

right time. right place



[www.dgcx.ae](http://www.dgcx.ae)

The Dubai Gold and Commodities Exchange (DGCX) is a financial and commodity derivatives exchange located in Dubai, the United Arab Emirates. DGCX commenced trading in November 2005 as the Middle East and North Africa (MENA) region's first derivatives exchange. The Exchange is an initiative of the Dubai Multi Commodities Centre (DMCC), Financial Technologies (India) Limited and the Multi Commodity Exchange of India Limited (MCX).

Dubai's time zone is midway between the Far East and Europe which attracts global investors to trade on DGCX. Dubai's strategic location allows market participants to trade extended trading hours at DGCX and integrates both the regional and international markets.



**Access to the largest Exchange in the Middle East and North Africa**  
**Business friendly zero tax environment**  
**Free zones with world-class infrastructure**  
**Trading communities from around the world**  
**Presence of world leading financial institutions**

### DGCX: Powering the Derivatives Market

Established in 2005, DGCX was the first derivatives exchange to be launched in the Middle East and North Africa (MENA) region. Over the last seven years, the Exchange has pioneered several futures and options contracts in the region in the metals, energy and currency sectors, that not only transformed the region's derivatives market but also provided exciting new opportunities for international investors.

The Government of Dubai in a strategic move has introduced DGCX to diversify investment options for regional investors and strengthen the commodities and forex market, by providing hedging tools that help manage risk. At a time when investors in the Middle East were withdrawing from traditionally-favored asset classes like equity and real estate, DGCX products offered new portfolio diversification opportunities. DGCX's contracts also offers arbitrage opportunities across other markets.

#### DGCX Powered Benefits:

- Trading in a wide spectrum of products from precious metal, base metal, energy, currency and others
- Guaranteed settlement and reduced counterparty risk provided by Dubai Commodities Clearing Corporation (DCCC)
- Both transacting and clearing business within the UAE,
- Business friendly zero tax environment
- A simple and competitive fee structure.
- An opening to both regional and international liquidity pools
- Robust risk management and surveillance systems
- Uninterrupted trading hours from 7:00am – 11:30pm (GMT +4, IST+1.5)
- Regulated by the Securities & Commodities Authority (SCA).

### Clearing House

DGCX is the only Exchange in the Middle East and North Africa region that possesses both trading and clearing infrastructures. The Exchange provides guaranteed settlement and reduced counterparty risk through the DCCC, a 100% owned subsidiary of DGCX.

### Growing Regional and Global Profile

The Exchange's leadership in the MENA region's derivatives market remains undisputed. To date, DGCX is the only Exchange in the region that possesses both trading and clearing infrastructures.

DGCX seeks new Members from diverse geographical locations and sectors. 80% of DGCX's current Membership base is from the

Middle East and the Indian Subcontinent and the rest from the USA and Europe. DGCX Members comes from across global financial centres such as Chicago, London, Singapore, Mumbai and Karachi. DGCX endeavors to look at diversifying its product portfolio and grow its membership base.

### Gateway to Emerging Markets

**DGCX provides an exciting gateway for institutional players in USA, Europe and the rest of the world to access Asian markets, especially the Middle East and South Asia.**

As players in leading global financial centres face challenges due to the regulatory environment and rising liquidity pressures, DGCX, which operates within a well-regulated environment, offers access to new lucrative opportunities. The embryonic nature of the Middle East market and the vast untapped liquidity in the region adds to these opportunities.

Dubai's location in a time zone midway between the Far East and the West has traditionally made it an attractive hub for accessing the larger market surrounding it. In fact, DGCX increasingly serves as a bridge between the time zones of the Far East and the West, contributing to the smooth flow of the global trading cycle, especially during the gap between the closing of the Far East markets and the opening of European markets.

## New Trading Infrastructure

The Exchange partnership with Cinnober, one of the world's leading trading technology providers, offers an advanced technology platform designed to support DGCX Members' increasingly sophisticated trading requirements. The activation of the EOS Platform marks the completion of DGCX's new technology infrastructure.

