

Screen Dealing Bulletin No: 24/01

From: SFE Corporation Limited ABN 74 000 299 392

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## QUARTERLY ROLL

Following enquiries from Participants requesting clarification regarding market compliance and the queue position in the debt quarterly roll, the SFE has recently performed an extensive review with respect to technology and trading compliance. The aim of this review is to provide Participants with a set of guidelines which can be used to optimise system performance and order entry which could potentially improve a Participant's ability to manage the roll process. These guidelines should not require any changes to the actual SYCOM<sup>®</sup> workstation hardware.

Furthermore, to assist Participants in trading the roll, the SFE has outlined a set of requirements that should be adhered to when accepting and subsequently entering orders on behalf of clients.

To assist Participants, these have been categorised as follows:

Section 1 - System optimisation

Section 2 - Trading compliance

It should be noted that the implementation of these guidelines in Section 1 remain at the discretion of the Participant and furthermore, should be carefully assessed in line with internal risk management, controls and processes.

In an attempt to provide the SFE with a greater understanding of the roll market mechanism, Participants are advised that SFE representatives will conduct Participant site visits during the June debt quarterly roll to observe trading behaviour with regard to the market open.

## SECTION 1 - SYSTEM OPTIMISATION

Set out below is a list of suggestions and procedures which could potentially optimise the various methods of order entry and assist in managing system resources during the roll period. These can be categorised as follows:

- Hardware/configuration settings
- Windows
- Order entry configuration (only applicable to SYCOM<sup>®</sup> trader workstations)

# S F E B U L L E T I N C O N T I N U E D

## **Hardware/configuration settings**

- Participants should ensure that roll orders are executed on the Compaq Desk-pro 667 PIII MHz machines. If Participants require further clarification in identifying the 667 workstation model, please refer to Technical contact (below).
- Participants should ensure that the colour settings and display fonts are set to 256 colours and a screen resolution of 800 x 600 respectively. Please refer to Attachment 1 for instructions and display format.
- As a standard procedure, Participants should ensure that workstations are routinely powered down on a weekly basis. Failure to comply with this procedure will lead to performance degradation. It should be noted that when a workstation is re-booted, this will lead to increased message traffic over the network link which is otherwise reserved for trading, Participants should manage this process in order to avoid a deterioration of the network service, eg. perform outside trading hours. Please see Attachment 2 for instructions.

## **Windows**

- It is important to note that workstation performance can be optimised by effectively managing system resources. Therefore in order to minimise the amount of system overheads, it is recommended that, where possible, users reduce the number of open windows. An application of this form of resource management would be to only display the window required for order entry during the roll period.

## **Order entry configuration**

- Included below are some of the available methods for order entry release:
- Release of single strategy. Please see Attachment 3
- Release of single order. Please see Attachment 4
- Mass Release strategy. Please see Attachment 5

## **Speed Release**

- By holding down the Enter key on the keyboard whilst attempting to release a single strategy or a single order prior to the market open, this function will trigger a keyboard repeat until such time the enter key is released or the order has been entered into the market successfully. Please note that this is a non-standard use of this functionality. Please see Attachment 6 for example.
- To further increase efficiency whilst attempting to release an order/strategy, a user can remove confirmation checks to reduce the amount of time taken to release an order to the market. Please see Attachment 7 for example.

# S F E B U L L E T I N C O N T I N U E D

## SECTION 2 - TRADING COMPLIANCE

Participants should be aware of the following requirements when accepting and subsequently entering roll orders into SYCOM® on behalf of clients:

- Orders can only be entered in accordance with client instructions. Therefore, orders cannot be duplicated and entered from separate workstations in an attempt to gain a favourable queue position.
- A client must be prepared to accept the entire volume of orders placed. If a client instructs a broker to duplicate orders on the understanding that he only requires part of this volume then the broker should refuse the request on the basis that it is a breach of the Rules and misleading to volume.
- If a client instructs a Trader to enter an order in the roll and informs the Trader that he has the same or similar orders placed with other Brokers with the intent of gaining a favourable queue position, the Trader should instruct the client that in the event of the order being executed, he will be obliged to accept the execution.
- Broking queue position is a breach of the Rules. A Trader must not enter an order with a view to offering that queue position to clients.
- Order promotion within the queue is a breach of the Rules. If an order is cancelled or reduced then that order must be adjusted accordingly within the system. It is a breach to offer a recently cancelled queue position to other clients, or to promote existing clients in the queue to take up a recently vacated higher queue position. This would put the clients of the broker in question at an advantage to the rest of the market.
- It is not a breach of the Rules to 'leg' the roll, however, Traders who do so will be exposed to legging risk. Further, all Rules must still be complied with, for instance, orders must not be withheld to cross and Traders must not disadvantage their clients by legging the roll.

