



ASX MARKETS EQUITIES WORKING GROUP SERVICE RELEASE 14 & 15

Friday 1st March 2024

ASX acknowledges the
Traditional Owners of
Country throughout Australia.

We pay our respects to
Elders past and present.

ARTWORK BY: LEE ANNE HALL, MY COUNTRY MY PEOPLE



Agenda

01 – Welcome and overview

02 – SR 14 Summary

03 – SR15 Feedback & Update

04 – Stakeholder test approach

05 – Next steps



01 – Welcome and overview

Welcome & overview

- ✓ Your cameras & microphones are off
- ✓ Questions can be submitted by using the Q&A panel
- ✓ Meeting is being recorded and registrants will be sent a replay link
- ✓ Presentation materials will be made available
- ✓ All relevant questions and answers will be published

ASX Markets Equities Working Group



Purpose

- Serve as the primary forum for consistent engagement with stakeholders concerning ASX equities market and the ASX Trade platform.



Responsibilities

- Our goal is to offer prompt updates containing relevant information, enabling stakeholders to efficiently plan and allocate resources.
- Feedback from stakeholders will play a pivotal role in defining and shaping industry-wide readiness activities.

Welcome & overview - Presenters & Panelists

- **Presenters**
 - Jamie Crank – General Manager of Trading
 - Ben Jackson – General Manager, Market Operations
- **Panelists**
 - Jimmy Halstead – Head of Trading Technology
 - Ed Hearle – Product Manager, Markets
 - Donna Gale – Product Manager, Markets
- **Moderator**
 - Rob Nash – Head of Equities Relationship Management



02 – SR 14 Wrap up

Service Release 14 – Summary

SR14 implementation – 23 March 2024

- Minimal impact to customers
- Update to the operating system
- Allows ASX to configure new functionality – to be used in the future during outage scenarios following successful IWT
- In addition: Change to Options Market closing schedule with removal of 'Enquire' sessions state; removal of Cancel on Disconnect from Enquire

CANCEL ONLY Session state

- Session state used in ASX Trade Outages when 'Done for Day'
- Available in CDE+ from 01 July 2023

Order Download Service(ODS) / Trade Download Service(TDS)

- Service will allow participants to retrieve an order and/or trade file during a disruption
- Available in CDE+ from 31 October 2023

