

Your Local  
Gateway  
to Global  
Markets

P  
M  
E  
X



PAKISTAN  
MERCANTILE  
EXCHANGE

## Pakistan Mercantile Exchange Limited [PMEX]

is the country's first and only commodity futures exchange, licensed and regulated by the Securities and Exchange Commission of Pakistan [SECP]. Based on a sophisticated multi-dimensional infrastructure and state-of-the-art technology, PMEX offers a complete suite of services i.e. trading, clearing & settlement, custody of assets as well as back office management, all under one roof.

PMEX started its operations in 2007 and offers a diverse range of local and international futures contracts across multiple asset classes. PMEX is a demutualized exchange and the shareholding is completely institution based.

## VISION

To be amongst the leading mercantile exchanges of the region, extending from Istanbul to Jakarta, in terms of knowledge, efficiency, innovation, value traded, credibility and standing.

## MISSION

To build and develop PMEX capacity to satisfy the diverse needs of our customers, contribute towards shareholders' equity and constantly endeavor to integrate national supply chains with domestic and international Product, Commodity and Financial markets through innovative financial products and instruments. Creating state-of-the-art trading and settlement platforms and infrastructure that engenders confidence, brings the domestic economic players to the Exchange platform thereby creating maximum economic value for our stakeholders and the country.

## CORE VALUES

MERIT

CANDOR

RESPECT

INTEGRITY

TRANSPARENCY

IMAGINATION

## PEOPLE AND CULTURE

Human resource is the greatest asset of PMEX. The Exchange constantly endeavours to build a team of professionals who are determined and dedicated to serve the needs of the clients as well as generate value for the shareholders.

## HOW TO TRADE AT PMEX

Any person or a body corporate who wants to trade on the Exchange platform needs to approach a member broker of PMEX to open a trading account. Once the account is opened and funds [margins] are made available, clients can trade at their own convenience via the Exchange's web based trading platform.

## BENEFITS OF TRADING AT PMEX

### MEMBERSHIP

# 1

#### PMEX offers two types of memberships:

##### Universal Membership

Universal Members are entitled to trade in all futures contracts across all asset classes listed on the Exchange.

# 2

##### Commodity Specific Membership

Commodity Specific Members are allowed to trade in all futures contracts in a particular commodity.

#### Market Transparency

Ensured through electronic matching of bids and offers based on price-time priority, using advanced technology and systems especially created for today's commodity markets.

#### Global Prices

Prices of international commodities traded at the Exchange are referenced to global exchanges.

#### Price Discovery

For local commodities traded in large quantities.

#### Counterparty Guarantee

Clearing and settlement is guaranteed through an in-house, regulated clearing house.

#### Risk Management

Robust risk management framework based on international best practices.

