum and copper prices.
- Weak property sector and deflationary pressures in China dampened demand for zinc, lead, and copper. Stimulus measures provided some support.
- China's removal of the 13% aluminum export tax rebate (December 2024) raised prices but hurt export competitiveness. Stricter battery regulations boosted lead prices early in FY.
- Tight mine supply early in 2024 boosted zinc prices, but new projects and restarts in 2025 created a surplus.

For further details, please refer to Performance Review report of respective individual commodity.

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2. TRADING RELATED PARAMETER

a. Monthly and Annual traded volume (quantity in appropriate units)

Month/ Year	BULLDEX	METLDEX
Apr-24	6,892	-
May-24	5,274	-
Jun-24	3,944	-
Jul-24	3,294	-
Aug-24	1,859	-
Sep-24	1,358	-
Oct-24	1,748	-
Nov-24	1,179	-
Dec-24	674	-
Jan-25	836	-
Feb-25	913	-
Mar-25	746	-
Total FY 24-25	**28,717**	-

Note: (i) Contract size is 50 times of Index. (ii) Monthly/Annual volume is in total traded lots.

b. Annual traded volume as proportion of total deliverable supply (quantity in appropriate units)

c. Annual traded volume as proportion of total annual production (quantity in appropriate units)

d. Annual average Open interest as proportion of total production

e. Annual average Open interest as proportion of total deliverable supply

Points 2 (b) to 2 (e) are Not Applicable

For product specific details of underlying commodities, please refer to Performance Review report of respective individual commodity.

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f. Monthly and Annual value of trade (in Rs. Crores)

Total Turnover (in Rs. Crores)

Month/ Year	BULLDEX	METLDEX
Apr-24	621.73	-
May-24	490.44	-
Jun-24	365.41	-
Jul-24	301.01	-
Aug-24	164.69	-
Sep-24	124.48	-
Oct-24	169.07	-
Nov-24	111.49	-
Dec-24	63.22	-
Jan-25	80.41	-
Feb-25	92.83	-
Mar-25	67.45	-
Total FY 24-25	**2,652.23**	-

g. Monthly and Annual quantity of delivery (in appropriate units)

h. Monthly and Annual value of delivery (in Rs. Crores)

Points 2 (g) and 2 (h) are Not Applicable

i. Monthly and Annual Average Open Interest (OI) (in appropriate units)

Average Daily Open Interest (in lots)

Month/ Year	BULLDEX	METLDEX
Apr-24	507	-
May-24	390	-
Jun-24	418	-
Jul-24	179	-
Aug-24	103	-
Sep-24	77	-
Oct-24	106	-
Nov-24	93	-
Dec-24	52	-
Jan-25	68	-
Feb-25	147	-
Mar-25	103	-
Total FY 24-25	**188**	-

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j. Annual average volume to open interest ratio

Index Futures	Average Daily Volume (in lots)	Average Daily Open Interest (in lots)	Volume to Open Interest ratio
BULLDEX	111	188	0.59
METLDEX	-	-	-

Data Source: Bhavcopy from MCX Website.

k. Total number of unique members and clients who have traded during the financial year.

Index Futures	Total number of unique members	Total number of unique clients
BULLDEX	97	1611
METLDEX	-	-

l. Ratio of open interest by FPOs/farmers/Hedge/VCP positions to total open interest (Annual average as well as maximum daily value)

Commodity	Instrument	UNIT	Average of Open Interest	Average of FPOs / Farmers Long VCPs / Hedgers Long	Average of FPOs/ Farmers Short VCPs/ Hedgers Short	Average of Long %	Average of Short %	Max of FPOs/ Farmers Long VCPs/ Hedgers Long	Max of FPOs/ Farmers Short VCPs/ Hedgers Short
MCXBULLDEX	Futures	UNIT	9298.59	10.16	84.87	0.11%	0.91%	1499.51	799.94
MCXMETLDEX	Futures	UNIT	-	-	-	-	-	-	-

Note: Details are provided based on daily disclosure on the Exchange website for the period April 2024 to March 2025 in line with SEBI circular no SEBI/HO/CDMRD/DNPMP/CIR/P/2019/08 Dated January 04, 2019. Based on the data provided by the members from time to time pertaining to Farmers/ FPOs, VCPs/ Hedgers.

m. Number of unique FPOs/ farmers and VCPs/ hedgers who traded in the financial year.

Index Futures	VCPs/Hedgers
BULLDEX	4
METLDEX	-

Note:

- *Based on the classification provided by the members as on March 30, 2025, for clients traded during FY 2024-25.*
- *In case of classification of OWN (Prop Account) is uploaded as VCPs for any commodity, the same is included in "VCPs/ Hedger' category.*

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n. Algorithmic trading as percentage of total trading

Index Futures	Percentage
BULLDEX	51.63
METLDEX	-

o. Delivery defaults

- **Number of instances**
- **Quantity involved**
- **Value involved**

Not Applicable.

