

# Cash Equity Market Structure Changes

**ASX**

Service Release 15 Post Implementation Report



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# 1. Executive Summary

*ASX's SR15 initiative marked one of the most comprehensive market structure upgrades to the ASX trading platform in over a decade, focused on modernising trading protocols and improving execution quality. Effective 23 June 2025, SR15 introduced five mandatory enhancements:*

## 1. Removal of Staggered Opening Auction

- Cash Market products moved to a randomised single opening time and an Opening Single Price Auction (OSPA) introducing a levelling period.

## 2. Introduction of a Post Close Trading Session State

- A trading session held immediately after the Closing Single Price Auction (CSPA), allowing participants to execute trades at the established CSPA price.

## 3. Changes to the Closing Single Price Auction (CSPA)

- Securities that are excluded from the CSPA due to a price-sensitive announcement will still undergo an auction, provided their Pre-NR period concludes during or after the CSPA or Post Close Sessions.

## 4. Simplification of Block and Late Trades

- Block Special Crossing codes S1, S2 and S3 were consolidated to be reported as SC, with the system validating the tier values. Consolidation of Late Trade codes from seven down to two with LT and L5 retained.

## 5. New Trading Halt Session State

- Trading Halt assigned a higher priority than ADJUST phase to ensure it is retained as the 'active' session state.

## 6. Enhanced Auction Timing Precision

- The timing precision for both the Opening Single Price Auction (OSPA) and Closing Single Price Auction (CSPA) has been enhanced to millisecond-level accuracy. Previously, auctions could only trigger at one-second intervals within the random window. Following the SR15 update, the system can now initiate auctions at any millisecond within the randomised windows providing up to 1,000 possible trigger points per second and significantly increasing the timing randomness.

These changes were driven by feedback from the Equity Market Working Group (EMWG) and aligned to global best practices for market transparency, consistency, and Participant confidence.

## Market Impact Analysis Highlights

By analysing trade and order book data before and after SR15 we identified several changes:

### 1. Opening Auction Efficiency & Liquidity Shifts\*

- Turnover Migration:** Post-SR15, trading activity has shifted from the Opening Auction to the initial minutes of Continuous Lit trading.
- Reduced Auction Share:** The Opening Auction now represents a smaller proportion of total on-market turnover.
- Participant Activity Distribution:** Participant participation has become more evenly distributed, with reduced concentration among the most active Participants.

### 2. Early Continuous Trading: Volatility & Spread Trends\*

- Price Variance:** While overall price variance in the first 15 minutes of continuous trading has decreased across all equities and the ASX200, the minutes immediately following the open show greater price variance than previously.
- Quoted Spreads:** Spreads have generally tightened, indicating improved liquidity and lower transaction costs. However, spreads in the first few minutes are wider compared to pre-SR15 levels.

*\*Note: During the first six weeks following SR15 implementation, some clients delayed algorithm adjustments, opting to observe the market impact of structural changes.*

### 3. Post-Close Session: Adoption & Utility

- Growing Share Turnover:** The newly introduced Post Close session state has captured an increasing portion of daily turnover, post inception.
- Execution Patterns:** Execution volumes show strong correlation with prior closing auction imbalances and paired volumes, highlighting its effectiveness for managing residual liquidity.
- Participation Growth:** Participant and ticker engagement continues to expand, with over 30 active Participants and more than 150 securities traded daily on average.

### 4. Late Auctions – CSPA Company Announcement

- Improved Auction Inclusion:** Since the introduction of the new rules, four companies that would have previously missed the CSPA due to announcements have successfully participated.

*Note: ASX has observed additional 'late' auctions during the current reporting season.*

## Conclusion

SR15 has delivered meaningful enhancements to market quality by improving transparency, strengthening opening and closing auction functionality, and aligning with global trading standards. The transition has been smooth, supported by broad Participant adoption and measurable gains in execution performance. ASX remains committed to monitoring post-implementation trends and welcomes continued industry engagement through the Equity Market Working Group.

