

# National Seminar on **COMMODITY MARKETS**

October 7-8, 2010  
NITIE Campus, Mumbai

**Designed for Directors, Deans, and Heads of Academic Institutions to Develop Awareness, Education, and Research on the Scope and Significance of Commodity Markets.**

Sponsored by  
**Forward Markets Commission, Government of India**

Exchange Partner  
**Multi Commodity Exchange of India Limited (MCX)**

Organized by  
**National Institute of Industrial Engineering (NITIE)**  
**FT Knowledge Management Co. Ltd (FTKMC)**  
*A Financial Technologies Group Company*



A joint initiative of market regulator, academia, and industry to deliberate on the growth of commodity markets in India and to explore the scope for developing education extension opportunities, including programme development, special studies, and policy research.

# From the Chairman, FMC



**Shri B C Khatua, IAS**  
Chairman  
Forward Markets Commission

**“In view of the greater scope for enhanced growth and reach of these markets, there is a need to create awareness and education on these markets among a wide cross-section of professionals and practitioners.”**

Commodity markets are of great significance to the emerging markets. Organized markets in commodities trading in India have emerged stronger, bringing in greater visibility. Though the Indian commodity market is at a nascent stage in terms of variety of participants and instruments traded, it is ranked among the top five global commodity markets.

Historically, Asian commodity markets were business hubs and influential in charting political leadership in various regions. They were actually price setters. However, in the 19th century, the Western markets developed and grew exponentially due to technological advances and became price setters in precious metals, non-ferrous metals and agri commodities. We wish to further strengthen our markets in order to create a global impact with the help of technological advances and building a more efficient commodity ecosystem to an extent that prices are once again set in and moved by Asian markets.

In order to exploit the scope, reach, and potential of the commodity markets, there is a need to create greater awareness and education on these markets among a wide cross-section of professionals and practitioners, in general, and academic institutions, in particular. Awareness on the growing role of commodity markets, emerging skill-set expectations, and professional career opportunities will enable the academia to develop and offer industry-aligned courses.

With an objective to facilitate exchange of ideas with the academic community, the Forward Markets Commission is glad to sponsor the two-day **National Seminar on Commodity Markets**, which is being organized by National Institute of Industrial Engineering (NITIE) and FT Knowledge Management Company Limited (FTKMC).

The deliberations and interactions with the market institutions and market practitioners during the seminar will help academia to appreciate new dimensions of this market, establish linkages with market institutions, develop comprehensive curriculum, and formulate themes for policy research in this area.

I look forward to your valuable participation in this unique endeavour, which will further strengthen the Industry-Academia relations and lead to more efficient markets.

# From the Member, FMC

Globally, the financial markets are increasingly getting integrated. The changing global financial landscape, evolving financial system and derivative markets, and increasing inter-linkages and inter-dependencies across global markets have necessitated a multidimensional approach in understanding the dynamics of financial markets.

Indian financial markets have gradually opened themselves to the global phenomenon. In this perspective, India has witnessed the emergence of commodity derivative markets on exchange platforms since the launch of national level commodity derivative exchanges in 2003. In order to take the benefits of these markets to the grassroot level and encourage informed participation, it is necessary to bring together the markets, institutions, and academia to interact and appreciate the significance and rationale of vibrant commodity ecosystem in economic development, particularly in the agricultural sector. We encourage academia to undertake research and share insights and implications with policy makers and other stakeholders in order to improve the level of understanding of these markets.

In this backdrop, the interactions between the academia and the market practitioners are aimed at curriculum development, skill-set expectations, and emerging professional career opportunities in the realm of commodity markets ecosystem.

The seminar is designed specifically for the academic and research institutions with a view to develop an appreciation on the growing opportunities and recent developments within the Indian commodity ecosystem.

I am sure it will be a rewarding experience for us as a market regulator as also for academia, market institutions, and other stakeholders in the commodity ecosystem, and I look forward to your presence.



