

24 June 2025

India | Equity Research | Company Update

## Multi Commodity Exchange of India

### Exchanges

Heightened commodity volatility and new product launches provide tailwind to earnings as well as multiple

MCX is benefitting from current state of heightened commodity volatility, which is reflected in the volume growth seen in FY26TD. Adding the benefit of new product launches and increased participation, we upgrade earnings and multiple for MCX. Basis the current uptick in volumes, we upgrade our volume estimates for both futures and options. We assume futures ADTV to be INR 420bn/INR 475bn in FY26E/FY27E vs. INR 406bn in FY26–TD. We assume options' notional ADTV to be INR 3.1trn/INR 4.2trn in FY26E/FY27E and premium ADTV to be INR 49.5bn/INR 65.5bn in FY26E/FY27E vs. notional/premium ADTV of INR 2.6trn/INR 42.6bn in FY26–TD. We factor ~12% CAGR for non-volume-based cost estimates between FY25–27E.

### Maintain ADD

We maintain **ADD** on MCX basis 45x (earlier 40x) FY27E adjusted EPS of INR 190.9 (earlier INR 146.6) (ex-income from investment net of taxes) while adding free cash (Investments ex of Margin money, SGF and Regulatory capital) of INR 211/share. Our target price is revised to INR 8,800. Our positive stance on MCX is based on strong uptick in volumes since the start of FY26, possible uptick in volumes arising from newer products such as silver monthly options, crude weekly options and electricity futures and the rise in commodity volatility against current backdrop of global geopolitical tensions.

### Strong volume growth in FY26–TD drives earnings upgrades

MCX, since the start of FY26, has witnessed a surge in options/futures volumes driven by increase in commodity volatility. For the combined timeframe of Apr–May'25:

- Options Premium ADTV stood at INR 41.3bn (up 33% vs. FY25 premium ADTV).
- Futures ADTV stood at INR 407bn (up 50.5% vs. FY25 futures ADTV).

This strong momentum has continued for MCX in the first three weeks of Jun'25 as well. Futures ADTV has increased 5.7% MoM to INR 402bn. Options' notional ADTV has increased 14.8% to INR 2.7trn while premium ADTV has increased 23% to INR 46bn. Basis current volume trends, MCX could report an annualized PAT of ~INR 7bn.

### Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	6,836	11,127	16,238	20,131
EBITDA	643	6,653	10,869	13,967
EBITDA Margin (%)	9.4	59.8	66.9	69.4
Net Profit	831	5,600	8,179	10,530
EPS (INR)	16.3	109.8	160.4	206.5
EPS % Chg. YoY	(44.2)	573.9	46.0	28.7
P/E (x)	340.6	50.6	34.6	26.9
P/BV (x)	20.5	15.0	12.1	10.5
Dividend Yield (%)	0.1	0.5	1.3	2.4
RoE (%)	5.8	34.3	38.8	41.8

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### Market Data

Market Cap (INR)	412bn
Market Cap (USD)	4,761mn
Bloomberg Code	MCX IN
Reuters Code	MCElqf.BO
52-week Range (INR)	8,108 / 3,620
Free Float (%)	100.0
ADTV-3M (mn) (USD)	48.1

Price Performance (%)	3m	6m	12m
Absolute	50.2	26.4	109.9
Relative to Sensex	42.2	20.8	103.6

ESG Score	2023	2024	Change
ESG score	77.4	75.9	(1.5)
Environment	60.4	57.2	(3.2)
Social	80.5	80.0	(0.5)
Governance	79.3	79.4	0.1

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

### Previous Reports

12-05-2025: [Q4FY25 results review](#)

22-01-2025: [Q3FY25 results review](#)