This document serves to provide Participants with a set of guidelines to assist in managing the quarterly roll, and furthermore, to ensure markets are conducted in the best interest of a fair and orderly market.

If Participants require familiarisation training on the June Debt quarterly roll, the training bed facility will be made available. The training facility can be reserved for exclusive use, for a fee of \$275 per hour. Additionally, an SFE representative will be present during training. Contact Anna Wilson on 9256 0581 or email [awilson@sfe.com.au](mailto:awilson@sfe.com.au)

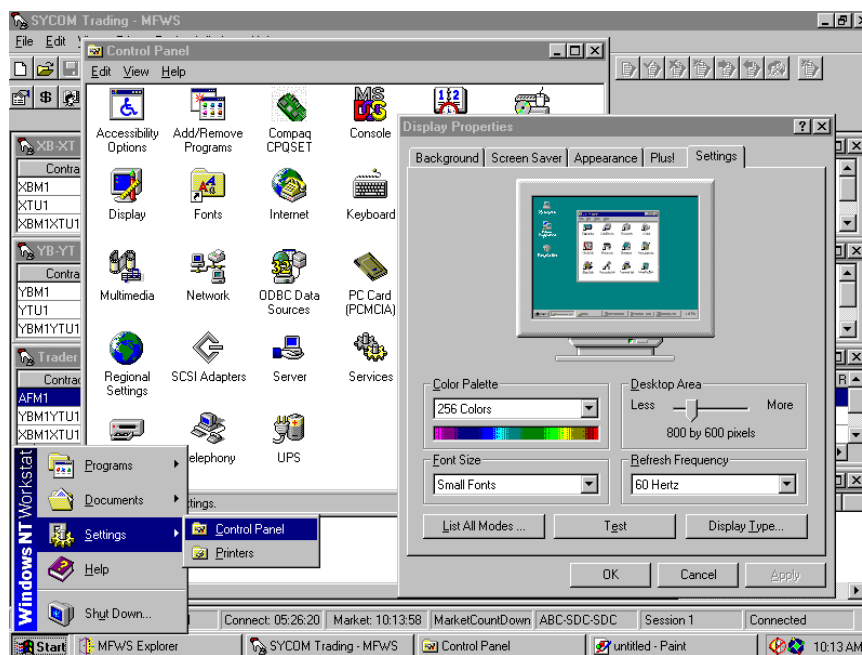
If you have any technical queries please contact George Maganas on 9256 0415 or email [gmaganas@sfe.com.au](mailto:gmaganas@sfe.com.au) and for trading compliance please contact Mark Floyd on 9256 0447 or email [mfloyd@sfe.com.au](mailto:mfloyd@sfe.com.au)



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## ATTACHMENT 1: DISPLAY SETTINGS



To access the menu to change system settings such as Fonts and Pixel size you need to access the 'Display Properties' menu which can be located by following the steps outlined below;