**Shri Rajeev Kumar Agarwal, IRS**  
Member  
Forward Markets Commission

**“The seminar is designed specifically for the academic and research institutions with a view to develop an appreciation on the growing opportunities and recent developments within the commodity ecosystem.”**

# Introduction



## **Market Regulation, Academia and Industry Education and Research**



**Dr Subhash D Awale**  
*Director, NITIE*



**Dr Bandi Ram Prasad**  
*President, FTKMC*

Commodity markets are an important aspect of economic growth in most of the emerging markets. In the background of the significance of commodities, governments in various countries have given greater focus and thrust on developing commodity markets, including development of futures markets as important instruments of price discovery and risk management.

Commodity markets in India have witnessed rapid growth in the recent period. The Forward Markets Commission (FMC), the regulatory authority entrusted with the regulation and development of commodity markets, has created an extensive framework of regulation and market conduct along with development of institutions and intermediaries that led to impressive growth of commodity markets, including spot and futures exchanges, warehouses and delivery points, quality standards and specifications, specialized investors, risk management products and processes, and hedging tools and techniques. India has now five to six nationally recognized exchanges and about 20 regional exchanges with specialization in trading in numerous commodities across the country.

In this background, it becomes important that awareness, information, and education on the functioning of commodity markets be spread across the major segments of the real economy. Important instruments of learning, study, analysis, and discussion to promote cross-cultural thinking could lead to generation of useful insights to understand the growth, development, and functioning of the commodity markets.

FMC makes extensive endeavours in creating awareness, promoting education and research, imparting training and knowledge, and developing skills in commodity markets. As an extension of this initiative, FMC has sponsored the two-day National Seminar on Commodity Markets with an objective to create awareness on the scope of education in the realm of commodity markets ecosystem. Given the emergence of commodities as an important market in the overall financial system, it is important that academic institutions design and conduct specialized courses on commodity markets, which will enhance the knowledge of students and offer career opportunities in view of the cross-functional requirements usually sought from market professionals.

# Country Collaboration in Commodity Markets and Extension



Development of derivatives markets, increasing participation, and forward-looking policies and regulation are accelerating the pace of growth of commodity markets in India.

The increasing reforms in the financial and commodity sectors, integration with international markets, offerings of new products and services, and superior financial literacy are further enhancing the participation in the markets and fuelling the rapid growth of these sectors.

Financial and commodity markets are also emerging as large employment generators and enterprise creators, harnessing the country's

distinct advantage in the growth of the service industry.

The pace and diversity of growth of the markets warrants a diverse range of skill-sets and expertise. Although mainstream educational institutions have expanded significantly in conducting courses related to financial and commodity markets, practice-oriented knowledge is still found to be wanting. It is to fill this gap that this unique two-day seminar has been designed to provide first-hand experience on the working of commodity markets ecosystem and an opportunity to interact with the professionals managing these markets.

The seminar is organized with the following objectives:

1. Discuss important aspects of market regulation, product innovation, and risk management processes in the functioning of commodity markets.
2. Discuss various aspects of commodity ecosystem, including the value chain of commodity markets.
3. Examine and explore education extension opportunities on knowledge and know-how of commodity markets.
4. Facilitate development of curriculum and courseware on commodity markets education suitable for adoption by management education institutions.
5. Create a network of institutions that will engage in development of learning solutions, research and studies on commodity markets as also offering full-time, part-time courses as a part of their mainstream educational programmes.
6. Identify areas for research studies and explore possibilities for funding opportunities.
7. Establish links with exchanges, intermediaries and other market institutions in strengthening education on commodity markets.

The participating institutions can also seek initial assistance on aspects like developing the course material, developing domain expertise, mentoring, faculty training, simulation, creating awareness among the students and parents on the importance of commodities markets, and emerging career opportunities.

We have great pleasure in extending this invitation. We look forward to meet you at the seminar and explore opportunities to engage in the realm of financial and, particularly, commodity markets.

