

World's First Diamond Futures Exchange Starts Trading in India



By **Swansy Atonso**

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- Contracts to help Indian polishers hedge price risks
- Exchange has 20 large diamond companies as trading members

The world's first diamond futures exchange will begin trading in India on Monday, enabling companies in the largest producer of the cut and polished gems to better hedge price risks.

"Indian manufacturers most require this type of financial product," said Sanjit Prasad, managing director of the [Indian Commodity Exchange Ltd.](#) India carries the price risk of holding huge inventories of cut and polished and rough diamonds, he said.

The exchange, backed by companies including [Reliance Capital Ltd.](#) and [MMTC Ltd.](#), will start trading in 1 carat/100 cent contracts and will eventually add 50 cent and 30 cent contracts, he said. The futures, two-and-a-half years in the making, followed talks with the Ministry of Finance and the Securities and Exchange Board of India, Prasad said.