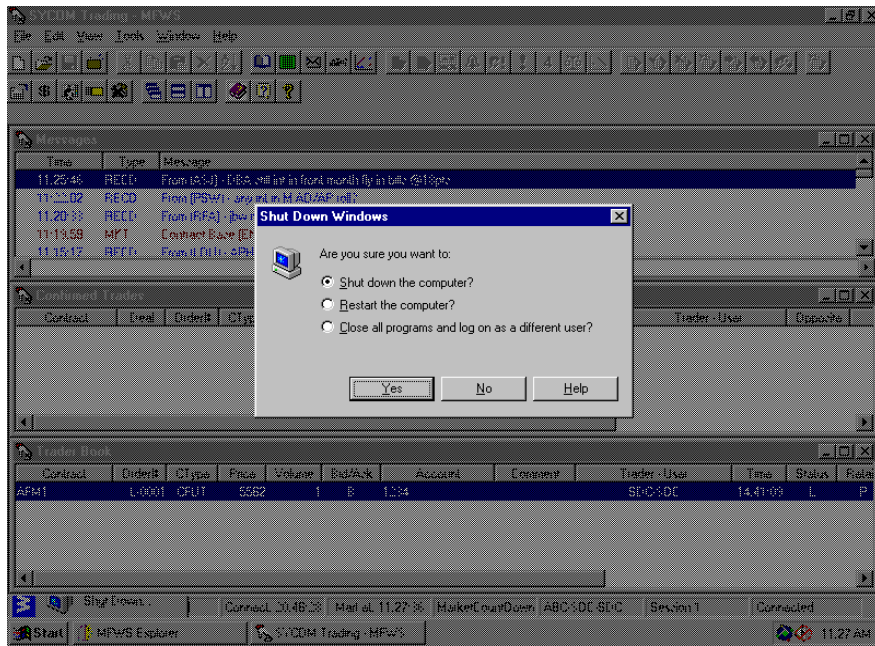
1. Select 'Start' from the bottom left-hand corner of the SYCOM® screen
2. Then highlight 'Settings' which can be found just above the 'Start' button
3. Move the arrow across to 'Control Panel' once it appears.
4. Once the above panel is highlighted, select it by clicking the Left mouse button once.
5. The above procedure will open up the 'Control Panel' window which you then need to select the 'Display' icon.
6. Once this is selected the 'Display Properties' menu will appear which you then need to go to the 'Settings' tab located on the far top right.

To change the colour setting, select the down arrow in this section then choose 256 Colours.

To change the Desktop Area setting, select **800 by 600** in the 'Desktop Area' section by sliding the gauge from left to right until 800by 600 is selected.

After changing any of the above settings, the user must 'Apply' the changes which can be found in the bottom right-hand corner of this window and then select OK which will close the window. The user is then able to access the SYCOM® trading platform again as usual.

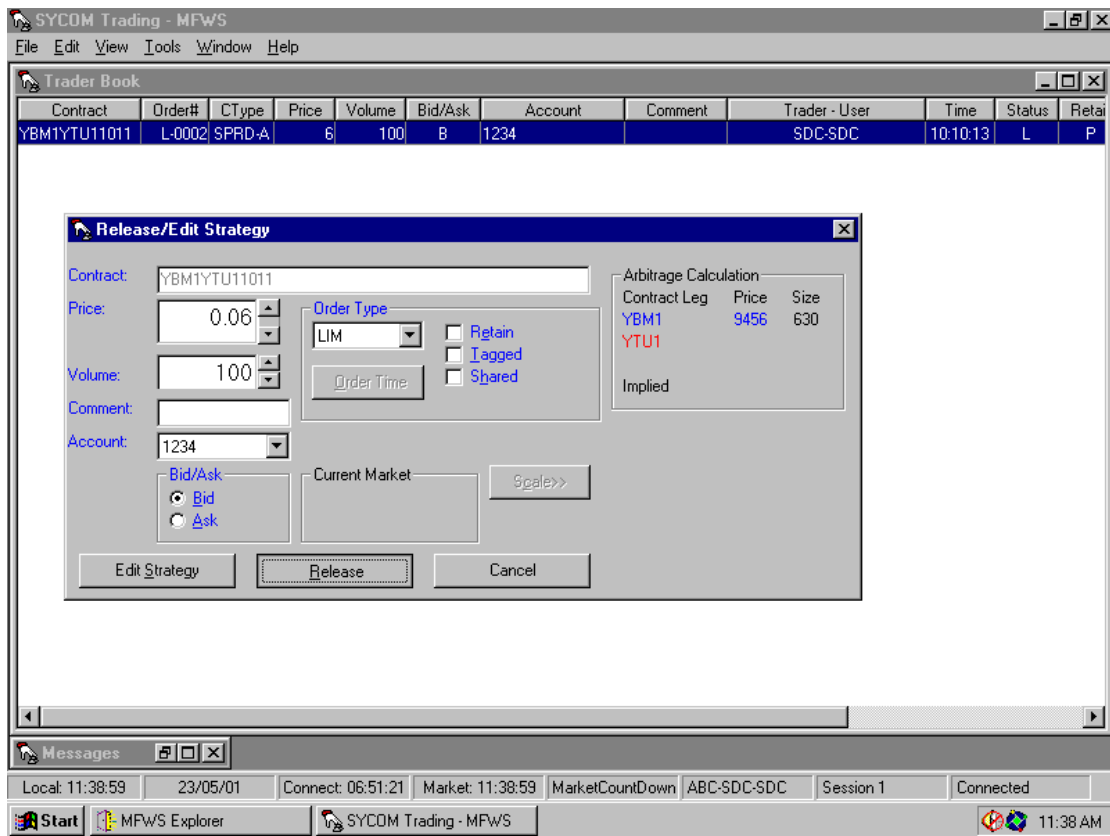
## ATTACHMENT 2: WORKSTATION POWER DOWN



To successfully shutdown the workstation, the following procedure needs to be followed:

