

# Electronic Spot Trading

“A Regime Change in Commodities Trading”

# The Product

- Single day contract for trading and delivery
- Separate contracts for each delivery center
- During the day, buying, selling, netting, squaring off and settlement is possible
- Outstanding position at end of the day must result into delivery
- In case of non delivery by seller, NSEL will conduct auction at the cost of the defaulting seller
- In case of failure of buyer to make payment, NSEL will conduct auction at the cost of the defaulting buyer
- NSEL provides counter guarantee in respect of all trades
- Demat delivery facility available
- Fungibility of delivery between NSEL and MCX with common ICIN
- Loan facility against pledge of demat / warehouse receipt

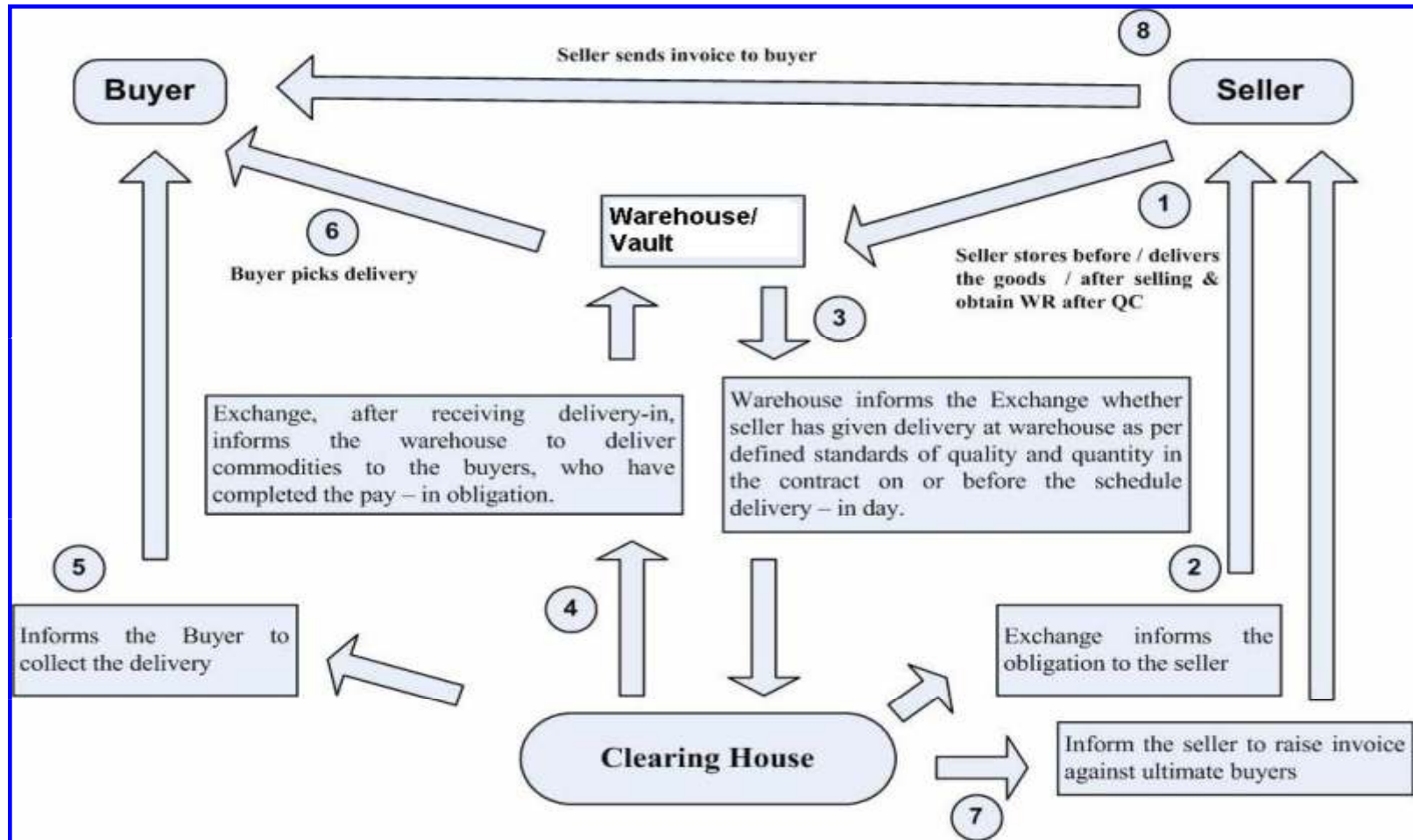
# Importance of Electronic Spot Trading

- Common National level platform for buying & selling commodities with efficient price discovery
- Integrate the fragmented market electronically
- Increase in bargaining power due to availability of an alternative market
- Increase in holding capacity due to availability of Warehouse receipt financing
- Easy procurement of multiple commodities at multiple centres from one centre
- Efficient spot price discovery, price dissemination small producers and traders get equated with large consumers or traders
- Facilitating bulk procurement operations without counter party and quality risks
- Grading, quality certification and standardization of commodities
- Availability of multiple contracts with multiple delivery centres in single commodity
- Trade and payment guarantee

