



THE FACTS

• 27 Futures & 13 Spot products traded

• 1000 + Average daily volume generated

• 100 + Brokers

• 5000 + Clients

Futures Products offered



BULLION

Gold, Mini Gold, Small Gold, Micro Gold, Silver, Mini Silver, Small Silver, Micro silver, Palladium & Platinum



BASE METALS

Copper & Mini Copper



ENERGY

Crude Oil, Mini Crude Oil, Natural Gas, Mini Natural Gas, Brent Crude & Heating Oil



AGRO

Cotton, Mini Cotton, Corn, Wheat, Cocoa, Coffee, Soybean, Soybean Oil & Sugar

Spot Products offered



BULLION

Gold, Mini Gold, Nano Gold, Silver, Mini Silver & Nano Silver



BASE METALS

Copper & Mini Copper



ENERGY

Crude Oil, Mini Crude Oil, Natural Gas, Mini Natural Gas & Brent Crude

Who we are

Mercantile Exchange Nepal Limited (MEX) is the premier commodity Exchange in Nepal to have technical and business related support from the market participants. Since its inception, MEX has been constantly contributing towards the up- gradation and enhancement of Nepalese commodity eco-system. The day-to-day operations of the Exchange are managed by a team of experienced and qualified professionals, with impeccable integrity and expertise.

The exchange offers:

- ♥ Electronic derivatives trading through robust and tested trading platform - Automated Trading System (ATS)
- ♥ A platform for fair price discovery mechanism
- ♥ Market integrity and price transparency
- ♥ An efficient Clearing and a guaranteed settlement system

MEX was incorporated as a Public Limited Company organized under Laws of Nepal, with an authorized share capital of NPR 100 Million (equivalent to USD 1.4 Million).

Why us

The market leadership of MEX can be attributed to its:

Product and service innovation

- ♥ An Exchange, which is the first to implement round the clock, automated trading system in Nepal.
- ♥ State-of-the-art, cutting-edge trading console with customizable features and more professional software platform for **better trading experience**, in line with the proposed regulatory parameters.
- ♥ Introduced Market Makers as a separate entity for the very first time in Nepal, who will enhance maximum liquidity with frequent quotes, contributing to the depth, stability and liquidity in the market.
- ♥ The only exchange in Nepal to provide on-line withdrawal facility, enabling traders to withdraw money in a matter of few minutes.
- ♥ An Exchange that facilitates offline support facility to trade at times of contingency and in doing so *became the third exchange in the world and the first in Asia to provide such a facility*.
- ♥ Implementing extensive research work to incorporate local commodities including cardamom, potato and ginger for delivery purpose



Well designed trading system



- Clearing & Settlement modality similar to the globally accepted and internationally accredited Exchange, like CME and MCX. The new model is based on **pure order matching system, with Price Time Priority**, where all quotes are flown to the market and cleared & settled by the market itself, which leads to **complete transparency** in trading.
- The software is fully customizable & equipped to permit domestic products with deliverable options.
- Handling capacity of thousands (orders and trades put together) per day, which is well above the record volumes witnessed by the Exchange till date.
- Accessibility of trading console through mobiles and other devices along with Windows & MAC.

Effective risk management

- With the presence of many market makers, one MM can even transfer his open positions to other MMs by closing their open positions for **risk mitigation**. In the absence of any MM to take the transferred position, Clearing House will take the ultimate liability. Moreover, MMs can use wider spread to safeguard their positions during unfavorable market conditions.
- All floating P/L and financial adjustments are done on **Mark to Market** basis, i.e., floating P/L will be realized in concerned accounts every trading day. In case of profit, one can use the earned profit even before closing the position. It prevents accumulated dues of any market participants to be forwarded for next trading day. Approved clearing banks helps to manage the daily mark-to-market (MTM) settlement at in-house clearing house.
- With the new model, any orders' route can be **Tracked, Recorded and Viewed** separately. All the routed orders passed through are recorded for future reference which ensures efficient **order tracking system** in the new model.
- All the fund transfers are done automatically ensuring no manual intervention and errors leading to **safer and correct financial transactions**.
- Settlement Guarantee Fund based on MEX guidelines
- An Exchange that facilitates Stop Loss facility for ensuring effective risk mitigation

Focus on developing the market

- Clearing Members and Market Makers have the option to opt for **Reference Price source**, with fundamental data available to plan their risk management efficiently
- Conducting customized awareness programs in association with Pioneer Academy
- Empowering market participants with information required to take considered decisions through:
 - Contributing articles to magazines and newspapers
 - Publishing occasional papers and research studies weekly newsletters - MEX Express and MEX Year Book, which provides insights on commodity markets, commodities, policies, and any recent developments in the market and their impacts.

Thought leadership of Board of directors and Management Team

- MEX has carved a niche for itself with the backing of its leadership team—management and members of the Board.
- Domain expertise, diverse professional and educational backgrounds, decision-making skills and commitment of the leadership team have helped us excel.
- Professionals are our backbone, Transparency is our day-to-day practice. Technology is our stem. Commercialization of market to benefit the farmers' is our goal. Management of risk is our motto.
- MEX is governed by Board of Directors (BOD), comprising 4 members with 1 independent director as a full time director.
- The MD and the CEO have more than a decade's experience in the financial and futures market.



