

CMP: ₹ 9531

Target: ₹ 10,000 (5%)

Target Period: 12 months

HOLD

November 11, 2025

Commodity volatility led by bullion aiding performance

About the stock: MCX is the leader in commodity derivatives exchanges in India with ~98% market share in terms of commodity futures turnover.

- It has ~100% market share in precious metals, base metals and energy
- Presence in various commodities offers healthy diversification with focus on option volume

Q2FY26 performance: MCX reported healthy result as expected with revenue of ₹374 crore, which increased by 31% YoY and was flattish sequentially. Average daily turnover (ADT) for futures segment has increased 55% YoY, 3% QoQ to ₹41,758 crore while options premium ADT has increased 25% YoY, 4% QoQ to ₹4096 crore. Sharp surge in price and volatility of gold as well as silver has boosted ADT growth. EBITDA grew 36% YoY and 1% QoQ at ₹243 crore. EBITDA margins translated to 65% which was flat sequentially. PAT reported at ₹197 crore.

Investment Rationale

- Persistent volatility in commodities boosting MCX's business:** Periodic volatility in both bullion (mainly gold, silver) and energy (mainly crude oil, natural gas) is boosting MCX's ADT, topline growth and profitability. Bullion products esp. gold and silver prices have skyrocketed in past year alongwith increasing volatility. MCX provides platform for hedgers, traders, etc. across market participants. October month has particularly seen sharp surge in ADT which has now though partly subsided with softening of gold and silver prices. Besides, global uncertainties on tariff side and periodic geopolitical tensions, is keeping volatility elevated across commodities including crude oil, gold, etc.
- Strong margins to be maintained:** MCX earned strong EBITDA margin of ~60% in FY25 and ~65% in Q2FY26. Broadly, expenses in Q2 were in tandem with business momentum. High operating leverage factor and contained expenses shall support strong margin. We estimate EBITDA margin of 65.5%/65.9% in FY26E/27E.

Rating and Target Price

- MCX is a play on commodity volatility esp. related to oil and gold prices. This coupled with healthy traction in option segment, product launches and trading clients addition shall support steady business growth over long term. Superior margins and return ratios to be sustained.
- Considering the sharp increase in ADT, we increase topline and PAT estimate for both FY26E / 27E. Price and volatility trend of key commodities i.e. gold and crude oil to be watched. We value MCX at 47x FY27E PAT to arrive at a target price of ₹10,000 and a HOLD rating on the stock.

Key Financial Summary

| (₹ crore) | FY23 | FY24 | FY25 | 2 year CAGR (FY23-FY25) | FY26E | FY27E | 2 year CAGR (FY25-27E) |
|------------|-------|-------|-------|----------------------------|-------|-------|---------------------------|
| Net Sales | 514 | 684 | 1113 | 47.2% | 1708 | 2000 | 34.1% |
| EBITDA | 150 | 64 | 665 | 110.8% | 1118 | 1319 | 40.8% |
| Net Profit | 149 | 83 | 560 | 93.9% | 916 | 1075 | 38.5% |
| EPS (₹) | 29.2 | 16.3 | 109.8 | | 180 | 211 | |
| P/E(x) | 326.3 | 584.8 | 86.8 | | 53.1 | 45.2 | |
| RoE (%) | 10.1 | 6.0 | 29.7 | | 36.4 | 35.2 | |
| RoA (%) | 4.9 | 2.4 | 12.9 | | 17.2 | 17.4 | |

Source: Company, ICICI Direct Research



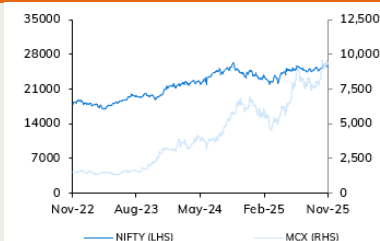
Particulars

| Particulars | Amount |
|-----------------------|--------------|
| Market Capitalisation | 48,598 crore |
| Networth | 2,087 crore |
| Face Value | 10 |
| 52 week high/low | 9625/ 4408 |
| DII Holding (%) | 60.5 |
| FII Holding (%) | 19.0 |

