

AWARENESS PROGRAMME ON COMMODITY DERIVATIVES

SEPTEMBER, 2023

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DID YOU KNOW ?

GLOBAL ECONOMIC UNCERTAINTIES KEEP COMMODITY PRICES HIGHLY VOLATILE. USE FUTURES TO LOCK IN YOUR PRICES.

A mechanism that allows people to participate in trade.
Consisting of.....



CAPITAL MARKET

DEBT MARKET

FOREX MARKET

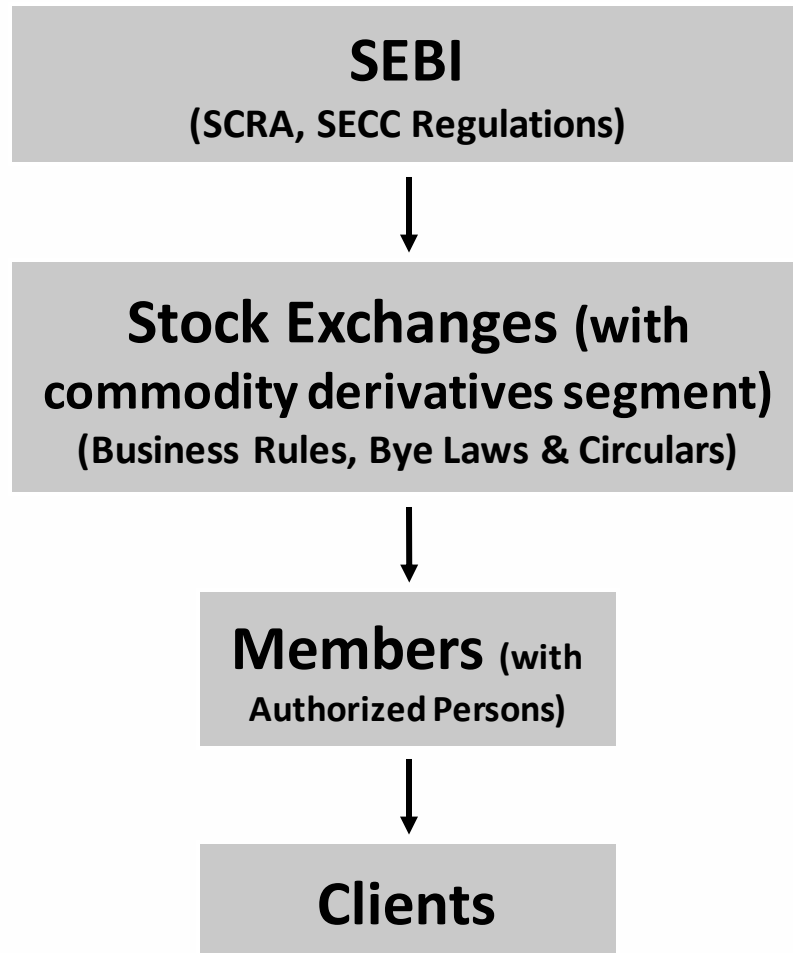
COMMODITY MARKET

MONEY MARKET



DID YOU KNOW ?

OPTIONS ARE AKIN TO PRICE INSURANCE, AS BUYER ONLY PAYS ONE-TIME UPFRONT FEE (PREMIUM) AND IS FREE FROM DAILY MARGIN CALLS.



- National online multi commodity exchanges started operations during 2003-04
- Under SEBI regulations (since September 28, 2015)
- Options commenced from October 17, 2017
 - Options on Gold, Silver, Crude Oil, Copper, Zinc, Guarseed, Guargum, Soyabean, Refined Soya Oil, Chana (chick pea)
- Integration of Intermediaries for equity and commodity derivatives segment
- Universal Exchanges : Single exchange operating various segments i.e. Stock Exchanges



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FOUR P'S OF MARKET



Platform – Online market trading from 9AM to 11.30PM/11.55PM



Products:

Futures – Bullion, Base Metals, Energy, Index, Agricultural
Options on Futures – Gold, Silver, Crude Oil, Copper, Zinc
Index Futures – BULLDEX, METLDEX, ENRGDEX



Participants – Day traders, Hedgers, Arbitrageurs, FPOs etc.



Policy – Regulatory policies for the development of the commodities market



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- Prices ruling in the international markets
- Forex rates
- Geo-Political factors – Global and Indian
- Trade policy and Regulations
 - Tariff & Non-Tariff Barriers including taxes, Monetary policy by gov't's.
- Economic Factors –
 - Economic conditions e.g. recession, inflation
 - Trends in fast growing economies
- Commodity - specific events & statistical releases –
 - Demand & supply scenario
 - Inventory Levels,
- **Covid-19**
- Other general events such as:
 - Festive Seasons / wedding season/ Religious & culture sentiment in case of Bullion contracts.
 - unexpected mine or plant closures (natural disaster, supply disruption, accident, strike, etc), affecting metal prices.

HEDGERS

- Corporates
- Farmers
- Producers & Consumers
- Intermediaries in Spot Markets
- Merchandisers
- Importers & Exporters

**Transfer
of
Risk**

INVESTORS

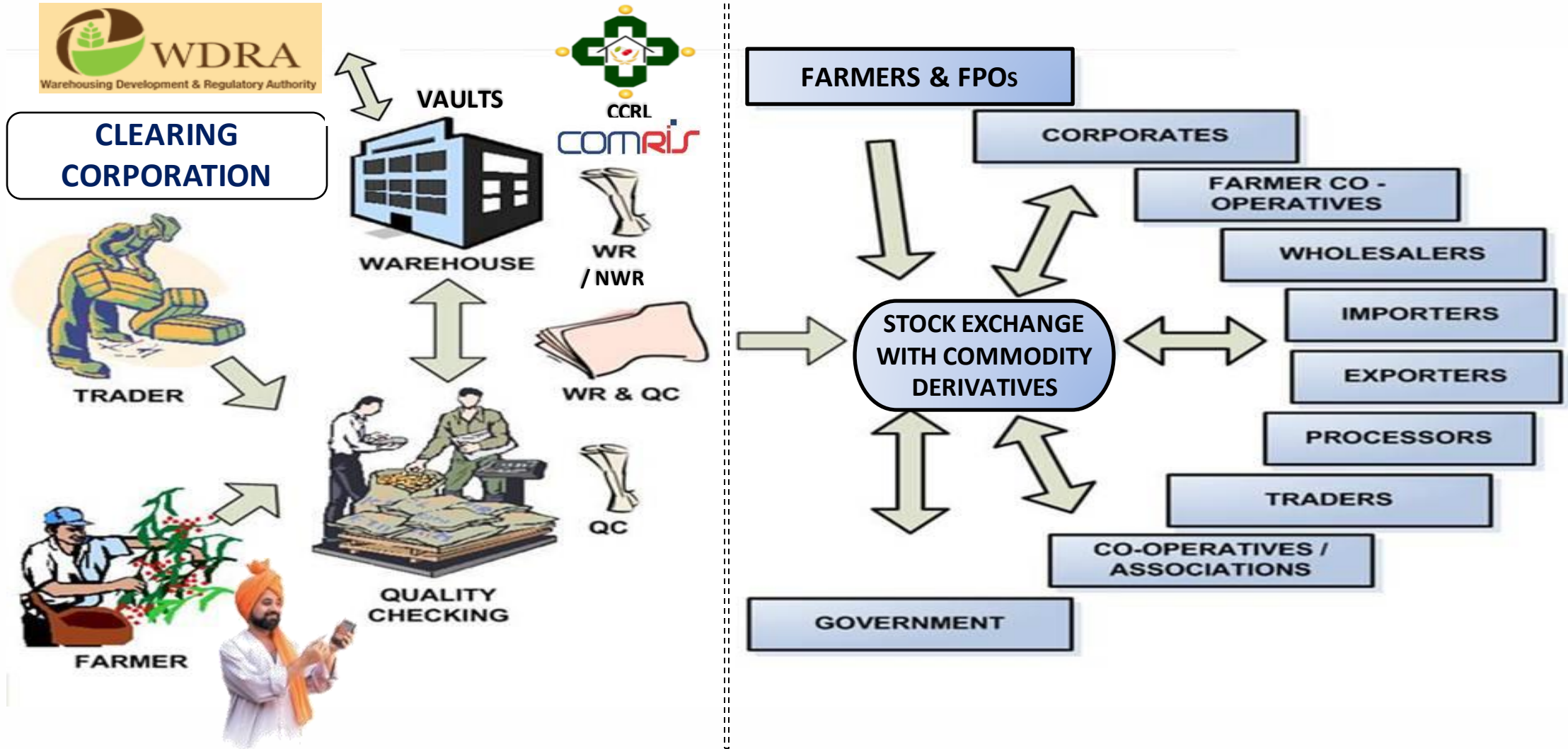
- Speculators
- Arbitragers
- AIF (CAT III)
- Mutual Funds
- Portfolio Management Services
- FPI (Category 1)



DID YOU KNOW ?

HEDGE | DISCLOSE | BE COMPLIANT - LISTED ENTITIES TO DISCLOSE COMMODITY PRICE RISK & HEDGING ACTIVITIES IN ANNUAL REPORT (SEBI-LODR)

COMMODITY DERIVATIVES ECOSYSTEM



INVESTOR SERVICE CENTRES ?

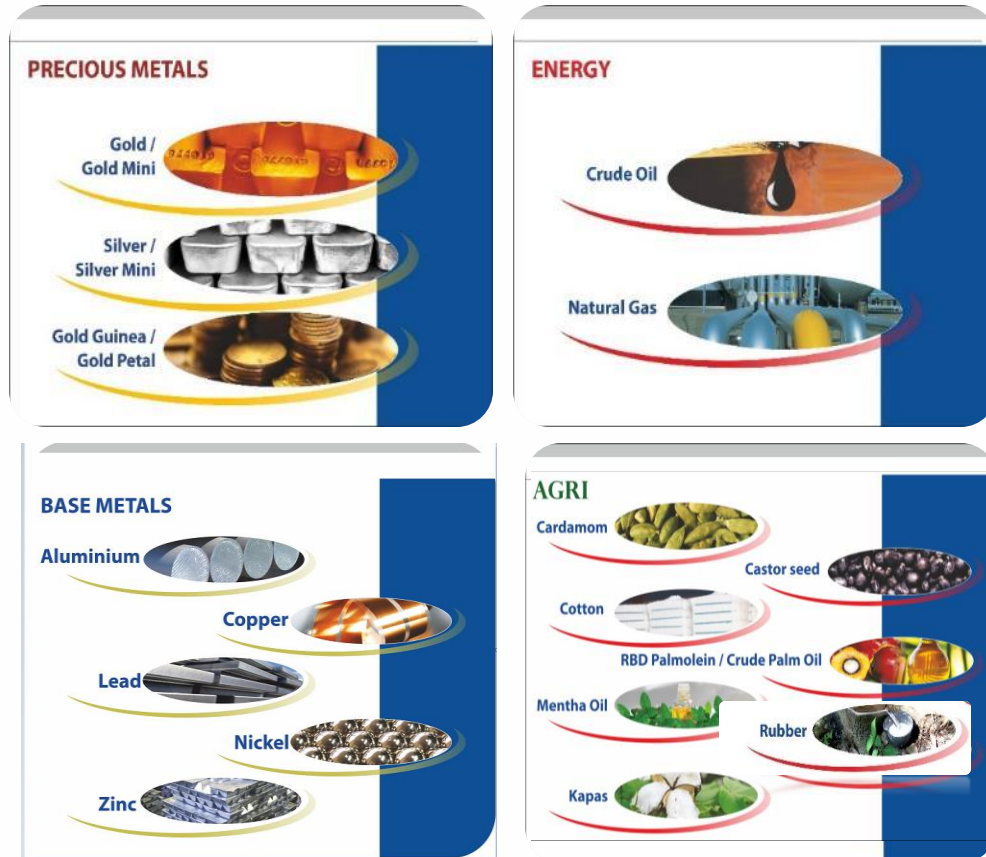
MUMBAI | KOLKATA | NEW DELHI | CHENNAI | HYDERABAD | GANDHINAGAR | JAIPUR | KANPUR | INDORE | BENGALURU

ACTIVE COMMODITY FUTURES IN INDIA



SEBI has notified 91 commodities, where exchanges may launch derivative contracts

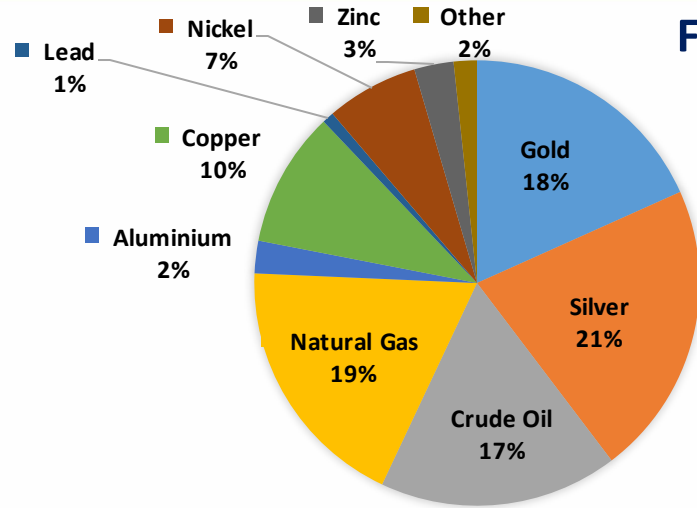
COMMODITIES TRADED AT MCX



MCX iCOMDEX Bullion Index Futures
MCX iCOMDEX Base Metal Index Futures

DID YOU KNOW ?
FOR PRICE UPDATES, DOWNLOAD MCX APP FROM PLAYSTORE / APPSTORE

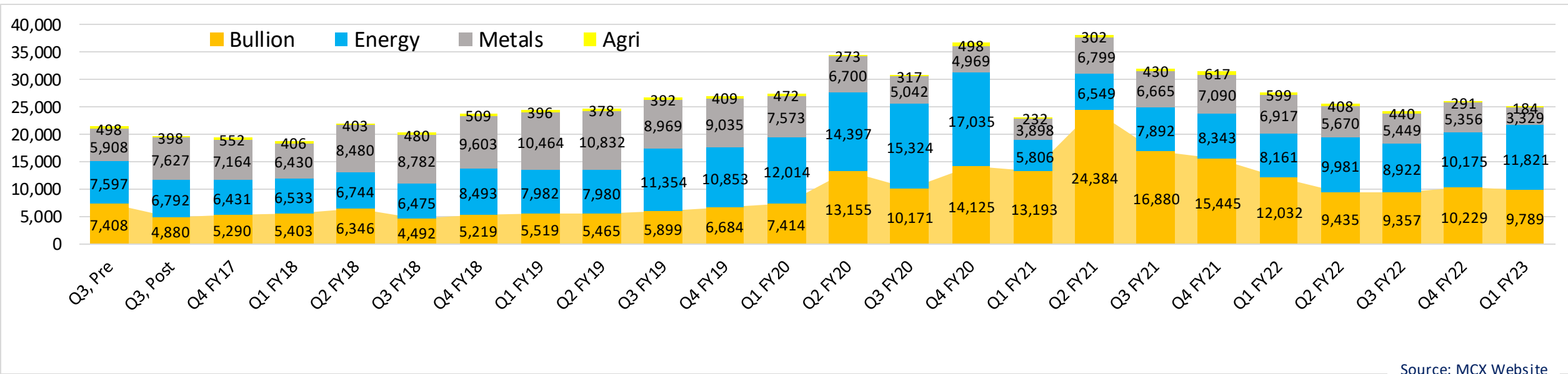
DID YOU KNOW ?
FOR TRADE VERIFICATION : VISIT – [HTTPS://WWW.MCXINDIA.COM](https://www.mcxindia.com)