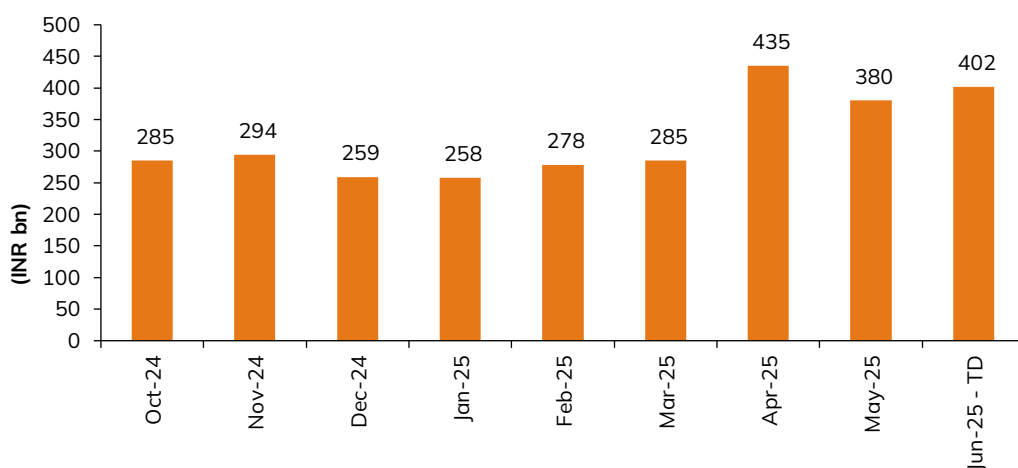
### Strong uptick in gold options post shift to monthly expiry; Silver options to likely follow suit with similar change in expiry

Gold options' contracts were modified to monthly expiry contracts (prior bi-monthly), effective 11 Nov'24. Post this change, gold options have seen a strong surge in volumes where notional/premium/futures ADTV increased 218%/283%/161% in the first two months of FY26 vs. FY25. In terms of premium ADTV, gold options constituted 12.1% of turnover in Apr'25 and 10.9% in May'25 vs. 2.8% in Sep'24. MCX has conducted a similar change in silver options to monthly expiry, effective Jun'25. MCX's silver mini options recorded an unprecedented notional turnover of INR 173bn/INR 382bn on 18<sup>th</sup>/19<sup>th</sup> Jun'25. For comparison, the notional ADTV of the silver mini options in Apr'25 was INR 34bn.

### Futures and options participation has also grown, providing drivers for growth in volumes for MCX

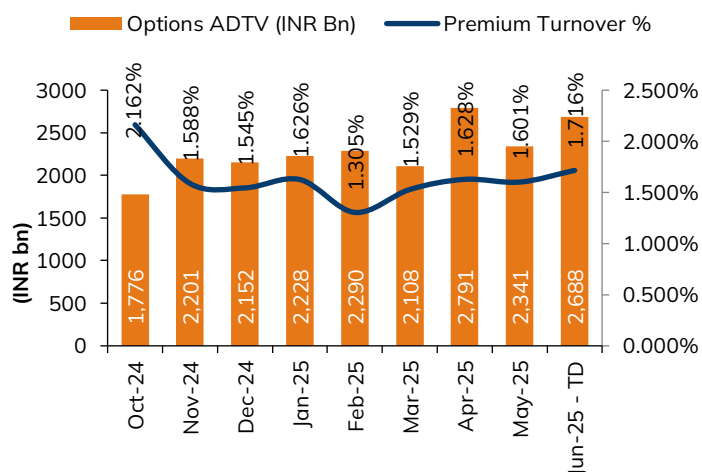
Total number of registered UCC at MCX stood at 24.8mn in Q4FY25 vs. 10mn in Q1FY24. Number of UCCs that traded on MCX stood at 630k in Q4FY25 vs. 530k in Q4FY24. 210k/500k participants traded in futures/options on MCX in Q4FY25 vs. 210k/400k participants in Q4FY24 and 190k/230k in Q4FY23.

