NSE NICKEL DERIVATIVES

Performance Review

2025-26

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Performance Review of Commodity Derivatives - FY 2025-26

Nickel Futures

1. Background

a. Brief about the commodity such as sample picture, lifecycle and various varieties/grade of the commodity found in India

Nickel is the main alloying metal required in the production of certain types of stainless steel. The strength and life span of products manufactured using stainless steel are superior to those produced by using non-stainless steel. Nickel is primarily used (65 per cent) in the manufacturing of stainless steel. About 18 per cent of the metal is used to produce other steel and non-ferrous alloys. Around 7 percent of nickel is used in electroplating, with about 6 per cent being used in coins and chemicals. It is also used in the production of superalloys which are used extensively in the aerospace industry. Nickel-cadmium and other nickel alloys are used to make batteries for electronic gadgets—mobile phones, computers, digital cameras, and other such products that need small, lightweight and high-capacity power sources.

b. Commodity fundamentals and balance sheet as per the following format (to be prepared based on publicly available information on best effort basis):

Table – Fundamentals & Balance Sheet (In Thousand Tonnes)

Global Scenario	2024	2025
Opening Stocks	-	-
Production	3,786	4,210
Consumption	-	-
Closing Stocks	-	-

Source: World Bureau of Metal Statistics

Table - Indian Balance Sheet (In Tonnes)

Indian Scenario	2024-25	2025-26
Nickel Production	-	-
Nickel Export	897	292
Nickel Import	35,707	36,687
Nickel Consumption	34,810	36,395

Source: Ministry of Commerce and Industry, HS Code – 75021000

Consumption: Import - Export

Top 10 major producing countries (In Tonnes)

Countries	2024	2025
INDONESIA	2,351	2,717
PHILIPPINES	354	421
RUSSIA	205	198
CANADA	138	155
NEW CALEDONIA	115	143
CHINA	134	111
BRAZIL	70	86
AUSTRALIA	99	51
FINLAND	42	44
CUBA	46	40

Source: World Bureau of Metal Statistics

Top 10 major consuming countries (In Tonnes)

Country wise consumption data is not available in public domain.

Top 10 major exporting countries (in US $ Million)

Name of Country	2024	2025
CHINA	2,842	NA
FRANCE	1,188	NA
INDONESIA	7,997	9,732
USA	4,362	4,789
CANADA	3,281	3,181
UNITED KINGDOM	2,337	2,310
GERMANY	2,068	2,052
NORWAY	1,629	1,547
JAPAN	1,224	1,246
FINLAND	1,327	1,205

Source: UN Comtrade Database, HS Code: 75

Top 10 major importing countries (in US $ Million)

Countries	2024	2025
CHINA	10,603	NA
FRANCE	1,630	NA
USA	3,623	3,371
JAPAN	3,282	3,154
GERMANY	2,234	2,009
UNITED KINGDOM	1,808	1,775
NORWAY	2,077	1,760
REP. OF KOREA	1,369	1,306
INDIA	1,283	1,175
ITALY	1,259	1,132

Source: UN Comtrade Database, HS Code: 75

Top producing states in India

Since Nickel is a 100% imported commodity, it is not produced in India.

c. Major changes in the polices governing trade in the spot markets of the commodity

The nickel spot market during FY 2025-26 was influenced by policy initiatives aimed at strengthening India's critical mineral security and reducing supply-chain vulnerabilities. During the year, the Government continued the implementation of the National Critical Mineral Mission, approved in January 2025, which envisages investments of approximately Rs16,300 crore through 2030-31 to support exploration, processing, recycling, and recovery of critical minerals, including nickel. Further, the approval of a Rs1,500 crore incentive scheme for critical mineral recycling supported the development of domestic recycling and processing capacities. Given India's dependence on imported nickel, these measures supported domestic value-chain development, enhanced supply security, and promoted circular economy practices, thereby strengthening the long-term availability of nickel for stainless steel, battery manufacturing, and clean energy applications.

The Ministry of Mines introduced Quality Control Orders (QCOs) in August 2023 and April 2025 to mandate compulsory certification under the Bureau of Indian Standards (BIS) for several non-ferrous metals, including aluminium, copper, nickel, zinc, lead and tin. The objective was to ensure product quality, curb imports of sub-standard materials, promote fair trade practices and align domestic products with Indian Standards.