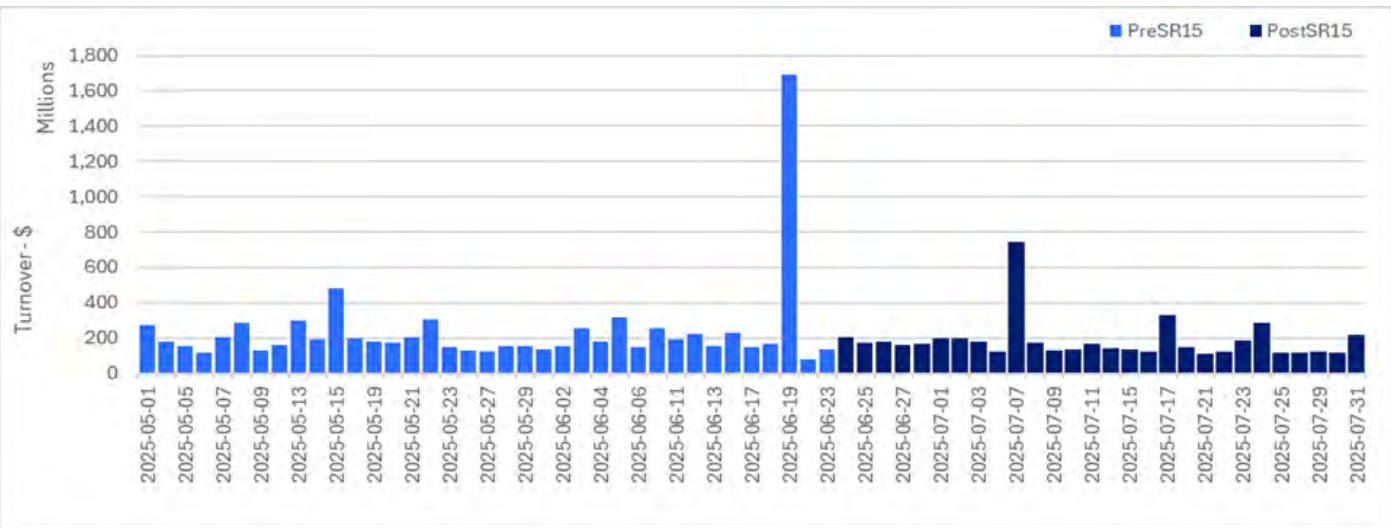


# 2. Market Impact Analysis

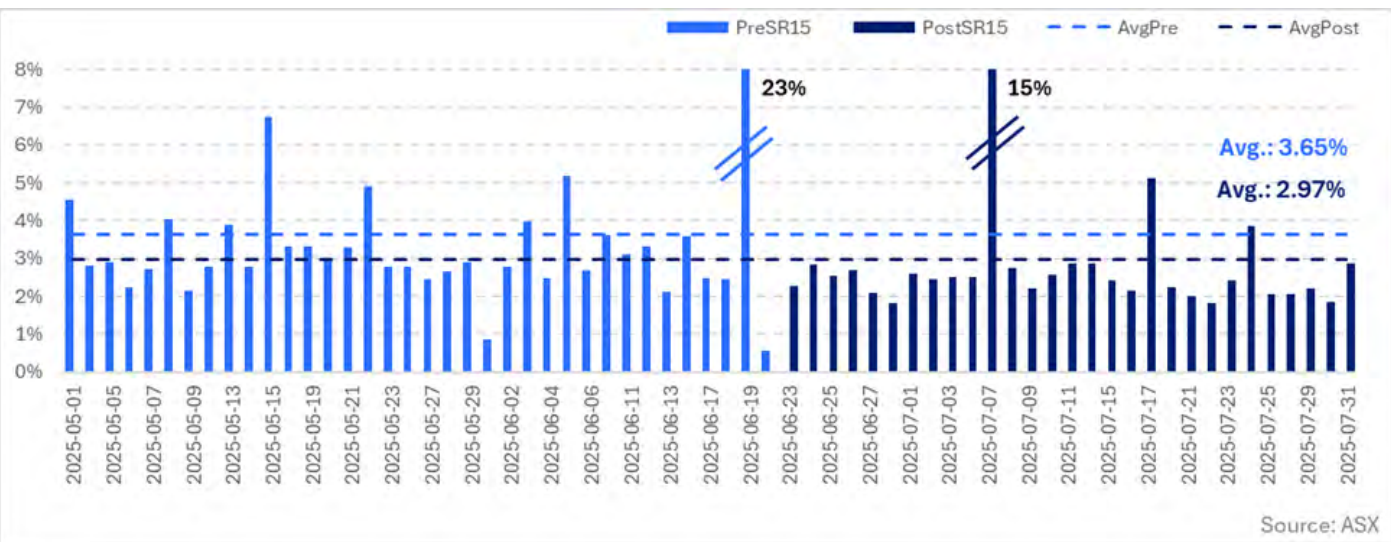


Opening Auction Market Share – % of the ASX on Market

Turnover \$



% of the ON Market



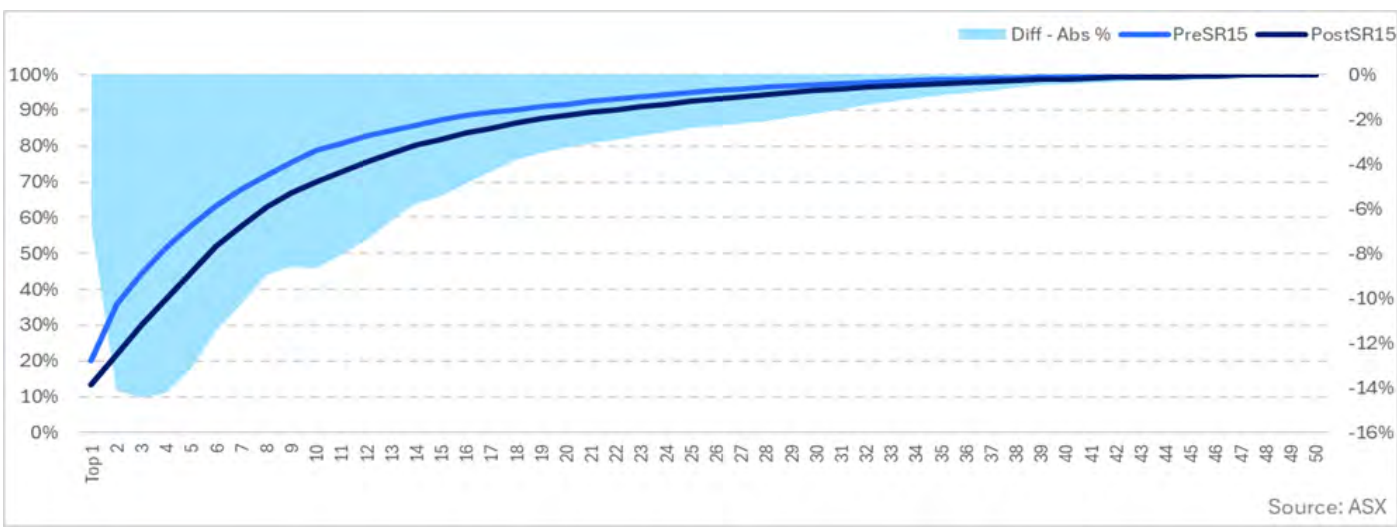
### Commentary

#### Single Opening Auction

- The opening auction has reduced from 3.65% of on market volume to 2.97%.
- Largely driven by decreased algorithmic participation from some participants