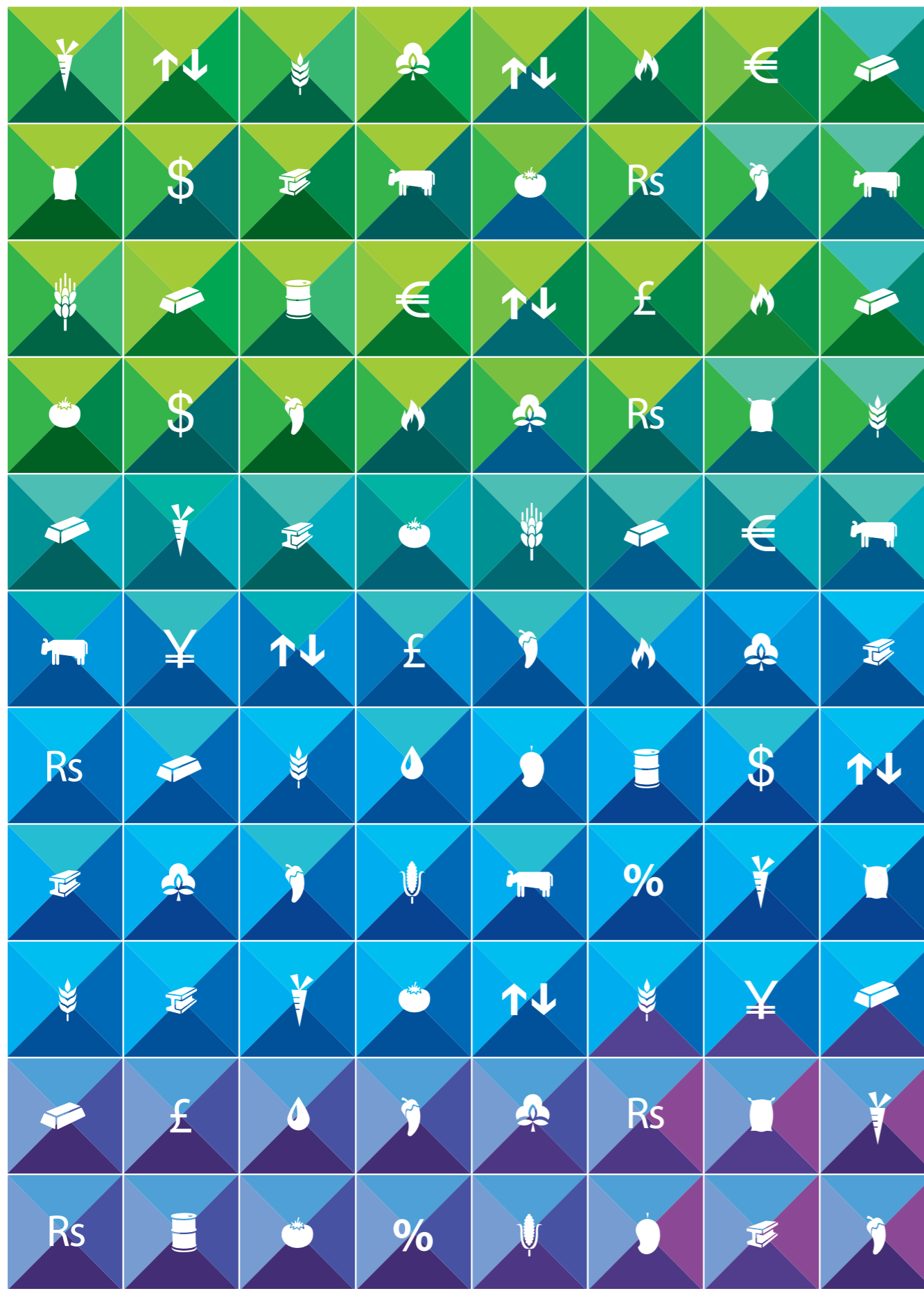
#### Time Zone Convenience

22.5 hours seamless trading environment thereby providing trading opportunities virtually round-the-clock.

#### Multiple Connectivity Options

The trading platform can be accessed through the internet using one of the following options:

- 1 The in-house front-end provided by PMEX i.e. NEXT
- 2 Financial Information Exchange [FIX] connectivity for third party softwares



## PRODUCTS

The products that are generally offered at the Exchange[s] can be broadly classified into the following two categories:

### Global Products

These products are in most part available amongst all futures exchanges and therefore categorized as global commodities. Examples of such products are: Gold, Silver, Crude Oil and Currency Pairs.

### Local Products

These are the products that are produced and traded locally. Thus, the product suite differs from country to country. Examples of such products are: Cotton, Wheat, Sugar, Corn, Rice and Spices.

The products offered by PMEX can be clubbed into four main asset classes: metals, agriculture, energy and financial futures. Within each commodity, a variety of contracts are offered based on currency denomination, contract size and tenure. The beneficiaries of these contracts are:

#### ► Hedgers

who trade in commodity futures to mitigate the price volatility risk

#### ► Investors

who invest for long term

#### ► Speculators

who trade with the aim of earning profit based on their market strategy

## RISK MANAGEMENT

Risk Management philosophy is based on applying the international best practices to the local conditions. Our robust risk management framework, which has withstood the test of time, includes measures like pre-trade checks, Value at Risk [VaR] based client-level margining, no-netting, segregation of funds and auto-liquidation of trades.



## TECHNOLOGY

PMEX has developed a state-of-the-art technology driven trading platform that allows seamless and secure trading. It facilitates the market participants to connect with the Exchange from across the globe and trade virtually round-the-clock.

The Exchange offers an efficient trading environment to the market participants irrespective of their location and time zone. The Exchange has integrated its trading platform with internationally recognized trading systems thereby offering dependability and enhanced performance to market participants.

PMEX also offers a robust back office management system to its members comprising of three independent platforms, namely; Clearing, Settlement & Reporting [CSR], Trader Account Management System [TAMS] and e-Books.

## BUSINESS CONTINUITY & DISASTER RECOVERY [BC & DR]

The Exchange has fully equipped itself to respond to all type of eventualities such as natural calamities, civil unrest and security breaches. PMEX has a fully operational BC & DR site, which provides a robust structure for resuming all the critical operations in the shortest possible time.



## Final Frontier

The final frontier for the Exchange is to bring the agricultural commodities of the country on its platform.

Although the Exchange is fully capable of handling the trade of agricultural commodities, certain infrastructure, such as warehousing and quality certification, needs to be in place making it possible for these commodities to be traded on the Exchange platform. Once such an infrastructure becomes available, it will go a long way in bringing the trade of all the agricultural commodities on to the Exchange platform. This in turn will benefit the entire value chain; agriculturalists can have greater flexibility and better plan their operations, agro-processors can reduce the impact of price fluctuations on their processing margins, traders can enhance their procurement and better manage their risks, banks can lend to agricultural sector more safely and government entities can buy & sell transparently with comparative ease.

Another important impact of PMEX is that it allows farmers and their service providers the provision to operate in a free market place, without having to rely on government guarantees or subsidies. Without a futures exchange, the most common way for the Government to help farmers deal with market risks is a costly safety net approach. In short, bringing the agricultural commodities on the Exchange platform will help Pakistan in realizing its potential to become one of the world's largest agricultural producers and enable the Government to avoid costly agricultural market interventions and in the process, improve the predictability of agricultural prices and enhance the country's food security.



## International Affiliations

PMEX is a member of  
Association of Futures Markets [AFM].

**Pakistan Mercantile Exchange Limited**  
3B, 3rd Floor, Bahria Complex IV  
Ch. Khalique-uz-Zaman Road  
Gizri, Karachi – 75600, Pakistan.

UAN: (+9221) 111-623-623  
Fax: (+9221) 35155-022  
Email: [info@pmex.com.pk](mailto:info@pmex.com.pk)

[www.pmex.com.pk](http://www.pmex.com.pk)

