



**NATIONAL  
COMMODITY  
EXCHANGE  
LIMITED**

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Circular No: NCEL/Trading/40/2009

**All Registered Brokers of  
National Commodity Exchange Limited**

Subject: - **NCEL Trading System Update – Triggering of Stop Loss Order**

In exercise of powers conferred under Regulation 5.9 of the NCEL General Regulations, the Exchange hereby notify to all registered brokers that the Exchange has decided to make following changes in **triggering** methodology for execution of **stop-loss orders** with effect from **Monday, November 02, 2009**.

In this connection, all stop-loss orders (Buy/Sell) will be **triggered** in specified Gold commodity futures contract on the basis of either at traded price or Equivalent International Gold Reference Bid/Offer price at current market rate +/- 25 cents on bids and offers as the case maybe, whichever is earlier.

**Explanation:-**

For the purpose of triggering stop-loss orders, the Exchange shall observe the following methodology for determination of triggering Price:

1. **Stop Loss Sell** will be triggered at Equivalent International Gold Reference Bid Price less 25 cents;
2. **Stop Loss Buy** will be triggered at Equivalent International Gold Reference Sell Price plus 25 cents;

Once a Stop-Loss order is triggered on the basis of aforesaid methodology, its execution will be dependent on available order book at ETS.

Please note that the Exchange cannot guarantee the execution of any order upon triggering of stop-loss order as per aforesaid methodology as the execution of any order is solely dependent upon availability of orders in the market for its matching.

The above methodology shall only be applicable on Gold, Gold Kilo, TGold100 and TGold50 commodity futures contracts.

For clarification of the methodology, an example has been set out in Annexure A.

Sincerely yours,

Shehzad Hussain  
Senior Manager Market Operations



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## **Annexure 'A'**

	<b>Bid</b>	<b>Offer</b>
International Gold Reference Price (Current Market)	955	955.50
Reference Price used by NCEL Trading System for Triggering Stop Loss Order at Current Market	954.75	955.75
<b>Rupee Equivalent Price (Current Market)</b>	<b>25,623</b>	<b>25,649</b>
<b>Stop-Loss Buy/Sell Orders for these Trigger Prices activated at Current Market</b>	<b>25,600</b>	<b>25,675</b>