**Exhibit 1: Futures ADTV trend for MCX**



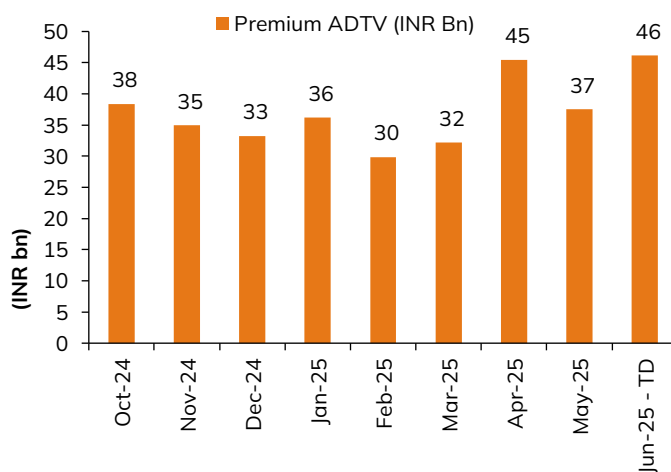
Source: I-Sec research, Company data

**Exhibit 2: Options' notional ADTV trend for MCX**



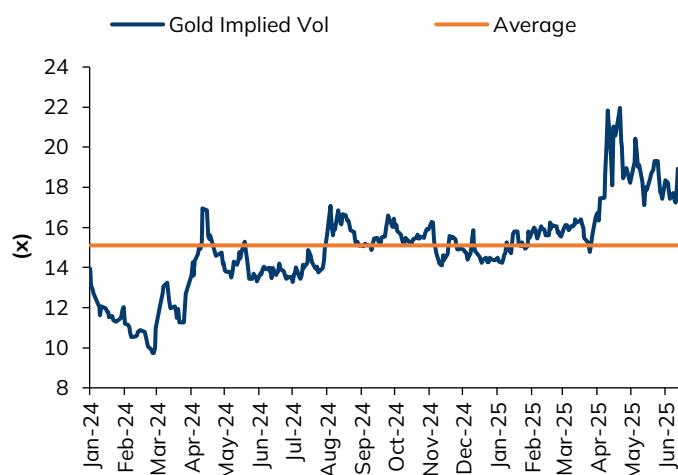
Source: I-Sec research, Company data

**Exhibit 3: Options' premium ADTV trend for MCX**



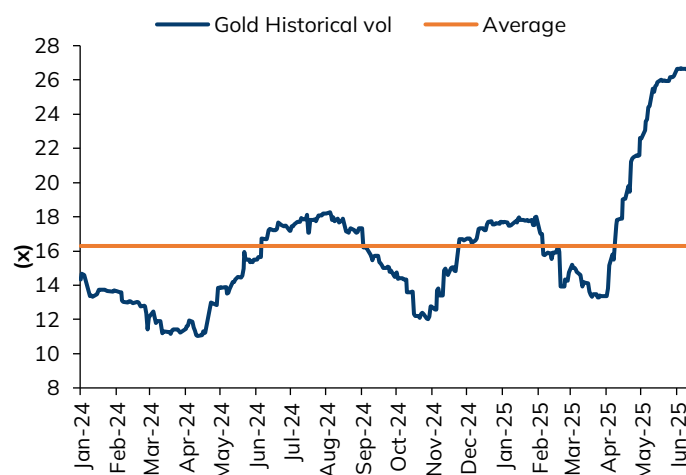
Source: I-Sec research, Company data

