



**NATIONAL
COMMODITY
EXCHANGE
LIMITED**

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Circular No: NCEL/Operations/44/2009

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

Subject:- **Introduction of NCEL Silver 500 Ounces Futures Contract**

We are pleased to inform all registered brokers that the Securities & Exchange Commission of Pakistan in exercise of its powers conferred under Commodity Exchange and Futures Contract Rules 2005 has allowed National Commodity Exchange Limited, to register NCEL Silver 500 Ounces Futures contract at Electronic Trading System (“ETS”) of the Exchange.

In this respect, NCEL has decided to list NCEL Silver 500 Ounces futures contract with effect from **Wednesday, November 11, 2009**. Details are as follows:

Contract Name	Last Trading Day
SL500OZ– DE09	November 25, 2009
SL500OZ– JA10	December 29, 2009

The contract specification, trading parameters and settlement procedures in relation to said product have been specified vide Annexure “A”, which will be binding on all brokers and their clients.

Please note that daily and final day’s mark-to market (MTM) profit and loss amount in US Dollar shall be converted into Rupees by using Daily PKRUSD exchange rate as to be published by State Bank Pakistan (SBP) in its official website. If at the time of MTM SBP PKRUSD exchange rate is not available, Exchange shall use previous business day exchange rate of SBP official quoted rate.

NCEL trading and settlement charges on the said commodity futures contracts will be **Rs. 100 per contract per side**.

All registered brokers are hereby requested to assign the said commodity to their clients and deposit the requisite margin amount with the Exchange to participate in trading in the NCEL Silver 500 Ounces Futures Contract.

Sincerely Yours

Shehzad Hussain
Senior Manager – Market Operations



Annexure A

NCEL Silver (500 Ounces) Futures Contract Specifications

Trading hours	Hours of Trading in the NCEL Silver Future Contract shall be Monday to Friday (excluding Exchange specified holidays): Normal Trading Session 10:00 am to 06:00 am PST On the last trading day of a contract normal trading will end at 5:00 pm
Unit of Trading	500 Troy ounces
Trading System	NCEL ETS
Price Quotation	US dollars per troy ounce, up to three decimal places.
Tick size	\$0.001 per troy ounce
Tick Value	\$0.50
Contract Months	First three months. Additional contract months would be made available at the discretion of the exchange depending on the needs of the market.
Last Trading Day	Trading terminates at the close of business on the third to last business day of the month preceding the named contract month or on a day specified by the Exchange as a last trading day.
Holiday Convention	In case the last trading falls on an exchange holiday, previous day will be designated as last trading day.
Settlement Mode	Cash Settlement in Pakistani Rupees.
Daily Settlement Price	Calculated on NCEL specified methodologies which include Session Consensus Price, Volume Weighted Average Price during last 20 minutes of trading, theoretical futures price or any other methodology notified in advance by the Exchange.
Final Settlement Price	Last traded price of the corresponding month of the physically settled Silver Futures Contract on CME (Commex) at the time of end of trading on Last Trading Day of the NCEL Silver Futures Contract. If, for any reason, the last traded price at NCEL expiry time is not available, the last available traded price of the corresponding contract on CME (Commex) will be used as the basis of Final Settlement Price.

Daily Settlement	Daily Settlement of NCEL Silver 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 NCEL Silver Futures Contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.
Final Settlement	Final Settlement of NCEL Silver 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 NCEL Silver Futures Contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.
Position Limit	20000 contracts per Broker (including proprietary and all its clients) 1000 contracts per Client of Broker.
Margin Requirement	The amount of margin payable by Brokers in respect of their outstanding contracts shall be determined by the Exchange. Exchange will amend margin requirement whenever necessary or required due to changes in market conditions and risk management principles. All Margins will be collected in Pakistani Rupees.
Initial Margin	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 form 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.
Spread Discounts	Positions in two offsetting NCEL Silver Futures Contract with different expirations will be eligible for a spread discount.
Spread Contracts	NCEL may open spread contracts.
Further Regulations	This contract shall be subject, where applicable, to the Regulations of the National Commodity Exchange Limited.