FUTURES TURNOVER (FY 22)

Index Futures	
Period	ADT (Rs Crs.)
FY21	313
FY22	333
Q1 FY23	112

ADT IN FUTURE CONTRACTS (FUTCOM- RS. IN CRORES)



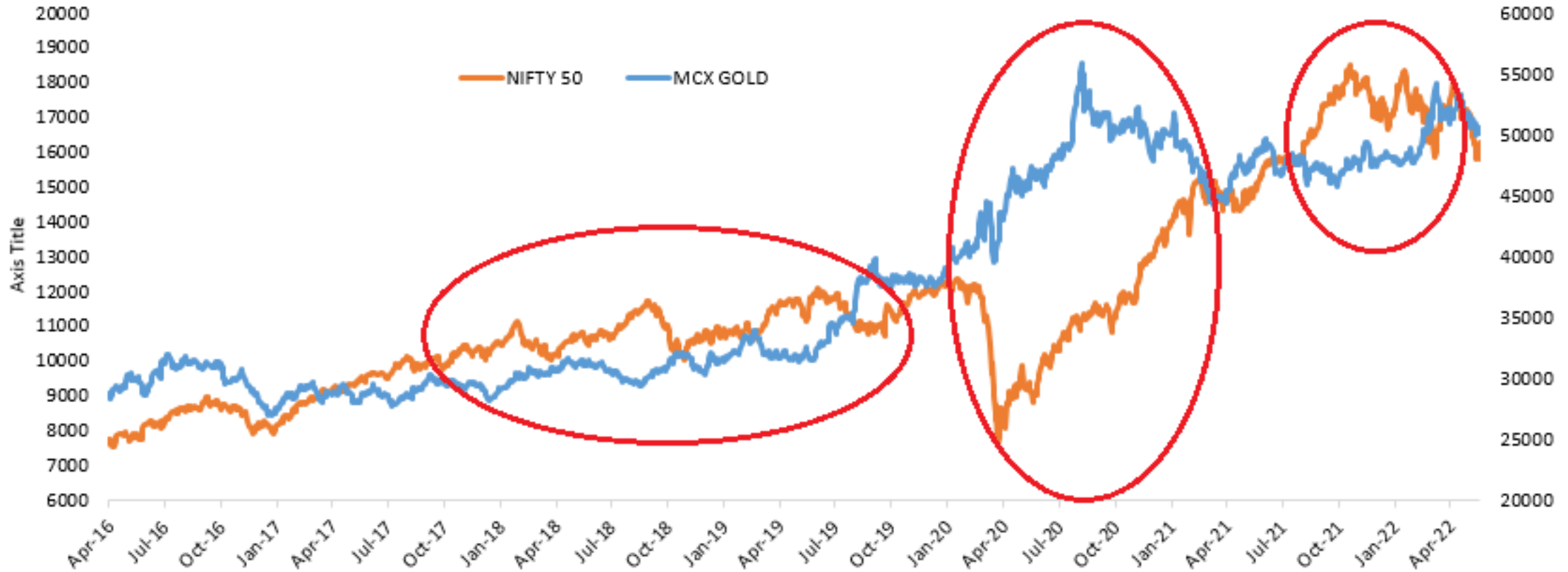
Source: MCX Website



DID YOU KNOW ?

GLOBAL ECONOMIC UNCERTAINTIES KEEP COMMODITY PRICES HIGHLY VOLATILE. USE FUTURES TO LOCK IN YOUR PRICES.

COMMODITY VS EQUITY - SCOPE FOR DIVERSIFICATION

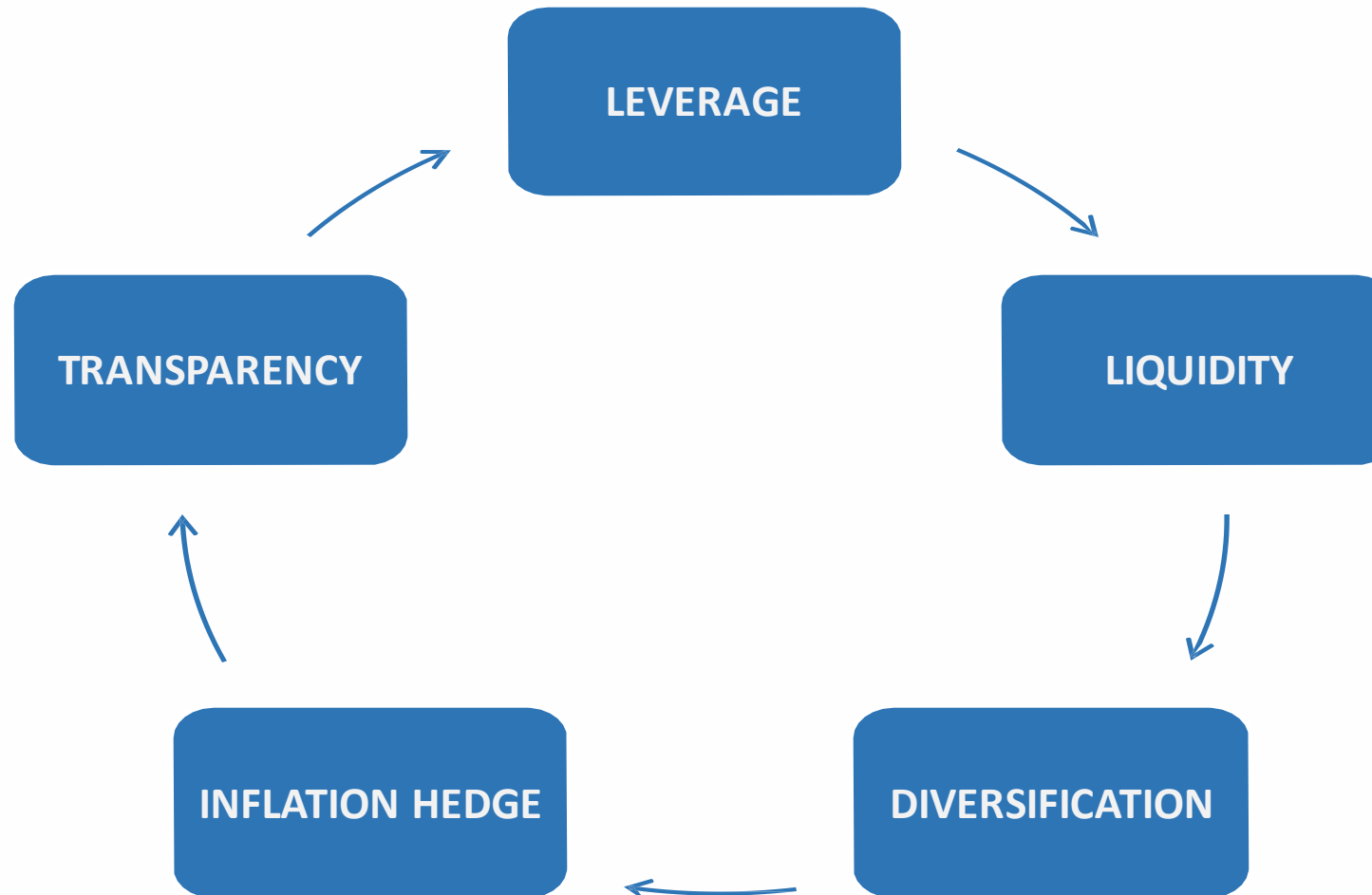


Source: NSE & MCX website till Apr-2022



INVESTOR SERVICE CENTRES ?

MUMBAI | KOLKATA | NEW DELHI | CHENNAI | HYDERABAD | GANDHINAGAR | JAIPUR | KANPUR | INDORE | BENGALURU



DID YOU KNOW ?

HEDGE | DISCLOSE | BE COMPLIANT - LISTED ENTITIES TO DISCLOSE COMMODITY PRICE RISK & HEDGING ACTIVITIES IN ANNUAL REPORT (SEBI-LODR)

LEVERAGE - INDICATIVE MARGINS IN COMMODITIES

**SOURCE : MCX WEBSITE

Contract	No of Contracts	Price Quote	Trading Lot / Tick Value	Tick change P/L	Close Price	Contract value	Margin (IM+ELM) %	Margin amount
BULLION								
GOLDPETAL	Monthly (12)	₹/gram	1 gram	1	5,913	5,913	9.25	547
GOLDGUINEA	Monthly (12)	₹/8 grams	8 grams	1	47,883	383,064	9.25	35,433
GOLDM	Monthly (12)	₹/10 grams	100 grams	10	59,106	591,060	29.25	172,885
GOLD	Bi-Monthly (6)	₹/10 grams	1 Kg	100	59,395	5,939,500	9.25	549,404
SILVERMIC	5 contracts	₹/Kg	1 Kg	1	75,072	75072	11.25	8446
SILVERM	5 contracts	₹/Kg	5 Kg	5	75,081	375405	11.25	42233
SILVER	5 contracts	₹/Kg	30 Kg	30	73,544	2206320	31.25	689475
MCXBULLDEX	Monthly (12)	50 Times the index value	50	50	15,988	799400	6	47964
BASE METALS								
ALUMINIUM	Monthly (12)	₹/Kg	5 MT	250	203.5	1017250	11.25	114441
LEAD	Monthly (12)	₹/Kg	5 MT	250	188.8	944000	7.25	68440
ZINC	Monthly (12)	₹/Kg	5 MT	250	220.8	1104000	11.25	124200
COPPER	Monthly (12)	₹/Kg	2.5 MT	125	740	1849875	11.25	208111
NICKEL	Monthly (12)	₹/Kg	1.5 MT	150	1,736.4	2604600	11.25	293018
MCXMETLDEX	Monthly (12)	50 Times the index value	50	50	16,136	806800	6	48408
ENERGY								
NATURALGAS	Monthly (12)	₹ / mmbtu	1,250 mmbtu	125	229.8	287250	24.67	70865
CRUDEOIL	Monthly (12)	₹ / barrel	100 barrels	100	7,064	706400	41.25	291390
MCXENRGDEX	Monthly (12)	125 Times the index value	125	125	6,377	797125	11.25	89677

Source: MCX website



DID YOU KNOW ?

YOU CAN DIVERSIFY YOUR PORTFOLIO WITH COMMODITIES DERIVATIVES - BULLION | BASE METAL | ENERGY | AGRI

MINI CONTRACTS

MCX ALUMINIUM MINI Futures Contract (1 MT)

CONTRACT HIGHLIGHTS

Trading Unit	1 MT
Base Value	1 Kg
Maximum Order Size	100 MT
Tick Size	5 paise/kg
Delivery Unit	1 MT

Available for trading
from Monday, Feb 20
2023!



Refer to circular MCX/TRD/104/2023
on www.mcxindia.com

MCX LEAD MINI Futures Contract (1 MT)

CONTRACT HIGHLIGHTS

Trading Unit	1 MT
Base Value	1 Kg
Maximum Order Size	100 MT
Tick Size	5 paise/kg
Delivery Unit	1 MT

Available for trading
from Wednesday
Feb 22, 2023!



Refer to circular MCX/TRD/105/2023
on www.mcxindia.com

MCX ZINC MINI Futures Contract (1 MT)

CONTRACT HIGHLIGHTS

Trading Unit	1 MT
Base Value	1 Kg
Maximum Order Size	100 MT
Tick Size	5 paise/kg
Delivery Unit	1 MT

Available for trading
from Friday, Feb 17
2023!



Refer to circular MCX/TRD/101/2023
on www.mcxindia.com

MCX CRUDE OIL MINI (10 BBL) FUTURES contract

CONTRACT HIGHLIGHTS

Symbol	CRUDEOILM
Trading Unit	10 Barrels
Base Value	₹/Barrel
Maximum Order Size	10,000 Barrels
Tick Size	₹ 1

Refer to circular MCX/TRD/146/2023
on www.mcxindia.com



MCX NATURAL GAS MINI FUTURES (250 MMBtu)

CONTRACT HIGHLIGHTS

Symbol	NATGASMINI
Trading Unit	250 MMBtu
Base Value	₹/MMBtu
Maximum Order Size	60,000 MMBtu
Tick Size	10 paise (0.10 rupees)

Refer to circular MCX/TRD/157/2023
on www.mcxindia.com



DID YOU KNOW ?

YOU CAN DIVERSIFY YOUR PORTFOLIO WITH COMMODITIES DERIVATIVES - BULLION | BASE METAL | ENERGY | AGRI

LEVERAGE - INDICATIVE MARGINS IN MINI'S COMMODITIES

**SOURCE : MCX WEBSITE

BASE METALS MINI								
Contract	No of Contracts	Price Quote	Trading Lot / Tick Value	Tick change P/L	Close Price	Contract value	Margin (IM+ELM) %	Margin amount
ALUMINI	Monthly (12)	₹/Kg	1 MT	50	203.6	203600	11.25	22905
LEADMINI	Monthly (12)	₹/Kg	1 MT	50	188.7	188650	7.25	13677
ZINCMINI	Monthly (12)	₹/Kg	1 MT	50	220.6	220600	11.25	24818
ENERGY MINI CONTRACTS								
CRUDEOILM	Monthly (12)	₹/barrel	10 barrels	1	7,056	70560	41.25	29106
NATGASMINI	Monthly (12)	₹/mmbtu	250 mmbtu	0.1	230.1	57525	24.27	13961

Source: MCX website



DID YOU KNOW ?

YOU CAN DIVERSIFY YOUR PORTFOLIO WITH COMMODITIES DERIVATIVES - BULLION | BASE METAL | ENERGY | AGRI

PRODUCT SPECIFICATIONS

BULLION CONTRACTS SNAPSHOT

Contracts	Price Quote	Trading Lot	Tick Size	₹ change / tick	Expiry Date	Delivery Logic	Delivery Lot	Staggered Delivery of 5 Trading Days w.e.f.	Primary delivery centre	Additional delivery centres
Gold	₹/10 grams**	1 Kg	₹ 1	₹ 100	5th day	Compulsory	1 Kg	Dec. 2019	Ahmedabad	Chennai, Hyderabad, Kochi, Bengaluru, Kolkata, Mumbai and New Delhi
Gold Mini	₹/10 grams**	100 grams	₹ 1	₹ 10	5th day	Compulsory	100 grams	Nov. 2019		
Gold Guinea	₹/8 grams**	8 grams	₹ 1	₹ 1	Last day	Compulsory	8 grams	Oct. 2019	Ahmedabad	Mumbai & New Delhi
Gold Petal	₹/gram**	1 gram	₹ 1	₹ 1	Last day	Compulsory	1 gram	Oct. 2019	Mumbai	Ahmedabad & New Delhi
Silver	₹/Kg**	30 Kg	₹ 1	₹ 30	5th day	Compulsory	30 Kg	Dec. 2019	Ahmedabad	Agra, Chennai, Delhi, Jaipur, Mumbai, Salem & Rajkot
Silver Mini	₹/Kg**	5 Kg	₹ 1	₹ 5	Last day	Compulsory	5 Kg (5 Kg: 5 bars of 1 Kg each)	Jun. 2020	Ahmedabad	-
Silver Micro	₹/Kg**	1 Kg	₹ 1	₹ 1	Last day	Compulsory	1 Kg	Feb. 2020	Ahmedabad	-

Co-relation with COMEX
Gold: 97% and Silver: 99%

**incl. of all taxes & levies relating to import duty, customs but excl. GST, any other additional tax, cess, octroi or surcharge as applicable

Source: MCX website (for more details visit MCX website)



DID YOU KNOW ?

