

ICEX delivers 27 carats of diamonds worth Rs. 83 lakhs in November 3rd expiry

Total Contracts Traded (Of Nov 3 Expiry) Since The Launch Stood At 5382.08 Carats, Valued At Rs. 173.32 cr.

By: Diamond World News Service | Nov 8 2017 5:24PM | Reference: 15782



A- A+



ICEX, the world's first diamond derivatives exchange, has successfully completed first-ever Diamond Futures contracts settlement on 3rd November, 2017. ICEX had commenced operations on August 28th, 2017 with the launch of three monthly diamond futures contracts - of November 2017, December 2017 and January 2018 expiry.

Having a staggered delivery cycle, the tender and delivery process had started on 1st November. Both buyers and sellers completed their obligation towards settlement within the timeframe as per the exchange process. All the open interests during the period have resulted in delivery.

Total 1440 clients participated in the delivery process and 26.27 carats of diamonds worth Rs.83 lakhs were delivered. At present, around 40 carats of diamonds are lying in the exchange vaults.

During the time of expiry of the November 3rd contracts, the spot and future price of diamonds converged, which is indicative of efficient price discovery of the underlying asset. The exchange had quoted Rs.3166 per one cent as the price on "due date," while the three-day average of November futures closing price was Rs.3168.33 per one cent, indicating a convergence between spot and futures price.

Commenting on the settlement cycle, Sanjit Prasad, MD & CEO, ICEX, said: During the expiry, we have seen a complete convergence of spot and futures price - one of the important features of derivatives market. All the open Interest positions towards contract expiry resulted into delivery. More than 1400 clients participated in the delivery process, indicating a wider participation."