



Pakistan Mercantile Exchange Annual Results

Karachi - September 21, 2011 - The Board Members of Pakistan Mercantile Exchange (formerly National Commodity Exchange) met to review and approve financial accounts of the year 2010 - 2011 and the plans for the next five years here at the head office of the Exchange.

During 2010-11, the traded volumes at the Exchange increased to Rs. 490 bn from Rs. 63 bn in the previous year, a growth of 671 %. The number of new investors grew 245 % during the year as 20 new brokers initiated their business at the exchange and added on new clients. This was a strong signal that more and more investors are entering the Commodity Market for diversifying their investment portfolios and hedging against the uncertainties of the traditional investment markets and the consistently low returns offered by the existing traditional asset classes.

During 2010-11 PMEX successfully placed a Preference Share issue, which was subscribed by the National Bank of Pakistan and Pak Brunei Investment Company. The fact that the shares were taken up by two leading Financial Institutions of the Country serves as a strong vote of confidence that PMEX is on its way to sustained growth and reinforces the fact that PMEX is the fast growing Exchange of the Country. The other shareholders of PMEX include Pak Kuwait Investment Co, Zarai Taraqiati Bank and the three stock exchanges of the country.

Over the last several years PMEX has established a strong footprint in managing and offering international commodities in the Pakistan market - especially gold, silver and crude oil. This trend is expected to continue with the introduction of new products in the coming years.

In the next five years PMEX will also focus on the Agricultural Market development. The main objective will be to initially list all the major domestic agricultural products on the Exchange. This will be followed by an extensive marketing plan to create awareness of the immense benefits that an active futures market offers for the growers and traders and users of agricultural commodities in Pakistan. This is going to be a major challenge for PMEX as it requires creating awareness of new products and practices to traditional markets. The intention is to follow best international practices in terms of transparency, fairness and open access so that all players in the value chain benefit equally.

In order to achieve the objectives set out, PMEX is planning to open offices near the major agricultural zones of the country for easy access and trust building to take place between the Exchange and the agricultural stake holders. The initial plan is to open 4 offices during 2012 in the approved areas.

PMEX will continue to follow the tight risk management procedures and controls that it has pioneered in Pakistan and that have stood it in good stead, especially in recent times of immense volatility in the international markets.

ABOUT: PMEX is Pakistan's first and only commodity futures exchange. It is licensed and regulated by the Securities and Exchange Commission of Pakistan. The PMEX board comprises of 13 directors – 6 of whom are independent directors appointed by the SECP. PMEX currently lists various contracts for trading in Gold, Silver, Crude Oil, IRR16 Rice, Palm Olein and Kibor.

For more information: www.pmex.com.pk