BASE METAL DERIVATIVE CONTRACTS ARE NOW PHYSICALLY DELIVERABLE

BASE METAL CONTRACTS SNAPSHOT

Source: MCX website (for more details visit MCX website)

Contract	Price Quote	Trading Lot (refer to Note)	Tick Size	₹ change /tick	Delivery Lot (refer to Note)	Expiry Date	Delivery Logic	Primary delivery centre	Additional delivery centres	Co-relation with International Markets (FY20-21)
Aluminium	₹/Kg#	5 MT	₹ 0.05	₹ 250	5 MT	Last day	Compulsory	Raipur, Chhattisgarh	Thane, Maharashtra	98.59%
Alumini		1 MT		₹ 50	5 MT				Palwal, Haryana (NCR)	
								Chennai, Tamil Nadu		
								Kolkata, West Bengal		
Copper	₹/Kg#	2.5 MT	₹ 0.05	₹ 125	2.5 MT	Last day	Compulsory	Thane, Maharashtra	Palwal, Haryana (NCR)	99.24%
								Chennai, Tamil Nadu		
								Kolkata, West Bengal		
Lead	₹/Kg#	5 MT	₹ 0.05	₹ 250	5 MT	Last day	Compulsory	Chennai, Tamil Nadu	Thane, Maharashtra	91.21%
Lead Mini		1 MT		₹ 50	1 MT				Palwal, Haryana (NCR)	
								Kolkata, West Bengal		
Nickel	₹/Kg#	1.5 MT	₹ 0.1	₹ 150	1.5 MT	Last day	Compulsory	Thane, Maharashtra	Chennai, Tamil Nadu	99.41%
								Palwal, Haryana (NCR)		
								Kolkata, West Bengal		
Zinc	₹/Kg#	5 MT	₹ 0.05	₹ 250	5 MT	Last day	Compulsory	Thane, Maharashtra	Kolkata, West Bengal	98.82%
Zinc Mini		1 MT		₹ 50	1 MT	Last day	Compulsory	Thane, Maharashtra	Kolkata, West Bengal	



DID YOU KNOW ?

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Contract	Price Quote	Trading Lot	Tick Size	₹ change / tick	Expiry Date	Delivery Logic
Crude Oil	₹ / barrel	100 barrels	₹ 1	₹ 100	17th/18th/19th/20th/21st	Cash
Crude Oil Mini		10 barrels		₹ 10		
Natural Gas	₹ / mmbtu	1250 mmbtu	₹ 0.1	₹ 125	24th/25th/26th/27th/28th	Cash
Natural Gas Mini		250 mmbtu		₹ 25		



DID YOU KNOW ?

BASE METAL DERIVATIVE CONTRACTS ARE NOW PHYSICALLY DELIVERABLE

AGRI CONTRACTS SNAPSHOT

Contract	Price Quote	Trading & Delivery Lot	Tick Size	₹ change / tick	Expiry Date	Delivery Logic	Primary delivery centre	Delivery Centres
COTTONCNDY	Rs. per Candy (of 100 bales) ##	48 Candy (100 bales)	₹ 20	₹ 960	Last day	Compulsory with 5-days Staggered Delivery	Rajkot (Gujarat)	Yavatmal / Jalna (Maharashtra)
								Kadi, Mundra (Gujarat)
								Adilabad (Telangana)
Mentha Oil	₹/Kg^	360 Kg	₹ 0.1	₹ 36	Last day	Compulsory with 5-days Staggered Delivery	Chandausi	Barabanki
Kapas	₹/20Kg#	4 MT	₹ 0.5	₹ 100	Last day	Both option	-	-
Rubber	₹ /100 Kg#	1 MT	₹ 1	₹ 10	Last day	Compulsory with 5-days Staggered Delivery	Palakkad	

excl. only GST

excl. of all taxes & levies relating to GST, import duty / customs and local taxes if any etc.

^ Incl. of Mandi Tax, but excl. of all taxes, purchase tax / sales tax/ GST, if applicable & levies

Source: MCX website (for more details visit MCX website)



DID YOU KNOW ?

YOU CAN DIVERSIFY YOUR PORTFOLIO WITH COMMODITIES DERIVATIVES - BULLION | BASE METAL | ENERGY | AGRI

Average Daily Turnover (Futures) – Product wise

Source: MCX India Website

Commodity	FY21-22	FY22-23	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	April'23	May'23	June'23	July'23	Aug'23
GOLD	4,710	4,578	5,151	3,869	4,758	3,448	4,843	4,958	5,772	5,189	5,966	4,520.2	4,752.13	3,376.74
SILVER	5,504	6,351	6,612	3,605	8,001	7,008	6,469	7,066	6,506	8,227	7,418	7,483.13	6,540.54	7,210.71
TOTAL	10,214	10,929	11,763	7,474	12,759	10,456	11,312	12,024	12,278	13,416	13,384	12,003	11,293	10,587
Commodity	FY21-22	FY22-23	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	April'23	May'23	June'23	July'23	Aug'23
BULLDEX	161	88	101	89	88	73	70	61	52	54	62	52	39	32
Commodity	FY21-22	FY22-23	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	April'23	May'23	June'23	July'23	Aug'23
CRUDE OIL	4,463	3,516	3,705	2,739	3,189	3,052	2,252	2,530	2,929	2,079	2,376	2,818	2,005	1,781
NATURALGAS	4,811	5,108	5,710	4,886	5,789	4,754	3,004	2,726	2,550	3,038	3,467	3,619	2,647	3,233
TOTAL	9,310	8,624	9,415	7,625	8,978	7,807	5,256	5,256	5,479	5,117	5,843	6,437	4,652	5,015
Commodity	FY21-22	FY22-23	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23	April'23	May'23	June'23	July'23	Aug'23
ALUMINIUM	607	666	660	982	978	625	638	497	390	293	219	206	200	217
COPPER	2,537	2,046	2,249	2,389	2,355	1,847	1,938	1,819	1,784	1,219	1,232	1,305	1,190	1,102
LEAD	218	115.06	112	130	125	98	103	100	70	79	53	59	54	53
NICKEL	1,726	4.138	1	1	1	1	2	5.838	-	-	-			
ZINC	736	835	892	976	945	738	787	860	619	488	488	503	486	504
TOTAL	5,824	3,666	3,915	4,479	4,404	3,310	3,468	3,282	2,863	2,079	1,992	2,073	1,929	1,875

Source: MCX website

(In Rs. Crs)

- Reference spot prices is for better pricing decisions by participants and used for determining delivery price

SPOT PRICE POLLING AT MCXCCL

- Spot market prices are polled twice a day & single reference price* disseminated to the market at ~ 12pm & 5pm on TWS and MCX & MCXCCL website. (*arrived based on Trim-Mean method)
- FSP of respective month contract will be used for billing and GST calculation
- Spot Prices available at - <https://www.mcxindia.com/market-data/spot-market-price> & <https://www.mcxccl.com/spot/spot-market-price>



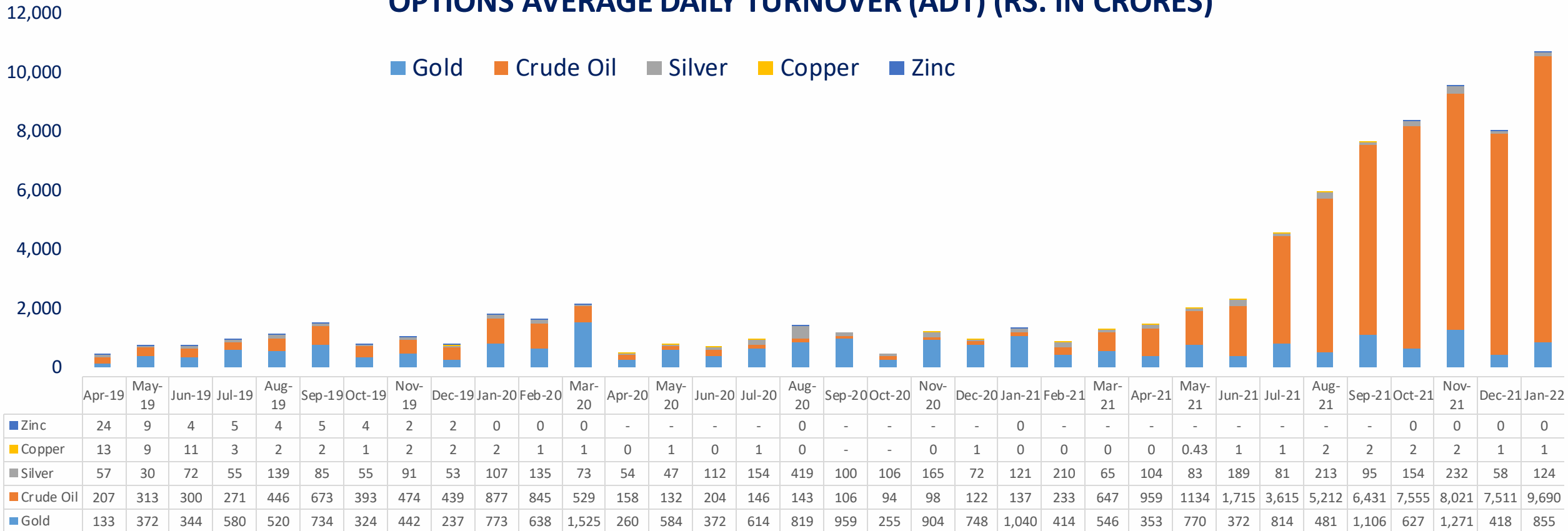
INVESTOR SERVICE CENTRES ?

MUMBAI | KOLKATA | NEW DELHI | CHENNAI | HYDERABAD | GANDHINAGAR | JAIPUR | KANPUR | INDORE | BENGALURU

OPTIONS ON FUTURES

OPTIONS AVERAGE DAILY TURNOVER (ADT) (RS. IN CRORES)

■ Gold ■ Crude Oil ■ Silver ■ Copper ■ Zinc



Source: MCX website

WHAT ARE OPTIONS ON FUTURES?

- Options offer the buyer an **Insurance** against adverse movement, but allow for **participation** on **favourable side**
- Maximum Loss to the extent of Premium paid for Buyer
- Exchange Traded options free from **counter party risk**
- Futures & Options combination (both risk management tools): gives **leverage** of futures with **safety** of options: Profit from change in future prices but limit losses via Options
- Participants can devise hundreds of effective hedging strategies
- Better **Cash-flow management**-one-time payment of Premium
- **Low** Transaction **Cost**, low capital intensive

	CALL OPTION	PUT OPTION
Option Buyer	Pays Premium; right to buy	Pays Premium; right to sell
Option Seller	Collects premium; obligation to sell	Collects premium; obligation to buy



DID YOU KNOW ?

OPTIONS ARE AKIN TO PRICE INSURANCE, AS BUYER ONLY PAYS ONE-TIME UPFRONT FEE (PREMIUM) AND IS FREE FROM DAILY MARGIN CALLS.

- **Option price:** Option price is the price which the option buyer pays to the option seller. It is also referred to as the option premium.
- **Expiration date:** The date specified in the options contract is known as the expiration date, the exercise date, the strike date or the maturity.
- **Strike price:** The price specified in the options contract is known as the strike price or the exercise price.
- **Open interest:** The total number of options contracts outstanding or open in the market at any given point of time.

MONEYNESS IN OPTIONS	CALL OPTION	PUT OPTION
In the Money	Current Price > Strike Price	Current Price < Strike Price
At the Money	Current Price = Strike Price	
Out of the Money	Current Price < Strike Price	Current Price > Strike Price

- **Intrinsic Value:** Amount by which the option is in the money
i.e. difference between strike price and current price



Call Option	Current Price - Strike Price
Put Option	Strike Price - Current Price



DID YOU KNOW ?

BASE METAL DERIVATIVE CONTRACTS ARE NOW PHYSICALLY DELIVERABLE

Options Contract Specifications

INSTRUMENT	GOLD OPTION	SILVER OPTION	CRUDE OPTION	NATURAL GAS OPTION	COPPER OPTION	ZINC OPTION	NICKEL OPTION
UNDERLYING FUTURES	GOLD (1 KG)/ GOLD MINI (100 GMS)	SILVER OPTION (30 KG) & SILVER MINI (5 KG)	CRUDE OIL ((100 Barrels))	NATURAL GAS (1250 MMBTU)	COPPER (2.5 MT)	ZINC (5 MT)	NICKEL (1.5 MT)
EXPIRY DAY	3 business days prior to the first business day of Tender Period of underlying		2 business days prior to the Expiry Day of the underlying		3 business days prior to the first business day of Tender Period of underlying		
UNDERLYING PRICE QUOTE	Ex-Ahmedabad (incl. taxes & levies relating to import duty, customs but excl. other taxes)		Ex-Mumbai (excl. all taxes & levies)	Rs/MMbtu	Ex-Bhiwandi (excl. all taxes & levies)	Ex-Warehouse Thane district (excl. only GST)	
EXERCISE STYLE	European Style options						
STRIKE PRICE	•25 each for ITM & OTM		•25 each for ITM & OTM	•15 each for ITM & OTM	•7 each for ITM & OTM		
	•1 for ATM	•1 for ATM	•1 for ATM	•1 for ATM	•1 for ATM		
STRIKE INTERVAL	100	250	50	5	5	2.5	20
TICK SIZE	0.5	0.5	0.1	0.05	0.01	0.01	0.05
DAILY PRICE LIMIT	The upper & lower price band as determined based on Black76 model, relaxed considering the movement in the underlying						
INITIAL MARGINS + ELM	•Upfront Premium blocked for the buyer						
	•For seller - Min. of 3.5% subject to MPOR (i.e 3.5% * $\sqrt{2}$ currently) and computed using SPAN software + 1%						
POSITION LIMITS	2 x Position limits for futures contracts provided						
Daily Settlement	•Options Premium settlement on T+1 day basis						
	•MTM on Options positions to be adjusted with margin requirement. MTM gains and losses would not be settled in cash						
Settlement	On exercise, Options positions devolve into underlying Futures position (open at the strike price)						
	•long call position & short put position devolve into long position in the underlying futures contract						
	• long put position & short call position devolve into short position in the underlying futures contract						

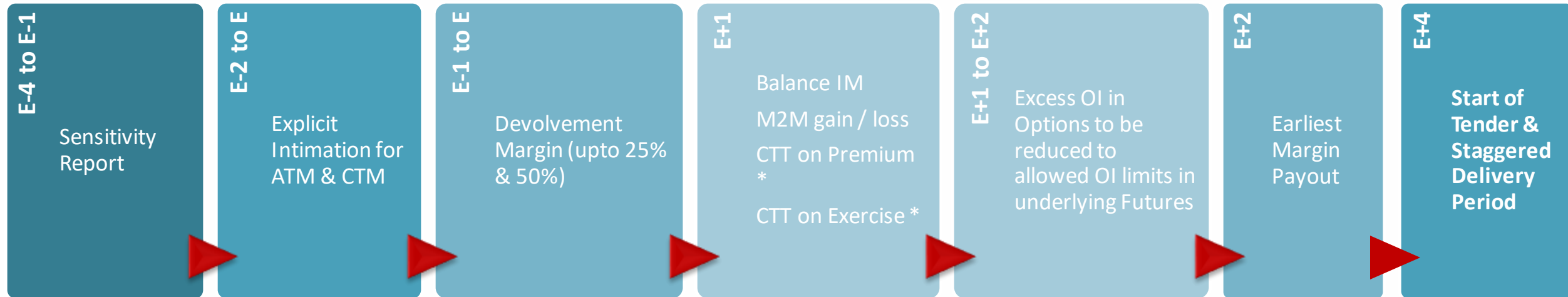


DID YOU KNOW ?