**Exhibit 4: Gold's implied volatility has increased since Apr'25, leading to increase in volumes for MCX**



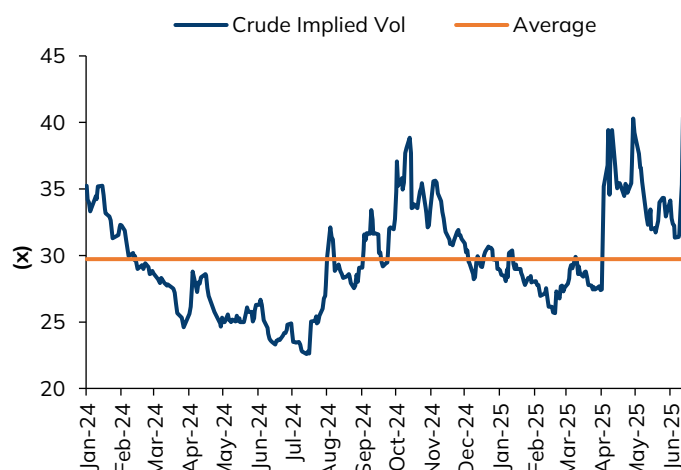
Source: I-Sec research, Bloomberg

**Exhibit 5: Gold's historical volatility has also shown an increase since Apr'25**



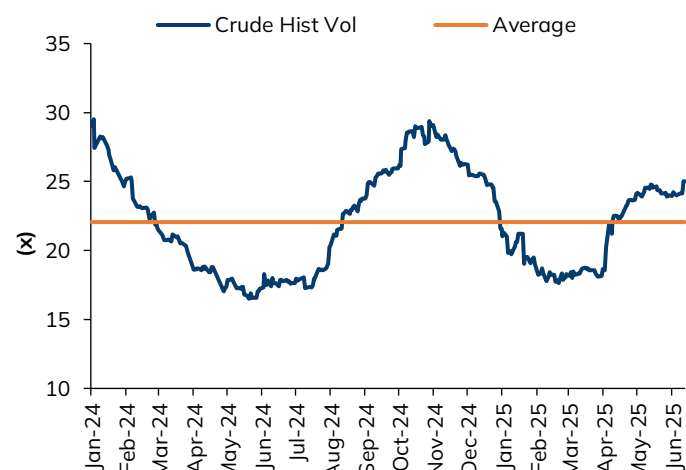
Source: I-Sec research, Bloomberg

**Exhibit 6: Crude oil's implied volatility has increased since Apr'25, leading to increase in volumes for MCX**



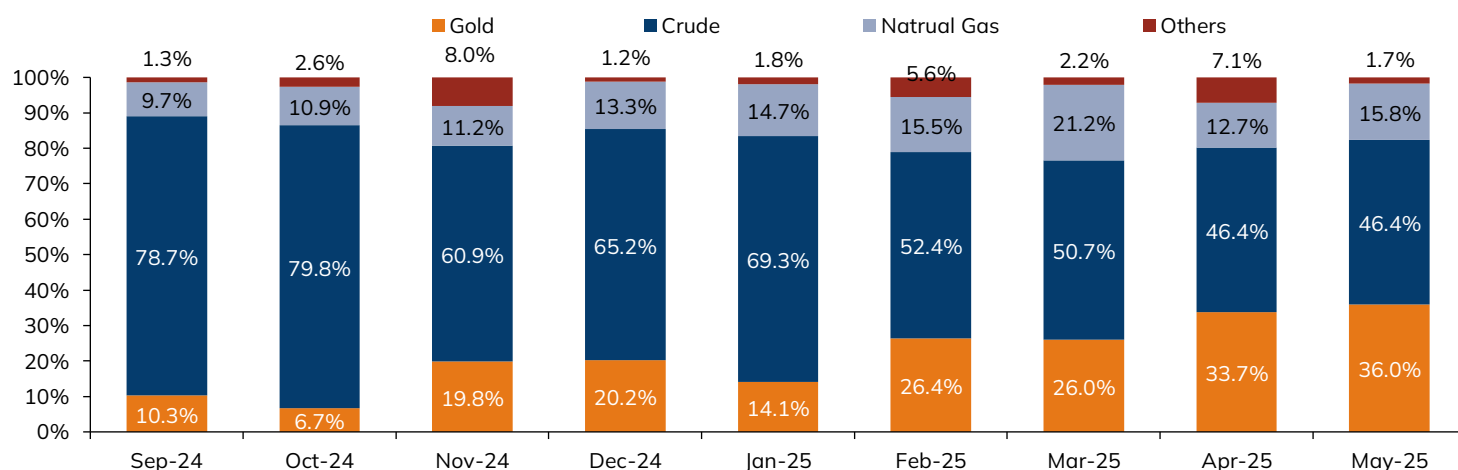