1. Select 'Start' from the bottom left-hand corner of the SYCOM® screen
2. Select 'Shutdown' which is located above the 'Start' button
3. After selecting 'Shutdown' a box will appear in the middle of the SYCOM® screen as illustrated above.
4. Select 'Shutdown the computer'.
5. The user will be prompted by a message 'It is now safe to turn off the computer'. The user can now switch off the machine. It is recommended that the workstation remain switched off for approximately 2 to 3 minutes prior to powering up.

## ATTACHMENT 3: SINGLE STRATEGY RELEASE



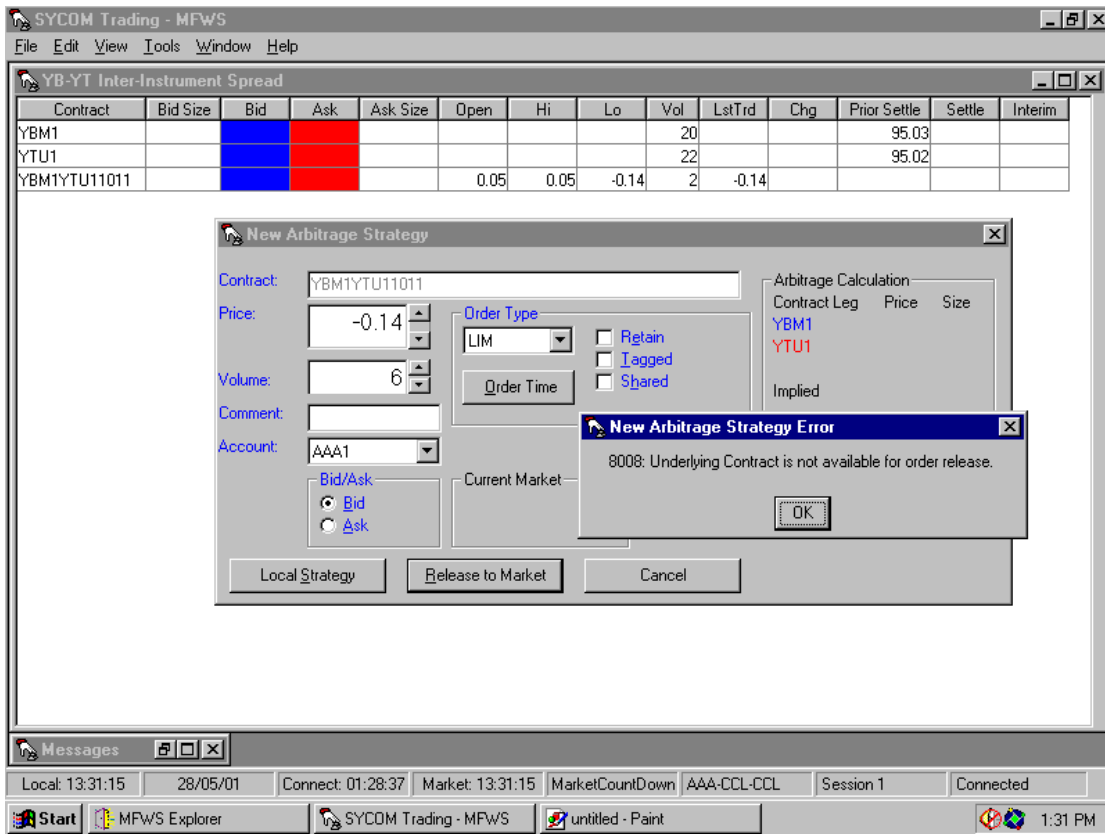
The following configuration is an example of a Strategy Release from the Trader book.

1. To access the Trader book, select View → Trader book
2. To select Strategy window, highlight Strategy and select F3
3. To release Strategy, press Enter key
4. \*To initiate keyboard repeat, hold down Enter key until order is successfully entered into the market

As illustrated above, the Toolbar function can be removed by disabling the Toolbar which is located in the View function. In this example, please note that the message window has been minimised to reduce window impact.

\* Please note that this procedure is a non-standard use of functionality.

