

Listing of PMEX Wheat Weekly Futures Contracts

PMEX is pleased to inform that following PMEX Wheat Weekly Futures Contracts have been listed at the Exchange from today:

S. No	Name of Contracts	Contract Symbols
1	PMEX Wheat (Grade A+) Weekly Futures Contract	WHEATWA-PLUS
2	PMEX Wheat (Grade A) Weekly Futures Contract	WHEATW-A

The contracts specifications have been specified vide Annexure A and operational modalities vide Annexure B.

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

S.No.	PMEX Wheat (Grade A+) Weekly Futures Contract Specifications																	
1	Trading Hours	<p>Hours and trading days in the PMEX Wheat (grade A+) Weekly Futures Contract shall be (excluding Exchange specified holidays) as given below or as Specified by the Exchange from time to time:</p> <p>Trading Days: Monday to Saturday Trading Hours: 10:00 am to 5:00 pm PST</p> <p>On last trading day contract will be closed at 05:00 pm.</p>																
2	Unit of Trading	1 Kg (trade can be done in multiple of kg above 1 MT, however minimum trading quantity will remain 1 MT)																
3	Price Quotation	Price quoted shall be in rupees per 40 Kg ex-district Sheikhpura, or as communicated by the Exchange through a circular from time to time. Price quotation will be Exclusive of all taxes.																
4	Trading System	PMEX ETS																
5	Tick Size	Rs. 1 per 40 Kg or as specified by the Exchange from time to time																
6	Delivery Unit	Minimum 1 MT																
7	Delivery Logic	Compulsory																
8	Quantity Variation	+/- 10% or as specified by the Exchange through a circular																
9	Quality Specifications	<p>Following are the quality specifications of PMEX Wheat (grade A+) to be delivered under this contract or as communicated by the Exchange from time to time through a circular:</p> <table><tr><td>1. Moisture</td><td>10% Max</td></tr><tr><td>2. Foreign Matter (Edible)</td><td>2% Max</td></tr><tr><td>3. Foreign Matter (Non Edible)</td><td>1% Max</td></tr><tr><td>4. Broken & Shrunken</td><td>2% Max</td></tr><tr><td>5. Damaged Grains</td><td>1% Max</td></tr><tr><td>6. Test Weight</td><td>78kg/hl</td></tr><tr><td>7. Wet Gluten</td><td>28% Min</td></tr><tr><td>8. Falling number</td><td>275 per sec min</td></tr></table> <p>Free from live weevils/insects and obnoxious odour.</p>	1. Moisture	10% Max	2. Foreign Matter (Edible)	2% Max	3. Foreign Matter (Non Edible)	1% Max	4. Broken & Shrunken	2% Max	5. Damaged Grains	1% Max	6. Test Weight	78kg/hl	7. Wet Gluten	28% Min	8. Falling number	275 per sec min
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10	Packaging	<p>As per current industry practice Wheat shall be delivered in new/serviceable used Jute / PP bags of approx. 100 Kgs/ 50 Kgs. Tare allowance per bag will be deducted to calculate the net weight of the Wheat as follows:</p> <p>100 Kgs Jute bags : 2.0 Kgs deduction 50 Kgs PP bags : 0.5Kg deduction</p> <p>If any change occurs in the industry practice, it will be communicated by the Exchange through a circular.</p>																
11	Delivery Centers	Seller's own location/warehouse in district Sheikhpura, Muridke and adjoining area or as specified by the Exchange from time to time.																

		<p>The Exchange approved certification agency /assayer will certify the quality and grade of commodity to be delivered and will also seal the bags/lot so that the commodity cannot be changed or tampered with. The same shall be delivered /loaded on the vehicle (s) arranged by the Buyer, under the supervision of Exchange approved certification agency /assayer at the time of final delivery.</p> <p>If the seal is reported broken/tampered or the signs of quality degradation are found at the time of delivery the trade will be cancelled. Further, the exchange reserves the right to impose a penalty to the seller as per fine policy of the Exchange.</p>
12	No. of active Contracts	A maximum of 7 concurrently contracts may be made available for trading only in the trading season upon market demand or as specified by the Exchange from time to time.
13	Opening Date	Each contract will open in the ETS of the Exchange up to 7 days before expiry.
14	Last Trading Day (Contract Expiry Day)	Each contract will expire on a day as specified by the Exchange in the ETS, as per contract's opening date.
15	Holiday Convention	<p>In case the first trading day of a contract falls on an Exchange holiday, the contract will start trading from the following Exchange trading day with a shorter maturity.</p> <p>In case the final settlement day of a contract falls on a holiday, the contract will be settled on the following Exchange trading day.</p>
16	Daily Settlement Price	<p>All open positions will be marked to market using daily settlement price. Exchange can determine the daily settlement price using one of the methods described here under or in such other manner as may be prescribed by the Exchange through a circular from time to time:</p> <ul style="list-style-type: none"> - Average of best bid and offer at the closing time - Last Traded Price - Value Weighted Average Price - Theoretical Futures Price based on the spot price obtained from the market sources <p>(average of collected prices from the market 'will formulate the spot price)</p>
17	Final Settlement Price	Final settlement price will be the daily settlement price of the last trading day of the contract or as specified by the Exchange through a circular.
18	Daily Price Fluctuation	+/- 10%, or as specified by the Exchange through a circular.
19	Settlement Mode	<p>All open positions after the close of contract shall be settled by either of the following modes:</p> <p>Delivery of Wheat at the Seller's location as per Contract Specifications.</p> <p>The contract can be settled before expiry through "Exchange for Physical (EFP)" as notified by the Exchange through a circular.</p> <p>Failure to fulfill delivery obligations by seller or buyer may result in a penalty as per fine policy of the Exchange.</p>