Source: I-Sec research, Bloomberg

**Exhibit 7: Crude oil's historical volatility has also shown an increase since Apr'25**

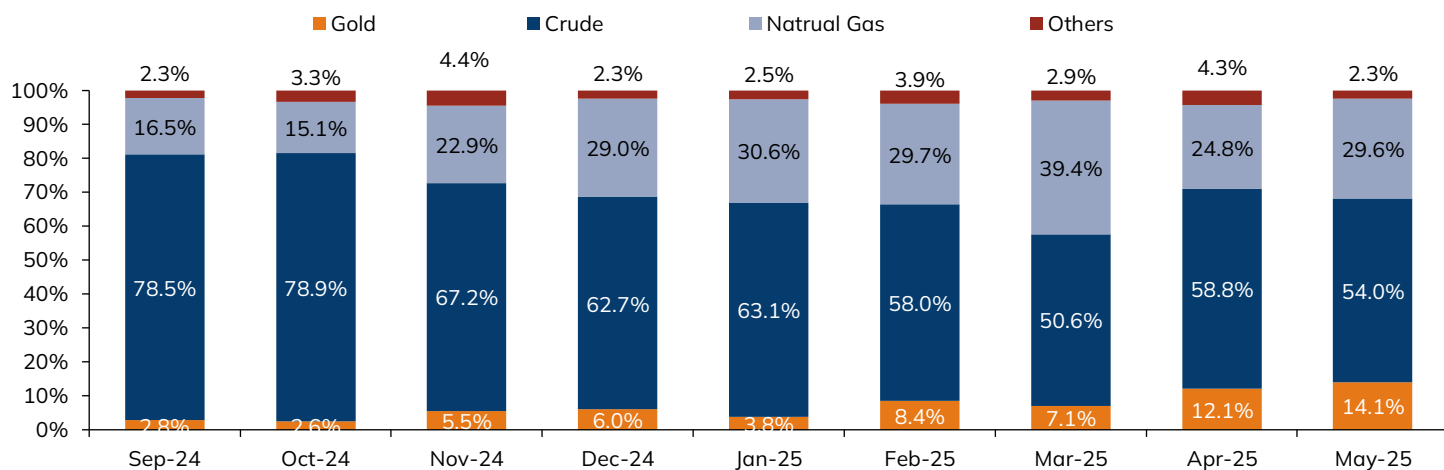


Source: I-Sec research, Bloomberg

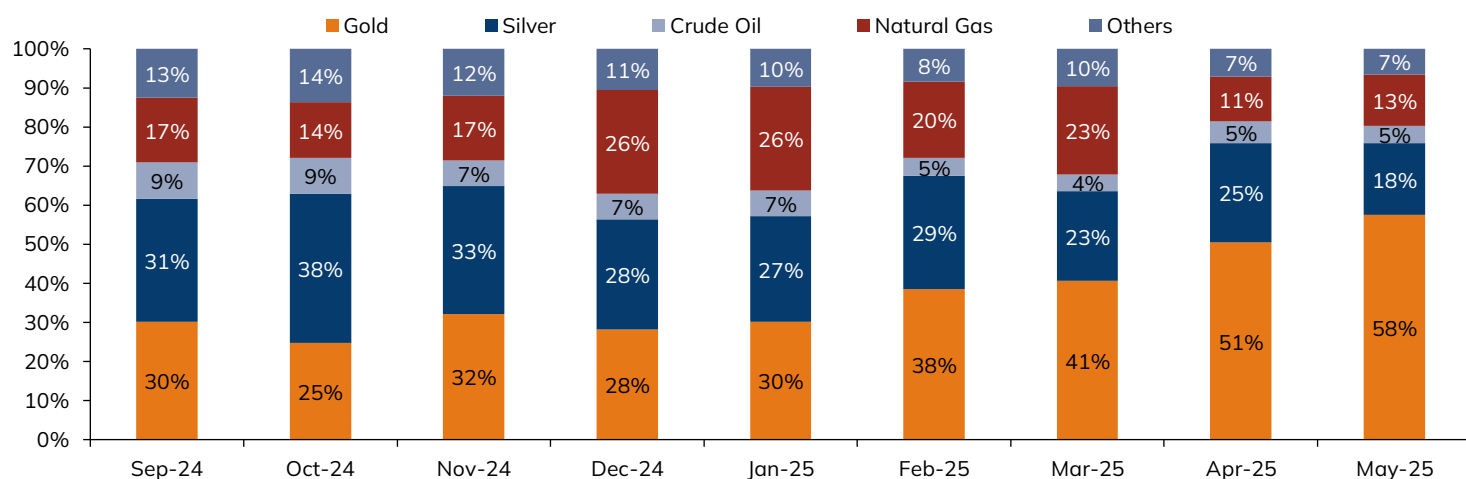
**Exhibit 8: Gold options' share in total notional ADTV has increased, post shift to monthly expiry in Nov'24**



