

**Press Release**  
**PMEX Re-launches International Cotton Contract**

Karachi, April 21: Pakistan Mercantile Exchange (PMEX) has re-launched International Cotton (ICotton) contract which is duly approved by Securities & Exchange Commission of Pakistan (SECP). The contract aims to offer opportunities to the entire value chain of the textiles sector to hedge the risk of price variation of their basic raw material, Cotton.

PMEX has re-launched the contract based on the response of the market participants and growing interest of investors in ICotton futures contract. PMEX in this respect has inducted a new market maker who will ensure ample liquidity in the market to facilitate entry and exit of investors.

Cotton is a global agriculture commodity and investors have been trading in cotton derivatives since almost the inception of modern futures trading. Pakistan is among the top five cotton producing countries of the world and nearly two-thirds of its export proceeds come from textiles and clothing.

Salient features of the PMEX ICotton contract include; price of the contract is referenced to the futures contract of Intercontinental Exchange (ICE), USA which is considered as the most liquid global cotton pricing benchmark, the price quotation offered is in US Cents/pound and it is a cash settled contract in PKR with no physical delivery involvement. These unique features of the contract gives the local market participants an international flare with the ease and convenience of local trading.

Speaking at the re-launch of the contract, Mr. Ejaz Ali Shah, Managing Director, PMEX said, “We are glad to announce activation of another product, ICotton. PMEX’s ICOTTON Contract offers the cotton industry an opportunity to hedge their price risk in a safe and transparent environment using a convenient state-of-the-art trading platform.”