

PMEX International Cotton (ICOTTON) Futures Contract Specifications

Trading Hours	<p>Hours of Trading in the PMEX International Cotton Futures Contract shall be Monday to Friday (excluding Exchange specified holidays) as given below or as specified by the Exchange from time to time:</p> <p>Normal Trading Session: 05:00 am to 11:30 pm PST</p> <p>On the last trading day of a contract normal trading will end at 04:00 pm</p>
Unit of Trading	5,000 Pounds
Trading System	PMEX ETS
Price Quotation	US Cents per pound, up to two decimal places
Tick size	0.01 cents
Tick Value	\$0.5
Price Limit	+/- 7 cents per day based on previous day's settlement price or as notified in advance by the Exchange.
Contract Months	<p>March, May, July, October and December. Additional contract months would be made available at the discretion of the exchange depending on the needs of the market.</p> <p>Each contract would be made available at least one month before its expiry.</p>
Last Trading Day (Contract Expiry Day)	Six business days before the first business day of the contract month or a day specified by the Exchange as Last Trading Day.
Holiday Convention	In case the Last Trading Day 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 PMEX specified methodologies which include reference to internationally available prices, 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 Cotton No.2 Futures Contract on ICE at the time of end of trading on the Last Trading Day of PMEX International Cotton Futures Contract. If, for any reason, the last traded price at PMEX expiry time is not available, the last available traded price of the corresponding contract on ICE will be used as the basis of Final Settlement Price.
Daily Settlement Amount	Daily Settlement of PMEX International Cotton 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 PMEX International Cotton futures contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.
Final Settlement Amount	Final Settlement of PMEX International Cotton 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 PMEX International Cotton futures contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.
Position Limits	2000 contracts per Broker (including proprietary and all its clients) 100 contracts per Client of Broker
Margin Requirement	<p>The amount of margin payable by Brokers in respect of their outstanding contracts in PMEX International Cotton futures contract 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.</p> <p>All Margins will be collected in Pakistani Rupees.</p>
Initial Margin	Minimum Initial Margin will be based on VaR methodology at 99% confidence interval over a 1-day Time Horizon or as specified by the

	Exchange.
Special Margin	Exchange reserves the right to impose special margins 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 Contracts	PMEX may open spread contracts.
Further Regulations	This contract shall be subject, where applicable, to the Regulations of the Pakistan Mercantile Exchange Limited.

PMEX International Cotton (50,000 pounds) Futures Contract Specifications

1	Trading Hours	Hours of Trading in the PMEX International Cotton (50,000 pounds) Futures Contract shall be Monday to Friday (excluding Exchange specified holidays) as given below or as specified by the Exchange from time to time in the ETS: Normal Trading Session: 05:00 am to 11:30 pm PST On the last trading day of a contract normal trading will end at 04:00 pm or as specified by the Exchange from time to time in the ETS.
2	Unit of Trading	50,000 Pounds
3	Trading System	PMEX ETS
4	Price Quotation	US Cents per pound, up to two decimal places
5	Tick size/Minimum Price Fluctuation	0.01 cents
6	Price Limit	+/- 7 cents per day based on previous day's settlement price or as specified by the Exchange in the ETS or at the Exchange website from time to time.
7	Contract Months	March, May, July, October and December. Additional contract months would be made available at the discretion of the exchange depending on the needs of the market.
8	Contract Period	Each contract would be made available at least one month before its expiry.
9	Last Trading Day (Contract Expiry Day)	Six business days before the first business day of the contract month or a day specified by the Exchange as Last Trading Day in the ETS.
10	Holiday Convention	In case the Last Trading Day falls on an Exchange holiday, previous day will be designated as Last Trading Day.
11	Settlement Mode	Cash Settlement in Pakistani Rupees.
12	Daily Settlement Price	Exchange will determine daily settlement price by using one of the following methods: <ul style="list-style-type: none"> • By taking average of best bid and offer prices at the time of closing. • The last publically available traded price of the corresponding month ICE Cotton No.2 Futures Contract • the last traded price; or • as per any other methodology specified through circular by the Exchange.
13	Final Settlement Price	Final settlement price will be the daily settlement price on the Last Trading day of the contract or as specified by the Exchange through a circular.
14	Daily Settlement Amount	Daily Settlement of PMEX International Cotton (50,000 pounds) 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 PMEX International Cotton (50,000 pounds) Futures contract. The mark-to-market P&L will be converted into PKR at USDPKR Exchange rate notified by the State Bank of Pakistan or in the manner as specified by the Exchange through a circular.
15	Final Settlement Amount	Final Settlement of PMEX International Cotton (50,000 pounds) 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 PMEX International Cotton (50,000Pounds) Futures Contract. The mark-to-market P&L will be converted into PKR at USDPKR Exchange rate notified by the State Bank of Pakistan or in the manner as specified by the Exchange through a circular.
16	Position Limits	2000 contracts per Broker (including proprietary and all its clients) 100 contracts per Client of Broker
17	Margin Requirement	All Margins will be collected in Pakistani Rupees.
18	Margins	Minimum Initial Margin will be based on VaR methodology at 99% confidence interval over a 1-day Time Horizon or as specified by the Exchange.

PMEX International Cotton (50,000 pounds) Futures Contract Specifications		
19	Special Margin	Exchange reserves the right to impose special margins 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.
20	Further Regulations	This contract shall be subject, where applicable, to the Regulations of the Pakistan Mercantile Exchange Limited.