The advanced platform provides DGCX's growing Member community with superior transaction speed, more efficient means to access liquidity, higher reliability, enhanced trading and clearing

flexibility and global connectivity. The upgrade provides low latency network access, world-class risk-management, surveillance and clearing capabilities.

The new technology gives the Exchange the ability to offer contracts in multiple currencies. DGCX will also be able to offer 24-hour market support on the new platform, enhancing the value it offers Members while also attracting new business opportunities from retail, institutional and high-frequency traders (HFTs).

## Extended Trading Hours

In May 2012, DGCX extended its trading hours by an hour and a half. The extended trading time provides DGCX participants to take positions before the opening of derivatives exchanges in South Asia,

## DGCX Indian Rupee Futures

**The Genesis:** : DGCX listed the Indian Rupee Future in the year 2007 to help traders in the region and global market to hedge their Indian Rupee Exposure.

**Market Size:** The Indian Rupee Offshore Futures Contract has gained wide market acceptance and in Q4 2012 clocked average daily turnover of over US\$ 2 Billion with net open long/short positions in the excess of US\$ 1 Billion, which makes it the largest offshore INR futures liquidity pool globally.

### Who Trades the DGCX INR FUTURES?

- Retail participation from the region
- Banks and Investment Funds with exposure to the Indian Capital Markets
- Indian Rupee Non Deliverable forward liquidity providers like International Banks
- Global Proprietary trading firms
- Corporate organizations with Indian Rupee exposures

### What makes the contract successful?

- **Timing:** The exchange timing is 7.00AM to 11.30 PM UAE Time (8.30AM-1AM India Time) price discovery 30 minutes before and 8 hours post India closing
- **Spread and Depth:** The contract trades with a spread of 0.0025 INR spread with a depth of market which ranges between US\$30 million and US\$100 million
- **The DGCX Experience :** Affordable transaction fee, reasonable margins, simplicity in accessing the exchange, superior technology

## Risk Solutions Honed in the World's Biggest Gold Market

DGCX has deep expertise in creating hedging tools tailored to the needs of gold merchants in Dubai, one of the world's largest gold markets.

In the year 2011, Dubai saw 1,196 tonnes of gold worth \$41 billion traded, 29% of the global trade in gold. The growth of the gold market has brought a corresponding increase in the need to hedge gold prices. For over five years, DGCX's products have supported

Dubai gold merchants in boosting the profitability and sustainability of their business.

Volumes for DGCX gold futures contracts have grown steadily since inception and the contract remains the flagship product of the Exchange.

## Where to Trade: Exchange vs. OTC Markets?

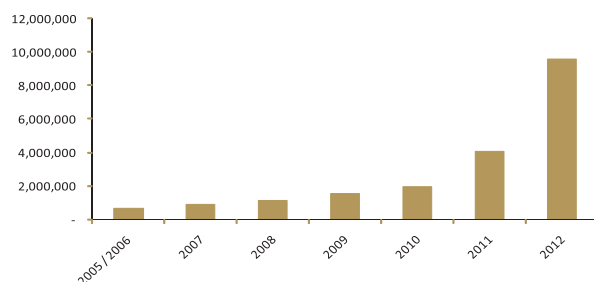
Exchange traded futures provide gold traders with significant advantages over non-exchange-traded solutions developed by financial institutions.

- The Exchange provides transparent pricing for everybody and offers easy access to the liquidity pool
- No credit risk – counterparty is always the clearing corporation
- Low or virtually no costs for unwinding a trade
- Extended trading hours that allow traders greater access to the liquidity pool (7.00 AM – 11.30 PM UAE Time)
- Very narrow spreads (compared to OTC markets)

## Strong Year-on-Year Growth

DGCX volumes have grown consistently, driven by our ability to offer liquid, competitively priced and easily accessible products within a safe and secure trading environment.

Since its inception, over 22 million contracts have been traded at a value in excess of US\$ 940 billion. DGCX has experienced strong growth in the first seven years of its operation, with year on year volumes increasing by 48% in 2007, 26% in 2008, 32% in 2009, 28% in 2010, 110% in 2011 and 137% 2012.