## ATTACHMENT 4: SINGLE ORDER RELEASE



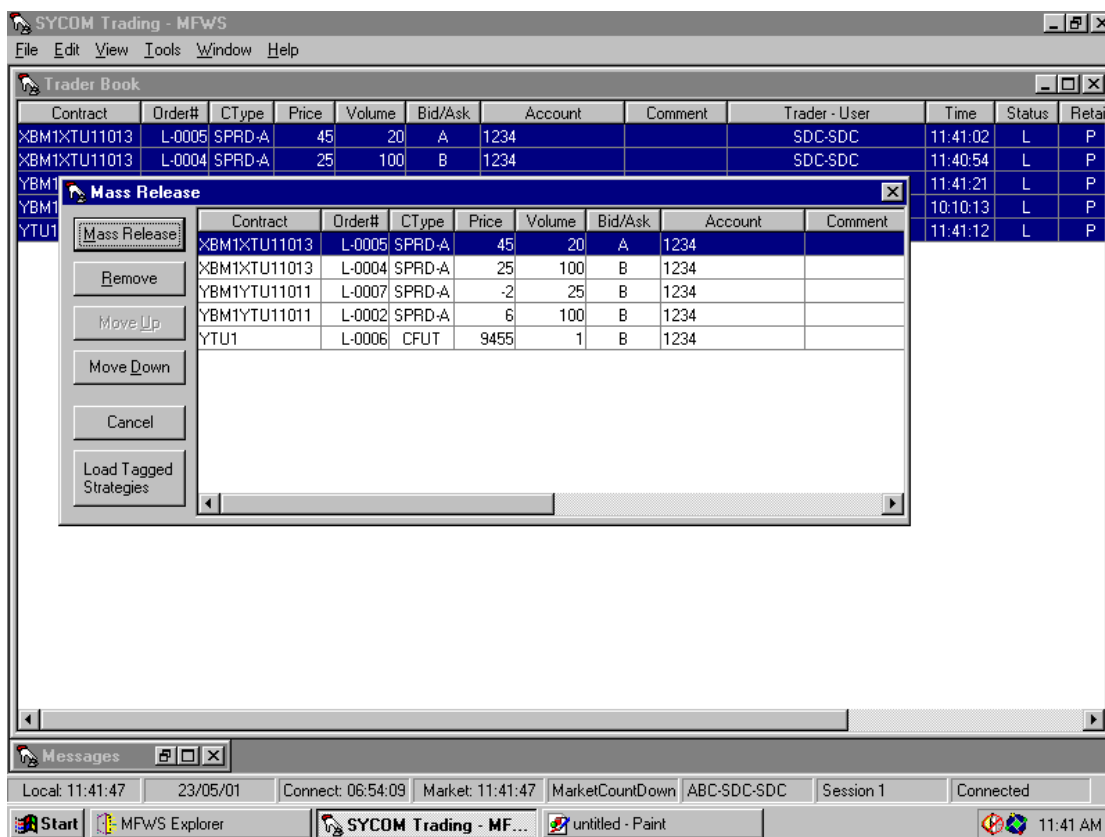
The following configuration is an example of an Order Release from the Market window.

1. Select an order entry dialogue from Market window
2. \*To initiate keyboard repeat, hold down Enter key until order is successfully entered into the market

As illustrated above, the Toolbar function can be removed by disabling the Toolbar which is located in the View function. In this example, please note that the message window has been minimised to reduce window impact.

\* Please note that this procedure is a non-standard use of functionality.

