

PMEX FACILITATES PAKISTAN'S FIRST ELECTRONIC MURABAHA TRANSACTION

December 26, 2017 – Karachi: Pakistan Mercantile Exchange Limited (PMEX), country's only multi-commodity futures exchange, has achieved yet another breakthrough by facilitating the country's first electronic Murabaha transaction, which in essence will pave the way for an Islamic Money Market. Meezan Bank was the Shariah Technical Services Provider for development of this Shariah-compliant trading platform at PMEX.

State Bank of Pakistan of Pakistan (SBP) had earlier allowed banks to conduct transaction on PMEX Sharia Compliant Trading Platform (SCTP) in a limited capacity for the pilot period of three months. The first electronic commodity Murabaha transaction was conducted between Meezan Bank Limited (MBL) and Dubai Islamic Bank Pakistan Limited (DIBPL) on December 26, 2017.

This is a revolutionary and landmark achievement in the history of Pakistan, which has the potential of bringing Islamic banks at par with their conventional counterparts in terms of managing excess liquidity in a convenient, transparent and Shariah-compliant manner. Islamic Financial Institution's (IFI's) can utilize this facility to deploy liquidity to all potential segments, including the government. The Exchange has ensured, in consultation with its Sharia Advisor, Dr. Imran Usmani, that the product is completely Shariah-compliant. The product has been vetted by Sharia Board of State Bank of Pakistan (SBP) Chaired by Respected Justice (R) Muhammad Taqi Usmani, Securities & Exchange Commission of Pakistan (SECP) and Islamic Banking Sub Committee of Pakistan Banks' Association.

Commenting on the momentous occasion, Managing Director of PMEX, Mr. Ejaz Ali Shah, said, "Today is a historic day as we have embarked upon a journey which will revolutionize the landscape of Pakistan's Islamic Financial Industry. PMEX's Sharia Compliant Trading Platform, developed to facilitate Electronic Commodity Murabaha, is a prime example where all stakeholders, i.e. Regulators (both SECP & SBP), Financial Industry Players, Sharia Scholars and Private Sector Institutions have come together, with the Exchange at the core, for this landmark achievement. Over three and a half years of perseverance by the Exchange has translated into an ecosystem which will keep bearing fruits for years to come."

PMEX Sharia Advisor, Dr. Imran Usmani, said, "This product will not only allow the country's Islamic Financial Industry to manage their liquidity needs but would also provide opportunity to Banks as well as the Government to meet their financial needs in a Shariah-compliant manner and would enable SBP to offer Shariah-compliant liquidity management solutions to banks".

Meezan Bank's President and CEO, Mr. Irfan Siddiqui said "Management of excess liquidity has always been a key challenge for Islamic banks. This product provides an avenue through which not only banks, but also the Government will be able to raise liquidity, with ease, in a completely Shariah-compliant manner".

The country's Islamic Financial sector is growing at a rapid pace of over 20% over the last 5 years with an asset & deposit base of over Rs. 2 Trillion & Rs. 1.7 Trillion respectively. PMEX believes that the evolution of this product would not have been possible without the guidance and support of SECP, SBP, PMEX Board, Meezan Bank, Dubai Islamic Bank Pakistan Limited and Hascol Petroleum Limited. The Exchange is confident that, based on the keen interest and enthusiasm of the IFI's, Commodity Murabaha would strengthen the Islamic financial sector of the country, eventually serving as an industry benchmark and first choice for the IFI's.

PMEX Delegation Visits China

KARACHI: October 04, 2017: A delegation of PMEX visited China from Sep 25 to Sep 29. During this visit, PMEX officials met with the management of Dalian Commodity Exchange (DCE) and Zhengzhou Commodity Exchange (ZCE).

In these meetings, matters relating to development and enhancement of derivatives and financial markets in Pakistan and China through building mutual collaboration were discussed. The top of the agenda item was discussion regarding cross-listing of commodities. PMEX presented a business model and the regulatory framework for the cross-listing. The other items discussed included commodities to be cross listed, movement of foreign exchange, warehousing and logistics. The Chinese commodity exchanges expressed keen interest in cross-listing of commodities and ensured PMEX of their full cooperation and support in achieving this objective.

"Pakistan-China bilateral ties are time tested and are expected to further consolidate with the commencement of work on China Pakistan Economic Corridor (CEPC), a flagship program of One Belt One Road, which is a game changer for the region and beyond. PMEX strongly believes that the enhancement of transportation linkages and the

development of other related infrastructure under the CPEC will pave the way for enhancing the trade between the two countries”, said Mr. Ejaz Ali Shah, Managing Director, PMEX. He further said “The cross-listing of products will go a long way in achieving PMEX’s vision of linking its business to the real economy and in the process showcasing the Pakistan agriculture produce at a global trading platform.”

PMEX is of the view that cross listing of commodities using futures derivatives will spread out the risk of local farmers, traders and processors by offering exposure in more than one markets while mitigating the change in price. Moreover, this will help the local producers of both the countries to offer their products to a much larger community of traders and investors. The added advantage is that buyers will get certified quality as well as efficient warehousing and logistics facilities.

PMEX Lists 4 New Futures Contracts of Higher Denominations

KARACHI: October 04, 2017: Responding to the ever increasing demand of market participants, Pakistan Mercantile Exchange Limited (PMEX), the country’s only multi-commodity futures exchange, has listed contracts of higher denomination of actively traded commodities. These commodities include Silver (5,000 Ounce), Copper (25,000 Pounds), Crude Oil (1,000 Barrels) and Brent Crude Oil (1,000 Barrels). With the introduction of these contracts, PMEX now offers 13 international commodities in 20 denominations. Introduction of these contracts will facilitate the high net worth clients both individuals and corporates to participate in the market more actively. These contracts were made available for trading from Wednesday, October 4, 2017.