20	Pre-Trade Check	<p>Exchange will enforce a pre-trade check in which Sellers will be asked to deposit Wheat before making it available on the ETS for sale as per prescribed deposit procedure of the Exchange.</p> <p>Buyer must deposit cash as required by the Exchange from time to time before executing the trade.</p>
21	Delivery Mode & Delivery Period	<p>Delivery will be made at seller's own location/warehouse in district Sheikhpura and adjoining area or as communicated by the Exchange through a circular.</p> <p>Seller has to follow the Exchange specified procedure (communicated through a circular) including quality and quantity certification as per contract quality specifications for tendering delivery.</p> <p>The Exchange approved certification agency /assayer will certify the quality and grade of commodity to be delivered and will also seal the bags so that the commodity cannot be changed or tampered with and will update the sellers' inventory in the Exchange System. Seller will now be eligible to place a sell order on the Exchange. However, in this case the possession of the commodity will remain with the Seller and certification agency/PMEX will not be responsible for any loss to the commodity.</p> <p>After the trade execution the ownership of the traded Wheat will come in the ownership of the buyer in PMEX ledger. The buyer will now be eligible to take delivery from the seller's location through his own arrangements.</p> <p>The Wheat shall be delivered /loaded in the vehicle(s) arranged by the Buyer, under the supervision of Exchange approved certification agency at the time of final delivery.</p> <p>In case the seal is reported broken/tampered with or the signs of quality degradation are found at the time of delivery the trade will be cancelled. Further, the exchange reserves the right to impose a penalty as per fine policy of the Exchange.</p> <p>Once the commodity is loaded/delivered in the vehicle(s) arranged by the buyer, it will become the sole responsibility of the buyer and Exchange will not be responsible for any loss whatsoever including change in quality or quantity.</p> <p>Any failure to deliver by the Seller or taking delivery by the matched Buyers may result in a penalty as per fine policy of the Exchange or the trade may be cancelled by the Exchange without any claim of Buyer/Seller.</p>

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22	Pay-in and Pay-out of Funds for Final Settlement	<p>Final payments will include Final Settlement price plus all applicable taxes at the time of delivery.</p> <p>The buyer shall pay funds in full to the Exchange in advance, and after that the buyer will be eligible to receive the documents to get the delivery from the seller's location/warehouse where the Exchange approved assayer has sealed the Commodity. The seller will be eligible to receive funds, once he has delivered the traded commodity and has been shipped/loaded from the seller's location after completing all delivery related requirements.</p>
23	Quality /Quantity Certification	<p>The seller has to provide quality, quantity and weight certification from the Exchange approved assayer that the Wheat delivered meets the quality specifications as per contract specifications.</p> <p>The Exchange will not be responsible for quality or quantity of the Wheat after taking of delivery by the buyer from the seller's location.</p>
24	Cost of certification, weighing, and delivery etc.	All charges associated with quality certification, weighing, storage, or any other charges related to delivery at the Seller's location will be borne by the buyer and/ or seller in the manner communicated by the Exchange from time to time through a circular.
25	Position Limit	<p>Greater of 10% of Open Interest and 2,000 Tons per Broker, gross across all clients and across all maturities.</p> <p>Greater of 5% of Open Interest and 500 Tons per Client, gross across all maturities.</p>
26	Margin Requirement	Buyer must pay full amount instead of Margin or as specified by the Exchange. Seller must deposit commodity before order entry as per specified procedure of the Exchange.
27	Additional Margin	Exchange reserves the right to impose additional margin due to increased or excessive volatility or due to any other reason Exchange deems appropriate.
28	Further Regulation	This contract shall be subject to the PMEX General Regulations and all applicable Federal/Provincial laws.