Subsequently, in November 2025, the Ministry of Mines withdrew these QCOs after consultation with the Bureau of Indian Standards, thereby removing the mandatory BIS certification requirement for the affected metals. The withdrawal was undertaken in the public interest and provided regulatory relief to manufacturers, importers and downstream industries, while preserving the validity of actions already taken under the earlier orders.

d. Geopolitical issues in the commodity and its impact on Indian scenario

Nickel prices exhibited significant volatility during FY 2025-26, recovering sharply from a one-year low of USD 14,114.6 per tonne recorded on 15th December 2025 to USD 18,633 per tonne by the end of May 2026, representing an increase of nearly 32%. The sharp price recovery was driven by improving demand expectations from the stainless steel and battery manufacturing sectors, along with heightened concerns regarding the concentration of global nickel production and refining capacities in Indonesia and China.

For India, which remains largely dependent on nickel imports, the rise in international prices increased raw material procurement costs for downstream industries, particularly stainless steel, specialty alloys, and battery manufacturing. While firmer prices encouraged investments in recycling and resource recovery activities, they also exerted cost pressures on nickel-consuming sectors. The price movement highlighted the strategic importance of supply-chain diversification, domestic recycling initiatives, and critical mineral security measures in supporting India's manufacturing growth and clean energy transition.

2. Trading related parameter

NSE had the Nickel Futures available for trading on its Commodity Derivatives Segment in FY 2025-26.

a. Monthly and Annual traded volume (quantity in appropriate units)

The traded volume for Nickel Futures in FY 25-26 was NIL.

b. Annual traded volume as proportion of total deliverable supply (quantity in appropriate units)

The traded volume for Nickel Futures in FY 25-26 was NIL.

c. Annual traded volume as proportion of total annual production (quantity in appropriate units)

The traded volume for Nickel Futures in FY 25-26 was NIL.

d. Annual average Open interest as proportion of total production

The traded volume for Nickel Futures in FY 25-26 was NIL.

e. Annual average Open interest as proportion of total deliverable supply

The traded volume for Nickel Futures in FY 25-26 was NIL.

f. Monthly and Annual value of trade (in Rs. Crores)

The traded volume for Nickel Futures in FY 25-26 was NIL.

g. Monthly and Annual quantity of delivery (in appropriate units)

The deliveries for Nickel Futures in FY 25-26 were NIL.

h. Monthly and Annual value of delivery (in Rs. Crores)

The deliveries for Nickel Futures in FY 25-26 were NIL.

i. Monthly and Annual Average Open Interest (OI) (in appropriate units)

The traded volume for Nickel Futures in FY 25-26 was NIL.

j. Annual average volume to open interest ratio

The traded volume for Nickel Futures in FY 25-26 was NIL.

k. Total number of unique members and clients who have traded during the financial year

The traded volume for Nickel Futures in FY 25-26 was NIL.

l. Ratio of open interest by FPOs/farmers/Hedge/VCP positions to total open interest (Annual average as well as maximum daily value)

The traded volume for Nickel Futures in FY 25-26 was NIL.

m. Number of unique FPOs / farmers and VCPs/hedgers who traded in the financial year

The traded volume for Nickel Futures in FY 25-26 was NIL.

n. Algorithmic trading as percentage of total trading

The traded volume for Nickel Futures in FY 25-26 was NIL.

o. Delivery defaults
i. Number of instances
ii. Quantity involved
iii. Value involved

The deliveries for Nickel Futures in FY 25-26 were NIL.

3. Price movements

a. Comparison, correlation and ratio of standard deviation of Exchange futures price vis-à-vis international futures price (wherever relevant comparable are available)

The traded volume for Nickel Futures in FY 25-26 was NIL.

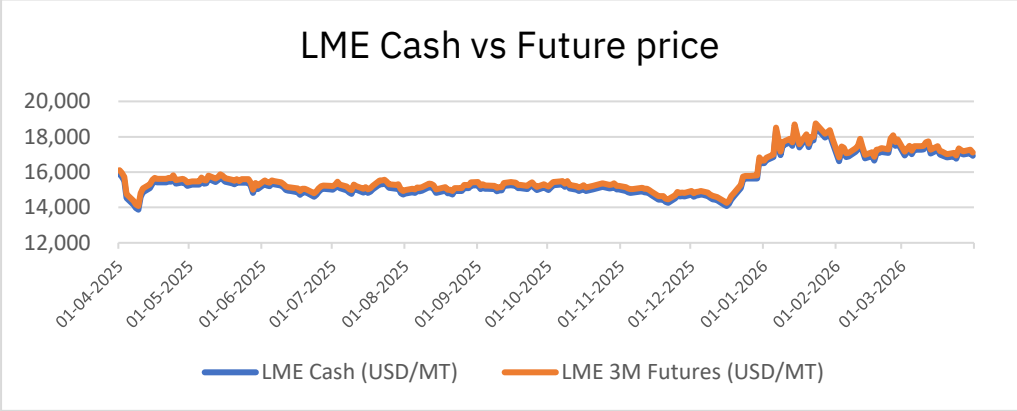
b. Comparison, correlation and ratio of standard deviation of Exchange futures price vis-à-vis international spot price (wherever relevant comparable are available) and domestic spot price (exchange polled price).

