

Circular No.: PMEX/MKT, BD&CSS/2017/07

May 18, 2017

Changes in PMEX Wheat Weekly Futures Contracts Quality Specifications

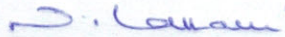
In continuation to the circular No. PMEX/MKT, BD&CSS/2017/05 dated May 09, 2017 regarding PMEX Wheat Weekly Futures Contracts, following are the revised quality specifications of PMEX Wheat Weekly Futures Contracts Grade A:

S.No	Quality Specifications	Existing	Revised
1.	Moisture	12% Max	13% Max
2.	Foreign Matter (Edible)	3% Max	4% Max
3.	Foreign Matter (Non Edible)	2% Max	2.5% Max
4.	Broken & Shrunken	3% Max	5% Max
5.	Damaged Grains	1.5% Max	2% Max
6.	Test Weight	76kg/hl	74kg/hl
7.	Wet Gluten	26% Min	24% Min
8.	Falling number	250 per sec min	250 per sec min

Free from live weevils/insects and obnoxious odour.

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 and
Customer Support Services

S.No.	PMEX Wheat (Grade A) Weekly Futures Contract Specifications																	
1	Trading Hours	<p>Hours and trading days in the PMEX Wheat (grade A) Weekly Futures Contract shall be (excluding Exchange specified holidays) as given below or as Specified by the Exchange from time to time:</p> <p>Trading Days: Monday to Saturday Trading Hours: 10:00 am to 5:00 pm PST</p> <p>On last trading day contract will be closed at 05:00 pm.</p>																
2	Unit of Trading	1 Kg (trade can be done in multiple of kg above 1 MT, however minimum trading quantity will remain 1 MT)																
3	Price Quotation	Price quoted shall be in rupees per 40 Kg ex-district Sheikhpura, or as communicated by the Exchange through a circular from time to time. Price quotation will be Exclusive of all taxes.																
4	Trading System	PMEX ETS																
5	Tick Size	Rs. 1 per 40 Kg or as specified by the Exchange from time to time																
6	Delivery Unit	Minimum 1 MT																
7	Delivery Logic	Compulsory																
8	Quantity Variation	+/- 10% or as specified by the Exchange through a circular																
9	Quality Specifications	<p>Following are the quality specifications of PMEX Wheat (grade A) to be delivered under this contract or as communicated by the Exchange from time to time through a circular:</p> <table border="0"> <tr> <td>1. Moisture</td> <td>13% Max</td> </tr> <tr> <td>2. Foreign Matter (Edible)</td> <td>4% Max</td> </tr> <tr> <td>3. Foreign Matter (Non Edible)</td> <td>2.5% Max</td> </tr> <tr> <td>4. Broken & Shrunken</td> <td>5% Max</td> </tr> <tr> <td>5. Damaged Grains</td> <td>2% Max</td> </tr> <tr> <td>6. Test Weight</td> <td>74 kg/hl</td> </tr> <tr> <td>7. Wet Gluten</td> <td>24% Min</td> </tr> <tr> <td>8. Falling number</td> <td>250 per sec min</td> </tr> </table> <p>Free from live weevils/insects and obnoxious odour.</p>	1. Moisture	13% Max	2. Foreign Matter (Edible)	4% Max	3. Foreign Matter (Non Edible)	2.5% Max	4. Broken & Shrunken	5% Max	5. Damaged Grains	2% Max	6. Test Weight	74 kg/hl	7. Wet Gluten	24% Min	8. Falling number	250 per sec min
1. Moisture	13% Max																	
2. Foreign Matter (Edible)	4% Max																	
3. Foreign Matter (Non Edible)	2.5% Max																	
4. Broken & Shrunken	5% Max																	
5. Damaged Grains	2% Max																	
6. Test Weight	74 kg/hl																	
7. Wet Gluten	24% Min																	
8. Falling number	250 per sec min																	
10	Packaging	<p>As per current industry practice Wheat shall be delivered in new/serviceable used Jute / PP bags of approx. 100 Kgs/ 50 Kgs. Tare allowance per bag will be deducted to calculate the net weight of the Wheat as follows:</p> <p>100 Kgs Jute bags : 2.0 Kgs deduction 50 Kgs PP bags : 0.50 Kg deduction</p> <p>If any change occurs in the industry practice, it will be communicated by the Exchange through a circular.</p>																
11	Delivery Centers	<p>Seller's own location/warehouse in district Sheikhpura, Muridke and adjoining areas or as specified by the Exchange from time to time.</p> <p>The Exchange approved certification agency /assayer will certify the</p>																