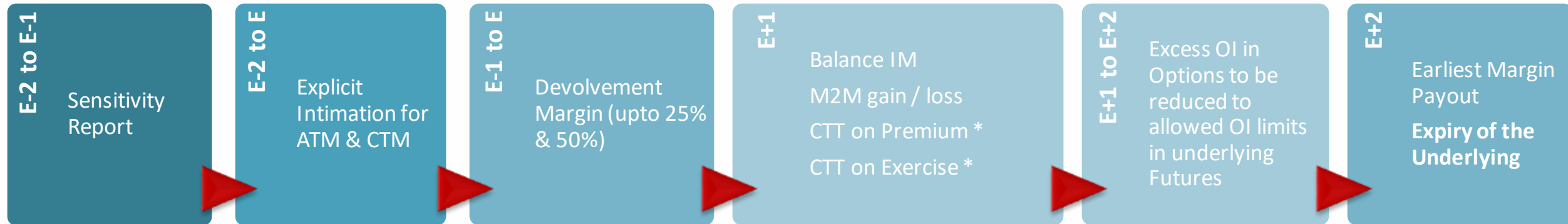
GLOBAL ECONOMIC UNCERTAINTIES KEEP COMMODITY PRICES HIGHLY VOLATILE. USE FUTURES TO LOCK IN YOUR PRICES.

OPTIONS DEVOLVEMENT - EXPIRY (E) & DEVOLVEMENT TO FUTURES (E+1)

FOR DELIVERY BASED UNDERLYING FUTURES



FOR CASH SETTLED UNDERLYING FUTURES



* CTT on Premium (sellers of call / puts)	0.05%
CTT on Exercise (buyers of call / puts)	0.0001%



DID YOU KNOW ?

GLOBAL ECONOMIC UNCERTAINTIES KEEP COMMODITY PRICES HIGHLY VOLATILE. USE FUTURES TO LOCK IN YOUR PRICES.

FACTORS	INCREASE		DECREASE	
	CALL PRICE WILL	PUT PRICE WILL	CALL PRICE WILL	PUT PRICE WILL
Underlying Price (Delta)				
Time until Expiration (Theta)				
Volatility (Vega)				
Interest Rate (Rho)				
Strike Price				



DID YOU KNOW ?

GLOBAL ECONOMIC UNCERTAINTIES KEEP COMMODITY PRICES HIGHLY VOLATILE. USE FUTURES TO LOCK IN YOUR PRICES.

Segment	Product	Average Daily Volatility % (FY 21-22)
Index	Nifty 50	1.00%
	Bank Nifty	1.39%
Energy	Crude Oil	2.55%
	Natural Gas	3.93%
Bullion	Gold 1 Kg	0.81%
	Silver 30 Kg	1.36%

Source: MCX India Website

Average Daily Turnover (Notional Value) of Commodity Options

Source: MCX India Website

Period	CRUDE OIL	NATURAL GAS	GOLD (1 Kg)	GOLDM (100 gms)	SILVER (30 Kgs)	SILVERM (5 Kgs)	Total
Sep'21	6,431		1,106		95	7	7,639
Oct'21	7,555		627		154	12	8,348
Nov'21	8,021		1,271		232	14	9,538
Dec'21	7,511		418		58	4	7,991
Jan'22	9,360	165	855		124	15	10,519
Feb'22	13,519	889	715		239	30	15,392
Mar'22	14,437	1,847	2,418		73	20	18,795
April'22	12,686	3,445	696	79	198	25	17,129
May'22	14,573	3,300	1,559	91	90	18	19,631
Aug'22	23,593	6,299	623	49	377	36	30,978
Sep'22	26,400	7,123	1,690	98	184	27	35,522
Oct'22	23,959	6,215	814	140	339	52	31,520
Nov'22	28,791	9,174	2,228	219	846	87	41,345
Dec'22	31,612	9,926	1,112	205	260	70	43,185
Jan '23	27,775	6,451	1,889	151	302	58	36,627
Feb '23	38,055	4,655	1,279	144	747	123	45,003
March'23	36,959	5,135	2,671	196	547	131	45,639
April'23	36,741	6,009	1,899	523	2648	330	48,150
May'23	45,871	6,802	7,000	470	861	244	61,248
June'23	58,548	8,948	2,787	496	3296	446	74,521
July'23	53,083	8,710	8,657	547	1240	305	72,543
August'23	69,248	12,222	2,028	419	4328	636	88,882

(In Rs. Crs)

Average Daily Premium Turnover in Options

Source: MCX India Website

Contract	CRUDE OIL	GOLD	NATURAL GAS	SILVER
April' 22	326	5	123	2
May'22	354	6	138	2
June'22	363	4	178	2
July'22	488	7	217	3
Aug'22	576	4	211	4
Sep'22	647	8	223	5
Oct'22	537	6	218	8
Nov'22	661	9	383	11
Dec'22	707	7	380	7
Jan'23	555	9	275	6
Feb'23	714	10	213	8
March'23	920	22	199	11

(In Rs. Crs)

FPIs Crosses
 ₹ 50,000 cr*
 Total Turnover on
 MCX

*two-sided turnover since first trade of FPIs till June 14, 2023

FOLLOW US ON



FPI (Category 1) Participation					
Product	CRUDE OIL		NATURALGAS		Total
	Futures	Options	Futures	Options	
April-23	1.01		23.69		24.7
May-23	3988.07	46367.6	4606.56	11705.6	66667.83
June-23	3639.73	43791.43	2990.75	12381.56	62803.47
July-23	1933.57	25685.75	3144.38	9948.38	45728.72

Source: MCX India Website



INVESTOR SERVICE CENTRES ?

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MCX ICOMDEX[®] INDEX FUTURES

- **Single Commodity Indices**
 - e.g. Gold, Silver, Aluminium, Copper, Lead, Nickel, Zinc, Crude Oil, Natural Gas
- **Sectoral Indices**
 - MCX iCOMDEX Bullion (**BULLDEX**)
 - MCX iCOMDEX Metal (**METLDEX**)
 - MCX iCOMDEX Energy (**ENRGDEX**)
- **Composite Index**
 - MCX iCOMDEX Composite

Base Year: December 31, 2015 (Base Value = 10,000)



DID YOU KNOW ?

GLOBAL ECONOMIC UNCERTAINTIES KEEP COMMODITY PRICES HIGHLY VOLATILE. USE FUTURES TO LOCK IN YOUR PRICES.

CONTRACT DETAILS

Parameter	BULLDEX & METLDEX	ENRGDEX
Trading Unit	50 times of INDEX (BULLDEX or METLDEX) (Approx ~ Rs 7.5 lakh/ ~ Rs 8.5 lakh)	Rs 125 times of ENRGDEX (Approx.: ~Rs 7.6 lakh; Index value= ~6,100)
Tick Size	1 (₹ 50 per tick movement)	1 (₹ 125 per tick movement)
Margins	Higher of 5% or SPAN based VaR (IM) + Min 1% (ELM) BULLDEX: Rs. 44,000 (Approx) METLDEX: Rs. 64,000 (Approx)	Minimum 10% or based on SPAN, whichever is higher & ELM: Minimum 1% ENRGDEX: Rs. 96,000 (Approx)
Daily Price Limit	As per underlying futures	
Contract months	All calendar months (Atleast 3 available at any time)	
Mode of Settlement	CASH	
Final Settlement Price (DDR) at Expiry	Volume Weighted Average Prices (VWAP) of U/L constituents of Index (During 4:00 pm – 5:00 pm)	
Expiry date	One business (full) day prior to the start of rollover period in the underlying constituent/(s) index	
Position Limits	Client level: Higher of 1,000 lots or 5% of market OI Member level: Higher of 10,000 lots or 15% of market OI	



DID YOU KNOW ?

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BULLDEX	2023 Weights	2022 Weights
GOLD	64.47%	63.70%
SILVER	35.53%	36.30%

NOTE: WeightsApplicable from January 25, 2023

MCXENRGDEX	2023 Weights	2022 Weights
Crude Oil	59.32%	51.07%
Natural Gas	40.68%	48.93%

NOTE: WeightsApplicable from January 11, 2023

MCXMETLDEX	2023 Weights	2022 Weights
Copper	40.00%	39.74%
Nickel*		25.21%
Aluminium	32.90%	16.12%
Zinc	22.13%	14.34%
Lead	4.97%	4.59%

Note:

- 1 . WeightsApplicable from January 20, 2023
2. MCX iCOMDEX Nickel Index (MCX NICKDEX®) will cease to exist i.e. there would be no further computation and dissemination of index values of MCX NICKDEX®

Weights
1. Liquidity (75%) (of Last 12 Months) &
2. Physical Market Size (25%) (Average of last 5 Years)
3. Rebalancing: Annual, every January (Announced in October)



DID YOU KNOW ?

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UNDERLYING MOVEMENT VS. INDEX

Price change in Underlying		Change in MCX iCOMDEX Bullion *
Gold	Silver	
Rs. 100		20.9 Points
	Rs. 100	6.5 Points
Rs. 100	Rs. 100	27.4 Points

Price change in Underlying		Change in MCX iCOMDEX Energy *
Crude Oil	Natural Gas	
Rs.100	-	68.83 Points
-	Rs.10	63.34 Points
Rs. 100	Rs. 10	132.18 Points

Underlying	Price change in Underlying (Rupee)	Change in MCX iCOMDEX Base Metals*
Aluminium (5 MT)	1	9.51 Points
Copper (2.5 MT)	1	8.26 Points
Lead (5 MT)	1	2.68 Points
Nickel (1.5 MT)	1	3.07 Points
Zinc (5 MT)	1	13.13 Points
All 5 U/L move by 1 Rupee each	1	36.65 Points

* Indicative
(10022022)



DID YOU KNOW ?

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Indicative Trading Cost

PARAMETERS	BULLDEX FUTURES	METLDEX FUTURES	ENRGDEX ^{In Rs.} FUTURES
Approx. Index Value	13700	15700	5900
Contract Value (Units * Index Value)	6,85,000	7,85,000	7,37,500
Profit per Tick	50	50	125
Exchange Transaction Fees (Rs.2.60 per Rs. 1 lakh of turnover)	35.62	40.82	38.35
Stamp Duty @ 0.002% from buyers only	13.70	15.70	14.75
GST @ 18%	6.41	7.35	6.90
CTT @ 0.01% on sell side	68.50	78.50	73.75
Total Cost	124.23	142.37	133.75
No. of Ticks for breakeven	2.48	2.85	1.07

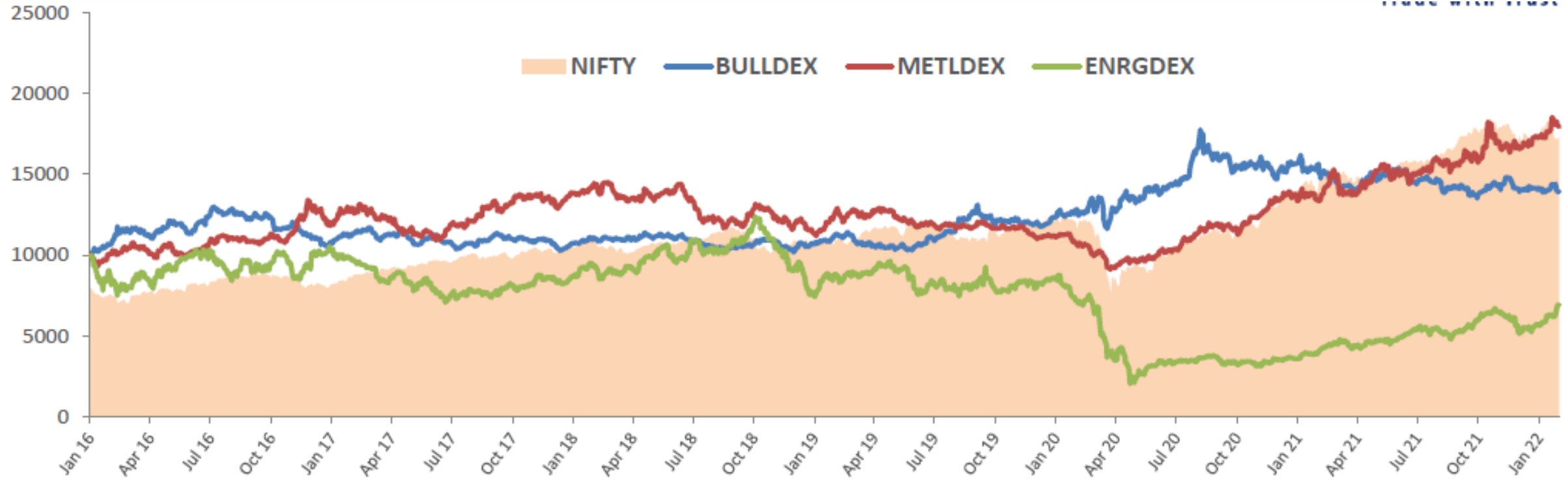
Note: Indicative



DID YOU KNOW ?

