



Clearing, Settlement & Risk Management of Debt Market



The debt instruments in Pakistan are commonly referred to as Term Finance Certificates (TFCs), Commercial Papers and Sukuk (Shariah compliant). These are promissory notes and papers issued by the public and private sector to raise capital from public and financial institutions for a limited and specified time period, at a pre-determined rate of return and payment (principal redemption) structure. At present, trading in such debt instruments are expanding at a very fast pace in Pakistan and billions of rupees worth of debt instruments are being traded through the secondary or Inter-bank market. However, lack of formal trading platforms, price discovery mechanism and absence of formal settlement procedures have limited the participation in this asset class.

In order to facilitate transparent, central, efficient, and automated price discovery mechanism; and to ensure a level playing field for institutional investors and brokers of three stock exchanges, a centralized trading system has been proposed to be developed by the stock exchanges. All trades to be executed between broker and financial institution in debt market of three exchanges will be settled through National Clearing and Settlement System ("NCSS") along with its risk management.

Top Ten Securities Traded in Terms of Volume

JANUARY		FEBRUARY	
OGDC	276,074,200	OGDC	258,474,900
NIB	203,870,000	NIB	179,913,000
WTL	191,133,500	PTC	142,104,600
PTC	150,699,100	JSCL	129,451,000
TRG	132,764,000	BAFL	123,909,900
PPTA	90,815,000	NBP	121,787,600
ZELP	83,991,500	TRG	98,211,000
HUBC	81,595,000	AHSL	95,492,200
FFBL	76,671,500	FFBL	87,100,500
NBP	68,660,900	PPTA	85,229,000

MARCH	
NIB	291,066,000
OGDC	193,501,700
NBP	155,166,500
PTC	149,293,900
BAFL	139,688,500
DGKC	136,214,200
JSCL	117,166,700
ZELP	113,273,000
NML	111,056,700
FFBL	106,969,500

