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Circular No: NCEL/003/03-2008

Date: March 13, 2008

Circular Name: Changes to the NCEL Gold Futures Contract

This is further to our Circular reference NCEL/MEM/531-2007 dated November 6th, 2007, wherein some changes to the NCEL Gold Futures Contract were announced.

We are pleased to inform you that at the request of market participants the following additional changes to the NCEL Gold Futures Contract, have now been approved by both the NCEL Board and Securities and Exchange Commission of Pakistan (SECP);

1. Delivery for all NCEL Gold Futures Contracts for April 2008 and onward months will now be based on **intention matching** of buyers and sellers who have outstanding open positions in deliverable lots at expiry of the contract.

In the absence of any intentions received by the Exchange, all open position at expiry of the contract will be cash settled.

All positions which have not been matched by the Exchange for physical delivery will be cash settled at expiry according to the Final Settlement Price.

Where intentions have been received and matched by the Exchange, sellers and buyers will be bound to make and accept physical delivery of gold according to the procedures and regulations laid down by the Exchange.

2. Effective for March 2008 Contract and onward months, Delivery Margin will be imposed in increments of 2% per day during the last 5 trading days of the contract prior to the expiration of the Gold futures contract, such that delivery margin payable on last trading day will be 10%.

Delivery Margin shall be in addition to Initial Margin and all other Margins applicable at the time, and will be imposed on all trading accounts.

3. Given the change in delivery logic of NCEL Gold Futures Contract from Compulsory Delivery to Intention Matching, as mentioned above, the price quotation for Gold Futures trading is also being changed to Ex-Karachi

exclusive of all taxes. All taxes relating to Gold delivery at NCEL will be paid at the time of delivery by the buyer

Change in Price Quotation to **exclusive** of all taxes will be applicable immediately to **May 2008 contract and onward** months. **March and April 2008** contracts will continue be quoted **inclusive** of taxes till the expiry of these contracts.

In order to smooth the process of moving to the new basis for price quotation, the Exchange will be suspending all Spread Contracts based on March and April 2008 months except the March-April 08 Spread Contract (GOSPMARAPR)

4. NCEL will extend trading hours Gold Futures contracts from **Monday March 17, 2008**. New market timings will be as follows;

Pre-Open Session: 9:45 am to 9:58 am

Open Call Session: 9:58 am to 10:00 am

Normal Trading Session: 10:00 am to 8:45 pm

Pre-Close Session: 8:45 pm to 9:00 pm

Full details of the changes will be communicated via a revised product note to be circulated shortly.

For and on Behalf of NCEL

Arsheen Saulat
Head of Compliance