3. **PRICE MOVEMENTS**

a. Comparison, correlation and ratio of standard deviation of Exchange futures price vis-à-vis international futures price (wherever relevant comparable are available).

No representative Index futures are traded globally.

b. Comparison, correlation and ratio of standard deviation of Exchange futures price vis-à-vis international spot price (wherever relevant comparable are available) and domestic spot price (exchange polled price).

Not Applicable

c. Correlation between exchange futures & domestic spot prices along with ratio of standard deviation.

Correlation with Index Futures:

	Correlation (%)	Ratio of standard deviation
Bullion Index	98.08%	0.9491
Base Metals Index	96.70%	1.0187

Note:

-Correlation between Futures Prices and Index Values is computed based on daily returns using LN (Pt / Pt-1). Ratio of standard deviation is standard deviation of daily futures returns to standard deviation of daily spot (index values) returns.

d. Correlation between international futures & international spot prices along with ratio of standard deviation (wherever relevant comparable are available).

No representative Index futures are traded globally.

e. Comparison of Exchange polled price and mandi price (in case of agricultural commodities) / other relevant price (in case non-agricultural commodities) at basis centre.

Not Applicable.

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f. Maximum & Minimum value of daily futures price volatility and spot price volatility along with disclosure of methodology adopted for computing the volatility.

The volatility details for MCXBULLDEX and MCXMETLDEX for F.Y.2024-25 is provided as under:

Commodity	Max Future Price Volatility %	Min Future Price Volatility %	Max Spot Price Volatility %	Min Spot Price Volatility %
MCXBULLDEX	1.78	0.60	1.71	0.57
MCXMETLDEX	1.39	0.55	1.38	0.54

Note: Above details are based on near month contract volatility and for the period 1-Apr-2024 to 31-Mar-2025.
Methodology adopted for computing the volatility is Exponential Weighted Moving Average (EWMA).

g. Number of times the futures contract was in backwardation/contango by more than 4% for the near month contract in the period under review.

Particulars	No. of times Index Futures contract	In Contango/ Backwardation
BULLDEX	-	-
METLDEX	-	-

Formula: (Index Futures – Underlying Index)/Underlying Index *100.

4. **OTHER PARAMETERS**

a. Qualitative and quantitative measure for Hedge effectiveness ratio and basis Risk (Volatility of Basis) along with disclosure of methodology adopted for such calculations.

Hedge Ratio and Basis risk for BULLDEX and METLDEX futures:

The methodology adopted is also indicated below.

Hedge Ratio for 2024-25	
Commodity	**Hedge Ratio**
MCXBULLDEX	0.9909
MCXMETLDEX	0.9774

Note:
Hedging efficiency is the value of Coefficient of Determination (R2) obtained from regressing changes in five-day moving average of daily MCX Spot Prices on changes in five-day moving average of daily MCX Futures Prices during the period.

Basis Risk for 2024-25			
Commodity	**Unit of Basis**	**Avg Return of Basis**	**Basis Risk**
MCXBULLDEX	Rs/Unit	-2.16	24.58
MCXMETLDEX	Rs/Unit	-1.17	7.01

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Note:

- Basis Risk is computed as the Standard deviation of daily normal return in Basis, which is excess of Spot over Futures price.
- In case Basis is zero for any day, next day's Basis return has been ignored for computing the standard deviation.
- *'Hedge Ratio' is defined as the number of units of futures contracts which minimises the risk of the hedged asset position. When futures prices are perfect estimators of spot prices, Hedge Ratio is expected to be 1. That is, one unit of the asset position can be fully hedged by one unit of the futures contract. But, with imperfect link between spot and futures prices, as well as unequal volatility, the hedge ratio usually diverges from 1.*

b. Details about major physical markets of the commodity vis-à-vis market reach in terms of availability of delivery centers (information to be provided state-wise and UT-wise).

Not Applicable

c. Details about major physical markets of the commodity and average Open Interest for each month generated from those regions.

Not Applicable

d. Details, such as number and target audience, of stakeholders' awareness programs carried out by the exchange.

Index Futures	No. of awareness programs	No. of Target audience
FY 24-25	1,585	1,01,144

Target audience includes financial institutions, and investors.

e. Steps taken / to be undertaken to improve hedging effectiveness of the contracts as well as to improve the performance of illiquid contracts.

Conducted large number of awareness programs during the FY 2024-25.

5. ANY OTHER INFORMATION TO BE DISCLOSED AS DEEMED IMPORTANT BY THE EXCHANGE OR AS SUGGESTED BY THE PAC.

None.

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