MCX IS A MEMBER OF : OICU-IOSCO | FUTURES INDUSTRY ASSOCIATION (FIA) | WORLD FEDERATION OF EXCHANGES (WFE)

BULLDEX, METLDEX, ENRGDEX v/s NIFTY



Index	Correlation with NIFTY 50
BULLDEX	-0.02
METLDEX	0.14
ENRGDEX	0.18

Correlation with METLDEX Futures (Feb21-Jan'22)	METLDEX	Aluminum Index	Copper Index	Lead Index	Nickel Index	Zinc Index
Correlation (%)	99.73	67.15	88.90	55.97	88.60	80.01

Correlation with BULLDEX Futures (Feb21-Jan'22)	BULLDEX	Gold Index	Silver Index
Correlation (%)	99.67	95.40	91.87

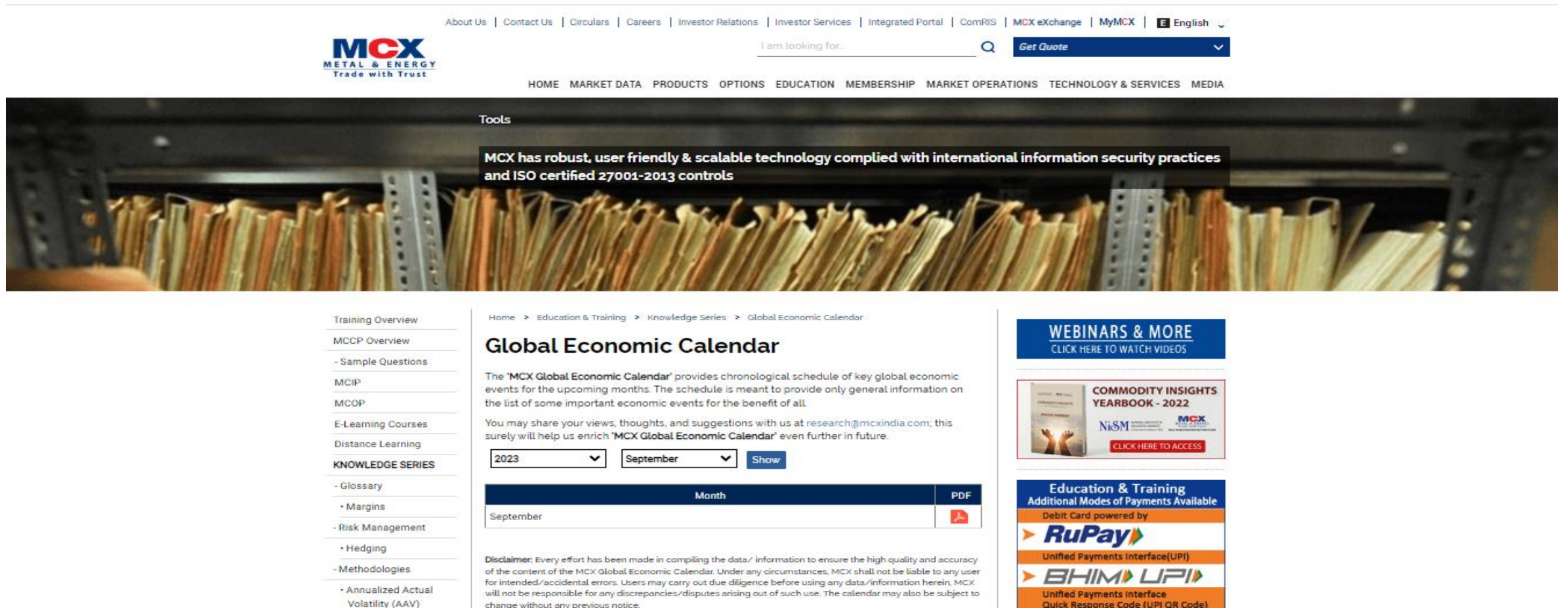
Note: data since inception till Jan'22



DID YOU KNOW ?

MCX HAS A MARKET SHARE OF 92% IN COMMODITY MARKETS

The Global Economic Calendar on the website: www.mcxindia.com → Knowledge series → Global Economic calendar.



Tools

MCX has robust, user friendly & scalable technology complied with international information security practices and ISO certified 27001-2013 controls


Home > Education & Training > Knowledge Series > Global Economic Calendar

Global Economic Calendar

The 'MCX Global Economic Calendar' provides chronological schedule of key global economic events for the upcoming months. The schedule is meant to provide only general information on the list of some important economic events for the benefit of all.

You may share your views, thoughts, and suggestions with us at research@mcxindia.com; this surely will help us enrich 'MCX Global Economic Calendar' even further in future.

2023 | September | Show

Month	PDF
September	

Disclaimer: Every effort has been made in compiling the data/ information to ensure the high quality and accuracy of the content of the MCX Global Economic Calendar. Under any circumstances, MCX shall not be liable to any user for intended/accidental errors. Users may carry out due diligence before using any data/information herein, MCX will not be responsible for any discrepancies/disputes arising out of such use. The calendar may also be subject to change without any previous notice.

KNOWLEDGE SERIES

- Glossary
- Margins
- Risk Management
- Hedging
- Methodologies
- Annualized Actual Volatility (AAV)

WEBINARS & MORE
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COMMODITY INSIGHTS YEARBOOK - 2022
CLICK HERE TO ACCESS

Education & Training
Additional Modes of Payments Available

- Debit Card powered by **RuPay**
- Unified Payments Interface (UPI)
- BHIM UPI**
- Unified Payments Interface Quick Response Code (UPI QR Code)

Source: MCX Website



INVESTOR SERVICE CENTRES ?

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- W.E.F. September 01, 2020 Investors should not transfer any security for the purpose of Margin to Stock Broker's Depository Account
- Investors can give Securities as Margin by pledging it in favour of their Stock Broker
- Investors when pledge shares in favour of Stock Broker respective DP will send OTP
- On entering OTP in the system after verification of the same DP will create pledge
- Stock Broker can further re-pledge such pledged securities in favour of CM/CC
- When Investor wants to un-pledge securities they can request the Stock Brokers



DID YOU KNOW ?

OPTIONS ARE AKIN TO PRICE INSURANCE, AS BUYER ONLY PAYS ONE -TIME UPFRONT FEE (PREMIUM) AND IS FREE FROM DAILY MARGIN CALLS.

DO's

- Trade only through **Registered Members** of the Exchange - *visit Exchange website to check if the member is registered with Exchange*
- Fill standard '**Know Your Client**' (KYC) form before you commence trading
- **Update your mobile number and/or email id** with your broker & insist your broker to upload the same in the exchange's UCC database.
- Insist on getting a **Unique Client Code (UCC)** and ensure all your trades are done in UCC
- Insist on reading the standard '**Risk Disclosure Document (RDD)**' & '**Rights & Obligation of Investor**'

DON'TS

- Do not be influenced by indicative returns or promises made
- Do not get carried away by luring advertisements, rumors, hot tips
- Do not make payments in cash/take any cash towards margins and settlement
- Do not sign blank DPs while furnishing securities deposits
- Do not pay brokerage in excess of the rates prescribed by the Exchange

WHO IS A RESPONSIBLE INVESTOR..???

- Tracks the physical market
- Tracks the economy – global and local
- Knows his financial limits and risk profile
- Doesn't bet on the market but takes informed decisions
- Doesn't (over-trade) try to recoup losses, it might lead to more losses
- Continuously track his/her positions



DID YOU KNOW ?

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Constitution of Investor Service Centre:

The Exchange has constituted 10 Investor Service Centre to facilitate clients at following 10 locations:

1. Bengaluru
2. Chennai
3. Delhi
4. Gandhinagar
5. Hyderabad
6. Indore
7. Jaipur
8. Kanpur
9. Kolkata
10. Mumbai

Dispute Resolution Mechanism

Investor Grievance – resolution by Exchange within 15 days (e-Portal)

Complaint not resolved within 15 days, refer to IGRC

Investor Grievance Redressal Committee (IGRC)

Aggrieved by IGRC Order, invoke Arbitration

Arbitration

Aggrieved by Arbitral Award, invoke Appellate Arbitration

Appellate Arbitration

Aggrieved by Arbitral or Appellate Arbitral Award, file claim U/s 34

Court of Law u/s. 34 of The Arbitration and Conciliation Act



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WHEN YOU HEDGE WHEN YOU DON'T

SAFE = PROTECT BEFORE IT'S LATE
HEDGE YOUR COMMODITY PRICE RISK

Issued in public interest by
Multi Commodity Exchange
Investor Protection Fund

MCX
METAL & ENERGY
Trade with Trust

**MCX INVESTOR
PROTECTION FUND**

FOR MORE DETAILS: TEL 91-22-66494040, WWW.MCXINDIA.COM, EMAIL: INFO@MCXINDIA.COM

Read the risk disclosure document (RDD) carefully before transacting in commodity futures and options



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NEWSLETTERS, HEDGING BROCHURES, MANUALS, OPTION PRIMER



Convenience and ease of access for investors

MCX METAL & ENERGY Trade with Trust

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The MCX App is available in 4 languages ENGLISH | हिन्दी | ગુજરાતી | বাংলা

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* Online session, conducted over the internet

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- [Introduction to Options - https://youtu.be/-xsQmcys7to](https://youtu.be/-xsQmcys7to)
- [Basics on Commodity Options \(English\) - https://youtu.be/7Dmdxb8vpjQ](https://youtu.be/7Dmdxb8vpjQ)
- [Basics on Commodity Options \(Hindi\) - https://youtu.be/BSLyRIGaifQ](https://youtu.be/BSLyRIGaifQ)
- [Basics of Commodity Futures - https://youtu.be/8s7rhXbqCP4](https://youtu.be/8s7rhXbqCP4)
- [Base Metal Deliverable Contracts - https://youtu.be/Y-tY5fCM2JQ](https://youtu.be/Y-tY5fCM2JQ)

Contact for any queries: 022 - 6649 4040

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THANK YOU

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OPTIONS PREMIUM REQUIREMENT

10 K below Investment Required Commodity Options Strike Prices with Premium Amounts

Instrument Name	Symbol	Expiry Date	Option Type	Strike Price	Volume(Lots)	Value(Crs)	Open Interest(Lots)	Close	Premium
OPTFUT	CRUDEOIL	15-Jun-22	PE	9000	19948	1810.4	6083	64	6400
OPTFUT	CRUDEOIL	15-Jun-22	CE	10000	1918	897.43	1696	52.9	2590
OPTFUT	NATURALGAS	23-Jun-22	PE	550	4199	294.37	487	6.3	7875



DID YOU KNOW ?

GLOBAL ECONOMIC UNCERTAINTIES KEEP COMMODITY PRICES HIGHLY VOLATILE. USE FUTURES TO LOCK IN YOUR PRICES.

PROTECTIVE PUT

Buying underlying asset &

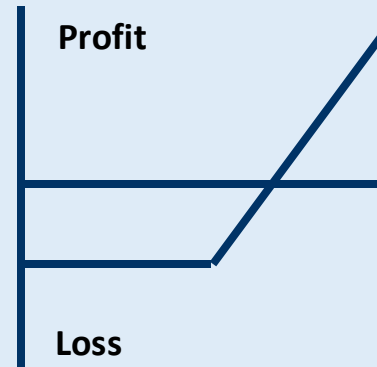
Buying a put on that asset

Market Outlook: Cautiously

bullish

Risk: Limited

Reward: Unlimited



COVERED CALL

Buying underlying asset & Selling

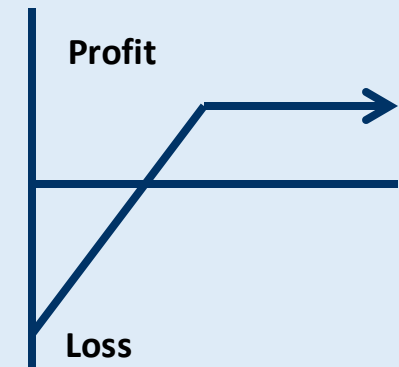
a call on that asset

Market Outlook: Neutral to

slightly Bullish

Risk: Limited but substantial

Reward: Limited



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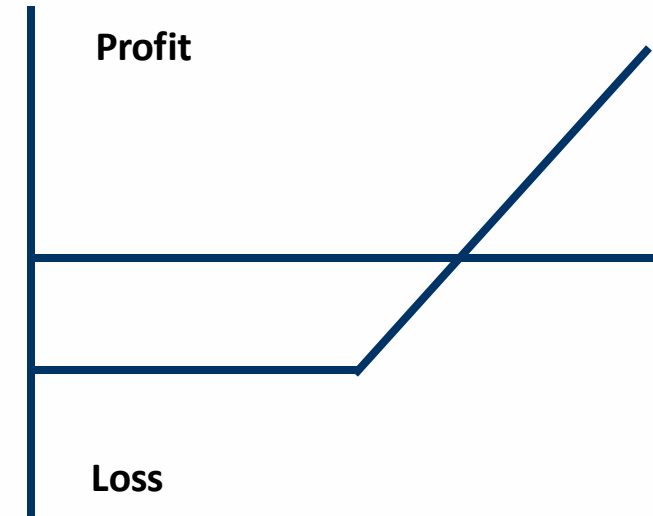
PROTECTIVE PUT

Buying underlying asset & Buying a put on that asset

Market Outlook: Cautiously bullish

Risk: Limited

Reward: Unlimited



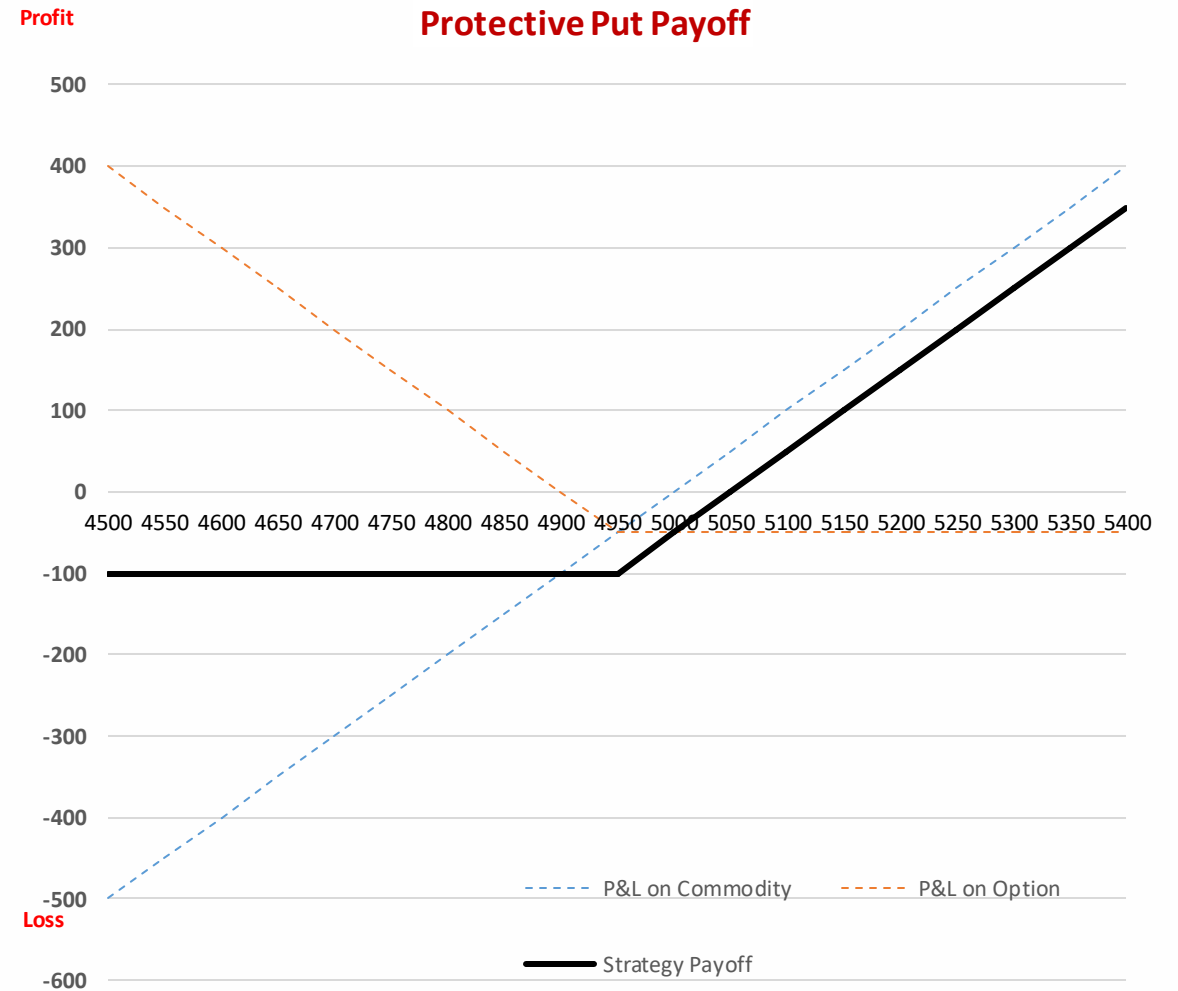
PROTECTIVE PUT

This strategy involves buying the underlying and buying a Put (ATM or slightly OTM).