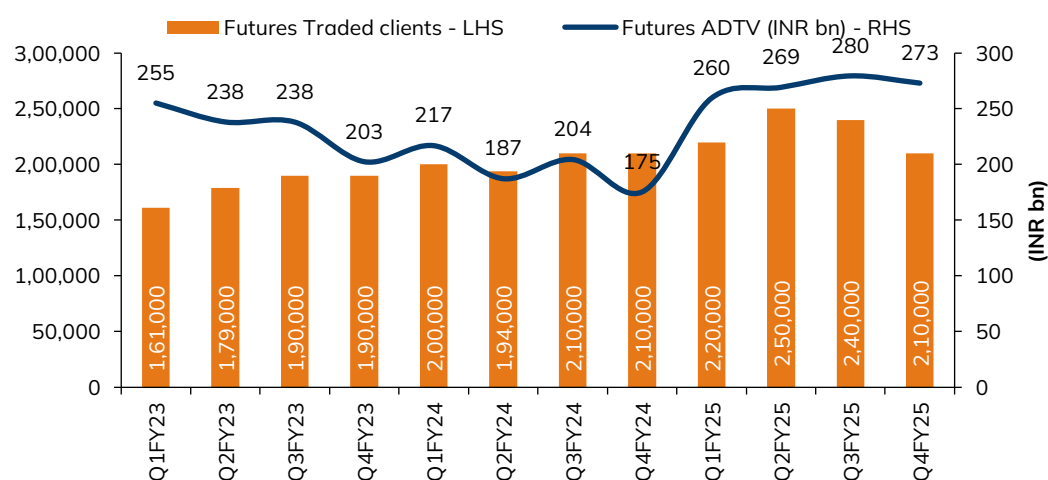
Source: I-Sec research, Company data

**Exhibit 9: Gold options' share in total premium ADTV has increased, post shift to monthly expiry in Nov'24**

Source: I-Sec research, Company data

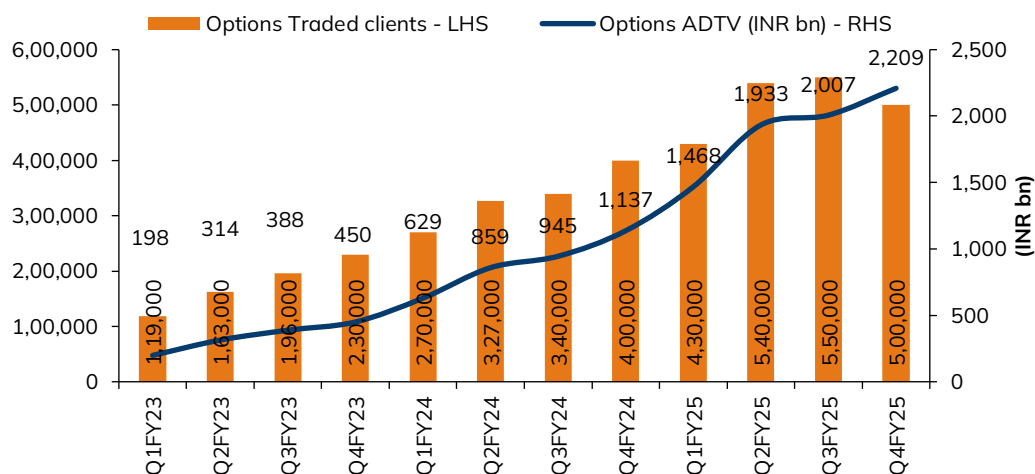
**Exhibit 10: Gold futures have contributed more than 50% of the futures volume in FY26**

Source: I-Sec research, Company data

**Exhibit 11: MCX futures volume and participation trend; FY26 has seen jump**

Source: I-Sec research, Company data

**Exhibit 12: MCX options volume has seen robust growth with increase in participation**



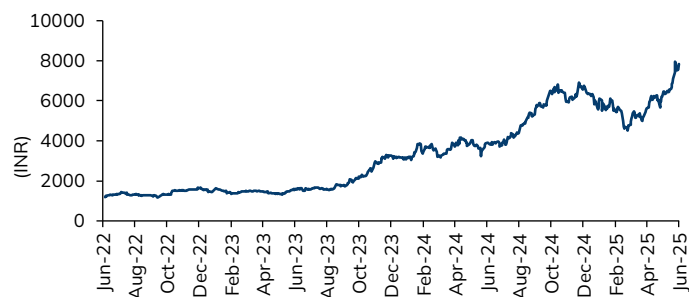
Source: I-Sec research, Company data

**Exhibit 13: Shareholding pattern**

%	Sep'24	Dec'24	Mar'25
Promoters	0.0	0.0	0.0
Institutional investors	79.7	78.6	79.9
MFs and others	35.4	34.0	35.6
FIs/Banks	20.7	21.5	22.5
FIIIs	23.6	23.1	21.8
Others	20.3	21.4	20.1

Source: Bloomberg, I-Sec research

**Exhibit 14: Price chart**



Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 15: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	6,836	11,127	16,238	20,131
<b>Operating Expenses</b>	<b>6,192</b>	<b>4,474</b>	<b>5,368</b>	<b>6,163</b>
EBITDA	643	6,653	10,869	13,967
<b>EBITDA Margin (%)</b>	<b>9.4</b>	<b>59.8</b>	<b>66.9</b>	<b>69.4</b>
Depreciation & Amortization	359	638	902	954
EBIT	284	6,016	9,967	13,013
Interest expenditure	3	5	-	-
Other Non-operating Income	-	-	-	-
Recurring PBT	1,035	6,973	10,934	14,077
Profit / (Loss) from Associates	(15)	21	-	-
Less: Taxes	189	1,394	2,755	3,547
<b>PAT</b>	<b>846</b>	<b>5,580</b>	<b>8,179</b>	<b>10,530</b>
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	831	5,600	8,179	10,530
<b>Net Income (Adjusted)</b>	<b>831</b>	<b>5,600</b>	<b>8,179</b>	<b>10,530</b>

