



PMEX initiates trading in 10 ounce silver contract

Karachi – Tuesday 17th July 2012. Pakistan Mercantile Exchange Limited launched the 10 ounce silver contract this week for its small investors. Trading started in the contract right after approval was received last week from Securities and Exchange Commission of Pakistan. PMEX has currently opened two contracts for the months of August and September.

PMEX 10 Oz Silver contracts are cash settled futures contracts. Trading Unit for the contract is 10 Troy Ounces and the price quotation is in US dollars per troy ounce while the P/L and Margins are in Rupees. Primary advantage of the contract is to provide market participants with more options to invest and hedge over a transparent platform.

“The listing of the 10 oz silver contract has added further depth to the market for investors who actively invest and trade in the commodity, added Mansoor Ali, Chief Business Officer at Pakistan Mercantile Exchange. He further mentioned, “up until now Silver Futures were being offered in two lots sizes of 500 ounce and 100 ounce respectively. With the addition of 10 ounce lot size, PMEX has introduced an option for the smaller investors to enter the Silver market and broaden their investment portfolio”. Although silver is comparatively lower priced metal in comparison to Gold, investors look for a lower size trading unit to be able to build an understanding of the particular commodity before opting for the larger contract sizes. The need for a smaller sized silver contract was enhanced given the greater volatility and risk of silver price moves, which are more than double of gold on a daily percentage basis. Introducing a smaller contract will allow people to still benefit from attractive trading opportunities in silver without compromising the risk management principles of the exchange or excessive position taking by investors.

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: Pakistan Mercantile Exchange Limited is Pakistan’s first and only technology based commodity and futures exchange. It is licensed and regulated by the Securities and Exchange Commission of Pakistan. Its shareholders are National Bank of Pakistan, Pak Kuwait Investment Co, Zarai Taraqiati Bank and the three stock exchanges of the country. PMEX currently lists various contracts for trading in Gold, Silver, Crude Oil, IRR16 Rice, Palm Olein, Sugar and Kibor.

For more information: www.pmex.com.pk