Opening Auction Market Share

Top 50 Participants Agg. Market Share

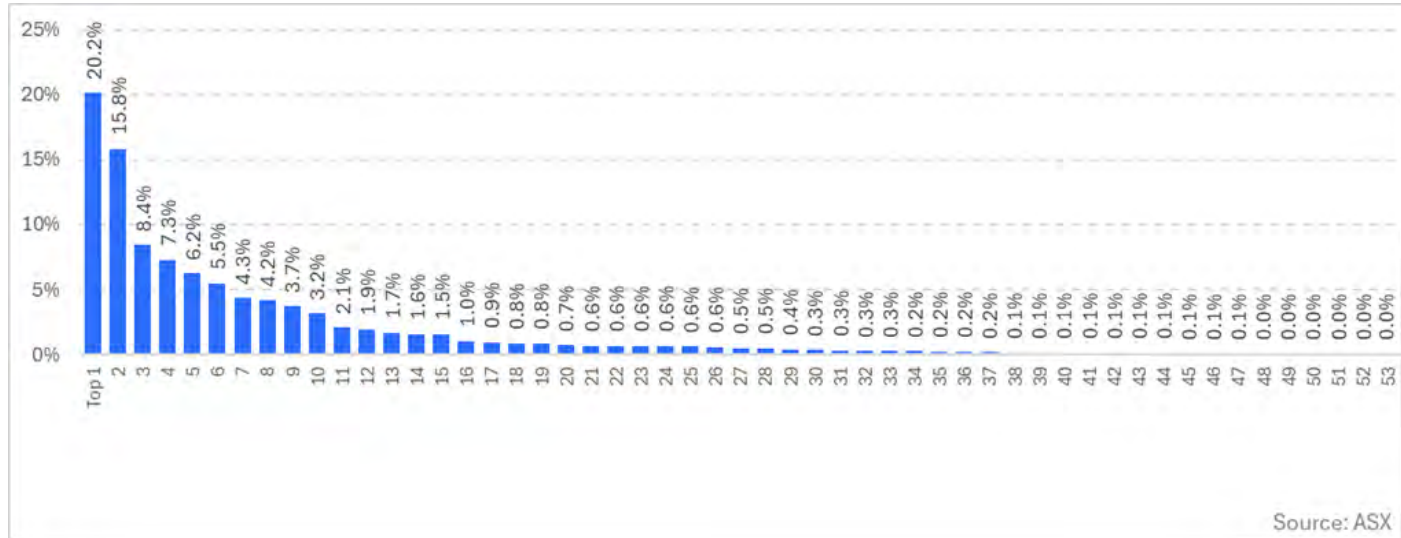


### Commentary

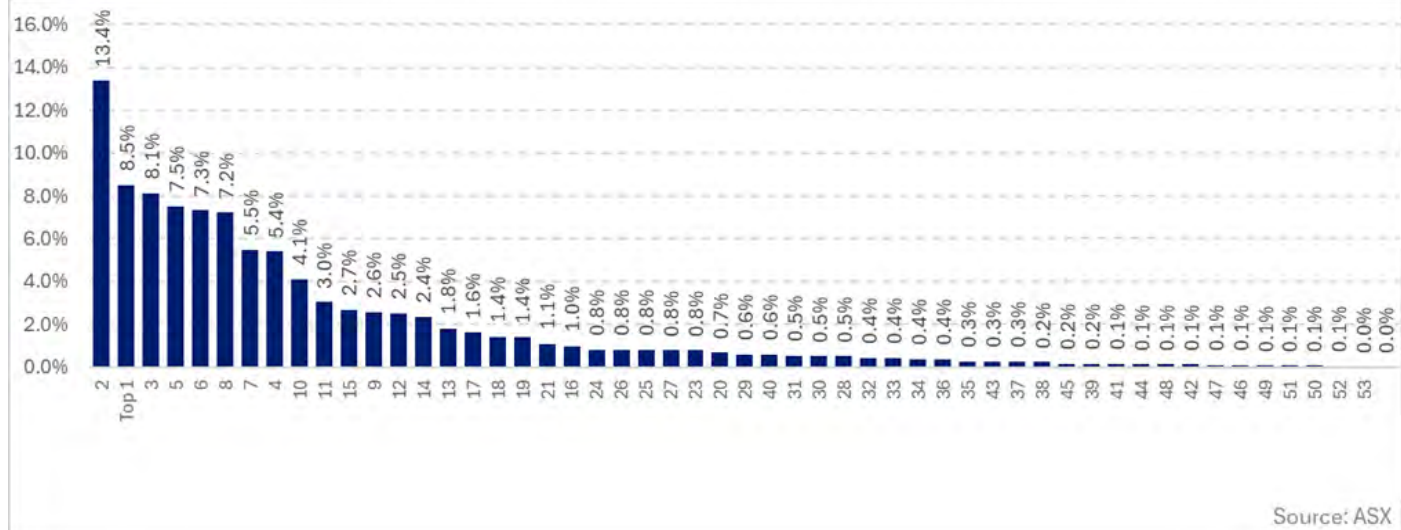
It is important to reiterate that Participant algorithms had not been fully calibrated in the initial period following the implementation of SR15. This may have introduced distortions in the trading data, particularly in the opening phases. Monitoring this trend over time will be valuable to assess whether these effects diminish overtime as participants refine their algorithmic strategies to the new market structure.