Buy Crude Futures Rs.5000 , Buy Put: Rs.4950 (50)

BEP:5050

Spot Price on Expiry	P&L on Futures	Premium Paid	P&L on Option	Strategy Payoff
4700	-300	50	200	-100
4750	-250	50	150	-100
4800	-200	50	100	-100
4850	-150	50	50	-100
4900	-100	50	0	-100
4950	-50	50	-50	-100
5000	0	50	-50	-50
5050	50	50	-50	0
5100	100	50	-50	50
5150	150	50	-50	100
5200	200	50	-50	150
5250	250	50	-50	200
5300	300	50	-50	250



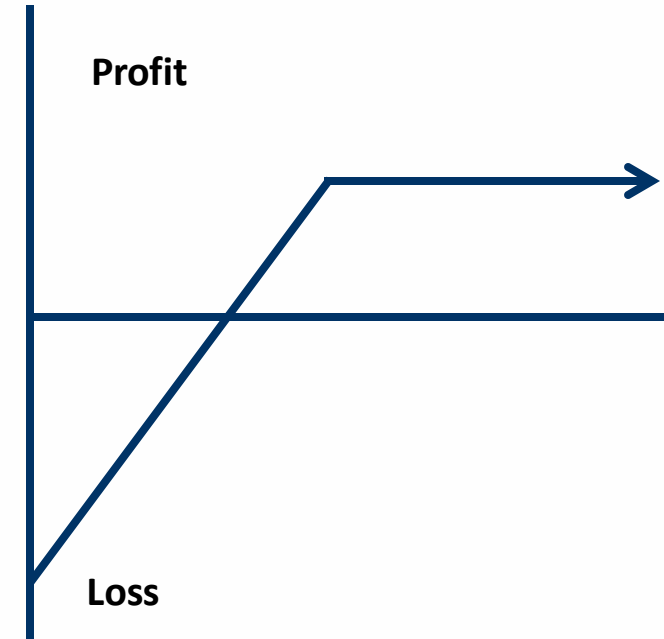
COVERED CALL

Buying underlying asset & Selling a call on that asset

Market Outlook: Neutral to slightly Bullish

Risk: Limited but substantial

Reward: Limited



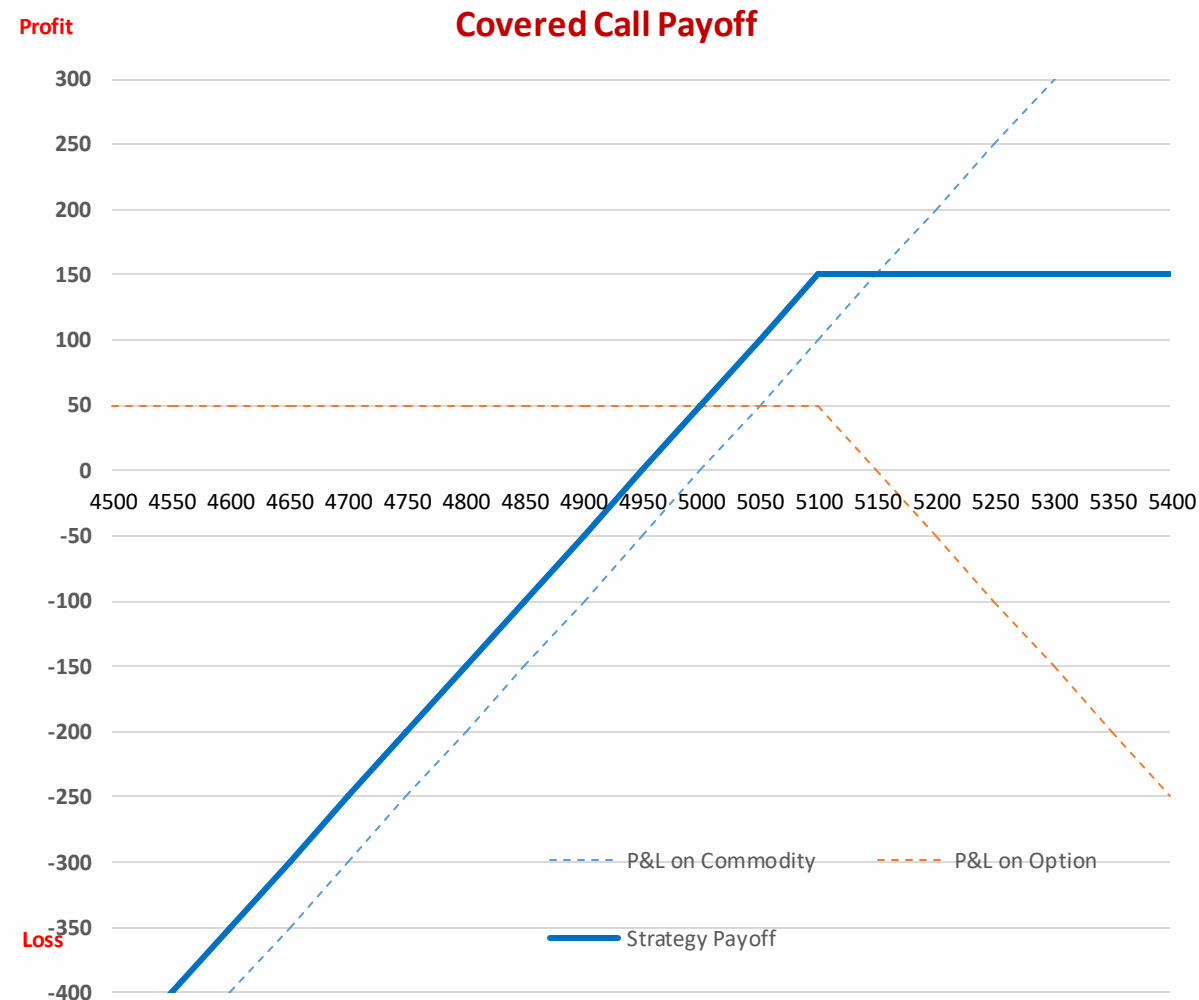
COVERED CALL WRITING

This strategy involves buying the underlying and writing a Call (usually OTM).

Buy Crude Futures Rs.5000 ,Write Call (OTM) Rs.5100 (50)

BEP:4950

Spot Price on Expiry	P&L on Futures	Premium Paid	P&L on Option	Strategy Payoff
4700	-300	50	50	-250
4750	-250	50	50	-200
4800	-200	50	50	-150
4850	-150	50	50	-100
4900	-100	50	50	-50
4950	-50	50	50	0
5000	0	50	50	50
5050	50	50	50	100
5100	100	50	50	150
5150	150	50	0	150
5200	200	50	-50	150
5250	250	50	-100	150
5300	300	50	-150	150



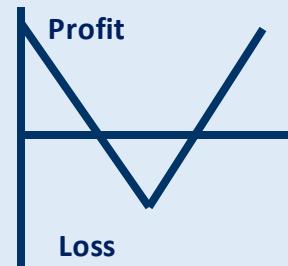
LONG STRADDLE

Buy 1 Call & 1 Put at same strike price and expiry date

Market Outlook: Large move in either direction.

Risk: Limited

Reward: Unlimited



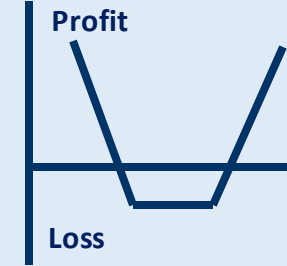
LONG STRANGLE

Buy 1 Call & 1 Put (put at lower strike price)

Market Outlook: Large move in either direction.

Risk: Limited

Reward: Unlimited



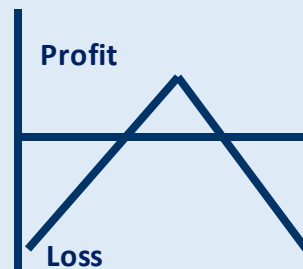
SHORT STRADDLE

Sell 1 call & 1 put at same strike price & expiry date

Market Outlook: Neutral

Risk: Unlimited

Reward: Limited



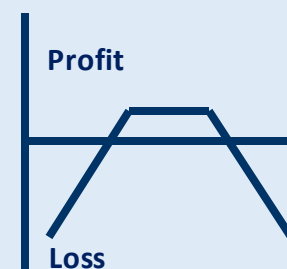
SHORT STRANGLE

Sell 1 call & Sell 1 put (put at lower strike price)

Market Outlook: Neutral

Risk: Unlimited

Reward: Limited



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Involves buying a Call and a Put (usually ATM) with the same Strike Price and the same Expiry Date.

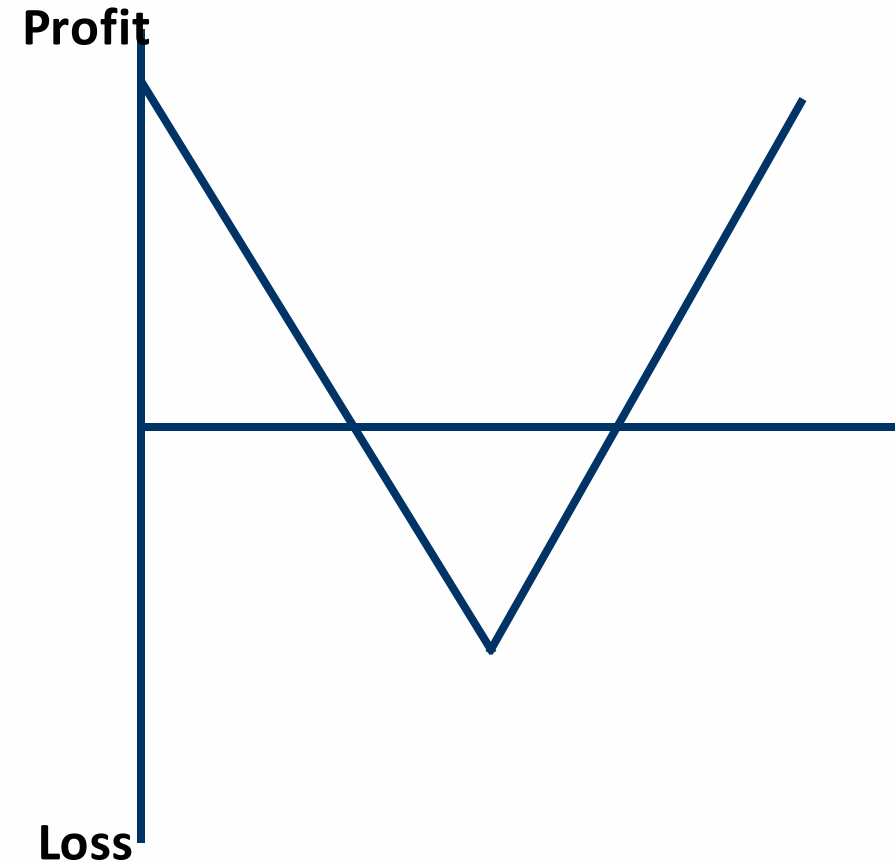
Long Straddle

Buy 1 Call and 1 Put at same strike price and expiry date)

Mkt Outlook: Large move in either direction.

Risk: Limited

Reward: Unlimited



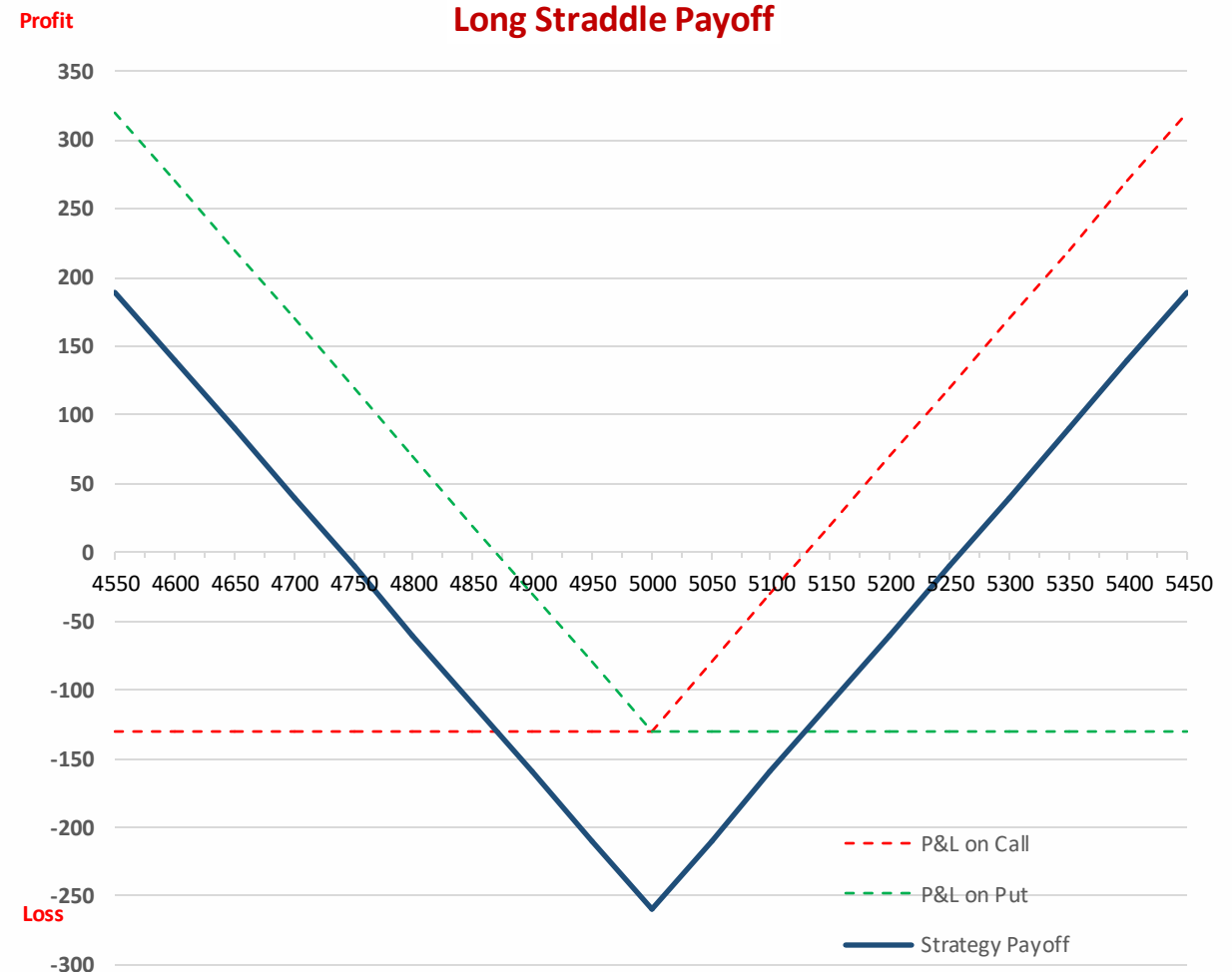
COMBINATION SPREADS - LONG STRADDLE

Involves buying a Call and a Put with the same Strike Price and the same Expiry Date (Usually ATM).