## Comparison of Markets

Particulars	Spot markets (mandi)	Future markets	Electronic spot exchange
Operates through	More than 9000 APMC's	MCX, NCDEX, NMCE and 24 regional exchanges	NSEL and NCDEX Spot
Reach	Confined to particular market place	Across the country through online trade	Across the country through online trade
Delivery	Immediate	At expiry	2-8 days
Leverage	No	Yes	Partial
Risk	Less	High	Average
Returns	Less	High	Average
Transportation/ Warehousing	Required	Required	Required
Trading through	Mandis/physical market	Electronic Platform	Electronic Platform
Quality	Varied	Standardized	Standardized
<b>Regulation</b>	State APMC Acts	FMC	FMC & State APMC Acts

# Delivery in Electronic Spot Trading



**COMMODITIES CURRENTLY TRADED ON NSEL PLATFORM:-**

SR.NO.	COMMODITY NAME	TRADING UNIT	WAREHOUSE AVAILABLE
1	GOLD	1 Kg	AHMEDABAD KOLKATA MUMBAI
2	GOLD MINI	100 Gm	AHMEDABAD KOLKATA MUMBAI
3	DOMESTIC GOLD	100 Gm	AHMEDABAD
4	SILVER	30 Kg	AHMEDABAD KOLKATA MUMBAI
5	COTTON BALES	100 Bales	MUMBAI YEOTMAL HIMMATNAGAR RAJKOT ADILABAD- A.P. NIZAMABAD- A.P. AKOLA AMRAVATI AURANGABAD DHULE JALGAON KHAMGAON NAGPUR NANDED PARBHANI PARLI WANI

Note : [Detailed contract note comparison](#)

**COMMODITIES CURRENTLY TRADED ON NSEL PLATFORM:-**

SR.NO.	COMMODITY NAME	TRADING UNIT	WAREHOUSE AVAILABLE
6	LEMON TUR	10 MT	MUMBAI
7	IMPORTED URAD	10 MT	MUMBAI
8	DOMESTIC GOLD	1 KG	INDORE
9	DESI CHANA	1 MT	DELHI
10	ARECANUT FARMERS CONTRACT	1 BAG 75 Kg	SHIMOGA CHANNAGIRI
11	ARECANUT TRADERS CONTRACT	1 MT	SHIMOGA CHANNAGIRI
12	CASTOR SEED FARMERS CONTRACT	1 BAG 75 Kg	PALANPUR KADI JAGANA PATAN
13	CASTOR SEED TRADERS CONTRACT	150 BAG	PALANPUR MEHASANA PATAN
14	MAIZE	1 BAG (60 Kg)	MAHESHKHOONT (BIHAR)
15	GAUR SEED	10 MT	BIKANER

Note : [Detailed contract note comparison](#)

### Gold Costing\*

Gold Contract		Remarks
Bot price for 10 Gms	13000	CMP
Lot Size	1 Kg	
Delivery Center		Ahmedabad
Exchange	NSEL	
Validity period	T+2	Unlimited
Total Value for one Lot	1300000	
VAT @1%	13000	will be refunded on subsequent delivery
Delivery Brokerage @ 0.50%	6501	
C&F Charges @ 0.50%	6501	if buyer has Local TIN no of Gujrath then this charge will be Nil
Holding cost for One Months	0	considering the goods are removed from the vault on delivery pay out day
Transaction Charges	0	Exempt till 31st March,2009
Loading Unloading	0	
Service Charges	804	
Stamp Duty	13	Rs. 1/- per 1Lac of Turnover
Delivery Charges (Transportation)	24750	Fixed upto 5 kg of gold.
<b>Total Value of Delivery for 1 Lot</b>	<b>1351569</b>	

\*Note : Costing is tentative and subject to change

Silver Costing\*

Silver Contract		Remarks
Bot price for 1 Kg	16900	CMP
Lot Size	30Kg	
Delivery Center		Ahmedabad
Exchange	NSEL	
Validity period		Unlimited
Delivery Date	T+2	2 days after the trading day
<b>Total Value for 30 Lot</b>	<b>15210000</b>	
VAT @1%	152100	will be refunded on subsequent delivery
Delivery Brokerage @ 0.50%	76051	
C&F Charges @ 0.50%	76051	if buyer has Local TIN no of Gujrath then this charge will be Nil
Holding cost for one Months	0	considering the goods are removed from the vault on delivery pay out day
Transaction Charges	0	Exempted till 31st March,2009
Loading Unloading	5	
Service Charges	9400	
Stamp Duty	152	Rs. 1/- per 1Lac of Turnover
Delivery Charges (Transportation)	64000	Fixed upto 1 mt
<b>Total Value of Delivery for 1 Lot</b>	<b>15587759</b>	

\*Note : Costing is tentative and subject to change ???????????

# Products & Services

- Comprehensive research
- Customized investment strategies
- Research reports
- Dedicated delivery desk
- C&F services

Guidance through out the delivery process

- Dedicated Back office services
- Surveillance & Risk management services

# Products & Services



## Commodities Khazana

A Daily Technical Report on Commodities



## Bullion & Energy Insight

A Daily Fundamental Report on Bullion & Energy Insight



## Agri Insight

A Daily Fundamental Report on Agri Commodities



## Metals Insight

A Daily Report on Base Metals

# Products & Services Contd ...

## Other Reports

- Seasonal Outlook Reports
- Special Reports
- Updates on Special Events

## Commodity Calculators

- Gold and Silver
- Refinery Oil
- Copper

## Services

- Daily, Weekly and Seasonal outlook Reports – E-mail
- Call Alerts – Yahoo Messenger, Karvy Communicator & SMS

# Thank You !

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