## Opening Auction Market Share by Participant – % of the ADV

### Pre SR15



### Post SR15

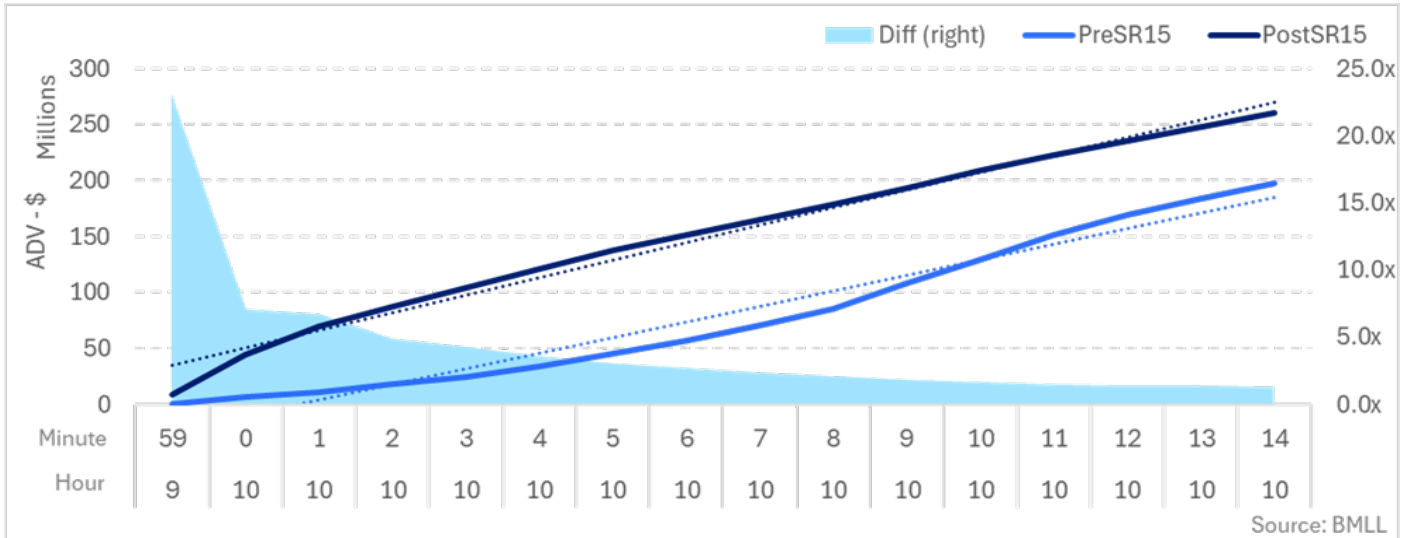


### Commentary

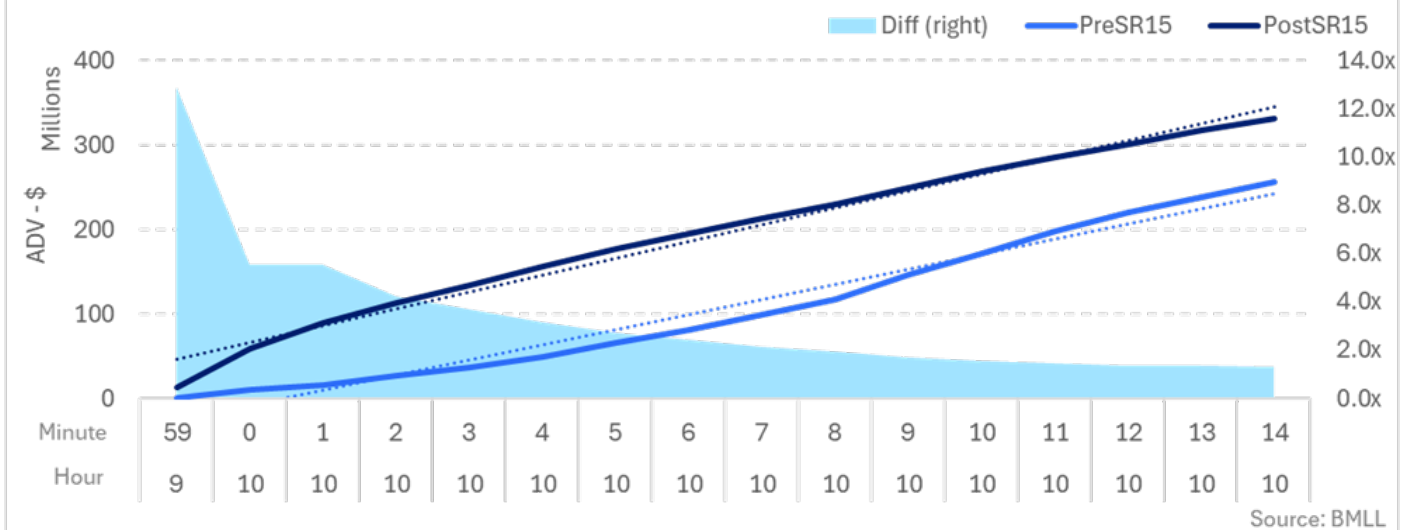
These charts illustrate the comparative market share of participants during the opening auction. Following the implementation of SR15, participant activity has become more evenly distributed, resulting in a flatter market share profile across participants.

