

# Silver trading begins at IIBX, 3 MT traded in 30 minutes

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Gandhinagar: In a major leap for India International Bullion Exchange (IIBX) at GIFT-IFSC in Gandhinagar, trading of silver has also begun on the exchange platform. Gift City chairman Hasmukh Adhia, former finance and revenue secretary, government of India, formally opened silver trading on the platform. IIBX is the country's first and only bullion exchange situated in India's first financial services centre (IFSC).

Five new contracts in silver were launched on the first day. These will enable qualified jewellers onboarded on the exchange to trade and hedge silver in different forms and quality standards. On the first day, the entire 3 metric tonnes (MT) of targeted quota, which was available in the IIBX vault, was traded within 30 minutes of launch and the bullion depository receipt was also cleared and deposited into the demat account of the trading participant.

"I hope that by the end of next fiscal year, IIBX clocks triple-digit gold trading volumes up to 100 MT and four-digit silver trading volumes above 1,000 MT. Once the volume trading on IIBX is strong, we will move closer towards price-discovery of gold and silver," said Adhia.

The supplier for the first lot of trading was from the UAE whereas the buyers were from Gujarat. The first trade took place at \$23 per troy ounce for 200kg of silver grain. The single-day trade clocked in a total of \$24.3 lakh (approximately Rs 20.26 crore).

At least 4 MT of gold has been imported till November 30 since the inception of the exchange.

“India is one of the largest consumers of gold and silver globally. The launch of silver trading will bring in fair and transparent trade in precious metals. The contracts will enable qualified jewellers to import and other market participants can also trade silver in bar and grain forms for both London Bullion Market Association (LBMA) and UAE gold delivery standards, with settlement of BDRs every 30 minutes and seamless credit in demat accounts with the India International Bullion Depository IFSC Limited (IIDI),” Ashok Gautam, MD, and CEO, IIBX told TOI.

Earlier, only nominated banks were allowed to import silver. However, after the recent DCGFT notification, this can now be achieved through IIBX as well, which will benefit the domestic market greatly.

Tapan Ray, MD and Group CEO, Gift City, who was present at the launch ceremony on Wednesday, said, “Bringing a bullion exchange here was a top agenda for Gift City. We need to work towards completing the gaps to optimize more capacity to move closer to the ultimate goal of attaining price discovery through this platform.”

Banks are yet to be onboarded as qualified buyers for gold and silver trading on the exchange. If executed, this will lead to a significant volume of trade on IIBX.