



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Press Release

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For immediate release

SECP approves Red Chilli futures contracts on PMEX

Islamabad, August 24: In an endeavor to augment the portfolio of agricultural commodities in domestic market, the Securities and Exchange Commission of Pakistan (SECP) has approved launching of Red Chilli futures contracts on Pakistan Mercantile Exchange Limited (PMEX). The PMEX red chilli futures contracts will be available for trading by investors effective September 1, 2015.

The prominent stakeholders such as Pakistan Agricultural Coalition, Red Chilli Grower Association, Kunri, Red Chillies Association, Sindh and significant food processing companies have also been involved in the consultation process for launch of this product to ensure its acceptability by the market participants. PMEX is a technology driven, electronic, transparent and regulated market and it will provide participants a great alternative to the traditional trading market that is burdened with middlemen and profiteers.

The salient features of PMEX Red Chilli futures contracts include compulsory delivery, quality certification of red chillies and availability of multiple grades of red chillies for trading.

The participation of investors at a national level market of PMEX will result in better price discovery and benefit the growers by fetching better price for their produce. The PMEX Red Chilli Futures Contract has been modelled in such a way that it will provide the processors an opportunity to procure good quality red chillies in an efficient, convenient and transparent manner. The exporters can also benefit from participation in trading of PMEX Red Chilli Futures Contracts with intention of hedging their exposure.

The addition of Red Chilli futures will strengthen the agricultural product portfolio of PMEX that earlier included rice, wheat, cotton, sugar and palm oil.