



PAKISTAN
MERCANTILE
EXCHANGE

P M E X

Circular No.: PMEX/MKT, BD&CSS/2015/17

June 12, 2015

PMEX Milli Ounce Gold Futures Contracts

We are pleased to inform you that the Securities & Exchange Commission of Pakistan has allowed Pakistan Mercantile Exchange (PMEX) to list PMEX Milli Ounce Gold Futures Contracts. In this respect, the Exchange will soon list the following Contracts:

1. PMEX USD Gold (Milli Ounces) Futures Contract
2. PMEX Euro Gold (Milli Ounces) Futures Contract
3. PMEX GBP Gold (Milli Ounces) Futures Contract
4. PMEX JPY Gold (Milli Ounces) Futures Contract

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

Please note that the trading fee and exact date of the launch of these contracts will be communicated via a separate circular.

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
PMEX USD Gold (Milli Ounces) Futures Contract Specifications

Trading Hours	<p>Hours of Trading in the PMEX USD Gold (milli ounce) Future Contract shall be Monday to Friday (excluding Exchange specified holidays) as given here or as specified by the Exchange from time to time through a circular:</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 through a circular.</p>
Unit of Trading	Milli (0.001) Troy ounces
Trading System	PMEX ETS
Price Quotation	US dollars per troy ounce, up to two decimal places.
Tick size	\$0.10 per troy ounce
Contract Months	The Exchange may make available contracts for the month of February, April, June, August, October and December. The additional months would be made available upon the need of the market.
Contract Period	Each contract would be made available at least one month before its expiry.
Last Trading Day (Contract Expiry Day)	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 through a circular by the Exchange as a Last Trading Day.
Holiday Convention	In case the last trading day falls on an Exchange holiday, the day previous to the first Exchange holiday will be designated as last trading day.
Settlement Mode	Cash Settlement in Pakistani Rupees.

no



Daily Settlement Price	<p>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 following alternative methods:</p> <ul style="list-style-type: none">• The last publicly available traded price of the corresponding month CME (COMEX) Gold Futures Contract (GC) with contract size of 100 troy ounces;• Last traded price; Or• as per any other methodology specified through circular by the Exchange.
Final Settlement Price	<p>Final settlement price will be the daily settlement price on the Last Trading day of the contract.</p>
Daily Settlement	<p>Daily Settlement of PMEX USD Gold (Milli ounces) 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 based on the Daily Settlement Price of the PMEX USD Gold (Milli Ounce) Futures Contract. The mark-to-market P&L in USD will be converted into PKR at the USDPKR Exchange rate as notified by the State Bank of Pakistan.</p>
Final Settlement	<p>Final Settlement of PMEX USD Gold (Milli ounces) Futures Contract will result in the delivery of a cash settlement amount in Pakistani 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 based on the Final Settlement Price of the PMEX USD Gold (Milli ounces) Futures Contract converted at the USDPKR Exchange rate as notified by the State Bank of Pakistan.</p>
Position Limits	<p>200,000,000 contracts per Broker (including proprietary and all its clients) 10,000,000 contracts per Client of Broker.</p>
Margin Requirement	<p>All Margins will be collected in Pakistani Rupees.</p>
Margins	<p>Margins 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 through a circular by the Exchange from time to time.</p>
Special Margin	<p>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.</p>
Further Regulations	<p>This contract shall be subject to the Regulations of the Pakistan Mercantile Exchange Limited.</p>

2



PMEX EUR Gold (Milli Ounces) Futures Contract Specifications

PMEX

Trading Hours	<p>Hours of Trading in the PMEX EUR Gold (milli ounce) Future Contract shall be Monday to Friday (excluding Exchange specified holidays) as given or as specified by the Exchange from time to time through a circular.</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 through a circular.</p>
Unit of Trading	Milli (0.001) Troy ounces
Trading System	PMEX ETS
Price Quotation	Euros per troy ounce, up to four decimal places.
Tick size	EUR 0.0001 per troy ounce
Contract Months	The Exchange may make available contracts for the month of February, April, June, August, October and December. The additional months would be made available upon the need of the market.
Contract Period	Each contract would be made available at least one month before its expiry.
Last Trading Day (Contract Expiry Day)	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 through a circular by the Exchange as a Last Trading Day.
Holiday Convention	In case the last trading day falls on an Exchange holiday, the day previous to the first Exchange holiday will be designated as last trading day.
Settlement Mode	Cash Settlement in Pakistani Rupees.
Daily Settlement Price	<p>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 following alternative methods:</p> <ul style="list-style-type: none">• The last publically available traded price of the corresponding month CME (COMEX) Gold Futures Contract (GC) with contract size of 100 troy ounces, converted by the Exchange into Euro, using EUR/USD exchange rate obtained from Reuters or other sources.• the last traded price; or• as per any other methodology specified through circular by the Exchange.



PMEX

Final Settlement Price	Final settlement price will be the daily settlement price on the Last Trading day of the contract.
Daily Settlement	Daily Settlement of PMEX EUR Gold (milli ounces) 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 based on the Daily Settlement Price of the PMEX EUR Gold (Milli Ounce) Futures Contract. The mark-to-market P&L in EUR will be converted first in USD at EUR/USD exchange rate obtained from Reuters or other sources and then in PKR at USDPKR exchange rate notified by the State Bank of Pakistan.
Final Settlement	Final Settlement of PMEX EUR Gold (Milli ounces) 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 based on the Final Settlement Price of the PMEX EUR Gold (Milli ounces) Futures Contract. The mark-to-market P&L in EUR will be converted first in USD at EUR/USD exchange rate obtained from Reuters or other sources and then in PKR at USDPKR Exchange rate notified by the State Bank of Pakistan.
Position Limits	200,000,000 contracts per Broker (including proprietary and all its clients) 10,000,000 contracts per Client of Broker.
Margin Requirement	All Margins will be collected in Pakistani Rupees.
Margins	Margins 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 through a circular by the exchange from time to time.
Special Margin	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.
Further Regulations	This contract shall be subject to the Regulations of the Pakistan Mercantile Exchange Limited.