## Product Portfolio

DGCX provides a range of futures contracts that offer commodity producers, manufacturers and end users sophisticated tools to hedge their price risk exposure in today's increasingly volatile market.

DGCX trades the widest range of derivatives contracts than any exchange in the MENA region. It has pioneered many futures contracts in the region. The DGCX Gold Futures, when launched in 2006, introduced a new pricing benchmark for gold in the UAE -the One kilo bar gold futures contract. In 2007, DGCX launched the world's first Rupee Futures contract, which has seen rapid volume growth over the last few years, driven primarily by demand from the GCC's large non-resident Indian community. Since being enhanced in 2008 to make it cash-settled, the product has notched consistent record volumes.

Other pioneering products include the world's first steel rebar futures contract (2007); the MENA region's first Copper Futures contract (2012), and the region's first WTI and Brent Oil futures contracts. DGCX's portfolio of currency futures contracts also includes Australian Dollar, Canadian Dollar, Swiss Franc, Euro, British pound, Japanese Yen and Indian Rupee futures.

Encouraged by the success of Indian Rupee futures, DGCX launched an Options Contract for the currency in 2011. The contract is today the only exchange-traded Indian Rupee Options product offered outside India.

In the precious metals segment, DGCX provides gold futures, gold options and silver futures. In base metals DGCX provides copper and steel rebar futures, while in currencies, DGCX offers futures trading in Euro, Indian Rupee, British pound, Japanese yen, Australian Dollar, Canadian Dollar, Swiss Franc (all versus the US Dollar) and Indian Rupee Options. In energy, the Exchange offers WTI, Brent and Fuel Oil futures contracts.

DGCX offers trading opportunities to financial communities and investment houses around the globe who wish to invest in the growing asset classes of commodity and currency derivatives.

DGCX products are traded in a highly liquid, transparent and well-regulated market environment that maximizes trading gains and minimises risks.

## Membership Information

DGCX membership is open to institutions and partnerships and traders typically located in the UAE or from other global jurisdictions.

Memberships offered:

- **Broker Membership** - Broker Members to trade all DGCX contracts either on behalf of their clients or on a proprietary basis.
- **Trade Membership** - Trade Members to trade all DGCX contracts on a proprietary basis only.
- **Clearing Membership** - Broker and Trade Members can apply for membership of the Dubai Commodities Clearing Corporation (DCCC), which entitles them to clear DGCX transactions. Financial institutions, banks and other entities who wish to clear but not trade DGCX business can also apply for special clearing membership.

For further information, please refer to the 'Membership' section of our website.





## Dubai Gold and Commodities Exchange: Uniquely Poised

### Cost

- Tax Free
- Leverage: Approximately 32 times
- Margin: No margin on concurrent opposite contracts in the first and second months

### Technology

- Co-Location of servers
- Direct Market Access using FIX protocol
- Approved Independent Software Vendors (ISV) inclusive of FTIL, RTS, Flextrade, ORC, Ffastfill, Omnesys, MT5, Patsystem, Greeksoft and SunGard

### Time & Service

- Award winning service model and relationship management
- Extended trading hours, 7.00 AM – 11.30 PM (UAE Time)

### Price

- Minimum tick size and price spread offered
- FLEXIBLE membership structure with unique cost-effective membership options such as trade member

### Risk

- Central Clearing House with ZERO default since inception
- Regulated by the Securities and Commodities Authority (SCA)
- Majority stake held by DMCC, a government of Dubai entity
- Ideal mix of physical, institutional and retail participants
- Clearing Banks: Standard Chartered, Bank of Baroda, HSBC, Emeirates NBD
- Large market makers from across the globe
- Cash-settled gold and silver futures contract with an option of delivery (matching intent).

## Awards

DGCX received many industry accolades for its growth and product innovation in 2012:

- Global Banking & Finance Review named DGCX the world's "Best Global Commodities Exchange 2012".
- The Indian Rupee Futures contract was named the "Contract of the Year 2012" award by FOW.

## Further Information

For further information on DGCX, our products and how to access our markets, please contact us on the details below. Alternatively, please refer to the contract specifications for product related information.

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**DUBAI, UAE**  
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