

Headline: NSE seeks Sebi Nod for Commodity Futures Trade

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NSE Seeks Sebi Nod for Commodity Futures Trade

Ram.Sahgal@timesgroup.com

Mumbai: NSE, the country's largest stock exchange, has recently written to Sebi seeking regulatory approval to launch a commodity futures trading segment. The other leading stock bourse, BSE, had made a similar request some months ago.

"Requests have been received from the stock exchanges for launching a commodity derivatives segment," a Sebi official confirmed. "The request from NSE is recent while BSE's request was received a while ago. The regulator has not yet taken a decision on the issue yet."

When contacted, an NSE official said, "NSE has recently written to Sebi enquiring about possibility of



BSE too had made a similar request some months ago

commencing the commodity derivatives segment. The letter was exploratory in nature as full framework is not yet known. Like other stakeholders, we are awaiting further guidance from Sebi. As of now, we continue to be a shareholder

(15%) of NCDEX."

A formal framework from Sebi for allowing the exchanges to launch the new segments is expected to be laid out in the months ahead. The regulator is also expected to issue guidelines on commodity index trading.

Stock exchanges like NSE and BSE currently offer equity cash and derivatives segments, currency F&O, interest rate derivatives and corporate bond segment. Commexes like MCX and NCDEX offer only futures trading in precious metals, base metals, energy and agri futures.

Stock exchanges are way larger than their commodity counterparts. For instance, average daily turnover of equity derivatives on NSE alone was ₹2.96 lakh crore in the calendar year through April 4. MCX's ADT was ₹23,588 crore and that of NCDEX was ₹2,847 crore in the same year.