## Continuous Lit – First 15 minutes – ADV in \$ by minute bar

### ASX 200



### All Equities



### Commentary

As anticipated, the value traded in the first few minutes of the session has increased significantly, driven by the simultaneous opening of all stocks—replacing the previous staggered open. This uplift continues beyond the initial 15 minutes, with notable increases observed:

- ASX200: \$63 million increase, representing a 32% uplift
- All Equities: \$76 million increase, representing a 30% uplift

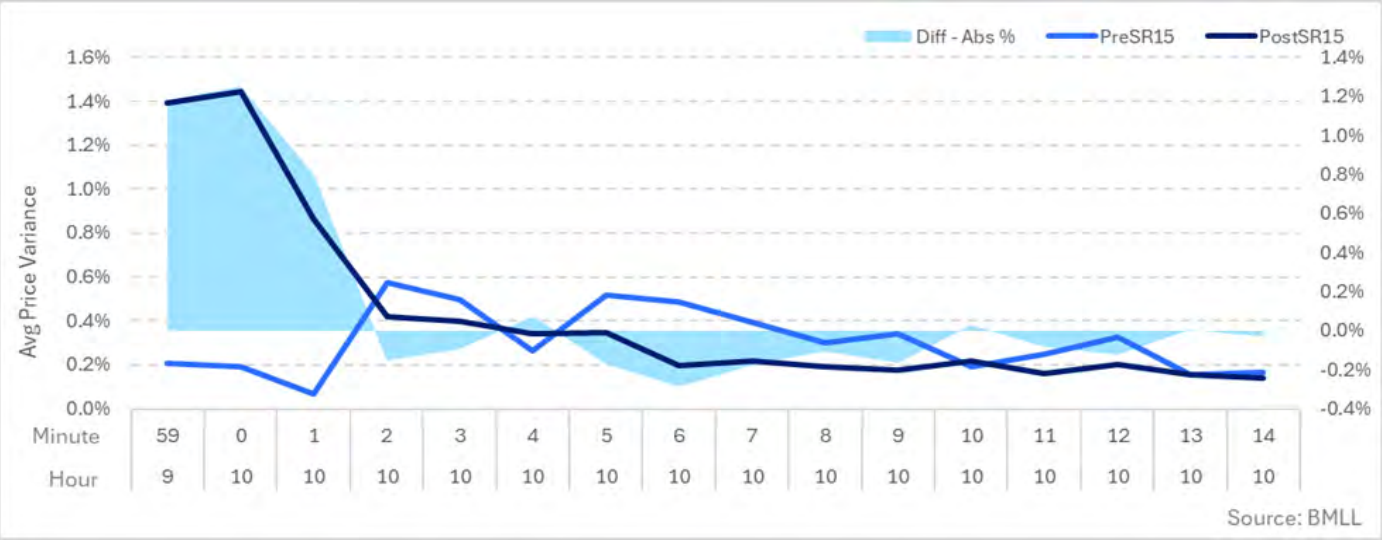
This trend contrasts with the reduced market share during the opening auction, indicating that participants are increasingly active in the early minutes of continuous trading.

*\*Disclaimer: Some of this activity may reflect Participants catching up on volume due to systems not being fully activated at market open during the initial SR15 rollout.*



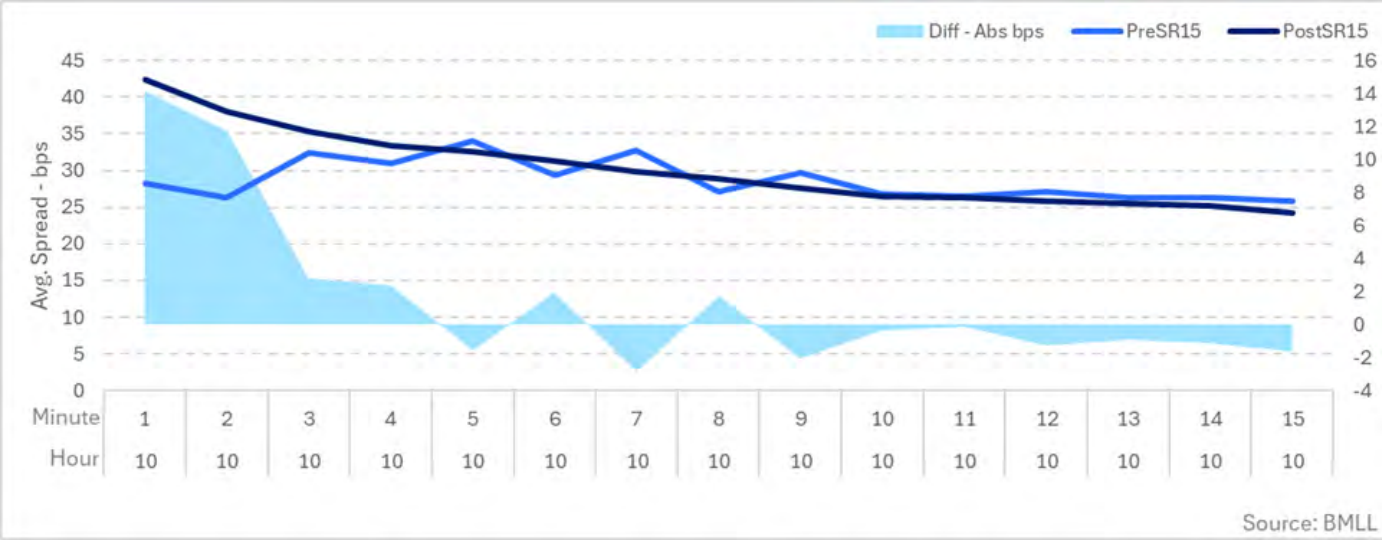
### Continuous Lit – First 15 minutes – Price Variance by minute bar

