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ENTERING ORDERS WITHOUT GENUINE INTENT TO TRADE

Surveillance staff have noticed an increasing occurrence of orders that appear to have been entered into the market without a genuine intent to trade.

The Market Practices Committee (MPC), has considered a number of cases where orders were entered during the pre-opening period and were subsequently cancelled just prior to the SYCOM® levelling period, thereby having an impact upon the indicative opening price during pre-open. These orders were entered at price limits which were substantially higher or lower than the previous settlement price of the specific contract, or, alternatively, entered with unusually large volume levels and thus, did not appear to have been entered with a genuine intent to trade. A number of findings have been made by the MPC in this regard.

The MPC reminds the market that the practice of entering orders without the genuine intent to trade may be considered detrimental to open and competitive price discovery and Participants are advised that any such identified instances of this nature may incur disciplinary action.

Should you have any queries in relation to this matter, please contact Mark Floyd on 9256 0477 or mfloyd@sfe.com.au



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