



PAKISTAN
MERCANTILE
EXCHANGE

Circular No.: PMEX/MKT, BD&CSS/2017/30

December 08, 2017

**Listing of PMEX ICOTTON 50,000 Futures Contract &
Liquidity for PMEX International Cotton Futures Contract**

PMEX is pleased to inform you that the following Futures Contract will be made available for trading from December 11, 2017:

<i>S. No.</i>	<i>Name of Contract</i>	<i>Contract Symbol</i>	<i>Fees Structure (inclusive of PMEX, SECP and IPF) per lot</i>
1	PMEX ICOTTON 50,000 Futures Contract	ICOTTON50K	551.25

The contract specifications of PMEX ICOTTON 50,000 Futures Contract are enclosed as Annexure A.

Additionally, the Exchange has arranged liquidity for PMEX International Cotton Futures Contract (ICotton) and market maker will start two way quotes from December 11, 2017.

Note that the **Market Timings** for both these contract are from **05:00 am to 12:00 am**. However, on expiry the contract will close at 04:00 pm.

For further information and assistance, please feel free to contact our Customer Support Services by phone on 021-111-623-623, 0300-8213-324 and 0321-8756-623 or by email at support@pmex.com.pk.

Best regards,

Nauman Lakhani
Head of Marketing, Business Development
& Customer Support Services

Annexure A

PMEX International Cotton (ICOTTON 50,000) Futures Contract Specifications

1	Trading Hours	<p>Hours of Trading in the PMEX International Cotton (50,000 pounds) Futures Contract shall be Monday to Friday (excluding Exchange specified holidays) as given below or as specified by the Exchange from time to time in the ETS:</p> <p>Normal Trading Session: 05:00 am to 11:30 pm PST</p> <p>On the last trading day of a contract normal trading will end at 04:00 pm or as specified by the Exchange from time to time in the ETS.</p>
2	Unit of Trading	50,000 Pounds
3	Trading System	PMEX ETS
4	Price Quotation	US Cents per pound, up to two decimal places
5	Tick size/Minimum Price Fluctuation	0.01 cents
6	Price Limit	+/- 7 cents per day based on previous day's settlement price or as specified by the Exchange in the ETS or at the Exchange website from time to time.
7	Contract Months	March, May, July, October and December. Additional contract months would be made available at the discretion of the exchange depending on the needs of the market.
8	Contract Period	Each contract would be made available at least one month before its expiry.
9	Last Trading Day (Contract Expiry Day)	Six business days before the first business day of the contract month or a day specified by the Exchange as Last Trading Day.
10	Holiday Convention	In case the Last Trading Day falls on an Exchange holiday, previous day will be designated as Last Trading Day.
11	Settlement Mode	Cash Settlement in Pakistani Rupees.
12	Daily Settlement Price	<p>Exchange will determine daily settlement price by using one of the following methods:</p> <ul style="list-style-type: none"> • By taking average of best bid and offer prices at the time of closing. • The last publically available traded price of the corresponding month ICE Cotton No.2 Futures Contract • the last traded price; or • as per any other methodology specified through circular by the Exchange.
13	Final Settlement Price	Final settlement price will be the daily settlement price on the Last Trading day of the contract or as specified by the Exchange through a circular.
14	Daily Settlement Amount	Daily Settlement of PMEX International Cotton (50,000 pounds) 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 International Cotton (50,000 pounds) Futures contract. The mark-to-market P&L will be converted into PKR at USDPKR Exchange rate notified by the State Bank of Pakistan or in the manner as specified by the Exchange through a circular.



15	Final Settlement Amount	Final Settlement of PMEX International Cotton (50,000 pounds) 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 International Cotton (50,000Pounds) Futures Contract. The mark-to-market P&L will be converted into PKR at USDPKR Exchange rate notified by the State Bank of Pakistan or in the manner as specified by the Exchange through a circular.
16	Position Limits	2000 contracts per Broker (including proprietary and all its clients) 100 contracts per Client of Broker
17	Margin Requirement	All Margins will be collected in Pakistani Rupees.
18	Margins	Minimum Initial Margin will be based on VaR methodology at 99% confidence interval over a 1-day Time Horizon or as specified by the Exchange.
19	Special Margin	Exchange reserves the right to impose special margins 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.
20	Further Regulations	This contract shall be subject, where applicable, to the Regulations of the Pakistan Mercantile Exchange Limited.

(Handwritten signature)