ASX200

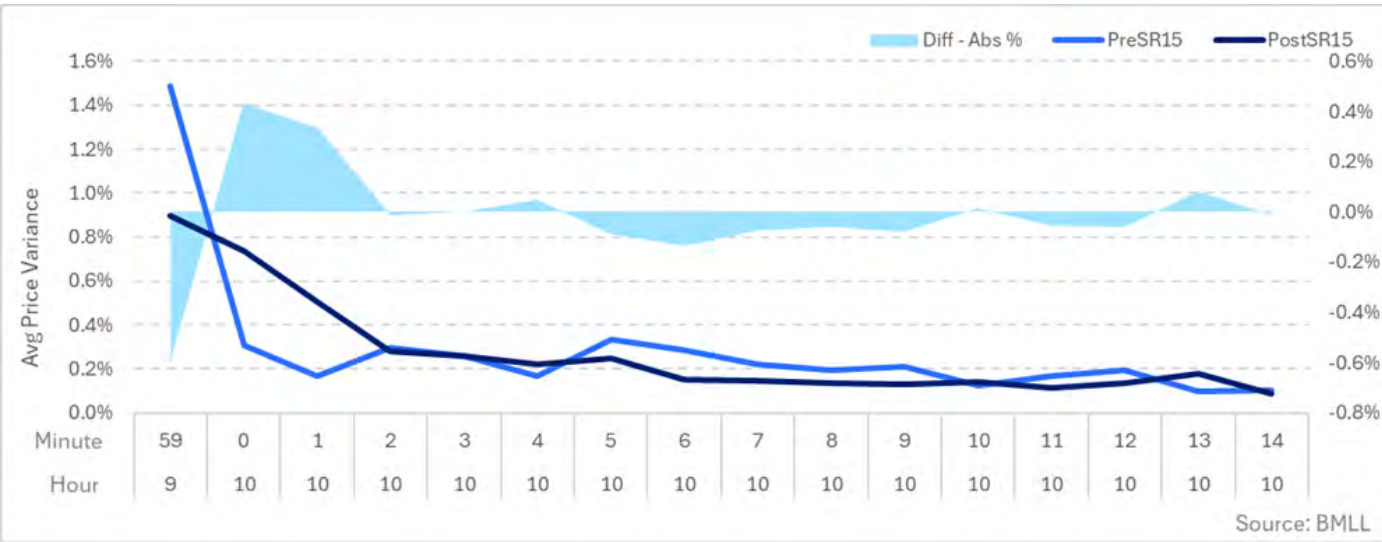


### Continuous Lit – First 15 minutes – Average Spread in bps by minute bar

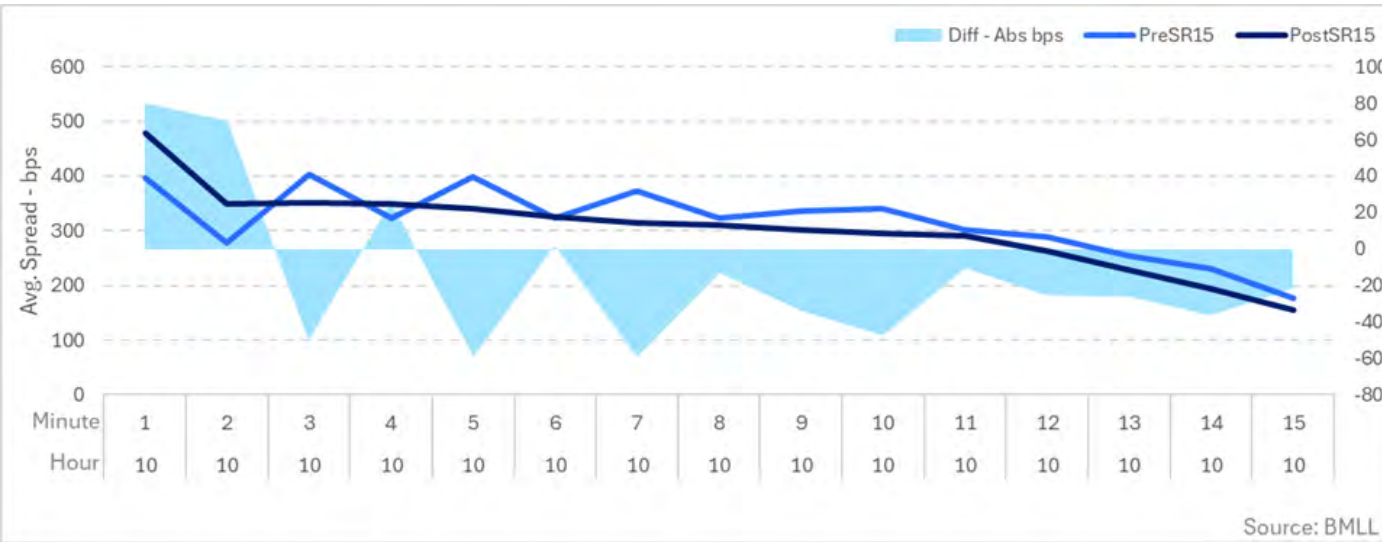
ASX200



All Equities



All Equities

