

# MCX

## MULTI COMMODITY EXCHANGE OF INDIA LTD

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**Rating**

|            |           |
|------------|-----------|
| Business   | ★ ★ ★ ★ ★ |
| Financials | ★ ★ ★ ★ ★ |
| Valuation  | ★ ★ ★ ★ ★ |
| Management | ★ ★ ★ ★ ★ |

**Company : Multi Commodity Exchange of India. Exchange and Data Platform.**

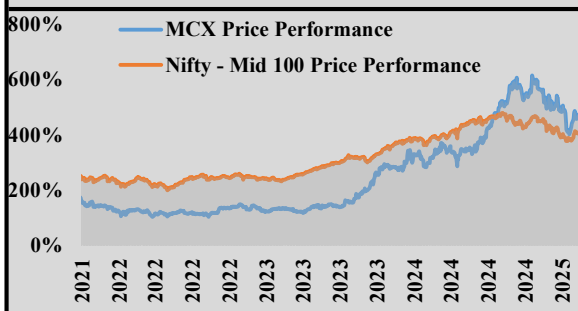
|                         |              |                |                          |                 |
|-------------------------|--------------|----------------|--------------------------|-----------------|
| Buy Range : ₹ 6300-6500 | Rating - BUY | Target : ₹7800 | Potential Upside: 22.00% | Research Report |
|-------------------------|--------------|----------------|--------------------------|-----------------|

| Stock Info            |                     |  |
|-----------------------|---------------------|--|
| Market Cap (₹ in cr)  | 32777.7             |  |
| 52-Weeks High/Low     | 7,048.60 / 2,917.85 |  |
| Avg Volume (Mn)       | 5,12,405            |  |
| No. of eq shares (cr) | 5.1                 |  |
| Face Value            | 10                  |  |
| Bse Code              | 534091              |  |
| Nse Code              | MCX                 |  |
| Free Float (cr)       | 32626.09            |  |

| Source : NSE/BSE            |          |           |
|-----------------------------|----------|-----------|
| Particulars                 | 2024     | 2025      |
| ADT - FUTURES               | 19636.00 | 27153.00  |
| ADT - OPTIONS               | 89244.00 | 191910.00 |
| Participation details -FUT  | 53.37    | 51.79     |
| Participation details - OPT | 44.05    | 42.28     |
| Dividend Yield %            | 0.57     | 0.14      |
| EPS                         | 16.3     | 109.82    |
| ROA (%)                     | 2.58%    | 14.48%    |
| ROE (%)                     | 3.93%    | 22.52%    |
| Equity/Assets               | 0.63     | 0.65      |

| Source : Company    |        |       |
|---------------------|--------|-------|
| Particulars         | 2024   | 2025  |
| Promoters           | 0%     | 0%    |
| Mutual Funds/AIF    | 34.65% | 36%   |
| BANK                | 15.00% | 15%   |
| Insurance Companies | 5.23%  | 5.29% |
| Other DIIs          | 2.00%  | 2%    |
| FII                 | 23%    | 22%   |
| Retails and Others  | 20%    | 20%   |
| Total               | 100%   | 100%  |

| Source : NSE/BSE |        |
|------------------|--------|
| Particulars      | TTM    |
| P/E              | 58.22  |
| P/B              | 17.30  |
| EV/EBITDA        | 39.62  |
| P/S              | 29.31  |
| EPS              | 109.82 |
| P/CF             | 34.32  |



**MCX Limited:** Multi Commodity Exchange of India Ltd (MCX) is a government-recognized, demutualized exchange operating under the Securities Contracts (Regulation) Act, 1956. It provides a nationwide electronic platform for trading, clearing, and settlement of commodity derivatives. The company's revenue streams include transaction fees, admission and annual subscription fees, terminal and connectivity charges, interest income, dividends, investment gains, and other ancillary income.

**Key Highlights:** 1. **Average Daily Turnover (ADT):** FY25 saw a **large jump** in trading volumes. ADT (futures+options) doubled YoY: ~₹2,19,063 Cr (vs ~₹1,08,767 Cr). ADT of futures alone rose ~38% YoY, while ADT of options nearly doubled (to ₹1,91,910 Cr, +115% YoY).

