

## Oil Ministry gives in-principle nod to launch petrol, diesel futures: ICEX

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**NEW DELHI, MAY 28**

The oil ministry has given its in-principle approval for futures trading in petrol as well as diesel and the final clearance from regulator SEBI should come soon, a top official of commodity derivatives exchange ICEX said today amid rising fuel prices.

The development also comes at a time when state-run oil marketers have hiked petrol and diesel prices continuously for the past two weeks.

“The Petroleum and Natural Gas Ministry has given an in-principle nod to launch petrol and diesel futures contracts and we are hoping that SEBI will give final approval in this regard soon,” ICEX Managing Director and Chief Executive Officer Sanjit Prasad told PTI.

He said the decision was taken by the ministry after consultations with oil marketing companies and other experts.

The contracts are expected to help hedge against volatility in oil prices.

The Indian Commodity Exchange (ICEX) had approached SEBI seeking its nod to launch petrol and diesel futures contracts. Following this, the capital markets watchdog had sought views from the ministry in this regard.

ICEX was asked by the ministry to give a detailed presentation on petrol and diesel futures contracts to oil minister Dharmendra Pradhan, senior bureaucrats and oil marketing companies, Prasad noted.

“After getting approval from the regulator, we will soon launch the product as we have all the infrastructure in place for this,” he added.

Petrol price has been hiked by Rs 3.64 a litre and diesel by Rs 3.24 in Delhi since state-owned oil firms ended a 19-day pre-Karnataka poll hiatus to resume daily price revision on May 14.

### **Diamond futures**

Last month, the commodity exchange launched 30-cents diamond futures contracts in addition to its product basket of 1-carat and 50-cents contracts.

The bourse had launched the world’s first diamond derivatives contracts in August 2017 with 1-carat futures contracts, and had subsequently added the 50-cents contracts.

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NEW DELHI: The oil ministry has given in-principle nod to petrol and diesel futures, ETNow reported on Monday quoting sources.

Capital markets regulator Sebi will take the final decision on petrol and diesel futures, the report added.

ICEX (Indian Commodity Exchange) had sought Sebi's approval to launch petrol, diesel futures.

Last month, ICEX launched 30-cents diamond futures contracts, adding to its existing product basket of 1-carat and 50-cents contracts.

Fuel prices have been on fire in the recent past. On Monday, state-run oil marketers increased petrol and diesel prices for the 15th day in a row, despite a decline in crude oil rates. The revised petrol prices in metropolitan cities are - Delhi: Rs 78.27 per litre; Mumbai: 86.08; Kolkata: 80.76 and Chennai: 81.11.



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Meanwhile, the cost of diesel has also been increased and the revised prices in Delhi are - Rs 69.17 and Mumbai Rs 73.64 per litre.

As the Centre has come under fire over fuel price hike, Union Petroleum and Natural Gas Minister Dharmendra Pradhan earlier assured the public that the government will soon take out a solution to tackle the situation.

At 02:11 pm, shares of listed commodity exchange MCX (Multi Commodity Exchange of India) were trading 2.57 per cent higher at Rs 839.85 apiece on BSE. MCX also deals in crude oil futures.