Source Company data, I-Sec research

### Exhibit 16: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	11,390	21,343	39,927	47,053
of which cash & cash eqv.	9,656	19,017	36,627	42,655
Total Current Liabilities & Provisions	19,647	23,527	42,810	47,815
<b>Net Current Assets</b>	<b>(8,258)</b>	<b>(2,183)</b>	<b>(2,883)</b>	<b>(762)</b>
Investments	17,388	16,832	18,214	19,741
Net Fixed Assets	1,840	2,238	1,935	1,137
ROU Assets	-	-	-	-
Capital Work-in-Progress	544	793	793	793
Total Intangible Assets	1,940	1,872	2,022	2,173
Other assets	971	159	3,000	3,500
Deferred Tax assets	-	-	-	-
<b>Total Assets</b>	<b>14,441</b>	<b>19,725</b>	<b>23,944</b>	<b>27,630</b>
<b>Liabilities</b>				
Borrowings	-	-	-	-
Deferred Tax Liability	82	263	-	-
Provisions	28	35	35	35
Other Liabilities	546	583	567	568
Equity Share Capital	510	510	510	510
Reserves & Surplus	13,275	18,334	22,832	26,518
<b>Total Net Worth</b>	<b>13,785</b>	<b>18,844</b>	<b>23,342</b>	<b>27,028</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>14,441</b>	<b>19,725</b>	<b>23,944</b>	<b>27,631</b>

Source Company data, I-Sec research

### Exhibit 17: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
<b>Operating Cashflow</b>	<b>6,270</b>	<b>9,603</b>	<b>22,719</b>	<b>13,642</b>
Working Capital Changes	6,879	4,144	14,605	3,222
Capital Commitments	(1,432)	(959)	(750)	(307)
<b>Free Cashflow</b>	<b>4,838</b>	<b>8,644</b>	<b>21,969</b>	<b>13,335</b>
<b>Other investing cashflow</b>	<b>(7,559)</b>	<b>1,435</b>	<b>(678)</b>	<b>(463)</b>
Cashflow from Investing Activities	(8,992)	476	(1,428)	(770)
Issue of Share Capital	-	-	-	-
Interest Cost	(592)	1,128	-	-
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(390)	(1,530)	(3,680)	(6,844)
Others	-	-	-	-
Cash flow from Financing Activities	(982)	(402)	(3,680)	(6,844)
<b>Chg. in Cash &amp; Bank balance</b>	<b>(3,703)</b>	<b>9,677</b>	<b>17,610</b>	<b>6,028</b>
Closing cash & balance	8,075	19,333	36,627	42,655

Source Company data, I-Sec research

### Exhibit 18: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
<b>Per Share Data (INR)</b>				
EPS (Basic Recurring)	16.3	109.8	160.4	206.5
Diluted Recurring EPS	16.3	109.8	160.4	206.5
Core EPS	4.8	96.5	145.8	190.4
Recurring Cash EPS	23.3	122.3	178.1	225.2
Dividend per share (DPS)	7.6	30.0	72.2	134.2
Book Value per share (BV)	270.3	369.5	457.7	530.0
<b>Growth Ratios (%)</b>				
Operating income	33.1	62.8	45.9	24.0
EBITDA	(57.0)	934.5	63.4	28.5
Recurring Net Income	(44.2)	573.9	46.0	28.7
Diluted Recurring EPS	(44.2)	573.9	46.0	28.7
Diluted Recurring CEPS	(30.2)	424.0	45.6	26.5
<b>Valuation Ratios</b>				
P/E	340.6	50.6	34.6	26.9
P/CEPS	237.8	45.4	31.2	24.7
P/BV	20.5	15.0	12.1	10.5
Core P/E	1,146.9	56.3	36.9	28.0
<b>Operating Ratios</b>				
Software support charge / Revenue	68.2	1.6	1.3	1.6
Employee charge / Revenue	19.9	14.9	10.5	9.3
Effective Tax Rate (%)	18.2	20.0	25.2	25.2
Current ratio	0.2	0.3	0.2	0.2
<b>Return/Profitability Ratio (%)</b>				
EBITDA Margins	9.4	59.8	66.9	69.4
Recurring Net Income Margins	11.0	46.3	47.5	49.7
RoCE	1.6	28.2	34.1	37.7
Dividend Payout Ratio	46.9	27.3	45.0	65.0
Dividend Yield	0.1	0.5	1.3	2.4
RoE	5.8	34.3	38.8	41.8

Source Company data, I-Sec research



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