**Segment ADT (Q4 FY25):** Bullion (gold/silver) ADT surged to ₹72,268 Cr from ₹24,211 Cr (↑198% YoY); Energy futures ADT ₹173,149 Cr vs ₹105,451 Cr (↑64%); Base metals ADT ₹2,825 Cr vs ₹1,529 Cr (↑85%); other segments negligible. Overall MCX turnover remained dominated by bullion and energy. (All-volumes figures from investor slides).

**Deliveries:** Physical delivery volumes were robust. In FY25 MCX settled **7.08 MT** of gold, **663.27 MT** of silver and **69,384 MT** of base metals reflecting sustained commodity trading and hedging activity. (These are cumulative deliveries reported for the year).

**Network & Clients:** The MCX franchise continues to expand. As of Mar'25 there were ~2.48 crore Unique Client Codes (UCCs) registered, served by 544 trading members and 32,480 Authorised Persons across ~650 towns. This wide reach underpins strong liquidity and participant growth (including ~140 foreign portfolio investors onboarded, per management).

**New Product Pipeline:** Management reiterated that MCX's *new-products roadmap is in place* and "ready" pending regulatory approvals. Key launches slated in FY26 include **Index Options and Weekly Expiry Options** on MCX indices, and **Electricity Futures**, which are awaiting SEBI's nod. (CEO Praveena Rai noted MCX is fully prepared and awaiting the "right green signal.") Separately, MCX has recently rolled out new bullion contracts – e.g. **"Gold Ten" (10-gram) futures launching Apr 1, 2025** to attract retail participation. The 1-kg gold options (launched Nov'24) and 10g gold futures (Apr'25) have performed well, and plans are underway to introduce smaller silver contracts (5-kg "mini", 1-kg "micro" futures/options) to broaden market access.

**Market Expansion:** MCX is also focusing on international reach and alliances (it has partnerships with global exchanges like CME/DCE etc.) and on attracting more foreign investors (notably FPI). With ~140 FPI accounts now active, management expects continued FII/DII interest as new products launch. CEO commentary emphasized that India is the 3rd-largest power market globally, implying significant latent demand for electricity derivatives.

**Capital Expenditure:** MCX has been investing heavily in IT upgrades (trading platform, data centers, disaster recovery). FY25 depreciation jump (~₹21.8 Cr in Q4 vs ₹13.8 Cr year-ago) reflects recent capex on technology infrastructure. Management indicated FY26 IT capex will remain substantial (on the order of ~₹90–110 Cr, as per CFO comments).

**Market Leadership:** MCX dominates India's commodity derivatives market in core segments. It is the **only** exchange offering futures in many bullion and base-metal contracts, giving it near-100% market presence there. Management highlighted (via FIA data) that MCX ranks **#1 globally** in crude oil and natural gas options, and **#2 globally** in gold and silver options – reflecting its large scale.. Within India, about 64.6% of MCX's own turnover comes from precious metals and 11.5% from base metals, making bullion and energy the key drivers of volumes.

**Reach & Scale:** With 544 members and over 32,000 sub-brokers in 650+ cities, MCX has the **widest network** of any Indian commodity exchange. Its broad reach (urban + rural) and focus on new retail-friendly contracts (like 10g gold futures) are competitive advantages in growing participation. Globally, MCX is consistently among the top-10 commodity exchanges by volume.

**Key Risk : 1. Volume Cyclicalit**y: Like all exchanges, MCX's revenues are linked to trading volumes. A risk is that macro or commodity cycles could cause volume downturns. Notably, analysts (e.g. Morgan Stanley) have cautioned on cyclicality and valuation, though MCX's robust FY25 growth has been viewed positively.

**Regulatory Changes:** Any sudden changes in commodity market rules (e.g. position limits, levy structures) could affect volumes and revenues. MCX noted that sudden government policies (e.g. duty/tariff changes) can trigger both spikes and uncertainties in trading activity.

**RATING SCALE: DEFINITION OF RATINGS**

- **BUY** – We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- **ACCUMULATE** – We expect the stock to deliver 5% - 12% returns over the next 9 months.
- **REDUCE** – We expect the stock to deliver 0% - 5% returns over the next 9 months.
- **SELL** – We expect the stock to deliver negative returns over the next 9 months.
- **NR** – Not Rated. Fin2Research is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- **RS** – Rating Suspended. Fin2Research has suspended the investment rating and price target for this stock, either because there is not a Sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
- **NA** – Not Available or Not Applicable. The information is not available for display or is not applicable.
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- **NOTE** – Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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