## ATTACHMENT 5: MASS RELEASE



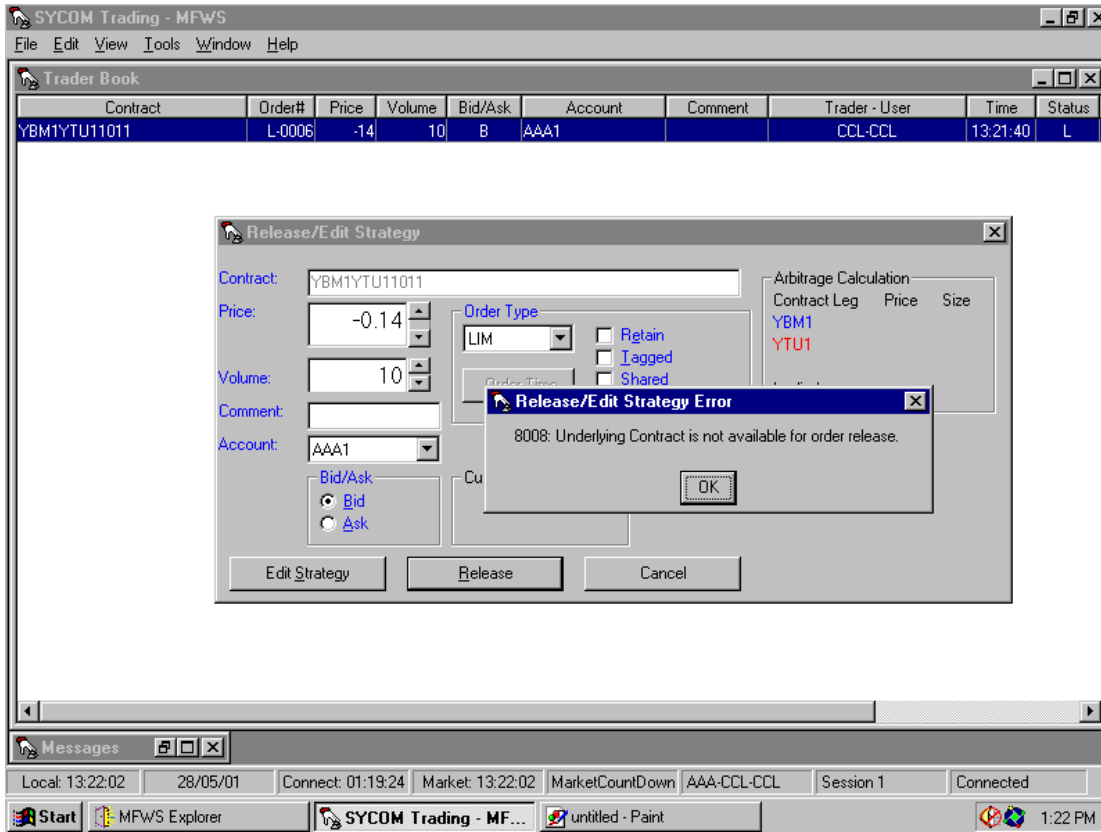
The following configuration is an example of a Mass Release from the Trader book.

1. To access the Trader book, select View → Trader book
2. To select Mass Release window, select F6
3. To Mass Release, press Enter key

\* Please note that the keyboard repeat cannot be initiated for the Mass Release function. If the order is released prior to the open, the order will be rejected and the dialogue closed down.

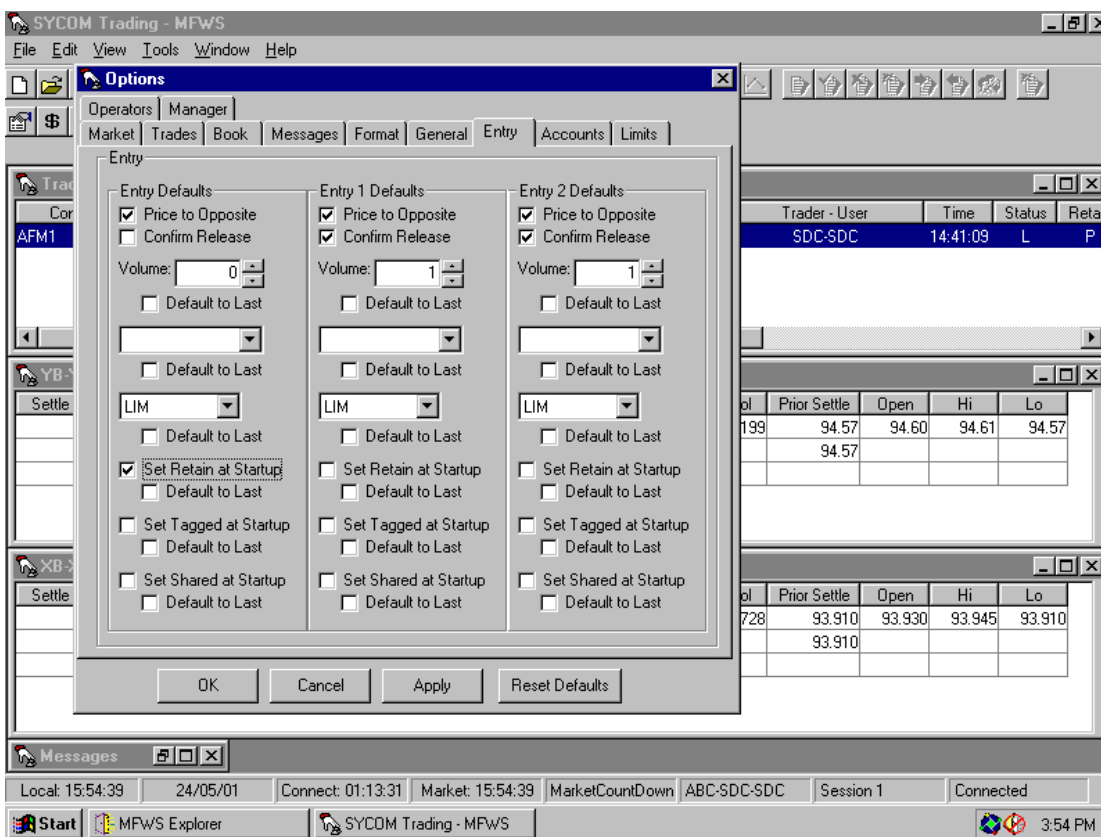
As illustrated above, the Toolbar function can be removed by disabling the Toolbar which is located in the View function. In this example, please note that the message window has been minimised to reduce window impact.

## ATTACHMENT 6: SPEED RELEASE



The above window provides an example of an order rejection message if an order is released prior to the market open. Please note that if the Enter key is left depressed until the market is open, the workstation will repeatedly attempt to release the order until successful.

\* Please note that this procedure is a non-standard use of functionality.



The Entry tab, which is accessible from the Option menu, allows a user to customise the entry of orders into the SYCOM® system. Some of the more relevant options are listed below;

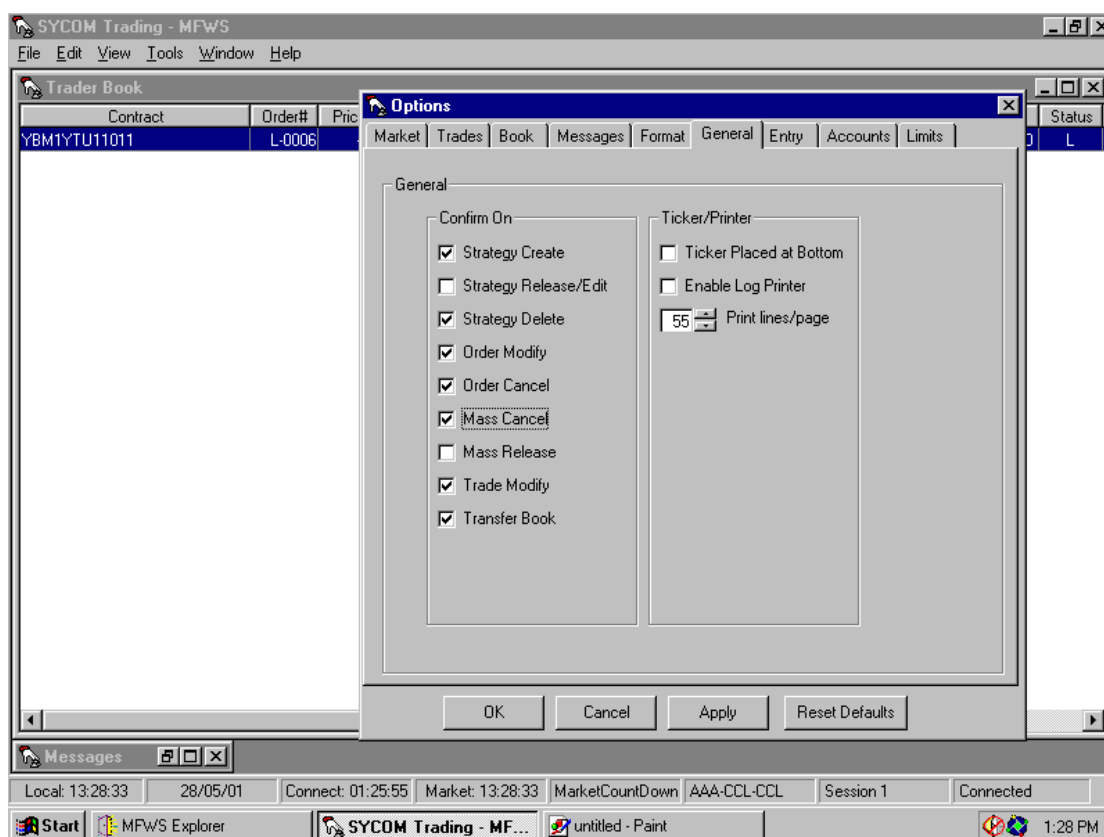
The above Settings are available to be changed by following the directions below;

