

Press Release

NCEL Commodity Index Launched

Karachi (December 14, 2009): National Commodity Exchange Limited (NCEL) is pleased to announce the launch of “**NCEL Commodity index**” designed to provide a diversified benchmark for commodities traded on the nation's only futures exchange. It is the first such index to be launched in Pakistan. NCEL Commodity Index is an equally weighted price index that represents price movements of a portfolio of physical commodities listed on NCEL. The Index is based on a composition of 5 commodities available for trading on NCEL covering Gold, Silver, Crude Oil, Palm oil and IRRI-6 Rice. The Index is calculated on a 1000 base from a corresponding period of May 11, 2007 when NCEL formally launched its operations. The Index currently stands at 1921 and will be computed on a daily basis.

.The NCEL Index is launched to meet the increasing demand to track commodity prices and will serve as a reference measure of commodities sector in the country. NCEL commodity index will be reviewed for price changes in basic commodities. It can be used as a general economic indicator for gauging the direction of commodity markets, for forecasting general price movements, for market research, for comparing price trends and for current prices of specific commodities. NCEL commodity Index allows measuring better performance characteristics of various commodities on a day to day basis.

Commodity products serve commodity producers and users seeking risk management and hedging tools, alongside funds and other traders looking to capitalize on the extraordinary opportunities these markets offer. Commodities as an asset class is now equal in importance to other traditional markets like stocks, bonds and currencies. The current shift in global economics has placed commodities at the centre-stage in terms of world growth. As such, it has become imperative for participants in all sectors to keep themselves aware of happenings in the commodities world as it now increasingly affects all other areas of economic activity. There will always be periods of unanticipated inflation. Commodity futures offer insurance against these events. Following a well-designed commodity index to serve as a measure of commodity performances over time is an essential tool in this regard. With the launch of this Index, NCEL has filled another gap in the commodity markets of the country.

As more commodities become available for trading, these will be reflected in the composition of the index. In addition, NCEL in the Future plans to introduce sector sub-indexes, representing the major commodity sectors within the index: Energy, Metals (Precious and Industrial), Agriculture and others. The Index composition is expected to be fairly broad and comprehensive. The index will be rebalanced with each additional commodity added.

For more details visit: www.ncel.com.pk or call 111-623-623