Crude Option: Buy Call Rs.5000, Buy Put Rs.5000, Premium 130+130, CMP Rs.5000

Net premium cost:260
Upper BEP:5260, Lower BEP:4740

Spot Price on Expiry	P&L on Call	P&L on Put	Strategy Payoff
4650	-130	220	90
4700	-130	170	40
4750	-130	120	-10
4800	-130	70	-60
4850	-130	20	-110
4900	-130	-30	-160
4950	-130	-80	-210
5000	-130	-130	-260
5050	-80	-130	-210
5100	-30	-130	-160
5150	20	-130	-110
5200	70	-130	-60
5250	120	-130	-10
5300	170	-130	40
5350	220	-130	90



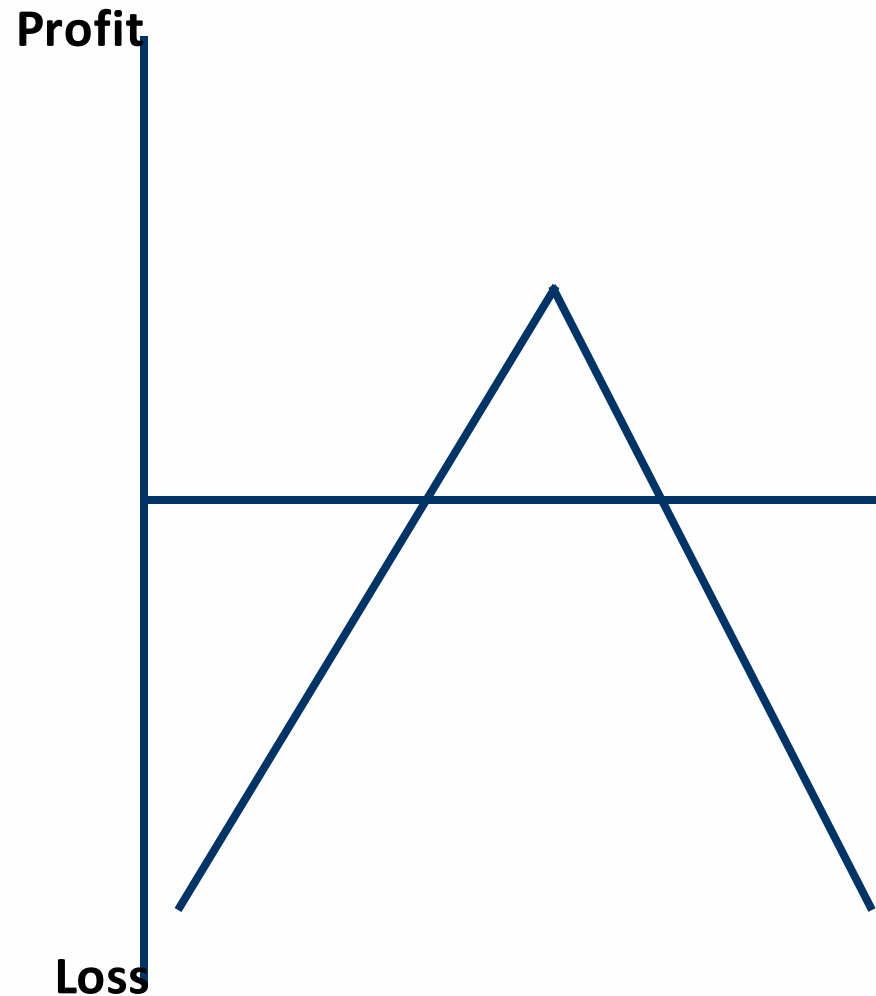
Short Straddle

Sell 1 Call and 1 Put (usually ATM) at same strike price and expiry date

Mkt Outlook: Neutral

Risk: Unlimited

Reward: Limited



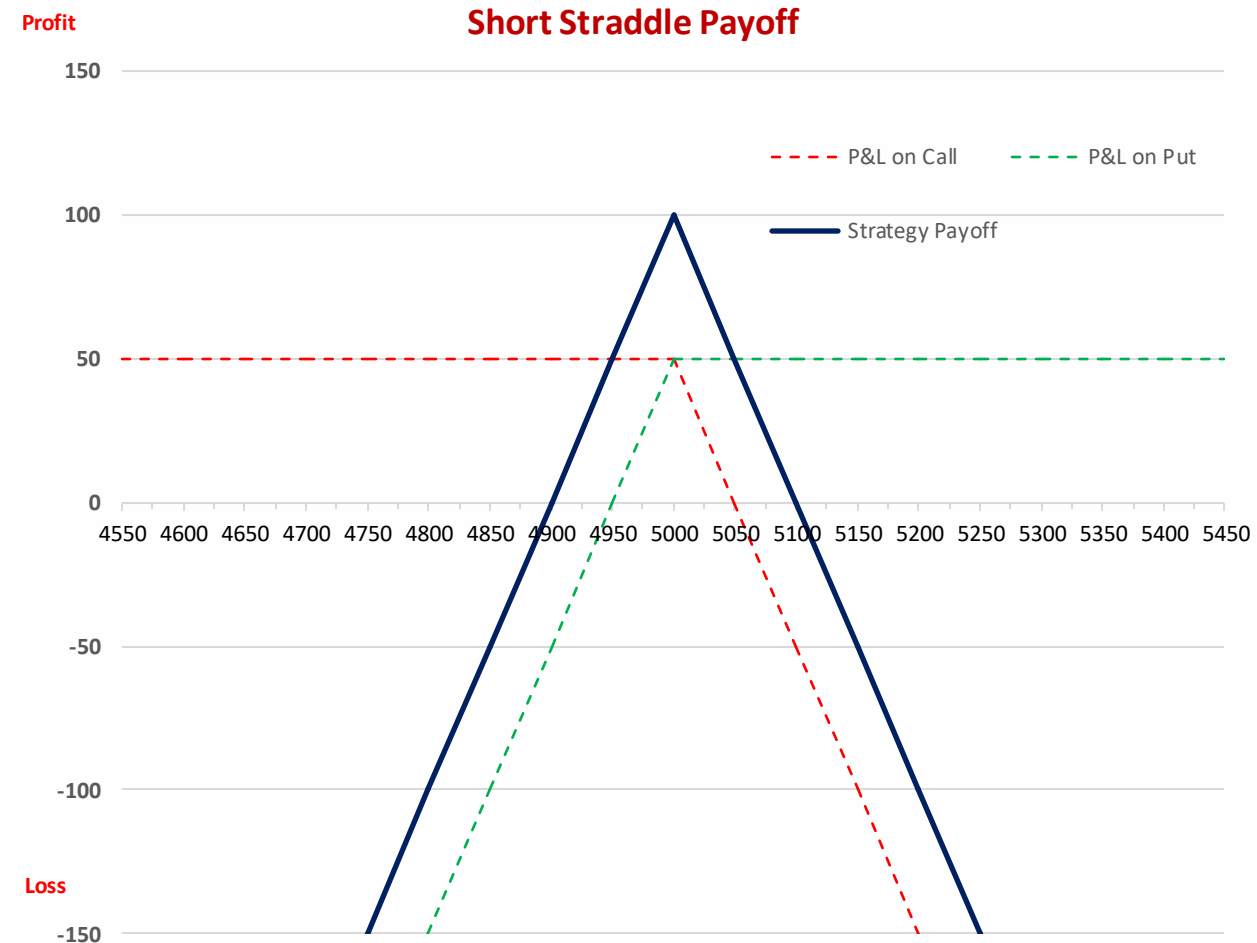
COMBINATION SPREADS - SHORT STRADDLE

Involves selling a Call and a Put (usually ATM) with the same Strike Price and the same Expiry Date.

Crude Option: Sell Call Rs.5000 ,Sell Put Rs.5000, Premium 50+50, CMP Rs.5000

**Net premium recd.:100
Upper BEP:5100 , Lower BEP:4900**

Spot Price on Expiry	P&L on Call	P&L on Put	Strategy Payoff
4700	50	-250	-200
4750	50	-200	-150
4800	50	-150	-100
4850	50	-100	-50
4900	50	-50	0
4950	50	0	50
5000	50	50	100
5050	0	50	50
5100	-50	50	0
5150	-100	50	-50
5200	-150	50	-100
5250	-200	50	-150
5300	-250	50	-200



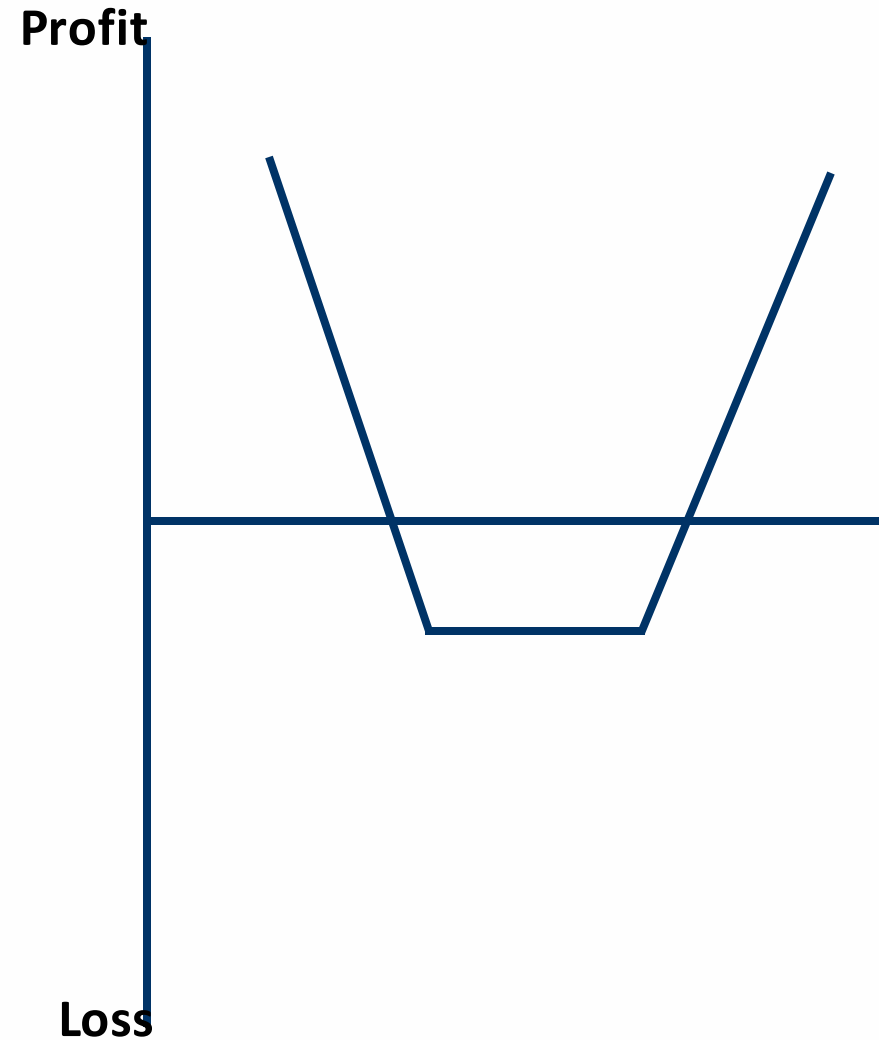
Long Strangle

Buy 1 Call & 1 Put (slightly OTM)

Mkt Outlook: Large move in either direction.

Risk: Limited

Reward: Unlimited

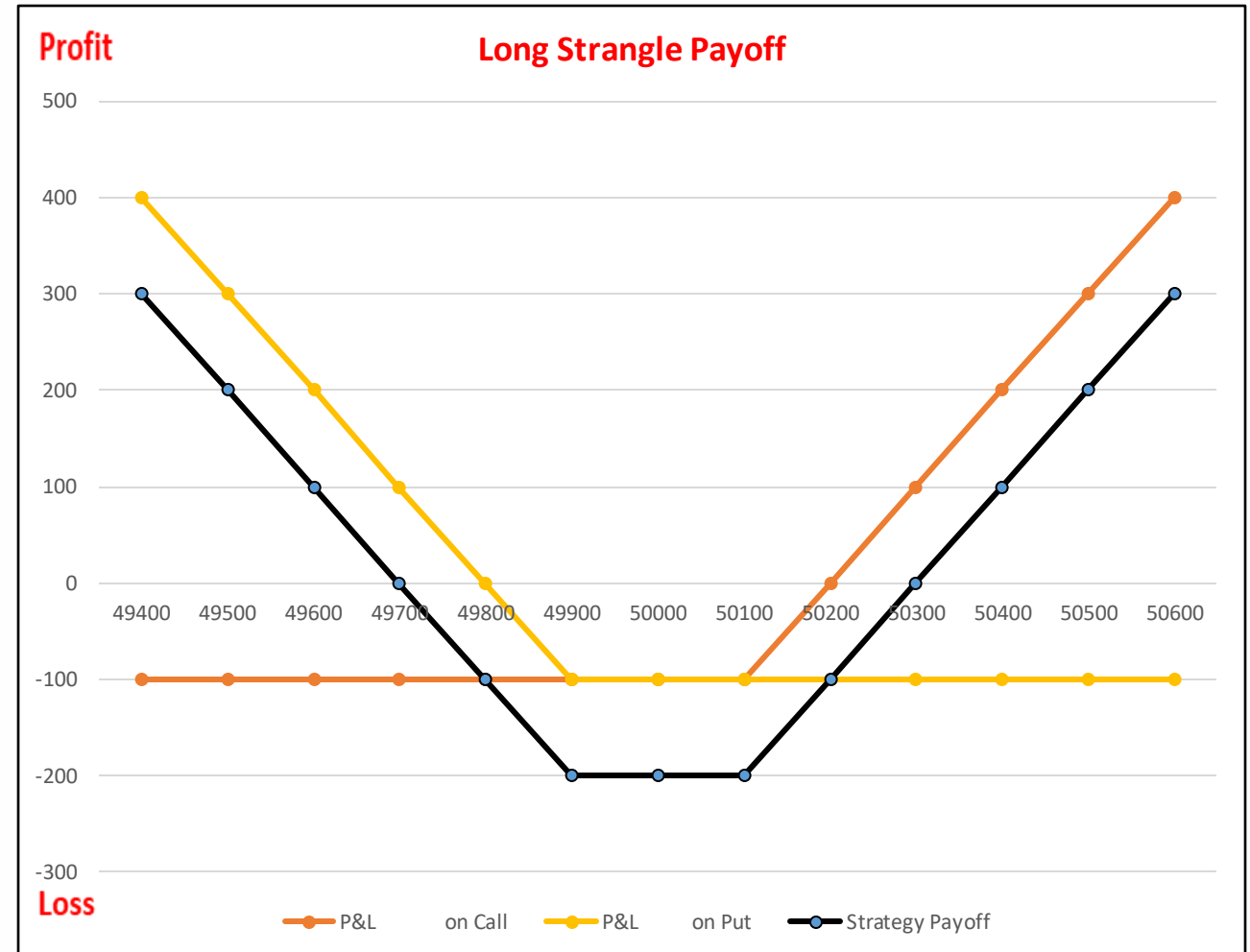


COMBINATION SPREADS - LONG STRANGLE

Gold Option: Buy Call Rs.50100 and Buy Put Rs.49900, Premium 100, CMP 50000

Net premium cost.:200
Upper BEP:50,300 , Lower BEP:49,700

Spot Price on Expiry	Call Premium	P&L on Call	Put Premium	P&L on Put	Strategy Payoff
49400	100	-100	100	400	300
49500	100	-100	100	300	200
49600	100	-100	100	200	100
49700	100	-100	100	100	0
49800	100	-100	100	0	-100
49900	100	-100	100	-100	-200
50000	100	-100	100	-100	-200
50100	100	-100	100	-100	-200
50200	100	0	100	-100	-100
50300	100	100	100	-100	0
50400	100	200	100	-100	100
50500	100	300	100	-100	200
50600	100	400	100	-100	300



