Press Release
11th November 2026

NCDEX launches India's First Steel Scrap Futures Contract

- A first-of-its-kind PRA-based contract gives steel makers, scrap traders and downstream producers a regulated way to hedge raw material risk

Mumbai, 11th November 2026: NCDEX Ltd. (earlier known as National Commodities and Derivatives Exchange Limited), one of the leading stock exchanges of India, today announced the launch of Steel scrap futures, introducing India's first Price Reporting Agency (PRA) based futures contract in the steel scrap segment. It addresses the need for a credible market-linked benchmark and an organised hedging mechanism in a market characterised by diverse scrap grades and fragmented pricing references. The contract uses HMS 80:20, an internationally recognised grade comprising 80% Heavy Melting Scrap Grade 1 and 20% Heavy Melting Scrap Grade 2. It is among the most widely referenced scrap grades in international markets and serves as a benchmark import grade across Asian markets. The product launch follows the recent signing of a Memorandum of Understanding (MoU) between NCDEX and BigMint Technologies Private Limited (BigMint), one of India's leading commodity market intelligence and price reporting agencies, where BigMint will be playing the role of a price reference agency. The alliance is aimed at bringing together the exchange's derivatives market infrastructure and BigMint's price assessment expertise.

Key Product Features:

Underlying	Steel Scrap – HMS 80: 20
Unit of Trading	10 MT
Maximum Order Size	500 MT
Tick Size	Rs. 10 per MT
Settlement mechanism	Cash settled
Basis centre	Ex-Mandi Gobindgarh, Punjab (exclusive of GST)

On the occasion, **Mr. Vikas Goel, MD and CEO of NCDEX** said, *"Steel scrap is an increasingly important component of India's steel value chain, particularly as the industry advances towards more resource-efficient and sustainable manufacturing practices. Yet its price risk has had no exchange-traded answer. By introducing India's first PRA-based futures contract in steel scrap and bringing in global standard of data and governance following IOSCO compliant framework, NCDEX fills that gap. This initiative underlines our continued commitment to market innovation, expanding participation and creating meaningful solutions that contribute to the development of India's commodity markets."*

India is the world's second-largest crude steel producer growing by over 10.7% year-on-year to around 168.4 million tonnes during April–March 2025-2026, against global crude steel production that has declined by approximately 2 per cent during the year, as referenced from Worldsteel data. With domestic scrap generation increasing to 22% year on year to 32 million mt, and consequent decline of 20% in ferrous scrap imports, the segment remains central to country's steel value chain.

Joining him, **Mr. Kedar Deshpande, Chief Business officer of NCDEX** said, *"Domestic steel scrap market is fragmented with prices varying with region and grade. Our steel scrap futures contract,*

anchored to BigMint's established HMS 80:20 price assessment, seeks to address this need by bringing greater transparency to price discovery and providing market participants with an organised avenue to hedge price risk. We believe this will strengthen the steel clusters of Delhi NCR, Punjab, Rajasthan, Gujarat, Maharashtra, West Bengal, Chattisgarh, Odisha, and Tamil Nadu by enhancing their ability to manage price volatility and support the evolution of a more structured iron and steel commodities ecosystem in India."

One contract that enhances protection across the steel value chain

Steel scrap is the foundation of low-carbon steelmaking and an essential input for modern commodity markets. While it propels the circular economy, steel scrap also significantly reduces Carbon footprint vis-à-vis Blast Furnace-Basic Oxygen Furnace (BG-BOF), making it sustainable.

Billet, wire rod and sponge iron prices move with scrap. BigMint data shows a price correlation of 90% between HMS 80:20 and billet, and 89% with wire rod. A single scrap contract can therefore serve several users:

- Steel makers can buy futures to lock in the cost of scrap before they purchase it.
- Billet and wire rod makers and traders can sell futures to offset part of a fall in prices before they sell.
- Sponge iron producers can use the same contract to hedge against a price decline.

About NCDEX Ltd.:
Established in 2003, NCDEX Ltd. is one of the leading SEBI-regulated stock exchange, creating benchmark products in key agricultural commodities. The Exchange offers a comprehensive suite of products, spanning across commodity derivatives including weather derivatives and a Mutual Fund Transaction platform. 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 is committed to expanding its reach by empowering participants through initiatives focused on financial literacy, risk management, and inclusive growth. Guided by our vision 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 create sustainable and inclusive market ecosystems. For more information, please visit: www.ncdex.com

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