

May 12, 2026

## Record Q4 volumes & likely near term peak, Tight valuations

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 99%+ market share in precious metals, base metals and energy
- Presence in various commodities offers healthy diversification with focus on option volume

**Q4FY26 performance:** MCX reported strong set of Q4 results, led by significant spike and volatility in commodity prices, both on bullion and energy side. Revenue was recorded at ₹889 cr, increasing by 205% YoY and 34% QoQ. EBITDA reported at ₹666 cr with EBITDA margin of 74.9%, up 54 bps QoQ, 1995 bps YoY. Strong revenue growth resulted in massive operating leverage and margin expansion. PAT reported at ₹530 crore which increased by 291% YoY and 32% QoQ.

### Investment Rationale

- **High volatility across the commodities basket 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. FY26 has been the strong year for MCX with revenue rising 107% YoY which was largely led by bullion for most part of the year while energy price volatility has picked pace in recent months post US-Iran war. After strong Q4, April and May months till date have been subdued (futures ADT down ~36%, options premium ADT down ~15%) as bullion volatility moderated. However, silver and gold prices are again showing signs of rebound while commodity volatility across the board to be key factor to watch out. Overall, geopolitical tensions, tariff related uncertainty and such other factors periodically, are driving volatility across commodities and the trend shall be watched out.
- **Strong margins to be maintained:** MCX earned strong EBITDA margin at ~75% in Q4 which has been improving with scale. Broadly, expenses in Q4 were in tandem with business momentum. High operating leverage factor and contained expenses shall support strong margin. We estimate EBITDA margin of 72.8%/72.3% in FY27E/28E.

### Rating and Target Price

- Persistent commodity volatility esp. related to oil and gold prices has been keeping business traction strong for MCX. However, considerable part of volatility led business growth seems to have played out as reflected in moderated April and May volumes. Meanwhile, healthy traction in option segment, product launches and trading client addition shall support steady business growth over long term. Considering strong Q4, we increase topline and PAT estimate for both FY27E / 28E. We now value MCX at 42x FY28E PAT with a target price of ₹3380 and a HOLD rating.

### Key Financial Summary

(₹ crore)	FY23	FY24	FY25	FY26	3 year CAGR (FY23-FY26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Net Sales	514	684	1113	2302	64.9%	3065	3487	23.1%
EBITDA	150	64	665	1647	122.4%	2232	2520	23.7%
Net Profit	149	83	560	1332	107.5%	1812	2052	24.1%
EPS (₹)	5.8	3.3	22.0	52.2		71	80	
P/E(x)	547.8	981.8	145.7	61.3		45.0	39.8	
Annual Volume Traded (in lakh crore)	146.9	276.6	565.2	773.8		230.2	243.9	
RoE (%)	10.1	6.0	29.7	46.8		50.7	46.7	
RoA (%)	4.9	2.4	12.9	17.8		20.8	20.3	

Source: Company, ICICI Direct Research

## MCX METAL & ENERGY Trade with Trust

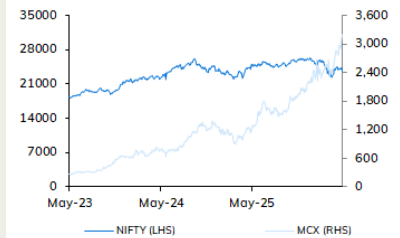
### Particulars

Particulars	Amount
Market Capitalisation	81,754 crore
Networth	2,848 crore
Face Value	2
52 week high/low	3249 / 1183
DII Holding (%)	54.4
FII Holding (%)	26.1

### Shareholding pattern

in %	Jun 25	Sept 25	Dec 25	Mar 26
DII	59.1	60.5	59.2	54.4
FII	21.7	19.0	20.6	26.1
Public	19.0	20.3	20.0	19.4
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 –

- Revenue from operations in Q4FY26 surged to ₹889 crore, up 205% YoY and 34% QoQ. For FY26, revenue more than doubled to ₹2,302 crores supported by ~2.5x increase in average daily turnover across both futures and options.
- Futures & options combined notional ADT saw massive expansion. Futures ADT for the quarter reached ₹90,199 crore (up 111% YoY) and options notional ADT stood at ₹5,75,387 crore (up 112% YoY), with premium ADT for Q4 rising to ₹10,628 crore up ~223% YoY & ~50% QoQ.
- Bullion and energy segments remained the primary contributor with bullion turnover growing more than 4x during the year. MCX continues to command over 99% market share across bullion, base metal and energy.
- Number of traded clients rose sharply to 13.9 lakh in Q4FY26 (vs. 11.1 lakh in Q3FY26 & 6.3 lakh in Q4FY25) driven by higher retail participation and onboarding of new members.