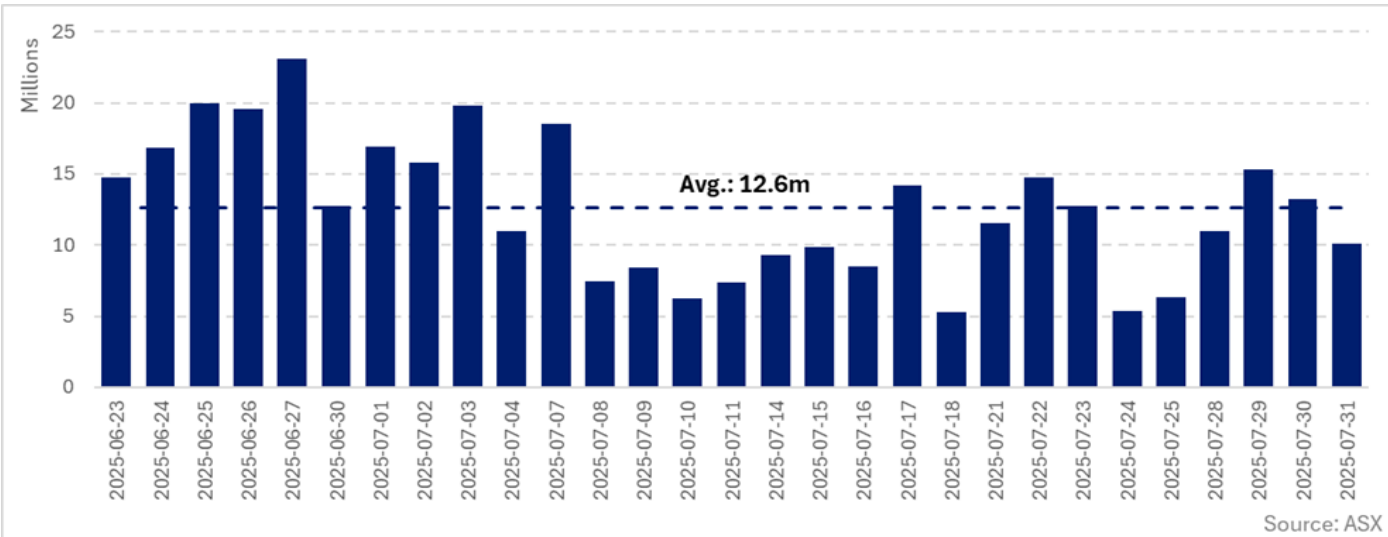


#### Commentary

During the first two minutes, both price variance and average spread are elevated. After this period, the variance and spreads stabilise at levels lower than those seen pre-SR15.

