



Alkesh Dinesh Mody Institute for Financial and Management Studies

in association with

MCX

Three Days Faculty Development Programme

on

Global Impact of COVID 10 & Its Impact on Commodity Derivatives

Dates: 25th May 2020 to 27th May 2020

Alkesh Dinesh Mody Institute for Financial and Management Studies in association with MCX (Metal & Energy) organised a Faculty Development Programme on the title “**Global Impact of COVID 10 & Its Impact on Commodity Derivatives**”. The FDP was for three days starting from 25th May 2020 to 27th May 2020. Webinar was conducted on ZOOM 5.0.

The speaker for the programme is Mr. Shrikant Koundinya, Assistant Vice-President, Training & Education, MCX.

Three topics covered were:

1. Impact of COVID 19 on the Commodity Sector – 25th May 2020
2. Risk Management with Derivatives Instruments (Technical) – 26th May 2020
3. Global Impact of COVID 19 and Future Prospects – 27th May 2020

The key take-aways from this webinar were:

1. The meaning of derivatives was made clear as: Derivatives are financial instruments whose value changes in response to the change in a variable called an underlying.
2. Classes of derivatives are Futures, Options and Swaps.
3. Futures and options are standard forward contracts traded on regulated exchanges such as MCX.
4. Forward Swaps and Options (OTC) contracts are contractual agreement between two parties outside of exchange.
5. Derivatives are found in the following asset classes:
 - a. Commodity Market
 - b. Debt Market
 - c. Forex Market and
 - d. Capital Market
6. Derivatives are required for ‘managing risk’ – for example important for farmer seeking protection against price decreases or a food processor seeking protection from price increases.
7. Important for a manufacturer seeking protection against price rise in base metals such as copper, lead, zinc, tin, aluminium and so on.
8. Important for an importer or exporter seeking protection against exchange rate swings.

9. Commodity Derivatives on MCX platform facilitates: risk management, price discovery, transactional efficiency, liquidity & savings on the long run, trade guarantee and integration of markets.
10. In the commodity asset class, the underlying segments are: bullion, energy, base metals and agricultural commodities.
11. Price of derivative instruments change with change in the underlying prices.
12. Commodity Derivatives Markets are an important asset class and has been in existence for over hundreds of years.
13. Exchange traded derivative instruments were first introduced in the year 1970s.
14. In India, exchange traded derivatives were introduced in 2003.
15. Derivatives play an important role Price Risk Management.
16. Advantages of exchange traded instruments include transparency, Accessibility etc.
17. Investors should read product document carefully while making investment decisions.

One hundred and fifty-seven participants from Colleges across Mumbai, Assistant Professors, Associate Professors, Principals attended the webinar.



University of Mumbai's

Alkesh Dinesh Mody Institute
for Financial and Management Studies

In association with



MCX
METAL & ENERGY
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FDP
Faculty Development Program on
Global Impact of COVID 19 &
Commodity Derivatives

25th, 26th, 27th
May 2020
5:00p.m.- 6:30 p.m.

Venue: ZOOM 5.0 Meeting will be shared

Speaker: Mr. Shrikant Koundinya,
Assistant Vice-President, Training & Education, MCX

Topics:

- Day 1. Impact of Covid-19 on the Commodity Sector
- Day 2. Risk Management with Derivatives Instruments (Technical)
- Day 3. Global Impact of Covid-19 and Future Prospects

Register at the earliest in the link provided below:
Link: