



NOTICE
FOR ALL MEMBERS

SUSPENSION OF COT PHASE OUT AND CAPPING OF THE COT FINANCING

The Governing Board of Directors of the Karachi Stock Exchange in its meeting held today reviewed the letter dated July 9, 2005 received from the Securities & Exchange Commission of Pakistan.

The Board observed that the SECP has now agreed the fact that margin financing has not been developed to the desired level. The Board further observed that the cap on the market will keep it range bound and stifle the vibrancy and the dynamism, hallmarks of the capital market. It goes without saying that a healthy stock market with good volumes will reflect the remarkable GDP growth, transparent and landmark privatisation of mega scrips like NRL, PTC and higher corporate earnings

The Board therefore by majority:-

RESOLVED that the COT phase-out, as already decided, shall remain suspended and COT trading in present 7 scrips shall continue without any capping or restrictions on volumes w.e.f. Monday, July 18, 2005.

FURTHER RESOLVED that COT in all the scrips, currently quoted on futures counter, presently 27 in number, shall be available subsequently for COT trading at a date to be notified later.

FURTHER RESOLVED that COT and margin financing shall continue and run parallel through the NCCPL system in these scrips.

FURTHER RESOLVED that the choice of availing the finance through COT or margin financing shall be left to the investors to tap the most competitive market.

For and on behalf of the Board

MUHAMMAD YACOOB MEMON
General Manager

Copy to:

01. **The Commissioner (SM)**, Securities & Exchange Commission of Pakistan, Islamabad
02. **The Managing Director**, Lahore Stock Exchange, Lahore
03. **The Managing Director**, Islamabad Stock Exchange, Islamabad
04. **The Chief Executive**, Central Depository Co. of Pakistan Ltd, Karachi
05. **The Chief Executive**, National Clearing Company Limited
06. **Notice Board** for all Members