CME Group

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CME Group and Multi Commodity Exchange of India sign Memorandum of Understanding

- Joint viability study of International Finance Service Center in India to be conducted
- Existing licensing agreement on energy futures settlement prices renewed

CHICAGO and MUMBAI, India, July 21, 2015 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, and Multi Commodity Exchange of India Limited (MCX), India's leading commodity exchange, today signed a Memorandum of Understanding (MOU) on various cooperation activities and potential business opportunities, including a joint viability study of setting up operations in an International Finance Service Center in India.

Under this MOU, various initiatives between CME Group and MCX will also include the establishment of a joint working group to explore opportunities to develop and market new products and services for the US and Indian markets, as well as collaboration on customer education.

At the same time, CME Group and MCX also announced the extension of the licensing agreement which enables MCX to settle their rupee-denominated oil and gas contract to CME Group's NYMEX prices.

"India is key to our Asia growth strategy, and we have had a strong relationship with MCX since 2005," said Terry Duffy, Executive Chairman and President of CME Group. "We look forward to greater collaboration to better serve the Indian financial and commodities markets, and play a key role in the internationalization of their benchmark products, as India continues on its path of financial market liberalization."

"We are pleased to sign an MOU to explore opportunities and cooperate on product development and market education, and at the same time, extending the licensing agreement with MCX," said Derek Sammann, Senior Managing Director, Global Head of Commodities & Options Products, CME Group. "We look forward to working more closely with MCX in internationalizing its commodity markets and providing international market participants greater access to markets in India."

Satyananda Mishra, Chairman of MCX said, "This agreement gives us the opportunity to build upon the existing relationship between MCX and CME Group since October 2005. It aims to bestow the marketplace with best practices and with a much diversified product slate to the stakeholders of Indian commodities markets to hedge their risks and better manage their businesses. We hope to build on this relationship for achieving a higher level of inclusive growth, and we look forward to a more mutually rewarding relationship between the two exchanges."

Parveen Kumar Singhal, Joint Managing Director of MCX said, "This extension of agreement with CME Group marks a new milestone and will go a long way in serving the needs and interests of the Indian derivatives market. The expertise of CME Group supplements MCX's efforts in identifying and providing suitable products to stakeholders, especially small and medium enterprises that at the moment cannot participate in international exchanges. Besides, the relationship holds particular significance in the forthcoming new liberalized and stronger-governed era of commodities markets under the purview of SEBI."

The MOU signing ceremony was held in Mumbai, and Derek Sammann, Senior Managing Director, Global Head of Commodities & Options Products, CME Group, and Parveen Kumar Singhal, Joint Managing Director, MCX, were the signatories.

About CME Group
As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals, weather and real estate. CME Group brings buyers and sellers together through its CME Globex® electronic trading platform, its trading facilities in New York and Chicago, and through its London-based CME Europe derivatives exchange. CME Group also operates one of the world's leading central counterparty clearing providers through CME Clearing and CME Clearing Europe, which offer clearing and settlement services across asset classes for exchange-traded contracts and over-the-counter derivatives transactions. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk.

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About Multi Commodity Exchange of India Limited

Having commenced operations on November 10, 2003, Multi Commodity Exchange of India Limited (MCX) is India's first listed, national level, electronic, commodity futures exchange with permanent recognition from the Government of India. 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 MCX. 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.

MCX is the largest commodity exchange in India with a market share of 84% (FY2015) and also ranks among the top 10 commodity derivatives exchanges in the world. As on 31st March 2015, MCX had 147,075 shareholders, 1792 members with 48,999 authorised persons, 486,770 terminals (including CTCL) spread over 1879 cities/towns across India and with over 22 lakh unique clients.

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