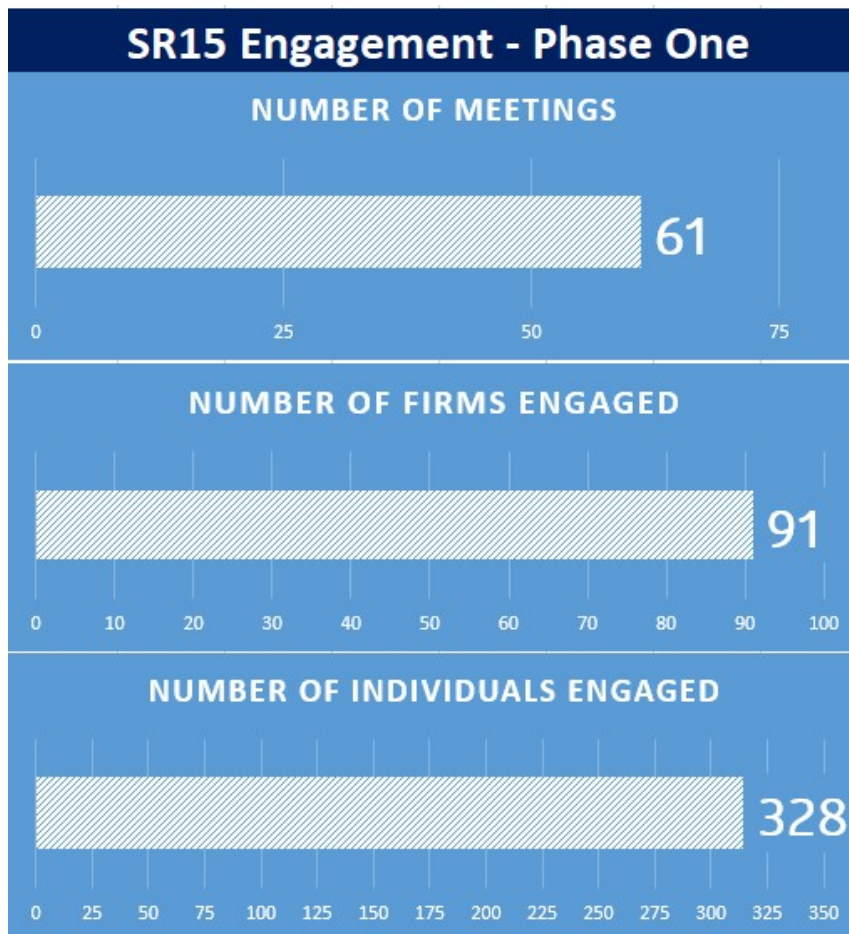
IWT/BCP

- Test a market outage scenario
- Demonstrate and test new functionality on 04 May 24
- Participant declaration by required following the IWT



03 – SR15 Feedback & Update

Stakeholder Engagement – Key Stats



- Bilateral & group engagement with
 - Trading participants
 - Asset managers
 - Market makers
 - Industry groups
 - Vendors and
 - Index providers
- Institutional & Retail trading participants representing ~95% of equities market share
- Industry Groups - AFMA, SIAA, Financial Services Council, FAIT, Q15, FIX Working Group
- Vendors – Iress, Bloomberg, Refinitiv, Flextrade, Broadridge, ION Group, FIS Global, Triton
- Index Providers – S&P, MSCI

Stakeholder Engagement – Key Stats & Themes



- Broad appreciation of the transparency and early engagement
- Opportunities to reduce technical complexity and adopt global industry standards was encouraged
- Proposed changes to the opening auction stagger were positively received. Nonetheless, we acknowledge that there may be obstacles to navigate for certain members of the community.
- Post close trading session was seen as an innovative solution to residual auction order flows and end of day liquidity. Additionally, Post Close will address scheduling challenges associated with sensitive company announcements during the Pre-CSPA period.
- Simplification of Block & Late trade reporting was very welcomed by participants
- Protocol replacement for OMNet users, acknowledged as a substantial undertaking, yet necessary.

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Remove opening auction stagger



- A single start open auction which will be randomised
- We are considering a 'levelling period' immediately following the opening auction, this will only be required to ensure that all participants have time to process a full market picture ahead of commencement of continuous trading
- To enable us to assess whether a levelling period is required we will deploy the functionality in CDE+ for stakeholder & vendor testing
- The levelling period is proposed to be-
 - Immediately follow the opening auction.
 - Be a new session state.
 - Allow cancelling of orders and Trade Reporting.
 - Reject new order entry.
- The requirement and duration of the levelling period is still being reviewed
- Latest time the market will be open for continuous trading is 10:00:00am
- Time stamp granularity reduced to millisecond
- ASX will continue to test, and welcome feedback on these proposals.
- Full details will be provided prior to the deployment in CDE+

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Post close trading session



■ Closing Auction

- Begins at 16:10 (+30seconds)
- Random times for closing auction will be reduced from 60seconds to 30seconds.
- Ends no later than 16:10:30
- Time stamp granularity reduced to millisecond.

■ CSPA

- A minimum of 30seconds
- Order cancellations will be permitted

■ Post Close Trading Session

- Begins at 16:11:00 – Ends 16:21:30
- Lit Order book.
- Residual orders at the auction price will be carried forward to the Post Close automatically.
- Queue priority will be preserved
- Residual orders not executed at the auction price may be adjusted to match the fixed post-close price.
- New orders can be submitted into the Post Close as long as its at fixed post close price.
- New session state, deal source, condition code
- Block Trade & Late trade reporting will be permitted
- If there is no CSPA, there will be no Post Close