Tools → Options → Entry

1. Price to Opposite – This function give the user the ability to automatically have the opposite price to their order type inserted into their Order window when it opens.
2. Confirm Release – This gives the user the ability to remove the Confirmation message that is usually received before the order is sent to the market. If this is removed, this could save order entry time as only one keystroke is needed to send the order to the system.
3. Volume – If the volume is defaulted to '0', this will decrease the need to delete the set volume before entering the correct volume for the new order.
4. Set Retain at Start-up – This gives the user the ability to make all orders 'Retain' status by default, therefore if the MFWS loses connection, all orders will remain active in the market.

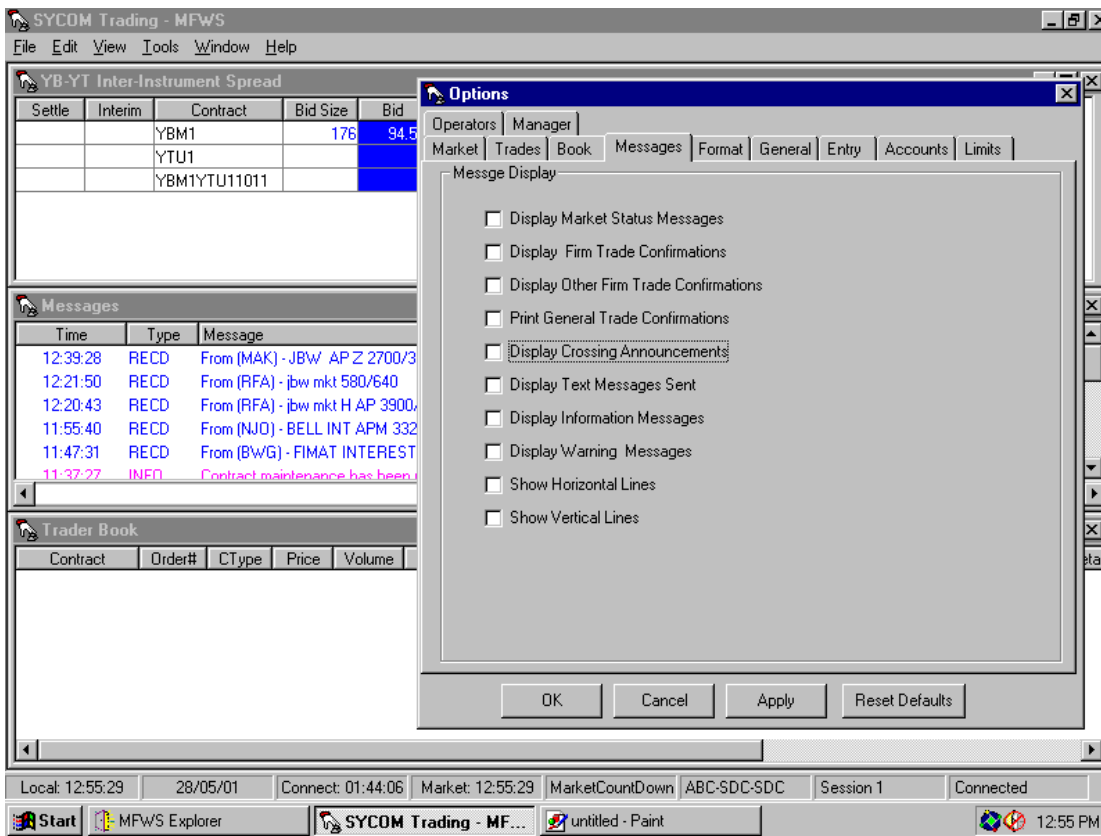
If any options are changed, Apply and OK must be selected to ensure these settings are saved.

## CONFIRMATION CHECKS - STRATEGY RELEASE



The General tab, which is accessible from the Tools → Options → General, allows a user to customise the MFWS in relation to confirmation checks. The above illustration demonstrates the ability to remove a confirmation check for the Release/Edit strategy and Mass Release.

## MESSAGE SETTINGS



The following screen illustrates the ability to remove all informational messages from the Message window. This can be accessed by Tools → Options → Messages.

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