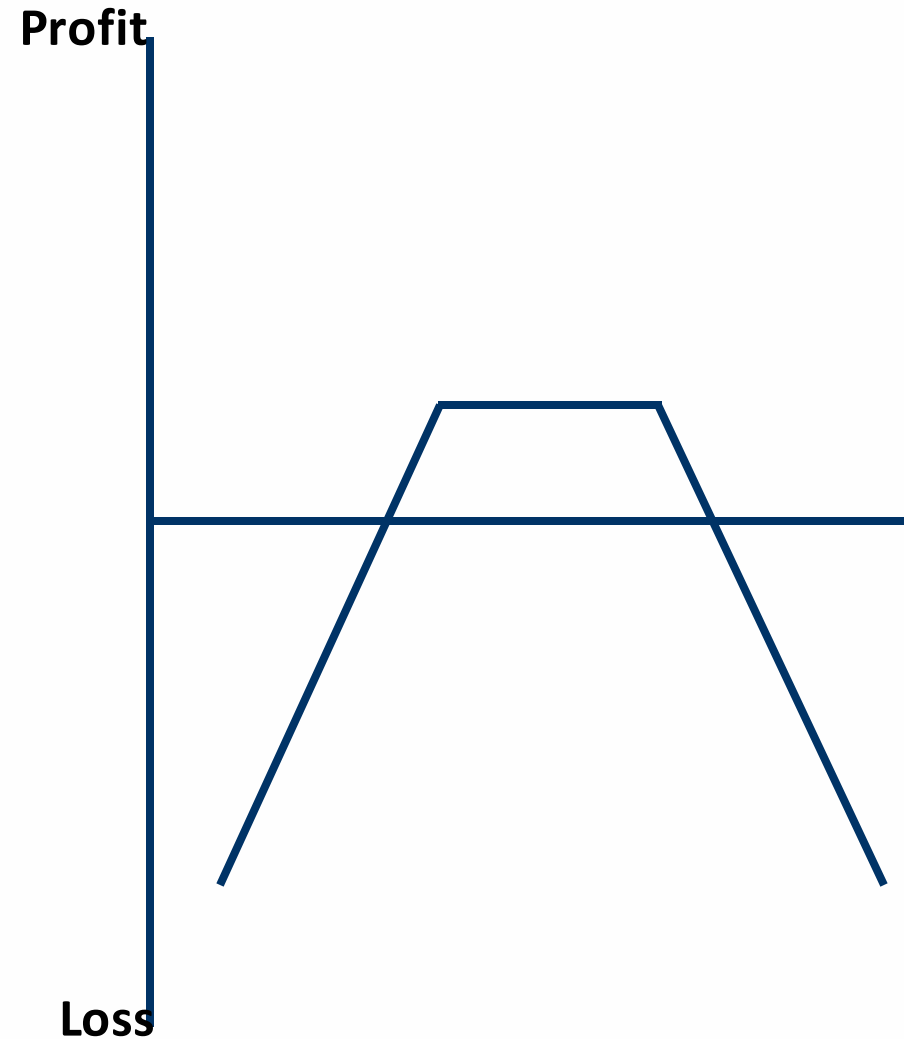
Short Strangle

Sell 1 Call & Sell 1 Put (slightly OTM)

Mkt Outlook: Neutral

Risk: Unlimited

Reward: Limited

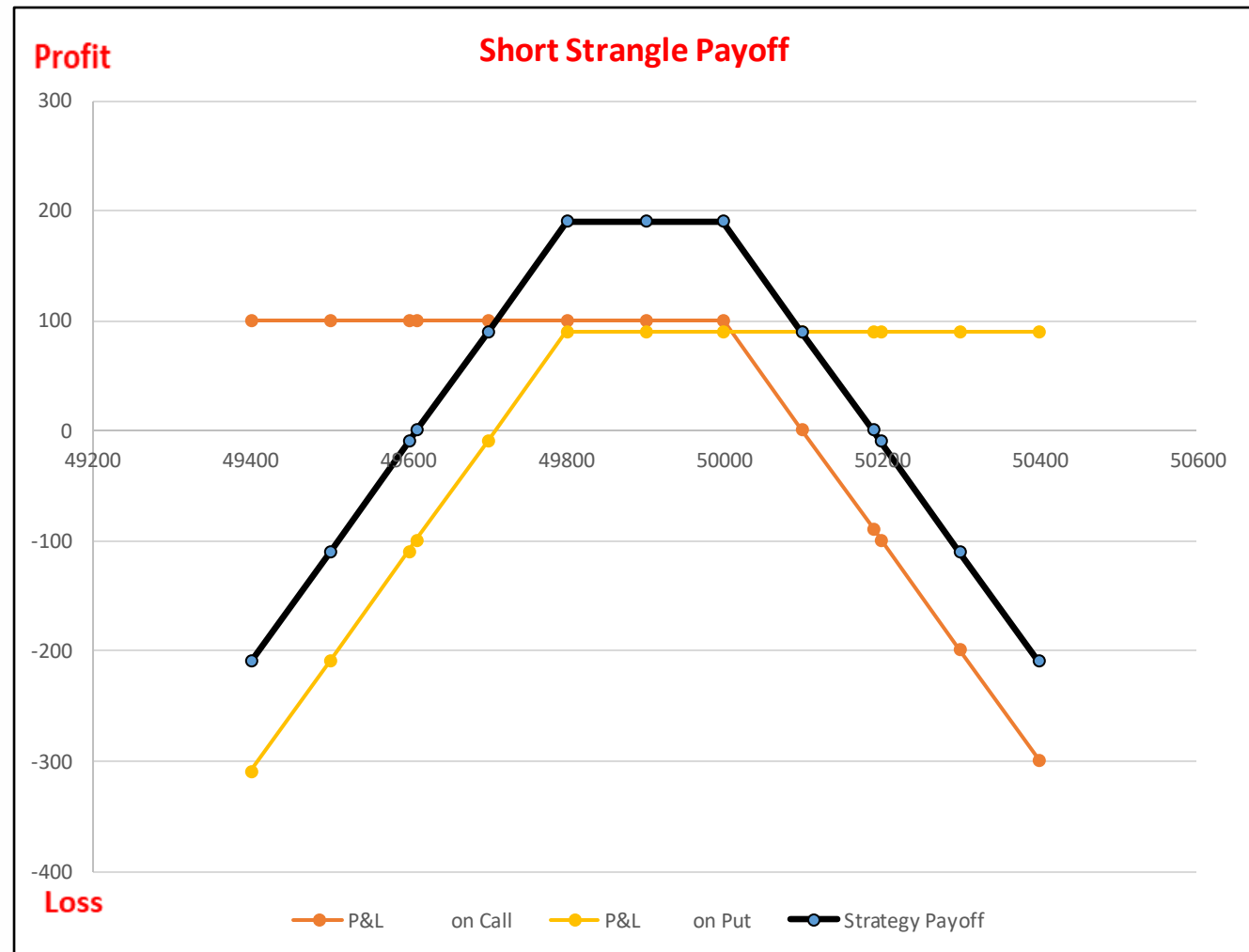


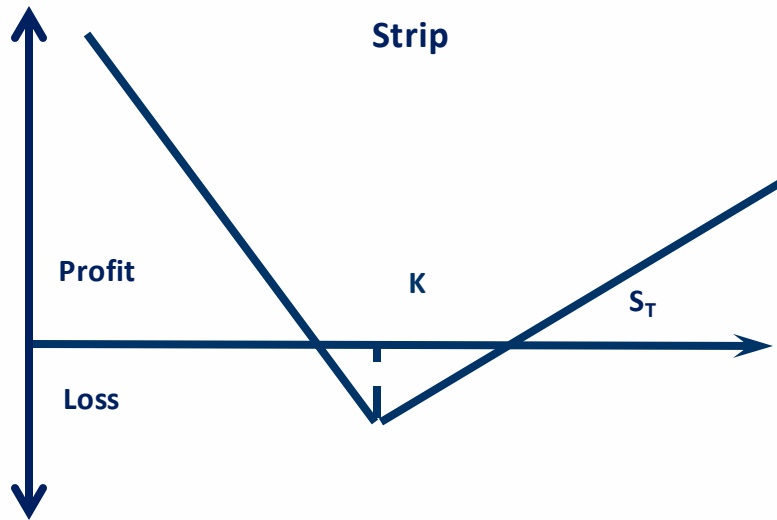
COMBINATION SPREADS - SHORT STRANGLE

Gold Option: Sell Call Rs.50000 ,Sell Put Rs.49800, Premium 100, CMP 49900

Net premium recd.:200
Upper BEP:50,200 , Lower BEP:49,600

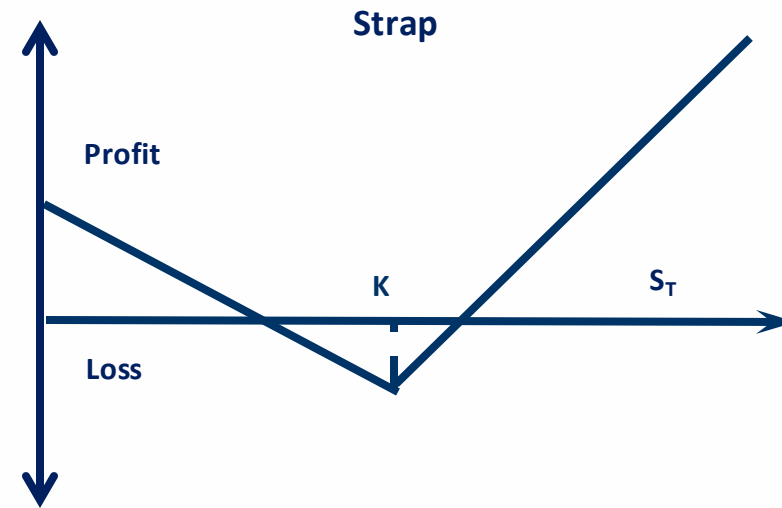
Spot Price on Expiry	Call Premium	P&L on Call	Put Premium	P&L on Put	Strategy Payoff
49400	100	100	90	-310	-210
49500	100	100	90	-210	-110
49600	100	100	90	-110	-10
49610	100	100	90	-100	0
49700	100	100	90	-10	90
49800	100	100	90	90	190
49900	100	100	90	90	190
50000	100	100	90	90	190
50100	100	0	90	90	90
50190	100	-90	90	90	0
50200	100	-100	90	90	-10
50300	100	-200	90	90	-110
50400	100	-300	90	90	-210





Strip : long position in 1 call & 2 puts with the same exercise price & expiration date

The buyer of strip believe that their will be a big price move which is more likely to fall than rise.



Strap : long position in 2 calls & 1 put with the same exercise price & expiration date

The buyer of strap expects bullish possibilities with a price rise being more likely.



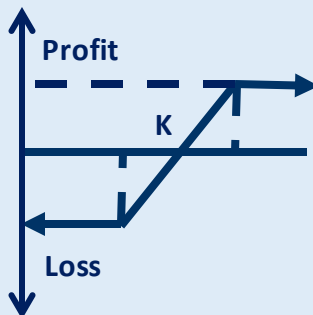
DID YOU KNOW ?

GLOBAL ECONOMIC UNCERTAINTIES KEEP COMMODITY PRICES HIGHLY VOLATILE. USE FUTURES TO LOCK IN YOUR PRICES.

BULL SPREAD (USING CALL)

Buy 1 Call - lower strike price &
Sell 1 call - higher strike price
(same expiry date)

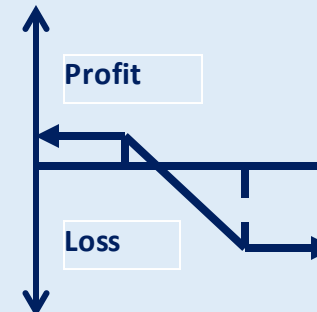
Market Outlook: Bullish
Risk: Limited
Reward: Limited



BEAR SPREAD (USING PUT)

Buy 1 Put - higher strike price &
Sell 1 Put - lower strike price (same
expiry date)

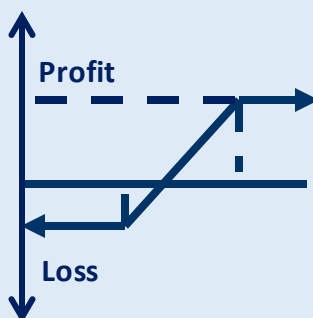
Market Outlook: Bearish
Risk: Limited
Reward: Limited



BULL SPREAD (USING PUT)

Buy 1 put - lower strike price &
sell 1 put - higher strike (same
expiry date)

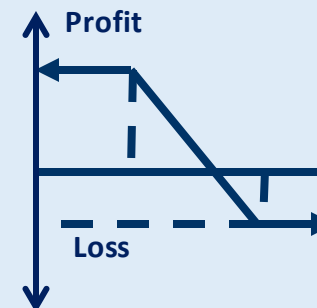
Market Outlook: Bullish
Risk: Limited
Reward: Limited



BEAR SPREAD (USING CALL)

Buy 1 call - higher strike & sell 1
call - lower strike (same expiry date)

Market Outlook: Bearish
Risk: Limited
Reward: Limited



DID YOU KNOW ?

YOU CAN DIVERSIFY YOUR PORTFOLIO WITH COMMODITIES DERIVATIVES - BULLION | BASE METAL | ENERGY | AGRI

Transaction changes & taxes	Gold mini options contracts			
	Notional Value = Rs. 5.2 lakhs (Rs. 52000/10 grams)			
	Option premium = Rs. 5200 approx. (@1% of Notional Value)			
Particulars	Call Option		Put Option	
	Buyer	Seller	Buyer	Seller
Transaction fee (0.05% on premium)	2.6	2.6	2.6	2.6
CTT on premium (0.05% on premium – Seller)	-	2.6	-	2.6
Stamp duty (Rs. 3 per lakh of premium turnover – Buyer)	0.16	-	0.16	-
SEBI fees (Rs. 0.1 per lakh on Premium)	0.005	0.005	0.005	0.005
GST on transaction charges @ 18%	0.47	0.47	0.47	0.47
Total cost to Buy and Sell = Rs. 8.9 Per tick Profit or Loss = Rs. 5	3.2	5.7	3.2	5.7

Number of ticks to breakeven = 2

Transaction changes & taxes	Gold mini options contracts			
	Notional Value = Rs. 5.2 lakhs (Rs. 52000/10 grams)			
	Option premium = Rs. 5200 approx. (@1% of Notional Value)			
Particulars	Call Option		Put Option	
	Buyer	Seller	Buyer	Seller
Transaction fee (0.05% on premium)	2.6	2.6	2.6	2.6
CTT on premium (0.05% on premium – Seller)	-	2.6	-	2.6
CTT on exercise (@0.0001% of FSP – Buyer)	0.52	-	0.52	-
On conversion of option position to futures position on exercise (@0.01% on futures position – Seller)	-	52	52	-
If chooses not to take physical delivery, but squares off position in futures	52	-	-	52
Stamp duty (Rs. 3 per lakh of premium turnover – Buyer)	0.16	-	0.16	-
SEBI fees (Rs. 0.1 per lakh on Premium)	0.005	0.005	0.005	0.005
SEBI fees (Rs. 0.1 per lakhs of Notional Value of options contract exercised or assigned – After devolvement)	0.52	0.52	0.52	0.52
GST on transaction charges @ 18%	0.47	0.47	0.47	0.47
Total Cost	56.3	58.2	56.3	58.2