The traded volume for Nickel Futures in FY 25-26 was NIL.

c. Correlation between exchange futures & domestic spot prices along with ratio of standard deviation.

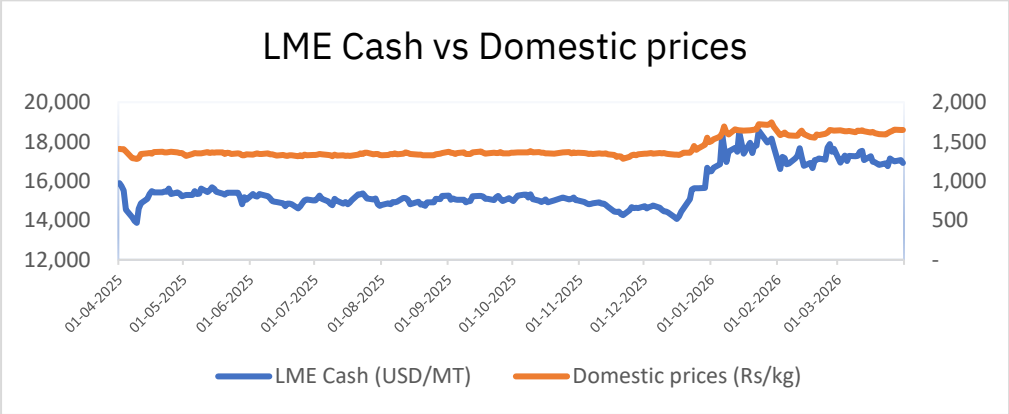
The traded volume for Nickel Futures in FY 25-26 was NIL.

d. Correlation between international futures & international spot prices along with ratio of standard deviation (wherever relevant comparable are available).



Correlation: 99.98% | Ratio of Std Deviation: 0.997

e. Comparison of Exchange polled price and mandi price (in case of agricultural commodities) / other relevant price (in case non-agricultural commodities) at basis centre.



Correlation: 96.36% | Ratio of Std Deviation: 8.617

f. Maximum & Minimum value of daily futures price volatility and spot price volatility along with disclosure of methodology adopted for computing the volatility.

The traded volume for Nickel Futures in FY 25-26 was NIL

Commodity	Max Volatility in Futures Prices (%)	Min Volatility in Futures Prices (%)	Max Volatility in Spot Prices (%)	Min Volatility in Spot Prices (%)
Nickel	NA	NA	6.00%	0.00%

Volatility calculation: (Day – Previous day's price)/Previous day's price

g. Number of times the futures contract was in backwardation/contango by more than 4% for the near month contract in the period under review.

The traded volume for Nickel Futures in FY 25-26 was NIL.

4. Other parameters

a. Qualitative and quantitative measure for Hedge effectiveness ratio and basis Risk (Volatility of Basis) along with disclosure of methodology adopted for such calculations.

The traded volume for Nickel Futures in FY 25-26 was NIL.

b. Details about major physical markets of the commodity vis-à-vis market reach in terms of availability of delivery centers (information to be provided state-wise and UT-wise).

Nickel is used in many specific and recognisable industrial and consumer products including stainless steel, alnico magnets, coinage, for filters & binders, rechargeable batteries, foundry, electric guitar strings, microphone capsules and special alloys. Thus, Nickel is consumed in industrial areas across the country such as Delhi, Ahmedabad, Mumbai, Kolkata, Chennai, etc. NSE has a delivery center in Thane (Mumbai) for Nickel Futures.

c. Details about major physical markets of the commodity and average Open Interest for each month generated from those regions.

Major physical markets data provided in the point 4b. The traded volume for Aluminium derivatives in FY 25-26 was NIL.

d. Details, such as number and target audience, of stakeholders' awareness programs carried out by the exchange.

A total of 62 Commodity IAPs were conducted reaching out to 1987 participants. These participants included General public, faculties of educational institutes corporate employees, FPOs, Police officers and Women.

e. Steps taken / to be undertaken to improve hedging effectiveness of the contracts as well as to improve the performance of illiquid contracts

NSE is constantly striving to encourage hedgers to participate in the Nickel contracts. We have value chain participants and associations such as Bombay Metal Exchange, Hindalco Ltd, Vedanta, Rashtriya Metal industries, etc. as part of our Base Metals PAC, who guide us on how to get more participation from physical market participants.

5. Any other information to be disclosed as deemed important by the exchange or as suggested by the PAC.