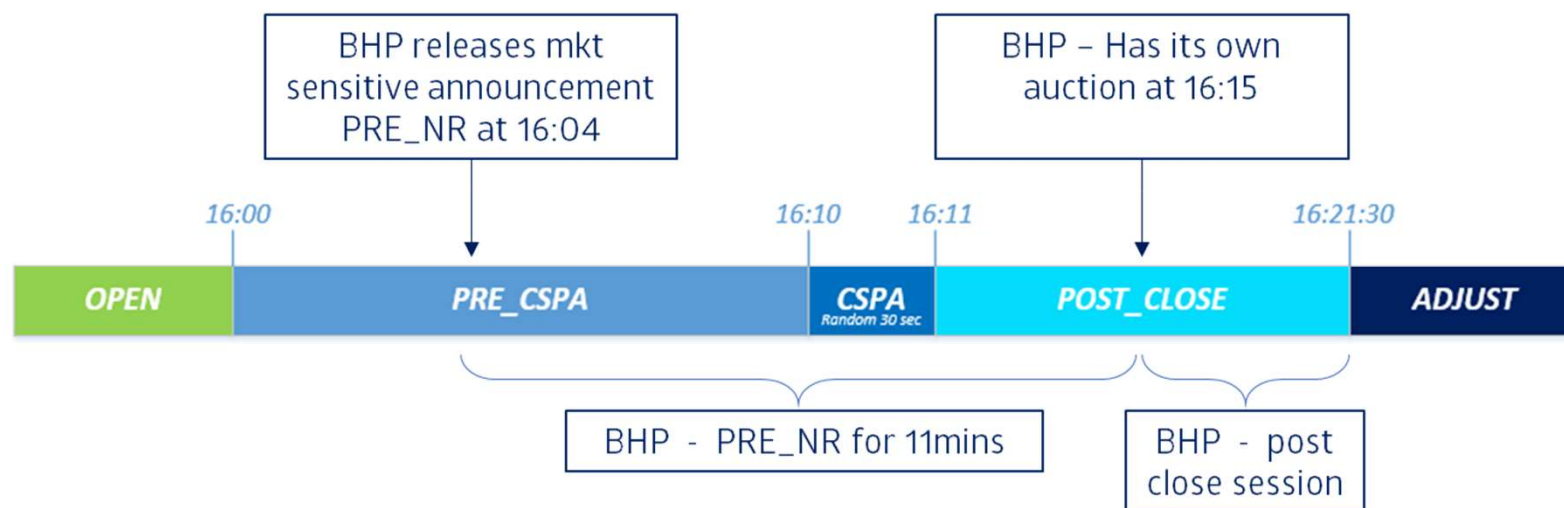
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CSPA enhancements for company news



- The proposed Post Close Trading Session provides an opportunity to resolve an issue which arises when a listed company releases a market sensitive announcement during the Pre-CSPA.
- Example: BHP releases a market sensitive announcement at 16:04
 - It will be in 'Pre_NR' for 11mins, resuming at 16:15, therefore missing out on the closing auction.
 - BHP would be able to have its own Auction at 16:15 (upon the conclusion of its Pre_NR period), thereby providing investors with the opportunity to participate in the closing auction liquidity event.
 - BHP will then be able to participate in the remaining time of the Post Close trading session.



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Simplification of block & late trades



Block Special Crossing Tiers

- Proposal to simplify the existing Block Special Crossings rules.
- ASX Trade platform will validate the value of the Block Special tier as determined by ASIC Market Integrity Rules.
- Special size condition codes of S1, S2, S3, to be replaced by 'SP'

Late Trading Codes

- Propose to simplify the Late Trade Codes (L1-L5) to be reported under a single trade report code.

Undisclosed Orders

- Proposal to remove 'Undisclosed' order types due to a significant reduction in use by participants

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Protocol updates – FIX, ITCH+



- Nasdaq has informed customers that their OMNet protocol is end of life.
- Replacement protocols for the market to enable the migration away from OMNet will be in SR15
- OMNet will not be supported as of the SR16 release
- Global industry standard FIX 5.0 – SP2 protocol for Order Entry and Drop Copy Services, will be made available.
- FIX benefits are improved supportability and contemporary technical & operational functionality.
- We aim to take this opportunity to assess legacy fields and messages for potential simplification.
- A new 'Augmented Binary Market Data' (MDF) protocol will be introduced which will support additional fields not available on 'standard' ITCH feeds.
- Market Stats, Reference pricing, Trade Reports/Cancellations, Announcements, Messages, and reference data
- Full Specifications and documentation will be made available in Q3 & Q4 - 2024.

