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RMoney buys 15% in HKMEx for \$7.5 million

Mumbai, Oct 14

ADAG group firm Reliance Money has acquired a 15%-stake in the Hong Kong Mercantile Exchange (HKMEx) for \$7.5 million, a move that will help it to leverage on the growth potential of commodity trading in the Asian region, including India. "Even as Asia has emerged as a key market for global commodities, the region does not have a strong commodity exchange. Our deal with HKMEx will help us capitalise on the growing demand for commodities in this region," Reliance Money director and CEO Sudip Bandyopadhyaysaid.

"We acquired the 15%-stake in HKMEx for \$7.5 million and with this acquisition Reliance Money has emerged as the second largest shareholder in HKMEx and will have membership on the board," he said. Reliance Money has recently received approval

"Our deal with HKMEx will help us capitalise on the growing demand for commodities in the region"

from the Forwards Market Commission (FMC) and the ministry of consumer affairs for acquiring a 10%-stake in the domestic National Multi-Commodity Exchange of India (NCME) and plans to increase this stake to 26%.

"We plan to build synergies between both the exchanges, thereby leveraging on the growth potential of commodity trading in India, China and the rest of Asia," he added. HKMEx proposes to start trading in the first quarter of 2009 and will kick-start its operations by offering dollar-denominated oil contracts and also plans to diversify into other commodities.

The Hong Kong Mercantile Exchange (HKMEx) was founded with the objective of bridging international commodities markets with China through an efficient and transparent pricing platform for end-users and the global trading community. *PTI*