

India Enters the Weather Risk Market

NCDEX Launches RAINMUMBAI - The Nation's First Exchange-Traded Weather Derivatives

~SEBI-regulated, IMD-powered, IIT Bombay-designed~

Mumbai, 20th May 2026: NCDEX Ltd. today announced the launching of **RAINMUMBAI** - India's first SEBI-approved, exchange-traded weather derivatives contract on 29th May 2026. Monsoon variability would be transformed from an unpredictable challenge into a measurable, manageable, and tradable risk within a regulated, scientific framework. Developed in collaboration with IIT Bombay and anchored in official data from the India Meteorological Department (IMD), the product enables participants to effectively hedge financial exposure arising from fluctuations in rainfall.

RAINMUMBAI is designed for a wide range of stakeholders—from farmers and construction companies to power utilities, banks with agricultural loan portfolios, and logistics operators—offering a robust risk management tool that complements, and goes beyond, traditional mechanisms such as government relief and insurance. This marks the emergence of a new asset class for India's climate economy and represents a significant step forward in strengthening India's climate risk management ecosystem.

Product details:

- **Type of Contract:** Futures Contract
- **Name of Commodity:** Weather Derivatives (Mumbai Rainfall)
- **Ticker Symbol:** RAINMUMBAI
- **Basis:** Mumbai*
- **Underlying:** Deviation LPA
- **Tick Size:** 1mm
- **Lot Multiplier:** Rs. 50 per mm
- **Max. Order size:** 50 Lots
- **Settlement:** Cash-settled
- **Data Source:** IMD Surface Rainfall + Automatic Weather Stations (AWS) Observations at Santacruz & Colaba
- **Trading Hours:** Mon–Fri: 10:00 AM to 11:30/11:55 PM
- **Daily Price Limit (DPL):** Initial slab – 6%; Enhanced slab – 3%; Aggregate DPL – 9%
- **Last Trading Day:** Business day immediately preceding the last calendar day of the contract expiry month
- **Final Settlement Price (FSP):** FSP will be the underlying spot value arrived on next calendar day of last trading day

Speaking on the occasion, **Dr. Arun Raste, MD & CEO of NCDEX**, said, *“India has lived with monsoon uncertainty for centuries. RAINMUMBAI provides every stakeholder with a regulated, scientific tool to manage this uncertainty. The contracts are based on a scientifically structured **Cumulative Deviation Rainfall (CDR)**, which measures the deviation of actual rainfall from the Long Period Average (LPA) during the monsoon months (June to September). Built using daily rainfall data from the India Meteorological*

Department's (IMD) network of surface observatories and benchmarked against a robust 30-year historical dataset (1991–2020 LPA), the framework ensures transparency, consistency, and reliability.

Unlike traditional insurance products, these weather derivatives are settled purely on observed data, eliminating the need for loss assessment. This enables faster settlement cycles and greater operational efficiency for participants.

Highlighting the importance of reliable data, **Bikram Singh, Head – Regional Meteorological Centre (RMC) Mumbai, IMD** said, *“Reliable and standardized weather data is critical for the development of such financial instruments. IMD’s observational infrastructure and long-term datasets provide a strong foundation for building credible and transparent rainfall indices. It is science meeting finance in a regulated marketplace.”*

RAINMUMBAI serves a broad ecosystem of participants across India's weather-sensitive sectors including agriculture and allied sectors, power and energy, utilities, infrastructure and construction, financial institutions, logistics and transport, and retail and corporate.

Partnership details:

NCDEX is India's leading agricultural commodity exchange, operating under SEBI oversight with a mandate to bring transparency, liquidity, and financial innovation to commodity markets.

IIT Bombay provided the scientific framework, the CDR design, and the statistical validation underpinning the RAINMUMBAI contract.

IMD is the authoritative source of daily surface rainfall data used for spot calculation and final settlement of the RAINMUMBAI contract.

About NCDEX:

Established in 2003, NCDEX is a SEBI-regulated stock exchange recognized as India's leading commodity exchange, creating transparent benchmarks in key agricultural commodities. With its proposed foray into equity and equity derivatives, NCDEX will function as a multi-segment exchange with a clear vision, "Equity for Bharat." In addition to attracting new investors from urban India, through innovative products and services, NCDEX is set to leverage its strong rural reach and state-of-the-art technology to channel household savings from India's hinterland into regulated financial markets. The Exchange offers a comprehensive suite of products, spanning commodity futures and options, as well as upcoming equity and equity derivatives. The NCDEX Group provides an integrated market infrastructure that includes subsidiaries National Commodity Clearing Limited (NCCL) for independent Clearing & Settlement services, National E-Repository Limited (NERL) for Repository services, NCDEX e-Markets Limited (NeML) for spot trading and e-auctions, and NCDEX Institute of Commodity Markets and Research (NICR), which is a knowledge and capacity building arm. NCDEX also partners with institutions and governments to promote financial literacy, risk management, and inclusive growth. Guided by its mission to connect producers, investors, and enterprises on a reliable and innovative platform, NCDEX continues to build transparent, efficient, and future-ready markets that contribute to the 'Viksit Bharat' journey. For more information, please visit: www.ncdex.com

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