Shareholding pattern

| in % | Dec 24 | Mar 25 | Jun 25 | Sept 25 |
|--------|--------|--------|--------|---------|
| DII | 56.3 | 58.1 | 59.1 | 60.5 |
| FII | 23.1 | 21.8 | 21.7 | 19.0 |
| Public | 20.4 | 19.9 | 19.0 | 20.3 |
| Others | 0.2 | 0.2 | 0.2 | 0.2 |

Price Chart



Key risks

- Increase/decline in price and volatility of commodities that would impact ADT accordingly
- Technical break-down esp. post recent couple of glitches which may also invite regulatory risk

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Concall highlights and outlook

Business growth –

- Total revenue came in at ₹374 crore (up by 31% YoY). Revenue from options reported at ₹223 crores and from futures reported at ₹114 crores.
- In terms of futures market, ADT increased 55% YoY, 3% QoQ to ₹41,758 crore in Q2FY26. The growth was mainly led by bullion segment (77.4% of total ADT) which increased 82% YoY, 7% QoQ to ₹32,335 crore.
- Options premium ADT increased 25% YoY, 4% QoQ to ₹4096 crore. The growth was again led by bullion segment (23.2% of total premium ADT) which increased 356% YoY, 44% QoQ to ₹950 crore.
- The number of traded clients on MCX platform were recorded at 7.9 lakhs in Q2FY26 vs 6.8 lakh in Q2FY25.

Product launches –

- Launched several new contracts and variants under bullion segment. Company launched monthly options on main Silver (30kg) and silver mini (5kg) contracts. Fresh future contracts introduced in cardamom and nickel. Also, launched MCX BULLDEX options in Oct'25 (FPIs are not allowed to participate currently).
- Product pipeline remained healthy with new commodity products awaiting regulatory and internal approvals.

Recent technical glitch -

- MCX witnessed technical issue on 28th Oct resulting into delayed market opening. Management had mentioned that primary root cause was a predefined parameter limit relating to reference data like the unique client code (UCC), which is configured within the systems. So, this led to certain constraints beyond the threshold. Further, management added that the issue has now been solved.

Other updates -

- MCX remained on track with planned technology investments with no significant increase in Capex.
- Client base remains diversified across market participants including hedgers, investors, retail participants, HNIs, ultra HNIs, corporates alongwith jewellery community.

Exhibit 1: Variance Analysis

| | Q2FY26 | Q2FY25 | YoY | Q1FY26 | QoQ | Comments |
|--------------------|--------|--------|---------|--------|--------|---|
| Revenue | 374.2 | 285.6 | 31.0% | 373.2 | 0.3% | Revenue growth has largely been supported by the bullion segment, backed by sharp volatility in gold & silver prices. |
| Other Income | 26.6 | 25.2 | 5.2% | 32.6 | -18.6% | |
| Total Income | 400.8 | 310.8 | 28.9% | 405.8 | -1.2% | |
| Operating Expenses | 85.8 | 73.5 | 16.8% | 86.7 | -1.0% | |
| Employee Expenses | 44.8 | 32.7 | 37.1% | 44.8 | -0.1% | |
| Total Expenses | 130.6 | 106.1 | 23.0% | 131.6 | -0.7% | Expense increase broadly in line. |
| EBITDA | 243.6 | 179.4 | 35.8% | 241.7 | 0.8% | EBITDA growth backed by strong topline. |
| EBITDA % | 65.1% | 62.8% | 227 bps | 64.8% | 35 bps | Strong margin maintained. |
| Depreciation | 19.8 | 14.0 | 40.8% | 17.3 | 14.2% | |
| Finance Costs | 0.1 | 0.1 | NM | 0.1 | NM | |
| Exceptional Items | -1.5 | 0.4 | NM | -0.5 | NM | |
| PBT | 248.9 | 191.0 | 30.3% | 256.4 | -2.9% | |
| Tax | 51.4 | 37.4 | 37.6% | 53.2 | -3.4% | |
| PAT | 197.5 | 153.6 | 28.5% | 203.2 | -2.8% | PAT growth strong on the back of healthy business momentum. |