Strategic Alliances

Tie-ups with international exchanges, and associations, corporate, educational institutions and R&D centers enable it to engage the stakeholders, improve trade practices, create awareness and facilitate overall improvement of the Nepali commodity futures market.

Domestic:

	Member of Management Association of Nepal (MAN)
	Member of Nepal Chamber of Commerce (NCC)
	Member of Federation of Nepalese Chambers of Commerce & Industry (FNCCI)

International

	Information sharing with CME Group, Chicago, U.S.A
	Member of Association of Futures Market (AFM) Buenos Aires, Argentina
	Member of South Asian Federation of Exchanges (SAFE) Islamabad, Pakistan
	MEX Nepal: An ISO 9001:2008 Certified Exchange - URS, UK

Sound and sustainable business

- Commitment to ethical business conduct, complying with guidelines and Bye laws, comprehensive disclosures, professionalism, and structured accountability
- An Exchange that is self regulated but follows the international standards of Commodity Exchanges and also abiding strictly by the Laws of Nepal
- An Exchange and THE ONLY EXCHANGE IN NEPAL functioning on the 125 year old commodity futures trading concept

Co-creation of social and business value

- Studies conducted by reputed institutes have established that MEX plays an important role in efficient price risk management and price discovery, reduction in spot price volatility, reduction in information asymmetry, etc.
- Potential job sector for University graduates: Commodity Market; Mr. Madhav Prasad Neupane, Principal, National College, Center for Development Studies Institution Offering BDevS, BDFin, BoSS
- Exchange which has generated 5000 and more new employment opportunities in a short span of time
- An Exchange that, along with its members and clients, are the highest tax payers among new companies



How have we progressed?

Milestones

2007



14th Aug | MEX got registered under the Company Act, 2063 and acquired the Operating License too.

2008



16th Oct | MEX enters into agreement with Laxmi Bank, thereby launching the very first concept of segregate account in the country.

2009



05th Jan | MEX starts Live trading and kick starts its Operations offering 11 commodities for trading.

05th Jun | Acquired the membership of Management Association of Nepal (MAN)

27th Nov | Acquired the membership of Nepal Chamber of Commerce (NCC)

28th Nov | Acquired the certification of International Organization for Standardization (ISO 9001:2008) from United Registrar of Systems Limited (URS), UK

01st Dec | Acquired the membership of Federation of Nepalese Chambers of Commerce & Industry (FNCCI)

2010



30th Apr | MEX started offline support to its Client. By doing this, MEX becomes the first exchange in Nepal to provide such services. This facility will enable the clients to get assistance during emergencies such as internet down, electricity down.

18th Jun | Mr. Aftab Ahmed Ch, Sec General of South Asian Federation of Exchanges (SAFE) visited MEX in connection with the MEX membership application to SAFE, Islamabad, Pakistan.

22nd Jun | Honorable Deputy Minister Mr. M.L.A.M Hizbullah, for Child Development & Women's affairs, Sri Lanka, visited MEX to learn the working milieu of a successful commodity exchange like MEX

29th Jun | Mr. Kao Thach, Deputy Dir Gen (with equal rank to under sec of state) SEC, Cambodia and Mr. Chan Narith, Director SEC, Cambodia visits MEX Nepal to learn about the exchange functioning.

20th Dec | Acquired the affiliated membership of South Asian Federation of Exchanges (SAFE)

2011



15th Feb | MEX introduced Trade Verification facility for its registered client to verify if their trades are registered in the exchange order book. MEX is the only exchange in Nepal to introduce this facility and only second to introduce in Asia.

11th Apr | Acquired the affiliated membership of Association of Future Markets (AFM)

01st Sep | MEX signed an MOU and agreement with Chicago Mercantile Exchange (CME) Group for International Information Sharing, becoming the first Nepalese futures exchange to do so.

11th Nov | MEX Nepal, the first exchange to launch Online Client Registration, making it easier for the client residing anywhere to register with MEX for trading.

2012



23rd Jul | MEX Nepal became a part of Dun & Bradstreet Global Database.

26th Jul | MEX Nepal signed MOU with Mercantile Exchange of Belize on International Information Sharing.

26th Aug | MEX Nepal signed MOU with Investment Management Services (IMS) Pvt. Ltd. to promote the services through IMS's Financial Web portal (www.commoditysansar.com)

2013



27th Aug | MEX was nominated amongst the top 5 for the FNCCI Award for National Excellence, i.e. the apex award, and the FNCCI Award for Services Excellence, in the medium category in the FNCCI National Excellence Awards-2010.

27th Sep | Delegates from Royal Securities Exchange of Bhutan Ltd. along with the Governor of the Royal Monetary Authority of Bhutan, visited MEX to comprehend the workings of a commodity exchange.

