

JOINT PRESS RELEASE BY SECP, KSE, LSE & ISE

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**SUBJECT: MEASURES FOR MARKET STABILIZATION**

In view of the continuous declining trend of the Securities Market and consequent possibility of systemic risk resulting in disruption of timely and smooth settlement of trades, the Securities & Exchange Commission of Pakistan (SECP), on the recommendation of the Board of Directors of the Karachi Stock Exchange (KSE) had approved adoption of various market stabilization measures on June 23, 2008. As announced, those measures were of temporary nature and were to be reviewed again.

Accordingly, a meeting was held among officials of the SECP and the three stock exchanges on Friday, July 11, 2008 under the chairmanship of Mr. Razi-Ur-Rahman Khan, Chairman SECP, to review the market situation since the adoption of above-referred measures. All the three stock exchanges appreciated the initiatives taken on June 23, 2008 for providing necessary cooling period essential for the market to recover from the state of affairs at that time. After thorough deliberations and with the consensus of all the three stock exchanges, the following decisions were taken:

1. The upper and lower security-wise Circuit Breaker for each Market separately (except Stock Index Futures Market) shall revert back to 5% or Re. 1/-, whichever is higher from the Closing Price of the previous day, as specified in the Regulations governing Risk Management of the Exchange with effect from Monday, July 14, 2008.
2. Short sale will be allowed as per the Regulation governing Deliverable Futures Contract which includes short sale on "uptick" and "zero tick". Additionally CFS buy positions will not be considered as pre-existing interest, unless such positions are released prior to making such sale. These changes will be implemented with effect from August futures contracts. It was also agreed that the members shall not