		<p>quality and grade of commodity to be delivered and will also seal the bags/lot so that the commodity cannot be changed or tampered with. The same shall be delivered /loaded on the vehicle (s) arranged by the Buyer, under the supervision of Exchange approved certification agency /assayer at the time of final delivery.</p> <p>If the seal is reported broken/tampered or the signs of quality degradation are found at the time of delivery the trade will be cancelled. Further, the exchange reserves the right to impose a penalty to the seller as per fine policy of the Exchange.</p>
12	No. of active Contracts	A maximum of 7 concurrently contracts may be made available for trading only in the trading season upon market demand or as specified by the Exchange from time to time.
13	Opening Date	Each contract will open in the ETS of the Exchange up to 7 days before expiry.
14	Last Trading Day (Contract Expiry Day)	Each contract will expire on a day as specified by the Exchange in the ETS, as per contract's opening date.
15	Holiday Convention	<p>In case the first trading day of a contract falls on an Exchange holiday, the contract will start trading from the following Exchange trading day with a shorter maturity.</p> <p>In case the final settlement day of a contract falls on a holiday, the contract will be settled on the following Exchange trading day.</p>
16	Daily Settlement Price	<p>All open positions will be marked to market using daily settlement price. Exchange can determine the daily settlement price using one of the methods described here under or in such other manner as may be prescribed by the Exchange through a circular from time to time:</p> <ul style="list-style-type: none"> - Average of best bid and offer at the closing time - Last Traded Price - Value Weighted Average Price - Theoretical Futures Price based on the spot price obtained from the market sources <p>(average of collected prices from the market will formulate the spot price)</p>
17	Final Settlement Price	Final settlement price will be the daily settlement price of the last trading day of the contract or as specified by the Exchange through a circular.
18	Daily Price Fluctuation	+/- 10%, or as specified by the Exchange through a circular.
19	Settlement Mode	<p>All open positions after the close of contract shall be settled by either of the following modes:</p> <p>Delivery of Wheat at the Seller's location as per Contract Specifications.</p> <p>The contract can be settled before expiry through "Exchange for Physical (EFP)" as notified by the Exchange through a circular.</p> <p>Failure to fulfill delivery obligations by seller or buyer may result in a penalty as per fine policy of the Exchange.</p>

20	Pre-Trade Check	<p>Exchange will enforce a pre-trade check in which Sellers will be asked to deposit Wheat before making it available on the ETS for sale as per prescribed deposit procedure of the Exchange.</p> <p>Buyer must deposit cash as required by the Exchange from time to time before executing the trade.</p>
21	Delivery Mode & Delivery Period	<p>Delivery will be made at seller's own location/warehouse in district Sheikhpura and adjoining area or as communicated by the Exchange through a circular.</p> <p>Seller has to follow the Exchange specified procedure (communicated through a circular) including quality and quantity certification as per contract quality specifications for tendering delivery.</p> <p>The Exchange approved certification agency /assayer will certify the quality and grade of commodity to be delivered and will also seal the bags so that the commodity cannot be changed or tampered with and will update the sellers' inventory in the Exchange System. Seller will now be eligible to place a sell order on the Exchange. However, in this case the possession of the commodity will remain with the Seller and certification agency/PMEX will not be responsible for any loss to the commodity.</p> <p>After the trade execution the ownership of the traded Wheat will come in the ownership of the buyer in PMEX ledger. The buyer will now be eligible to take delivery from the seller's location through his own arrangements.</p> <p>The Wheat shall be delivered /loaded in the vehicle(s) arranged by the Buyer, under the supervision of Exchange approved certification agency at the time of final delivery.</p> <p>In case the seal is reported broken/tampered with or the signs of quality degradation are found at the time of delivery the trade will be cancelled. Further, the exchange reserves the right to impose a penalty as per fine policy of the Exchange.</p> <p>Once the commodity is loaded/delivered in the vehicle(s) arranged by the buyer, it will become the sole responsibility of the buyer and Exchange will not be responsible for any loss whatsoever including change in quality or quantity.</p> <p>Any failure to deliver by the Seller or taking delivery by the matched Buyers may result in a penalty as per fine policy of the Exchange or the trade may be cancelled by the Exchange without any claim of Buyer/Seller.</p>



22	Pay-in and Pay-out of Funds for Final Settlement	<p>Final payments will include Final Settlement price plus all applicable taxes at the time of delivery.</p> <p>The buyer shall pay funds in full to the Exchange in advance, and after that the buyer will be eligible to receive the documents to get the delivery from the seller's location/warehouse where the Exchange approved assayer has sealed the Commodity. The seller will be eligible to receive funds, once he has delivered the traded commodity and has been shipped/loaded from the seller's location after completing all delivery related requirements.</p>
23	Quality /Quantity Certification	<p>The seller has to provide quality, quantity and weight certification from the Exchange approved assayer that the Wheat delivered meets the quality specifications as per contract specifications.</p> <p>The Exchange will not be responsible for quality or quantity of the Wheat after taking of delivery by the buyer from the seller's location.</p>
24	Cost of certification, weighing, and delivery etc.	<p>All charges associated with quality certification, weighing, storage, or any other charges related to delivery at the Seller's location will be borne by the buyer and/ or seller in the manner communicated by the Exchange from time to time through a circular.</p>
25	Position Limit	<p>Greater of 10% of Open Interest and 2,000 Tons per Broker, gross across all clients and across all maturities.</p> <p>Greater of 5% of Open Interest and 500 Tons per Client, gross across all maturities.</p>
26	Margin Requirement	<p>Buyer must pay full amount instead of Margin or as specified by the Exchange. Seller must deposit commodity before order entry as per specified procedure of the Exchange.</p>
27	Additional Margin	<p>Exchange reserves the right to impose additional margin due to increased or excessive volatility or due to any other reason Exchange deems appropriate.</p>
28	Further Regulation	<p>This contract shall be subject to the PMEX General Regulations and all applicable Federal/Provincial laws.</p>

2