

SCREEN DEALING BULLETIN NO. 06/00



Pre Open

At a recent meeting, the Screen Dealing Committee considered a current market practice in the pre-open, whereby bids are entered above the offer and vice-versa which are out of market range in order to gain priority over other orders which could be filled at the equilibrium price.

The Committee raised concerns that this practice could result in altering the equilibrium price as the levelling algorithm determines the open price from where the most amount of volume can trade.

As market conditions vary from time to time, the Committee acknowledged that it is not feasible to enforce price tick guidelines when entering orders during the pre-open, however, it has recommended that the Exchange not consider cancellations of trades resulting from this practice unless there are extenuating circumstances.

Members, and in turn their clients, should be aware of the risk when using this market practice.

TELEPHONE TRADING PROCEDURES

Following recent Member enquiries, attached is a copy of Schedule K which Members would need to complete and forward to the Exchange in the event of telephone trading.

Members are reminded that telephone trading will be initiated at the discretion of the Chief Executive or Trading Manager if it is determined that trading cannot recommence for a period of at least 30 minutes. The Trading Manager will announce the time of commencement and completion of trading by telephone communication or other electronic means.

MAINTENANCE OF WORKSTATIONS

Members are reminded that all MFWSs and AOEs should be shut down and rebooted on a weekly basis. Failure to comply with this procedure may impact the performance of the workstation.

George Maganas
Screen Dealing Manager

22/02/2000