one



PMEX GBP Gold (Milli Ounces) Futures Contract Specifications

PMEX

Trading Hours	<p>Hours of Trading in the PMEX GBP Gold (Milli ounce) Future Contract shall be Monday to Friday (excluding Exchange specified holidays) as given or as specified by the Exchange from time to time through a circular:</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 through a circular.</p>
Unit of Trading	Milli (0.001) Troy ounces
Trading System	PMEX ETS
Price Quotation	British Pound (GBP) per troy ounce, up to four decimal places.
Tick size	GBP 0.0001 per troy ounce
Contract Months	The Exchange may make available contracts for the month of February, April, June, August, October and December. The additional months would be made available upon the need of the market.
Contract Period	Each contract would be made available at least one month before its expiry.
Last Trading Day (Contract Expiry Day)	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 through a circular by the Exchange as a Last Trading Day.
Holiday Convention	In case the last trading day falls on an Exchange holiday, the day previous to the first Exchange holiday will be designated as last trading day.
Settlement Mode	Cash Settlement in Pakistani Rupees.
Daily Settlement Price	<p>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 following alternative methods:</p> <ul style="list-style-type: none">• The last publically available traded price of the corresponding month CME (COMEX) Gold Futures Contract (GC) with contract size of 100 troy ounces, converted by the Exchange into GBP, using GBP/USD exchange rate obtained from Reuters or from other sources.• The last traded price;• or as per any other methodology specified through a circular by the Exchange.



Final Settlement Price	Final settlement price will be the daily settlement price on the Last Trading day of the contract.
Daily Settlement	Daily Settlement of PMEX GBP Gold (Milli ounces) 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 GBP Gold (Milli Ounce) Futures Contract. The mark-to-market P&L in GBP will be converted first in USD at GBP/USD exchange rate obtained from Reuters or other sources and then in PKR at USDPKR Exchange rate notified by the state Bank of Pakistan.
Final Settlement	Final Settlement of PMEX GBP Gold (Milli ounces) 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 based on the Final Settlement Price of the PMEX GBP Gold (Milli ounces) Futures Contract. The mark-to-market P&L in GBP will be converted first in USD at GBP/USD exchange rate obtained from Reuters or other source and then in PKR at USDPKR Exchange rate notified by State Bank of Pakistan.
Position Limits	200,000,000 contracts per Broker (including proprietary and all its clients) 10,000,000 contracts per Client of Broker.
Margin Requirement	All Margins will be collected in Pakistani Rupees.
Margins	Margins 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 through a circular from time to time.
Special Margin	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.
Further Regulations	This contract shall be subject, to the Regulations of the Pakistan Mercantile Exchange Limited.

(12)



PMEX JPY Gold (Milli Ounces) Futures Contract Specifications

PMEX

Trading Hours	<p>Hours of Trading in the PMEX JPY Gold (Milli ounce) Future Contract shall be Monday to Friday (excluding Exchange specified holidays) as given or as specified by the Exchange from time to time through a circular:</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 through a circular.</p>
Unit of Trading	Milli (0.001) Troy ounces
Trading System	PMEX ETS
Price Quotation	Japanese Yen (JPY) per troy ounce, up to two decimal places.
Tick size	JPY 0.01 per troy ounce
Contract Months	The Exchange may make available contracts for the month of February, April, June, August, October and December. The additional months would be made available upon the need of the market.
Contract Period	Each contract would be made available at least one month before its expiry.
Last Trading Day (Contract Expiry Day)	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 through a circular by the Exchange as a Last Trading Day.
Holiday Convention	In case the last trading day falls on an Exchange holiday, the day previous to the first Exchange holiday will be designated as last trading day.
Settlement Mode	Cash Settlement in Pakistani Rupees.
Daily Settlement Price	<p>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 following alternative methods:</p> <ul style="list-style-type: none">• The last publically available traded price of the corresponding month CME (COMEX) Gold Futures Contract (GC) with contract size of 100 troy ounces, converted by the Exchange into JPY using USD/JPY exchange rate obtained from Reuters or from other sources.• The last traded price; or• as per any other methodology specified through a circular by the Exchange.
Final Settlement Price	Final settlement price will be the daily settlement price on the last trading day of the contract.





Daily Settlement	Daily Settlement of PMEX JPY Gold (Milli ounces) 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 JPY Gold (Milli Ounce) Futures Contract. The mark-to-market P&L in JPY will be converted first in USD at JPY/USD exchange rate obtained from Reuters or other sources and then in PKR at USDPKR Exchange rate notified by the State Bank of Pakistan.
Final Settlement	Final Settlement of PMEX JPY Gold (Milli ounces) 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 based on the Final Settlement Price of the PMEX JPY Gold (Milli ounces) Futures Contract. The mark-to-market P&L in JPY will be converted first in USD at JPY/USD exchange rate obtained from Reuters or other source and then in PKR at USDPKR Exchange rate notified by the State Bank of Pakistan.
Position Limits	200,000,000 contracts per Broker (including proprietary and all its clients) 10,000,000 contracts per Client of Broker.
Margin Requirement	All Margins will be collected in Pakistani Rupees.
Margins	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 through a circular from time to time.
Special Margin	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.
Further Regulations	This contract shall be subject to the Regulations of the Pakistan Mercantile Exchange Limited.

(M)