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S.No.	PMEX Wheat (Grade A) Weekly Futures Contract Specifications																	
1	Trading Hours	<p>Hours and trading days in the PMEX Wheat (grade A) Weekly Futures Contract shall be (excluding Exchange specified holidays) as given below or as Specified by the Exchange from time to time:</p> <p>Trading Days: Monday to Saturday Trading Hours: 10:00 am to 5:00 pm PST</p> <p>On last trading day contract will be closed at 05:00 pm.</p>																
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26	Margin Requirement	Buyer must pay full amount instead of Margin or as specified by the Exchange. Seller must deposit commodity before order entry as per specified procedure of the Exchange.
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28	Further Regulation	This contract shall be subject to the PMEX General Regulations and all applicable Federal/Provincial laws.

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Annexure B

Operational Modalities

1. Market Access

To access PMEX Wheat trading platform, market participants can log onto <https://agri.pmx.com.pk>

2. Tax Exemption for Farmers

Brokers(s) are required to provide the relevant documents to seek tax (withholding, etc.) exemption as a farmer.

3. Margins

Buyer: 110% advance which is calculated on the basis of the previous day's closing price

Seller: Availability of commodity inventory in the PMEX system i.e. no short selling is allowed

4. Packaging and Tare Allowance

Bags: Seller shall deliver Wheat in new / serviceable used PP / Jute bags of approx. 50/100 kgs. Tare allowance per bag will be deducted to calculate the net weight of the Wheat as follows:

100 kg Jute bag: 2.0 kg deduction

50 kg PP bag: 0.5 kg deduction

5. Approved Quality/Quantity Certification Company

SGS Pakistan (Pvt.) Limited (SGS) is the approved quality/quantity certification company of the Exchange who will also supervise the loading / shipment.

6. Delivery Mechanism

- Sellers using their own warehouse/location for delivery are to approach Pakistan Agriculture Coalition (PAC) team in Sheikhpura / Muridke region (Mr. Imtiaz Husain 0301-8266154) for necessary arrangements and scheduling of sampling
- PAC along with SGS team will visit seller's location for sample collection
- Sellers are advised to arrange their inventory in stacks accessible from all sides (including from the top of the stack) for sampling. Samples from each stack will be drawn by SGS.
- SGS will divide the sample into four portions:
 - o Sealed Sample No. 01 will be handed over to buyer's representative/driver at the time of final shipment of delivery by SGS
 - o Sample No. 02 will be analyzed at the laboratory
 - o Sealed Sample No. 03 will be handed over to the Seller
 - o Sealed Sample No. 04 will be retained by SGS for 7 days
- After sampling, the lot/stack will be sealed by SGS in a way that commodity cannot be changed or tampered with
- The testing decision by SGS will be considered final. SGS can re-test at the seller's or buyer's cost on request



- The seller will be notified of the grade of the product (A+ or A) and will be given a sampling and analysis report
- After quality certification and grading by SGS, the inventory will be updated in the PMEX system with the following information provided by SGS:
 1. Product Grade as ascertained by SGS
 2. Seller ID & location
 3. Estimated Weight (kgs) and Quantity (bags) *
 4. Product Batch (SGS Job number)

* SGS, will ascertain the estimated weight on higher side to reduce the chances of shipment of excess quantity at the time of final delivery.

- Since the possession of the commodity will remain with the seller till delivery, the seller will remain responsible for safekeeping, insurance or losses (if any)
- Once trade is executed, the sold (estimated) quantity of Wheat will be transferred to the buyer's name electronically in PMEX system after completion of settlement process.
- After completion of delivery requirements in ETS by buyer's broker, PMEX will prepare a Delivery Order (DO) consisting of seller's / buyer's ID, PMEX delivery number, estimated quantity in kgs to be shipped and product grade. This DO will be sent to SGS/PAC/Buyer's Broker after which the Buyer will be eligible to take the delivery of the commodity from the seller's location
- Before loading goods, SGS will carry out verification that the lot/stacks seals after testing have not been broken, tampered, no apparent damage and no other discrepancy exists which may lead to quality degradation
- In case seals are found broken or SGS determines for any reason whatsoever that the commodity has been tampered with or is not in deliverable condition, SGS will inform PMEX immediately for trade cancellation/reversal/etc.
- Buyer shall arrange his own transportation for taking the delivery and seller has to arrange loading of commodity at his own cost. The loading will be carried out under the supervision of SGS.
- If all is in order, SGS will ascertain the weight of the commodity at a weighbridge at the cost of the seller
- SGS will prepare a Goods Dispatch Note mentioning final net weight of wheat shipped which signed by the truck driver and seller for verification of quantity shipped
- After the commodity leaves sellers premises, the buyer will be responsible for safekeeping, insurance or losses (if any)
- The final pay in/out will be made on the basis of quantity shipped and not on the basis of quantity traded. If quantity of wheat shipped is found in excess of quantity traded, buyer will be liable to make payment as per quantity shipped

7. Exchange and other Charges

No trading/quality certification fee will be charged for these contracts.

