



PAKISTAN
MERCANTILE
EXCHANGE

Circular No.: PMEX/Operations/20-2011

31 May, 2011

Listing of PMEX Silver (100 Ounces) Futures Contract

We are pleased to inform that the Securities & Exchange Commission of Pakistan in exercise of its powers conferred under Commodity Exchange and Futures Contract Rules 2005 has allowed Pakistan Mercantile Exchange (PMEX), to list **PMEX Silver (100 Ounces) Futures Contract** at Electronic Trading System (“ETS”) of the Exchange.

In this respect, the Exchange has decided to list the following **PMEX Silver (100 Ounces) Futures Contract** (SL100oz) with effect from **Thursday, June 02, 2011**. Details are as follows:

Contract Name	Last Trading Day
SL100oz - JY11	28 June 2011
SL100oz - AU11	27 July 2011
SL100oz - SE11	29 August 2011

The contract specification, trading parameters and settlement procedures in relation to the said product have been specified vide Annexure “A”, which will be binding on all the brokers of the Exchange and constituents trading through them.

Please note that daily and final day’s mark-to market (MTM) profit and loss amount in US Dollar shall be converted into Rupees by using Daily PKRUSD exchange rate as to be published by State Bank Pakistan (SBP) in its official website. If at the time of MTM SBP PKRUSD exchange rate is not available, Exchange shall use previous business day exchange rate of SBP official quoted rate.

PMEX trading and settlement fee on the said commodity futures contracts will be **Rs.25 per contract per side**.

Brokers are requested to take note of the above.

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Head of Operations

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formerly National Commodity Exchange Limited

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Annexure A

PMEX Silver (100 Ounces) Futures Contract Specifications

Trading hours	Hours of Trading in the PMEX Silver (100 Ounces) Future Contract shall be Monday to Friday (excluding Exchange specified holidays) as given below or as specified by the Exchange from time to time: Normal Trading Session 05:00 am to 02:00 am PST On the last trading day of a contract normal trading will end at 5:00 pm
Unit of Trading	100 Troy ounces
Trading System	PMEX ETS
Price Quotation	US dollars per troy ounce, up to three decimal places.
Tick size	\$0.001 per troy ounce
Tick Value	\$0.10
Contract Months	First three months or any other months would be made available at the discretion of the exchange depending on the needs of the market.
Last Trading Day (Contract Expiry Day)	Trading terminates at the close of business on the third to last business day of the month preceding the named contract month or on a day specified by the Exchange as a last trading day.
Holiday Convention	In case the last trading falls on an exchange holiday, previous day will be designated as last trading day.
Settlement Mode	Cash Settlement in Pakistani Rupees.

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Daily Settlement Price Calculated on PMEX specified methodologies which include Session Consensus Price, Volume Weighted Average Price during last 20 minutes of trading, theoretical futures price or any other methodology notified in advance by the Exchange.

Final Settlement Price Last traded price of the corresponding month of the physically settled Silver Futures Contract on CME at the time of end of trading on Last Trading Day of the PMEX Silver (100 Ounces) Futures Contract. If, for any reason, the last traded price at PMEX expiry time is not available, the last available traded price of the corresponding month contract on CME will be used as the basis of Final Settlement Price.

Daily Settlement Daily Settlement of PMEX Silver (100 Ounces) Futures Contract will result in a cash settlement amount in Rupees. The daily cash settlement amount shall be the day's mark-to-market profit or loss amount in Rupees based on the Daily Settlement Price of the PMEX Silver (100 Ounces) Futures Contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.

Final Settlement Final Settlement of PMEX Silver (100 Ounces) Futures Contract will result in the delivery of a cash settlement amount in Rupees on the Final Settlement Date. The cash settlement amount on the Final Settlement Date shall be the last trading day's mark-to-market profit or loss amount in Rupees based on the Final Settlement Price of the PMEX Silver (100 Ounces) Futures Contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.

Position Limit 100,000 contracts per Broker (including proprietary and all its clients) 5000 contracts per Client of Broker.

Margin Requirement The amount of margin payable by Brokers in respect of their outstanding contracts shall be determined by the Exchange. Exchange will amend margin requirement whenever necessary or required due to changes in market conditions and risk management principles.

All Margins will be collected in Pakistani Rupees.

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- Initial Margin** Initial Margin will be based on VaR methodology at 99% Confidence Interval over a 1-day Time Horizon, rounded up to the nearest 0.25% or as specified by the exchange form time to time.
- Special Margin** Exchange reserves the right to impose special margins for short duration of time during periods of increased or excessive volatility. Special margins will be computed by increasing the look-ahead period, reducing sample size, or by changing any other parameters used in the VaR methodology.
- Spread Discounts** Positions in two offsetting PMEX Silver (100 Ounces) Futures Contract with different expirations may be eligible for a spread discount.
- Spread Contracts** PMEX may open spread contracts.
- Further Regulations** This contract shall be subject, where applicable, to the Regulations of the Pakistan Mercantile Exchange (formerly National Commodity Exchange Limited).

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