**Dr Bandi Ram Prasad**  
**President, FTKMC**  
[www.ftkmc.com](http://www.ftkmc.com)

**Dr Subhash D Awale**  
**Director, NITIE**  
[www.nitie.edu](http://www.nitie.edu)

# Seminar Coverage

*The seminar includes presentations and perspectives on numerous aspects of the functioning of commodity markets, including policy and regulation, market development, risk management, and education extension opportunities for professional development, extending expertise, and honing skill-sets in the commodity markets ecosystem.*

## **Introduction: Commodity Markets in Emerging Markets**

Significance of commodity markets in developing economies

## **Commodity Markets: Evolution in India**

Growth prospects and capacity building in institutions and exchanges

## **Commodity Markets Ecosystem: Linkages with the Real Economy**

Interdependencies of markets and impact on asset prices

## **Innovations in Regulation in Commodity Markets**

Market infrastructure, instruments, and participation

## **Commodity Spot Markets**

Significance in commodity ecosystem, technology prowess, and efficiency over traditional markets

## **Information Dissemination in Commodity Markets**

Concepts and information tickers



*The NITIE campus*

### **Market Operations: Commodity Markets**

Risk management, clearing & settlement, trading & surveillance, and delivery mechanism

### **Warehousing and Warehouse Receipts Financing**

Collateral management for an efficient commodity ecosystem

### **Value Chains in Commodity Markets**

Competencies for front-mid-back office operations

### **Commodity Markets: Policies and Strategies for Market Development**

Agenda for research

### **Opportunities for Management Education and Professional Development**

Emerging careers and skill-set expectations

### **Industry-Academia Partnership**

Networking opportunities among institutions, exchanges, intermediaries, and regulators in strengthening commodity markets education, learning solutions, and research



# Speakers

*The seminar will have presentations and lectures from prominent professionals in the commodity markets representing policy and regulation, institutions and intermediaries, and education and research.*



**Shri B C Khatua, IAS**  
*Chairman, FMC*



**Rajeev Kumar Agarwal, IRS**  
*Member, FMC*



**Lamon Rutten**  
*MD & CEO, MCX*



**Parveen K Singhal**  
*Deputy Managing Director  
MCX*



**Anil K Choudhary**  
*MD & CEO, NBHC*



**Anjani Sinha**  
*MD & CEO  
National Spot Exchange Ltd*



**Sumesh Parasrampurua**  
*Chief Business Officer, MCX*



**Dr V Shunmugam**  
*Chief Economist, MCX*



**Anupam Mishra, IES**  
*Director, FMC*



**Naveen Mathur**  
*Associate Director  
Angel Broking*



**Dr Jinesh Panchali**  
*Senior Vice President, FTKMC*



**Shriram K**  
*Vice President, TickerPlant*



**Dr Raosaheb Mohite**  
*Assistant Vice President, FTKMC*

## Programme Directors



**Ketul Contractor**  
*Assistant Vice President  
FTKMC*



**Dr M Venkateshwarlu**  
*Associate Professor of Finance  
NITIE*

# About the Institutions



**Forward Markets  
Commission**



**Forward Markets Commission (FMC)**, with its headquarters in Mumbai, is the regulatory authority for commodity markets, overseen by the Ministry of Consumer Affairs, Food and Public Distribution, Government of India. It is a statutory body set up in 1953 under the Forward Contracts (Regulation) Act, 1952.

The functions of the Forward Markets Commission are as follows:

(a) To advise the Central Government in respect of the recognition or the withdrawal of recognition from any association or in respect of any other matter arising out of the administration of the Forward Contracts (Regulation) Act 1952.

(b) To keep forward markets under observation and to take such action in relation to them, as it may consider necessary, in exercise of the powers assigned to it by or under the Act.

(c) To collect and whenever the Commission thinks it necessary, to publish information regarding the trading conditions in respect of goods to which any of the provisions of the Act is made applicable, including information regarding supply, demand and prices, and to submit to the Central Government, periodical reports on the working of forward markets relating to such goods.

(d) To make recommendations generally with a view to improving the organization and working of forward markets.

**Knowledge for Markets** is the flagship platform of **FT Knowledge Management Company Limited (FTKMC)**. FTKMC develops strategies and solutions in knowledge management across all the major asset markets and segments, including equities, commodities, currencies, bonds, debt, banking, and financial services. Its range of services includes financial education and training, certification, consultancy, research and publications, and advisory services. A rich blend of conceptual clarity along with a focus on market practice is embedded in the programmes designed by FTKMC, leading to wider acceptance from a cross-section of professionals from policy, regulation, and market intermediation as also the investing community.

