

## Global Perspective

**Gold:** Gold traded below a five-month high before a European Central Bank policy meeting that may introduce stimulus and elections in Greece set to determine its membership of the euro area. Yellow metal for immediate delivery was little changed at US\$ 1,292.97 an ounce on Thursday afternoon in Singapore. The metal advanced to US\$ 1,305.25 on Wednesday, the highest level since Aug. 15. Gold futures climbed 9.2 percent in January to US\$ 1,293.40 an ounce at COMEX, heading for the biggest monthly gain in three years.

**Crude Oil:** Oil fell amid forecasts for U.S. crude inventories to expand for a second week, bolstering speculation that the global supply glut may persist. Futures dropped as much as 1.2 percent in New York. WTI for March delivery decreased as much as 55 cents to US\$ 47.23 a barrel at NYMEX and was at US\$ 47.53 at 2:50 p.m. Singapore time.

**Silver:** Silver headed for a bull market in its best start of the year in more than three decades, supported by speculation that slowing global economic growth will spur safe haven demand. Silver for immediate delivery climbed 0.7 percent to close at US\$ 18.127 on Jan. 21.

## Data Announcements

Following data is expected to be announced today and tomorrow around given times:

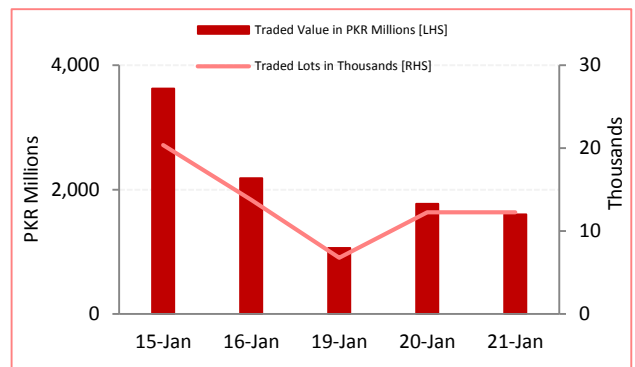
	Time (PST)	Currency	Impact	Details
22-Jan-2015	05:45 pm	EUR	High	Minimum Bid Rate
	06:30 pm	EUR	High	ECB Press Conference
	06:30 pm	USD	High	Unemployment Claims
23-Jan-2015	01:00 pm	EUR	High	French Flash Manufacturing PMI
	01:30 pm	EUR	High	German Flash Manufacturing PMI
	02:30 pm	GBP	High	Retail Sales m/m

## PMEX Market Overview

On Wednesday at Pakistan Mercantile Exchange (PMEX) value traded was PKR 1.60 billion and number of lots traded was 12,252.

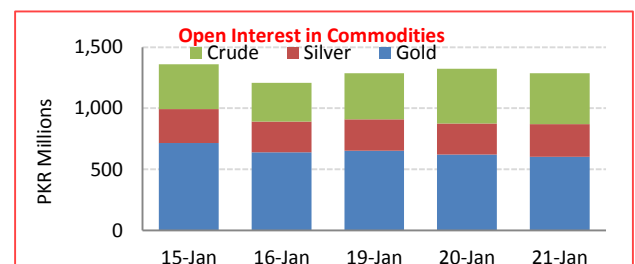
PMEX Commodity Index closed at 2,623.

Major business was contributed by gold amounting to PKR 782 million followed by crude oil (PKR 693 million) and silver (PKR 126 million).



## PMEX Market Trend

Pakistan Mercantile Exchange maintained a net open interest of PKR 1.6 billion which was 80 percent of the total traded volume for the last trading day. Open positions in crude oil declined by 7 percent with a net worth of PKR 417 million. Open interest in gold decline by 3 percent and maintained a net worth of PKR 602 million and investors remaining net long. Silver positions were near PKR 266 million for the last trading session.



