

RiddiSiddhi kicks off online bullion trade

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MUMBAI: Leading bullion trading company RiddiSiddhi Bullions (RSBL) has launched an electronic over-the-counter trading platform, for the first time in India, called RSBL SPOT.

The e-trading platform developed by RSBL, will provide a trading facility without the involvement of intermediaries. Speaking on the occasion Prithviraj Kothari, MD of RiddiSiddhi Bullions said:

“The RSBL SPOT is not an exchange, but an efficient replacement of the traditional means of doing business in the physical bullion markets.” He further added that the launch of such a spot platform will help increase the trading volume on commodity futures exchanges and also lead to efficient prices in gold exchange traded funds (ETFs).

Currently, contracts of 100 gm (.999) and 1 kg (.995) and 30 kg (.999) silver are traded on the spot platform with delivery centres in Mumbai, Ahmedabad and Hyderabad. Mr Kothari hopes to bring on board over 6000 jewellers. “We will bring about 1,500 jewellers on to the electronic platform in the next year,” he said.

He feels the platform will enable a small jeweller save Rs 5 per gm of gold he invests in. That translates to Rs 50 lakh per tonne annually and considering annual consumption of 600 tonne, the industry will be saving as much as Rs 300 crore.

In international markets gold price fluctuates between \$20-30 per ounce in a day. In silver, it's about \$1 per ounce that translates to 2-4% in actual value terms.

Indian prices may not move correspondingly. Such high volatility and their real impact on Indian prices make it necessary for jewellers to be in regular touch with market prices. The electronic platform will aid this, Mr Kothari added.

In spite of India's high volume in bullion trading of close to 800 tonne, and consumption, a standard mechanism to get benchmark spot prices was missing