

Circular No.: PMEX/MKT, BD&CSS/2015/12

April 02, 2015

Trading System Updates & Mock Trading Session

All brokers are hereby informed that the Exchange will update the trading system and conduct a Mocking Trading Session for testing on Friday April 03, 2015. We request all brokers to actively participate in the Mock Trading Session and also inform and encourage your clients for the same.

The following system updates will be made live from Monday April 06, 2015:

Matching Engine (ME) – Market Maker Order Treatment

The Exchange is updating its market making order treatment rule. Currently, if a client enters an off market limit order and the market maker order arrives (an aggressive order), the market maker order gets the better price.

Under the new rule, market maker orders will always be treated as passive, even if his order arrives after a client order has been queued. The price advantage will be given to the client instead of the market maker (please refer to annexure "A").

However, if two clients trade with each other then the order that comes later will be treated as the aggressive order and hence will get the price advantage.

Mock Trading Session

Following is the Mock Trading Session schedule for Friday April 03, 2015:

Sessions	Activity
Trading	Session will initiate at 3:00 pm
Trading Halt	Trading will be halted at 5:00 pm for 30 minutes
Resumption of Trading	Session will resume at 5:30 pm till end of mock session at 6:00 pm

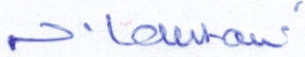
Following links may be used for mock trading:

https://trade.pmem.com.pk	https://trade2.pmem.com.pk
https://trade.pmem.net.pk	https://trade2.pmem.net.pk
https://trade.pmem.org.pk	https://trade2.pmem.org.pk
https://trade3.pmem.com.pk	https://trade4.pmem.com.pk

Brokers and their clients are hereby informed that a simulated price feed will be used in all commodity futures contracts and the trades resulting from mock trading will not attract any obligations for pay-ins and pay-outs.

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"

Example: Matching Engine (ME) – Market Maker Order Treatment as per new rule

Let's assume that no market maker order is present and a **client enters a buy limit order at 47.00**. Now Market By Price (MBP) will be as follows:

Market By Price (MBP) – Crude10-MY15			
Vol	Bid	Ask	Vol
1	47	47.6	50
50	46.2	48	5

Now assume that a market maker order arrives to sell at 46.5.

As per current rule, the market maker will benefit and the order will match at a price of 47.00, giving advantage to the market maker, even though his sell was at 46.50.

Under the new rule, the order will match at 46.50. Hence, the price advantage will be given to client instead of the market maker. Further please note that the current rule remains unchanged in case both the buy and sell are client orders.