These futures contracts are of internationally traded denominations which are actively traded at global exchanges. The price quotation of these contracts is in USD but margins are received in PKR. Previously, PMEX offered trading in Silver (10, 100 and 500 Ounces), Copper (1,000 Pounds) and WTI Crude Oil & Brent Crude Oil (10 and 100 Barrels).

Speaking at the launch, Mr. Ejaz Ali Shah, Managing Director, PMEX said, “It is the endeavour of the Exchange to offer futures contracts of different commodities in multiple denominations for trading that not only adds depth to the market for the existing investors, but also attracts larger investors seeking trading, investing and hedging opportunities to diversify their portfolio.”

PMEX lists Futures Contract of Natural Gas and Platinum

Karachi – May 23, 2017: Pakistan Mercantile Exchange (PMEX), the country’s only multi-commodity futures exchange is relentlessly striving to broaden its product range by launching a diversified product mix. In this regard, PMEX has launched Cash Settled Futures Contracts of Natural Gas and Platinum. These Contracts have been duly approved by the Securities and Exchange Commission of Pakistan (SECP) and have been made available for trading from Tuesday, May 23, 2017.

With the introduction of Natural Gas and Platinum Futures Contracts, the Exchange’s cash settled product portfolio now offers a total of 13 different commodities of varied denominations.

The Natural Gas contracts are being offered in 1,000 & 10,000 mmbtu denominations, whereas Platinum contracts are being offered in 5 & 50 troy ounces denominations. Additionally, the price quotation for all contracts are in USD, however, margins are paid in PKR.

At the launch of the new Futures Contracts, Mr. Ejaz Ali Shah, Managing Director, PMEX said: “The Exchange is delighted to offer two more products and is confident that with their introduction, brokers will be able to cater another niche market and investors will also be able to diversify their investment portfolio. I am thankful to the Securities & Exchange Commission of Pakistan (SECP) for their continued patronage to PMEX. The diversified product range available to market participants today would not be possible without the visionary resolve of the SECP.”

Natural gas is one of the most significant sources of energy in the world and is therefore critical for global economic growth. In Pakistan, natural gas is produced in significantly large quantity. Its main uses are in power generation, transportation and domestic consumption.

Platinum is a dense, malleable, ductile, highly unreactive, precious, and transition metal. It is used as a catalyst in laboratory equipment, electrical contacts and electrodes, thermometers and jewelry. In Pakistan, platinum is used in various manufacturing industries.

Market participants are encouraged to visit our website www.pmem.com.pk to view details of the product offerings and related information.

PMEX lists Wheat Weekly Futures Contracts

Karachi – Tuesday, May 09, 2017: Pakistan Mercantile Exchange (PMEX), the country's only commodity futures exchange, launched Wheat Weekly Futures Contracts duly approved by the Securities and Exchange Commission of Pakistan (SECP).

This is the third listing of an agricultural commodity on PMEX electronic trading platform within the last two years after red chilli and super basmati paddy rice where compulsory delivery is a key feature. The trading of Wheat at PMEX will provide an opportunity to the buyers to procure quality certified product as per contract specifications in an efficient and transparent manner. It will also help farmers to get better price and timely payment of their produce sold. To launch Wheat the Exchange has collaborated with SGS Pakistan for grading & quality certification and Pakistan Agriculture Coalition (PAC) for farmers' awareness & trade facilitation to ensure the increased participation of farmers at the Exchange. The listed contracts are based on district Sheikhpura/Muridke, the major wheat growing districts of Punjab. Furthermore, on a similar pattern as red chilli, listing of this contract will pave the way for collateralized lending by banks against warehouse receipt instead of land papers.

Wheat is the most popular food crop of Pakistan and its products are used in a number of ways. Pakistan is the world's 7th largest wheat producer and its contribution is 3.48% of world production. Being the staple diet of majority of people in Pakistan, it dominates all crops in acreage and production. Wheat accounts for 9.9 percent of the value added in agriculture and 2.0% of GDP of Pakistan. Punjab is the major wheat producing province of Pakistan and it alone contributes around 75 % of total production followed by Sindh 16 % and remaining 9 % from Khyber Pakhtunkhwa (KP) and Balochistan.

At the launch of the Wheat Contract, Mr. Ejaz Ali Shah, Managing Director, PMEX said, "Launching of Wheat Futures at the Exchange brings us one step closer of our resolve to connect our business operations to the local economy. With the availability of this new contract, it would become convenient for market participants to trade in a unified and transparent manner. The national level participation of buyers and sellers across Pakistan will enhance the price discovery process of the commodity manifold, bring efficiency in the quality production and provide an opportunity to farmers to get a better price of their produce."

PMEX Launches New Website

Karachi – May 04, 2017: PMEX unveiled its newly redesigned website which boasts user-friendly experience for current and future market participants and business partners. The new website combines elements of highly-intuitive interface such as contemporary visual appeal, easy navigation, improved functionality and rich content. The website has been designed using cutting-edge technology, making the site compatible with new age browsers, smartphones and tablets thus allowing users to access information on the go.

Commenting on the new website, Mr. Ejaz Ali Shah, Managing Director PMEX said "We are delighted to welcome visitors to our new website. As we continue to grow and increase our footprint, we believe our mobile-friendly website will keep providing access to valuable and timely information."

The newly built website will be updated on a regular basis with news of product launches, notifications, regulations, business activity, corporate milestones, events and financial information. The Exchange invites its visitors to explore the new website by visiting www.pmex.com.pk and learn more about PMEX and its products & services.