

Circular No.: PMEX/MKT, BD&CSS/2016/43

October 25, 2016

### Listing of PMEX Copper Futures Contract

We are pleased to inform you that the Exchange has listed PMEX Copper Futures Contract which will be made available for trading from Wednesday, October 26, 2016.

The contract specifications, trading parameters and settlement procedures in relation to the above mentioned contract have been specified vide Annexure "A" and "B", which will be binding on all the brokers of the Exchange.

PMEX trading fee on the PMEX Copper Futures Contract is given below:

Contract	Per Contract Per Side			
	Trading Fee	Investor Protection Fund (IPF)	SECP Fee	Total
PMEX Copper Futures Contract (1,000 pounds)	Rs. 30.00	Rs. 0.30	Rs. 3.00	Rs. 33.30

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](mailto:support@pmex.com.pk).

Best regards,



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



**Annexure A**

<b>PMEX Copper Futures Contract Specifications</b>	
<b>Trading Hours</b>	<p>Hours of Trading in the PMEX Copper Futures Contract shall be Monday to Friday (excluding Exchange specified holidays) as given below or as specified by the Exchange from time to time:</p> <p>Normal Trading Session 05:00 am to 02:00 am PST</p> <p>On the Last Trading Day of a contract normal trading will end at 4:00 pm or as specified by the Exchange from time to time.</p>
<b>Unit of Trading</b>	1,000 Pounds
<b>Trading System</b>	PMEX ETS
<b>Price Quotation</b>	US \$ per pound up to four decimal places.
<b>Tick size/ Minimum Fluctuation</b>	\$0.0001 per pound
<b>Tick Value</b>	\$0.1
<b>Contract Months</b>	Contract months would be made available depending on the needs of the market and will be notified in advance by the Exchange.
<b>Last Trading Day (Contract Expiry Day)</b>	Trading terminates at the close of business on the third last business day of the month preceding the named contract month or on a day specified by the Exchange as a Last Trading Day.
<b>Holiday Convention</b>	In case the Last Trading Day falls on an Exchange holiday, previous day will be designated as last trading day.
<b>Settlement Mode</b>	Cash Settlement in Pakistani Rupees.
<b>Daily Settlement Price</b>	Exchange will determine daily settlement price by taking average of best bid and offer prices at the time of closing. In case reliable prices are not available, the Exchange can use alternative methods at its sole discretion which may include last traded price, volume weighted average price, last available daily settlement price announced by CME, or any other method deemed appropriate by the Exchange.
<b>Final Settlement Price</b>	<p>Last traded price of the corresponding month of the physically settled Copper Futures Contract on CME at the time of end of trading on Last Trading Day of the PMEX Copper 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 contract on CME will be used as a basis of Final Settlement Price.</p> <p>In case of insufficient activity in the benchmark contract Exchange may use the daily settlement price of the corresponding month of the physically settled Copper Futures Contract on CME as Final Settlement Price for PMEX Copper Futures Contract.</p>
<b>Daily Settlement</b>	Daily Settlement of PMEX Copper 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 Copper Futures Contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.
<b>Final Settlement</b>	Final Settlement of PMEX Copper 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

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	based on the Final Settlement Price of the PMEX Copper Futures Contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.
<b>Position Limits</b>	20,000 contracts per Broker (including proprietary and all its clients) 1,000 contracts per Client of Broker.
<b>Margin Requirement</b>	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.
<b>Initial Margin</b>	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 from time to time.
<b>Special Margin</b>	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.
<b>Spread Discounts</b>	Positions in two offsetting PMEX Copper Futures Contracts with different expirations may be eligible for a spread discount
<b>Spread Contracts</b>	PMEX may open spread contracts
<b>Further Regulations</b>	This contract shall be subject, where applicable, to the Regulations of the Pakistan Mercantile Exchange Limited.





#### Annexure B

For the purpose of daily settlement, the Exchange will determine the daily settlement price of contract, based on average bid/offer price quoted by the market maker. The Exchange may take into account any bid/offer price quoted by the market maker 30 minutes prior to the close of contract for the purpose of the average price.

For intraday Mark To Market (MTM) activities (during continuous trading session), the Exchange may take into account any bid/offer price quoted by the market maker during 15 minutes prior to MTM activity.

Daily and final day's MTM profit and loss amount in US Dollar shall be converted into Pakistani Rupee by using daily PKR/USD exchange rate as published by State Bank of Pakistan (SBP) on its official website. If at the time of MTM, PKR/USD exchange rate is not available, the Exchange shall use previous business day's exchange rate as published by SBP. The rate will be rounded off to 2 decimal places.

Daily price limits will be set 20 percent (above or below) of previous daily settlement price. The Exchange may modify the contract limits during trading session subject to volatility and other market conditions.