Financial Summary

Exhibit 2: Profit and loss statement

₹ crore

| (₹ crore) | FY24 | FY25 | FY26E | FY27E |
|----------------|-------|---------|---------|---------|
| Net Sales | 683.6 | 1,112.7 | 1,708.4 | 1,999.9 |
| Operating Exp | 506.9 | 303.1 | 405.3 | 467.8 |
| Software | 392.9 | 92.7 | 118.5 | 140.0 |
| Employee Cost | 112.3 | 144.3 | 185.4 | 213.2 |
| Total Expenses | 619.2 | 447.4 | 590.7 | 681.0 |
| EBIDTA | 64.3 | 665.3 | 1,117.7 | 1,318.9 |
| Depreciation | 35.9 | 63.8 | 81.6 | 94.9 |
| Other Income | 75.4 | 96.2 | 132.3 | 153.9 |
| Interest | 0.3 | 0.5 | 0.2 | 0.3 |
| PBT | 102.0 | 699.4 | 1,166.1 | 1,377.6 |
| Tax | 18.9 | 139.4 | 250.0 | 303.1 |
| PAT | 83.1 | 560.0 | 916.1 | 1,074.6 |

Source: Company, ICICI Direct Research

Exhibit 3: Key ratios

| | FY24 | FY25 | FY26E | FY27E |
|----------------------|-------|-------|-------|-------|
| No. of Equity shares | 5.1 | 5.1 | 5.1 | 5.1 |
| EPS (₹) | 16.3 | 109.8 | 179.6 | 210.7 |
| BV (₹) | 270.3 | 369.5 | 493.4 | 598.8 |
| P/E (x) | 584.8 | 86.8 | 53.1 | 45.2 |
| P/BV (x) | 35.3 | 25.8 | 19.3 | 15.9 |
| OPM % | 9.4 | 59.8 | 65.4 | 65.9 |
| PAT % | 12.2 | 50.3 | 53.6 | 53.7 |
| RoE % | 6.0 | 29.7 | 36.4 | 35.2 |
| RoA % | 2.4 | 12.9 | 17.2 | 17.4 |

Source: Company, ICICI Direct Research

Exhibit 4: Balance sheet

₹ crore

| (Year-end March) | FY24 | FY25 | FY26E | FY27E |
|--------------------------|--------|--------|--------|--------|
| Sources of Funds | | | | |
| Share Capital | 51.0 | 51.0 | 51.0 | 51.0 |
| Reserves and Surplus | 1327.5 | 1833.4 | 2465.5 | 3002.8 |
| Total Shareholder's Fund | 1378.5 | 1884.4 | 2516.5 | 3053.8 |
| Non Current Liabilities | 65.6 | 88.1 | 92.5 | 97.1 |
| Current Liabilities | 1184.2 | 1422.5 | 1564.8 | 1721.3 |
| Settlement Gurantee Fund | 780.6 | 930.1 | 1162.7 | 1302.2 |
| Total | 3408.8 | 4325.2 | 5336.5 | 6174.4 |
| Application of funds | | | | |
| Fixed Assets | 184.0 | 223.8 | 241.7 | 261.0 |
| Investments | 876.8 | 1341.0 | 1837.2 | 2167.9 |
| Loans & Advances | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash and equivalents | 965.6 | 1901.7 | 2347.4 | 2780.6 |
| Other Assets | 1382.4 | 858.7 | 910.2 | 964.9 |
| Total | 3408.8 | 4325.2 | 5336.5 | 6174.4 |

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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