## PMEX Open Interest Summary – January 21, 2015

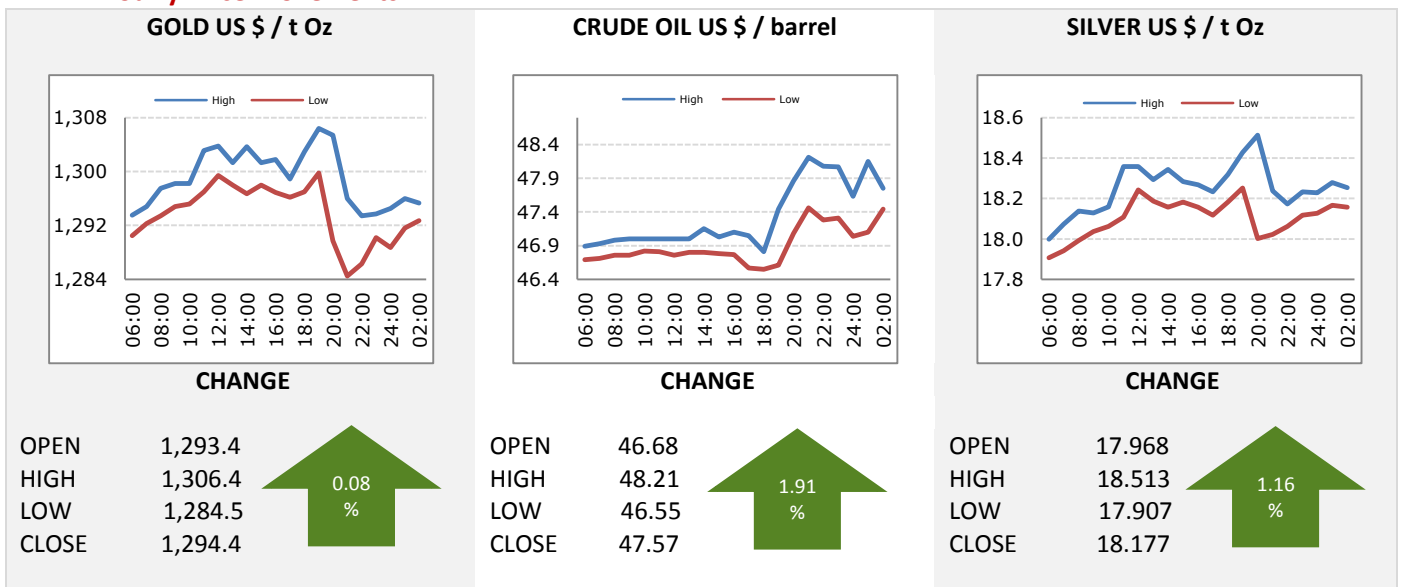
	CRUDE 10	CRUDE 100	GO1 OZ	GO10 OZ	GO100 OZ	SL10 OZ	SL100 OZ	SL500 OZ	TOLA GOLD	Grand Total
OI - Lots	2,868	582	1,288	313	2	752	201	235	8	6,249
OI - Value (Millions)	138	279	168	408	26	14	37	215	0.4	1,286
Market Trend	NL	NL	NS	NL	NS	NS	NL	NL	NL	NL

Open Interest | NL = Net Long | NS = Net Short | Value = PKR

Price Returns Summary	Gold	Silver	Crude
Return Close/Open %	0.08	1.16	1.89
Difference in Open and Close (\$)	1.00	0.21	0.89
Range Day (Max – Min)/Open %	1.69	3.33	3.49
Difference in Max & Min (\$)	21.90	0.61	1.66
Average Return (1 Hour) %	0.41	0.82	0.93
Volatility (1 Hour) %	0.25	0.51	0.58
Return to Volatility Ratio (1 Hour)	1.64	1.59	1.61
Intraday Volatility %	1.14	2.34	2.64

Crude oil prices edged upwards by 1.91 percent on Wednesday, resuming a choppy trade amid lingering uncertainty about the global recovery. The International Monetary Fund has cut its global economic forecast for this year and next. Price volatility in crude oil remained largely skewed towards the later hours of trading session. The correlation between precious metals dropped to 79 percent whereby posting a gold to silver ratio of 71.2 for the last trading day.

## PMEX Hourly Price Movements



## Term of the Day

### Sharpe Ratio

نہ صرف ٹریڈنگ سسٹم میں موجود خطرے کی نوعیت سے آگاہ کرتا ہے بلکہ یہ بھی بتاتا ہے کہ ٹریڈنگ سسٹم کی کارکردگی کے پیچھے عمدہ حکمت عملی کارفرما تھی یا پرفارمنس صرف اتفاقیہ تھی یا پھر زیادہ خطرہ مول لینے سے پرفارمنس اچھی ہوئی۔ Sharpe Ratio معلوم کرنے کا کلیہ درج ذیل ہے۔

$$|StdDev(x) = \text{Standard Deviation of } rx \quad |Rf = \text{Best available risk free rate of return} \quad |rx = \text{Average rate of return of } x| \\ |X = \text{Investment} \quad |S(X) = (rx - Rf) / StdDev(x)$$

## Futures Trading 101:

PMEX is offering Futures Trading 101, biweekly free of cost training sessions, scheduled every Tuesday and Thursday from 3:00 pm to 5:00 pm at PMEX premises. The training is specially designed for market participants to provide an in-depth knowledge of commodity fundamentals, technical analysis and listed products at PMEX. In addition, it also equips trainees with hands on experience with the Trading System at PMEX. To register, log on to [www.pmex.com.pk](http://www.pmex.com.pk)

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