Who we are

- National-level exchange and the only platform that offers commodity trading
- Regulated by SECP
- Corporate shareholding NBP, PSX, ISE, LSE, PKIC, ZTBL
- Broker network of 329 members present in all major cities
- State of the art IT infrastructure, web based trading platform
- 21 hours market timing - working towards 23.5 hours market
- End to end solution - trading, clearing & settlement, custody and back office
## Snapshot of PMEX

### IT & Systems
- Trading Systems
- Connectivity and networks
- Database & Disaster Recovery
- Application development

### Analytics
- Risk Management
- Margin Calculations
- Exposure Analysis
- Settlement Pricing for MTM

### Market Operations
- Clearing and Settlement
- Margin Management
- On-line Banking
- Delivery Management

### Compliance & Regulatory Affairs
- Regulatory Coordination
- Surveillance and Monitoring
- Discipline and Enforcement
- Broker Audit
- Legal

### Business Development
- Product Development
- Research
- Marketing
- Training
- Customer Services

### Membership
- Issuance
- Transfers
- Broker Registration
- Renewals
Our Offered Products

Recent Launch

Agriculture: Red Chilli
Our Objective

To build a transparent, efficient & convenient electronic trading platform to provide following benefits to Red Chilli value chain:

• Better prices to farmers
• Provide quality certified product
• Participation from across Pakistan
• Reduce payment time to farmers
• Facilitate corporates to buy quality product
Red Chilli Trading @PMEX

• Red Chilli is primarily grown in Sindh (approx. 85% of total production)

• Kunri is the main trading hub of Red Chilli, known as the “Chilli Capital of Asia”

• Two main varieties are grown: Dandi Cut (round shape) & Hybrid (long)

• Main trading season October – December (3 months)

• Traditionally farmers face multiple issues in selling their produce such as
  – no premium for quality produce
  – delay in payments
  – undue deductions, etc.

• Buyers/processors also face problems to procure quality product
PMEX Red Chilli Electronic Trading Platform

• Price quoted are ex-Kunri with delivery facility available at Kunri
• Buying and selling is done through an electronic trading platform
• Payments to farmer within 48 hours
• Trading available six days a week
• Unique Red Chilli trading platform – one of its kind in the region
PMEX Dandicut & Hybrid Red Chilli Weekly Futures Contracts

PMEX has listed following contracts of Red Chilli for trading at PMEX:

1. PMEX Red Chilli (Grade A+) Futures Contract
2. PMEX Red Chilli (Grade A) Futures Contract
3. PMEX Red Chilli (Grade B) Futures Contract
4. PMEX Hybrid Red Chilli 1-A Weekly Futures Contract
5. PMEX Hybrid Red Chilli 1-B Weekly Futures Contract
6. PMEX Hybrid Red Chilli 1-C Weekly Futures Contract
7. PMEX Hybrid Red Chilli 2-A Weekly Futures Contract
8. PMEX Hybrid Red Chilli 2-B Weekly Futures Contract
9. PMEX Hybrid Red Chilli 2-C Weekly Futures Contract
10. PMEX Hybrid Red Chilli 3-A Weekly Futures Contract
11. PMEX Hybrid Red Chilli 3-B Weekly Futures Contract
12. PMEX Hybrid Red Chilli 3-C Weekly Futures Contract
PMEX has launched 12 new longer dated futures contracts:
1. PMEX Red Chilli (Grade A+) Futures Contract
2. PMEX Red Chilli (Grade A) Futures Contract
3. PMEX Red Chilli (Grade B) Futures Contract
4. PMEX Hybrid Red Chilli 1-A Futures Contract
5. PMEX Hybrid Red Chilli 1-B Futures Contract
6. PMEX Hybrid Red Chilli 1-C Futures Contract
7. PMEX Hybrid Red Chilli 2-A Futures Contract
8. PMEX Hybrid Red Chilli 2-B Futures Contract
9. PMEX Hybrid Red Chilli 2-C Futures Contract
10. PMEX Hybrid Red Chilli 3-A Futures Contract
11. PMEX Hybrid Red Chilli 3-B Futures Contract
12. PMEX Hybrid Red Chilli 3-C Futures Contract
PMEX Red Chilli Electronic Trading Platform

• The quality certification, warehousing & logistics and farmers awareness are the integral part of the trading at PMEX

• For these services following entities are PMEX partners:
  
  – Agility – for Warehousing and logistics
  
  – SGS – for quality certification
  
  – PAC – for farmers awareness and overall coordination
1. Pre-tests at farm gate
2. Weighing at collection center/Warehouse
3. Quality certification /grading by SGS
4. Crop stored in the warehouse run by Agility
5. PMEX issues an Electronic Warehouse Receipt (EWHR)
6. Seller places an offer price as per EWHR
7. If trade is executed EWHR is transferred in the name of Buyer
8. PMEX sends dispatch order to Agility
9. Buyer lifts delivery through its own arrangement or via Agility
Benefits to Sellers and Buyers

• For sellers
  – Payment within a few days (not weeks and months)
  – Transparent and fair pricing
  – Low transaction cost in comparison to Mandi (around 7%)
  – Initial screening of product at the farm gate
  – Greater ability to reach more buyers
  – Extension services to help grow high-quality commodity

• For buyers
  – Availability of standardized quality tested product: SGS
  – Warehousing and logistics by a reliable player: Agility
  – Transparent and competitive prices
  – Rely on trading platform for quality (instead of investing in farming)
Buyers and sellers will see PMEX “HotQuotes” Screen

- What prices buyers are bidding at
- What prices sellers are asking for
- Price at which last trade was executed
- Current days high/low and change of price from yesterday’s last trade

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<th>Ask</th>
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PMEX web-based trading system: accessible from anywhere

- Buyers & sellers open accounts with PMEX brokers
- Buyers: Cash margin = 100% of trading; Sellers: physical delivery
PMEX Future Road Map

PMEX One Window Operation

a. Spot Terminal
   Sells at spot market if spot prices are favourable
   Immediate payment of cash to farmer

b. Futures/Forward Terminal
   Sells at futures market if futures prices are favourable
   Cash payment on maturity of futures contract

c. Electronic Warehouse Receipt Generation
   Does not want to sell in spot or futures market and requires bank financing instead
   Immediate payment of cash from bank against warehouse receipt
Thanks

Pakistan Mercantile Exchange

www.pmex.com.pk