ASX Trade Service Release 15 – Self match prevention

Self Match Prevention - Uplift

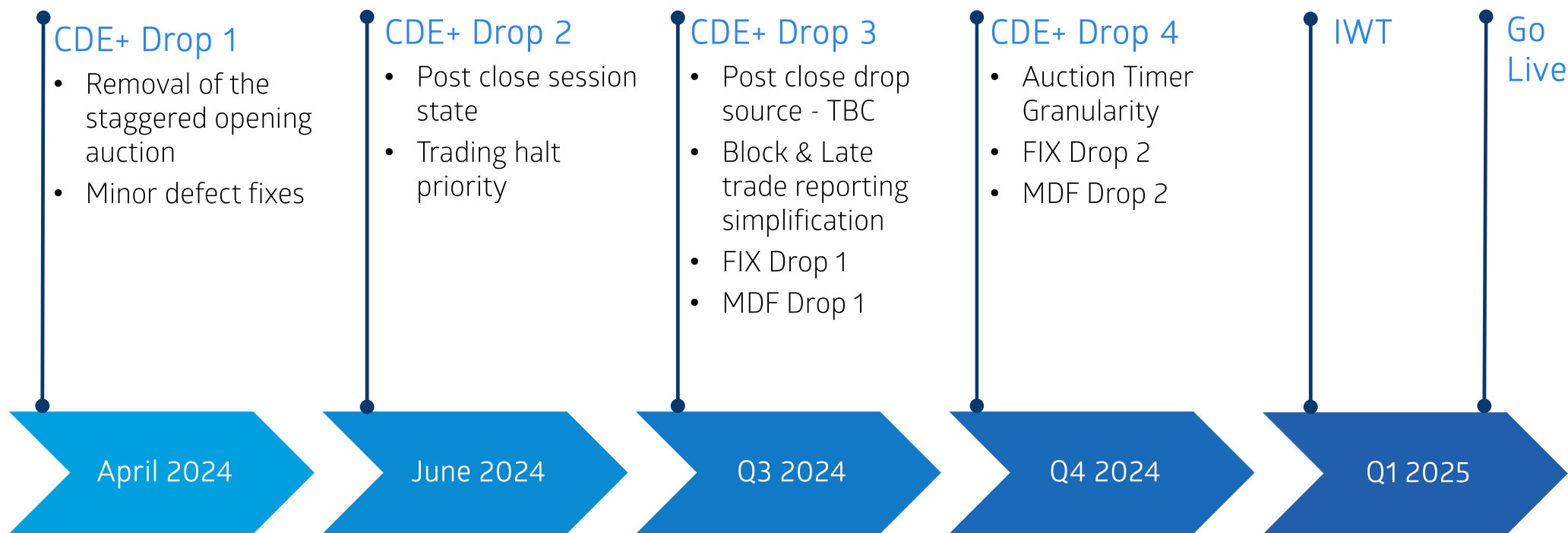
- Continued support for booking purposes trade functionality in self match scenarios
- Support for cancellation of either the passive or aggressive order
- Option to further extend to allow SMP across different trading participants
- Supports crossing key
- Further details will be provided in future Working Group updates



04 – Stakeholder test approach

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Subject to further testing and stakeholder feedback



 Timeline to be confirmed:

- Self match prevention



05 – Next Steps

ASX Trade Service Release 15 – NEXT STEPS

- ASX will continue to update all stakeholders with additional details as soon as practicable.
- ASX Technical Account Managers and Customer Technical Support teams will continue to be the primary source of communications with regards to accessing our test environments (CDE/CDE+)
- Next Equity Market Working Group to be held in Q2 – 2024.
- We will now take questions.



QUESTIONS

Want to know more?

Equities@asx.com.au

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