



NOTICE FOR ALL MEMBERS

DEFINITION OF DETERMINING CLOSING PRICE

Members are hereby informed that the Securities and Exchange Commission of Pakistan vide its letter No. SMD-South/KSE(0088)/2008 dated October 23, 2008 has approved various amendments the Regulations Governing Risk Management of the Exchange including the definition of determining Closing Price of respective markets which is reproduced below:

Old Text	Approved by SECP and sent for Gazette Notification
<p>1.5 Definitions "Closing Price" means the volume weighted average price of the last 30 minutes trades in that security for the day. In case of no trading in a particular security during the last 30 minutes of the day, volume weighted average price of last traded 30 minutes in that security.</p>	<p>1.5 Definition "Closing Price" of a security in the respective market means the volume weighted average price of the last 30 minutes trades in that security for the day. In case of no trading in a particular security during the last 30 minutes of the day, volume weighted average price of last traded 30 minutes in that security.</p> <p>Closing Price of Category "A" CFS Mk-II Eligible Securities:</p> <p>Provided that Closing Price of a CFS Mk-II Eligible Security in Category "A" in the Ready Market, shall be, the volume weighted average price of last 30 minutes trades in that security for the day and in case no trading in that security takes place during above stated 30 minutes, the volume weighted average price of last traded 30 minutes in that security, shall be taken as the Closing Price.</p> <p>Provided further that in case no trade takes place during last two trading hours in the Ready Market in security, Closing Price of that security will be updated on the basis of Bid/Offer mechanism whereby Bid/Offer must be better than last traded price and satisfy the following conditions:</p> <ul style="list-style-type: none">(i) Bid/Offer is entered in KATS at least two hours before the closure of the market.(ii) Bid/Offer is available for trade at the time of closure of the market.(iii) Bid/Offer remains un- changed during this time. <p>Closing Price of Deliverable and Cash-Settled Futures Eligible Securities:</p> <p>In case no trade takes place in Deliverable Futures Contract or Cash-Settled Futures Contract markets in a particular security during the trading day, the Closing Price of that Contract will be the Theoretical Price, i.e., Ready Market Closing Price of underlying security x $(1 + (\text{One Month KIBOR} + 4\%) / 365 \times \text{DTM})$, where DTM stands for Date to Maturity, which is equivalent to calendar days difference in the Settlement Dates of the Ready Market trades and Deliverable Futures Contract or Cash-Settled Futures Contract on any applied trade date.</p>