The focus of FTKMC is centered around six major constituencies: **policy and key decision makers and regulatory authorities** on subjects such as growing importance of financial markets in the economy and aspects of governance and management; **financial institutions** on market development strategies, resource mobilization, and risk management; **corporates and other business entities** on the scope of harnessing and accessing financial markets and issuing securities and other instruments; **intermediaries** on the skill-sets and expertise required to operate in multi-asset-class markets, including trading and settlement; **students** to prepare them with knowledge and know-how to help them with successful careers in financial markets; and **investors** to empower them with proper understanding and appreciation of the opportunities in the financial markets and risk and rewards associated with financial investments.



**National Institute of Industrial Engineering (NITIE)** is a premier Indian institute engaged in Management and Industrial Engineering education. NITIE was established as a National Institute in 1963 by the Government of India with the assistance of United Nations Development Programme through International Labour Organization.

NITIE offers two-year postgraduate programmes in Industrial Engineering, Industrial Management, Industrial Safety and Environmental Management, Information Technology Management, and also a Fellowship Programme of Doctoral level. NITIE has been conducting several short-term management development programmes in various areas of industrial engineering and management. Along with training and management education, NITIE is extensively engaged in industrial consultancy, sponsored projects, and applied research. NITIE has served industry for four decades now and its postgraduate curricula and management development programmes proudly reflect this symbiotic relationship.

NITIE faculty members, drawn from various basic disciplines, have diverse experience in business, industry, and government and are able to introduce new concepts, techniques, and programmes to meet the changing needs arising out of rapid technological development and socio-economic transformation.

**Multi Commodity Exchange of India Limited (MCX)** ([www.mcxindia.com](http://www.mcxindia.com)), India's No. 1 commodity exchange, is the sixth largest commodity futures exchange in the world. It also ranks no.1 in silver, no.2 in natural gas, and no.3 in gold, crude oil, and copper futures trading globally.

In addition to being accredited with ISO 9001:2000 for quality management, MCX has the distinction of achieving the ISO 27001:2005 certification, the global benchmark for information security systems. MCX operates from over 600 cities with over 1,900 members and more than 52,000 trading stations with connectivity through VSAT, Internet, leased line, CTCL, etc.

A total of over 50 globally benchmarked and domestic commodities are traded on MCX. In India, MCX has recorded a market share of over 80 percent with an average daily turnover of over Rs 20,000 crore.

In a short span of five years, MCX has redefined the Indian commodity market and provided the Indian economy and the market participants with numerous benefits.



## Dates and Venue

October 7-8, 2010

### Venue

#### **NITIE Campus**

Near Vihar Lake

Behind Renaissance Hotel, Powai

Mumbai – 400087, Maharashtra, India

### How to reach

Distance from Domestic Airport: 10 km

Distance from Dadar Railway Station: 25 km

More details in the registration form.

## Participation

Participation by invitation only

No registration fee

For more details, please contact Ketul Contractor on 99302 67645 | ketul.contractor@ftkmc.com

## Campus and Accommodation

The seminar is conducted in the 63-acre campus of NITIE located in picturesque Powai, set amidst two beautiful lakes. Delegates are housed at the Management Development Programme hostel wing in the campus, which provides air-conditioned accommodation and good dining facilities. The campus has state-of-the-art computing facilities, modern library, and ample recreational facilities.



A view from MDP Block of NITIE

Arrangements for accommodation, courseware, delegation kit, all meals, and official engagements are made by the sponsors and hosts.

Accommodation on October 6, 2010 (a day prior to the seminar date) and on October 9, 2010 (a day after the seminar date) shall be provided to delegates on request, subject to availability.

The travel expenses for attending the seminar shall be borne by the delegates.

## Registration

The registration-cum-nomination Form can be downloaded from [www.ftkmc.com](http://www.ftkmc.com). Since the seminar has limited capacity, delegates are requested to send the Registration details at the earliest for confirming the participation.



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