

ICEX relocates exchange warehousing facilities from Ghaziabad to Punjab

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Acting on market feedback, Indian Commodity Exchange Limited (ICEX) has relocated the steel futures contract by shifting basis centre from Ghaziabad (UP) to Mandi Gobindgarh (Punjab) from January 2020 contract and onwards. Market responded positively and the contract witnessed overwhelming response from market participants with a rise in trading volume, open interest and delivery. Major teel Producers (Induction Furnaces) from Mandi Gobindgarh deposited and delivered the material at ICEX warehouse.

The changes in contract have brought about significant participation with healthy rise in Open interest on 28th January month when it touched 17380 MT (1738 Lots). The daily average turnover also witnessed rise in comparison to previous months.

Commenting on the development, Mr. Yograj Singla, Director, RP Multimetals Pvt. Ltd. stated “Mandi Gobindgarh said “ICEX Steel Long platform has proved to be a vital tool for the Steel Industry predominantly for SMEs, wherein we can sell and deposit Billets at their warehouse and get better returns as compared to physical markets.”

Another market participant, Mr. Naresh Khandelwal, Rajdhani Iron, Mandi Gobindgarh commented that “Icex steel long contract provides us an opportunity to hedge our price risk on its platform; it also gives the steel participants an opportunity to deposit the material at their warehouses.”

Mr Adhish Singhal, Product in charge of the Steel Long contracts at ICEX stated “The delivery of around 950 MT of MS Billets and Ingots at the newly accredited warehouse of ICEX has once again demonstrated the effectiveness of the ICEX Steel long futures contracts as a reliable price risk edging tool for steel long products value chain participants. The successful completion of the delivery process will spur more participants in the value chain to use the ICEX Steel Long contracts in the coming days and join the ranks of the participants already using the platform in a good measure. The increased participation is also manifested by way of the record high open interest witnessed in the contracts during the last month.”