



PAKISTAN
MERCANTILE
EXCHANGE

Circular No.: PMEX/Operations/13-2012

April 18, 2012

Market Operations and VaR Margins During Gazette Notified Holidays in Pakistan

All Brokers are hereby informed that the Exchange will remain **OPEN** for trading in international commodities (Gold, Silver and Crude Oil) during the gazette notified holiday(s) in Pakistan ("H") unless otherwise notified by the Exchange.

Trading Margin

The Exchange will impose (H+1) VaR day(s) margins in respective commodity futures contracts with effect from last business day prior to holiday. On every subsequent day, the margin will be reduced by 1 day's equivalent of VaR margin. On the last day of holiday, margin will be equal to normal margin i.e. 1 Day VaR. Brokers are requested to take note of above and must ensure that there are sufficient funds in margin accounts (clients + proprietary account) to cover up margin requirements during the holiday period. ("H" means number of holiday(s))

Example: VaR Margin Days Imposition / Implementation

Assume that Government of Pakistan has notified Tuesday May 1, 2012 as gazetted holiday on account of Labour Day. In this case Exchange will impose 2 day VaR margin (H+1) on Monday April 30, 2012. On Tuesday May 1, 2012 Exchange will reduce VaR margin days to 1 Day.

Brokers are further required to monitor their clients' exposure proactively so that no margin calls are generated on last trading day prior to holiday. The Exchange reserves the right to close or transfer client positions to Broker House account if there are any unpaid Margin Calls by the end of banking hours on last business day prior to holiday. Release and retention of margin requirements is totally dependent upon number of holidays and VaR based Margin methodology.

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Market Operations

During the holiday period normal trading hours will be observed with the following provisions:

1. Open positions in all commodity futures contracts will be marked-to-market (MTM) twice a day i.e first MTM will be before start of the trading session and the second MTM session will be at 2:00 pm instead of 5:00pm.
2. Trading in expiring commodity futures contracts will be ceased at 02:00 pm PST instead of 05:00 pm on last trading day.
3. All funds withdrawal requests placed on last business prior to holiday will be processed on first business day after the holiday period.
4. No banking activity will be performed during holiday period.
5. Limited support will be provided to brokers. Brokers requiring support facilities are requested to call on the following numbers:

Direct: 021 35644991-5 (5 lines)

For Pakistan Mercantile Exchange – PMEX

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