

NCDEX launches rubber futures

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Kochi, 9 January

The National Commodity & Derivatives Exchange Limited (NCDEX) launched its rubber futures (RSS-4 grade) contract with modified specifications today. With the contract size of 1 million tonnes (mt), tick size of ₹10 and the delivery unit of 1 mt, it is a compulsory delivery

contract. The main delivery centre is Kochi and additional delivery centres are located at Kozhikode, Kottayam, Trissur, Manjeri and Palakkad.

The widening demand-supply gap in the international market makes price risk management very important for the value chain participants. The NCDEX rubber futures contracts have been designed

to benefit the value chain participants, while providing them a single platform for price discovery and risk management.

An important feature of the contract is that it provides an early delivery system. "NCDEX has the most successful and proven delivery system, facilitating delivery through its accredited Warehouse Service

Providers, offering reduced charges," said H C Rameshchand, executive vice-president. Additionally, these warehouse receipts are negotiable instruments, which can be used for financing from banks. The exchange is also working on other alternate modes of settlements for delivery to facilitate physical deliveries with least cost, he added.