### Product launches –

- Launched India's first Electricity futures contract on July 10, which has already onboarded 50 commercial participants and continues to scale month-on-month.
- Introduced Cardamom futures, Nickel futures (with differential trading and delivery) and Gold (10 grams) futures.
- Added monthly options on Gold and Silver and launched BULLDEX options.
- Management initiated a focused drive, "Price in India, Hedge in India", to promote and deepen participation among SME and corporate hedgers.

### Other updates -

- Coal exchange won the license to set up coal exchange as a subsidiary, aiming to establish a pan-India spot market for Coal.
- Core Settlement Guarantee Fund (SGF) stands at a robust ₹1,367 crore (up from ₹930 crore in the previous year), providing a healthy cushion to mitigate market risks.
- There is a consultation paper for allowing FPIs in cash settled non-agri contracts and indices which would open up the space in gold and silver contracts. FPI contribution currently stands at 2% to 3% of total ADT, but represents a double-digit contribution within the energy segment.

## Exhibit 1: Variance Analysis

	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	Comments
Revenue	888.9	291.3	205.1%	665.6	33.6%	Revenue growth strong with broad based volatility across commodities including bullion and energy segment.
Other Income	36.4	29.2	24.8%	31.5	15.6%	
Total Income	925.3	320.5	188.7%	697.1	32.7%	
Operating Expenses	176.8	84.9	108.2%	126.0	40.2%	
Employee Expenses	46.1	46.3	-0.4%	44.4	3.7%	Staff expense well contained.
Total Expenses	222.8	131.2	69.9%	170.5	30.7%	Expense increase broadly in line considering the strong business growth.
EBITDA	666.1	160.2	315.9%	495.2	34.5%	EBITDA growth backed by strong topline.
EBITDA %	74.9%	55.0%	1995 bps	74.4%	54 bps	Operating leverage improves margin.
Depreciation	19.1	21.7	-12.0%	21.9	-12.9%	
Finance Costs	0.2	0.1	NM	0.1	NM	
Exceptional Items	-1.4	0.8	NM	-1.5	NM	
PBT	681.8	168.3	305.2%	503.2	35.5%	
Tax	152.0	32.8	363.1%	102.1	48.8%	
PAT	529.8	135.5	291.1%	401.1	32.1%	PAT growth strong on the back of healthy business momentum.

## Financial Summary

### Exhibit 2: Profit and loss statement ₹ crore

(₹ crore)	FY25	FY26	FY27E	FY28E
Net Sales	1,113	2,302	3,065	3,487
Operating Exp	303	475	626	729
Software	93	105	130	158
Employee cost	144	180	207	238
Total Expenses	447	655	833	967
EBIDTA	665	1,647	2,232	2,520
Depreciation	64	78	82	92
Other Income	96	127	173	205
Interest	0	0	1	1
PBT	699	1,690	2,322	2,631
Tax	139	359	511	579
PAT	560	1,332	1,812	2,052

Source: Company, ICICI Direct Research

### Exhibit 4: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
<b>Sources of Funds</b>				
Share Capital	51	51	51	51
Reserves and Surplus	1833	2797	3522	4342
Total Shareholder's Fund	1884	2848	3573	4393
Non Current Liabilities	88	92	97	102
Current Liabilities	1423	3170	3487	3835
Settlement Gurantee Fund	930	1367	1572	1761
Other liabilities	2441	4630	5156	5698
Total	4325	7477	8729	10092
<b>Application of funds</b>				
Fixed Assets	224	233	251	271
Investments	1341	2889	3467	4091
Loans & Advances	0	0	0	0
Cash and equivalent	1902	2537	3083	3686
Other Assets	859	1819	1928	2043
Total	4325	7477	8729	10092

Source: Company, ICICI Direct Research

### Exhibit 3: Key ratios

	FY25	FY26	FY27E	FY28E
No. of Equity shares	25.5	25.5	25.5	25.5
EPS (₹)	22.0	52.2	71.0	80.5
BV (₹)	73.9	111.7	140.1	172.3
P/E (x)	145.7	61.3	45.0	39.8
P/BV (x)	43.3	28.7	22.8	18.6
OPM %	59.8	71.5	72.8	72.3
PAT %	50.3	57.8	59.1	58.9
RoE %	29.7	46.8	50.7	46.7
RoA %	12.9	17.8	20.8	20.3

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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