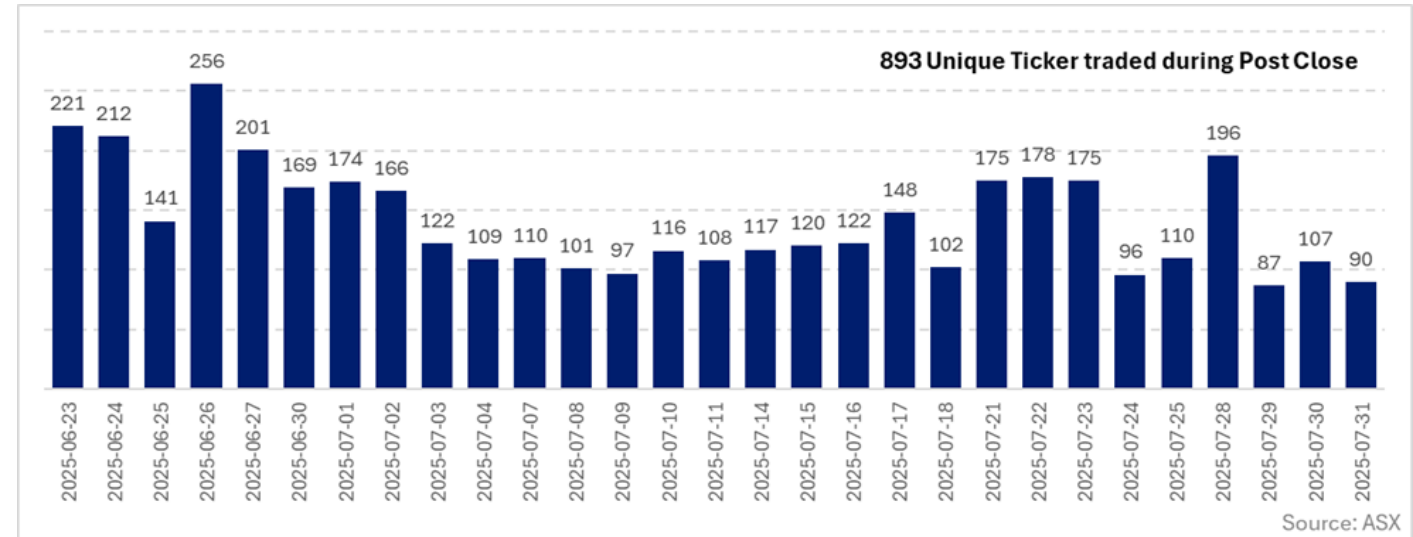
Post Close

Turnover \$

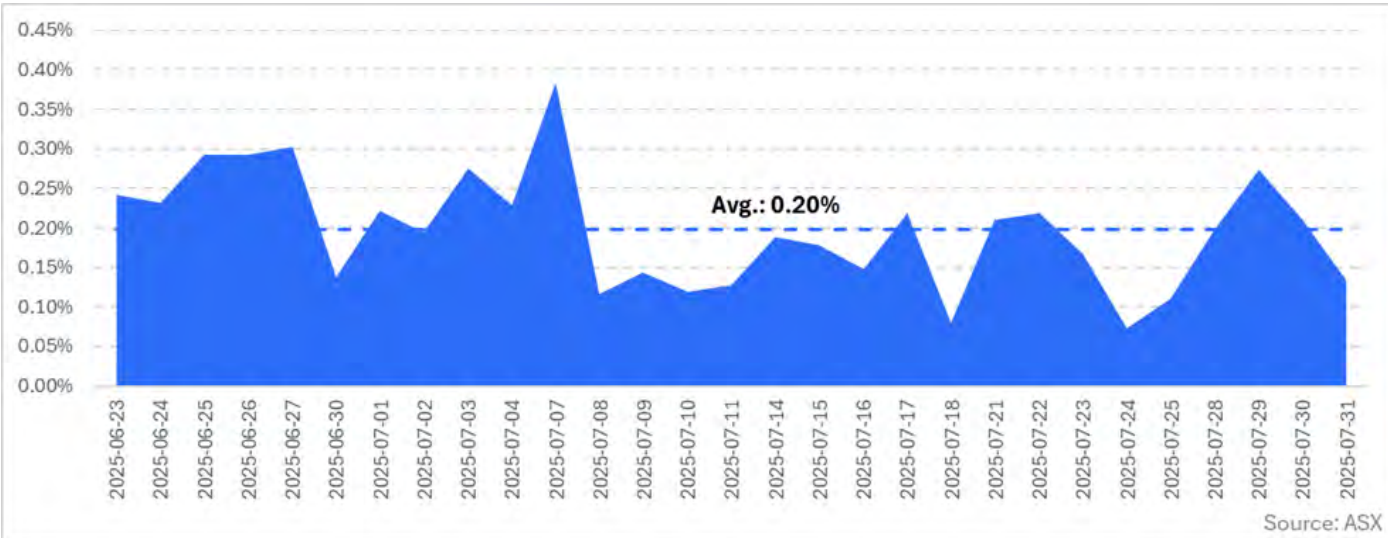


Post Close

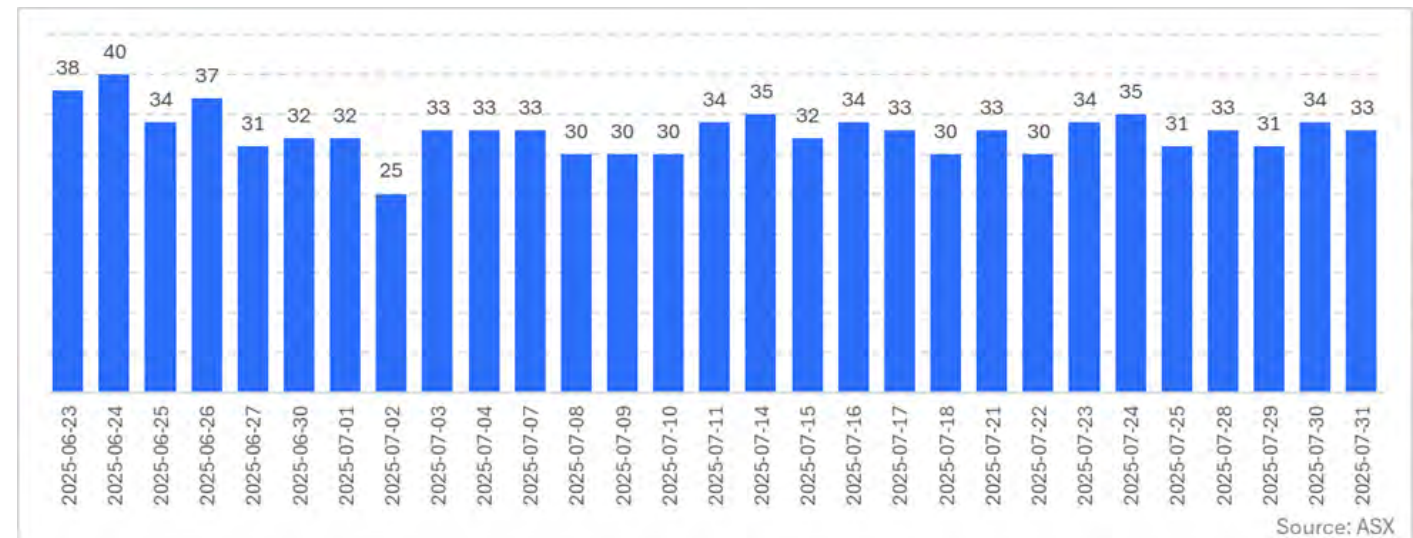
# Tickers Traded



% of ASX ON Market



# Participants

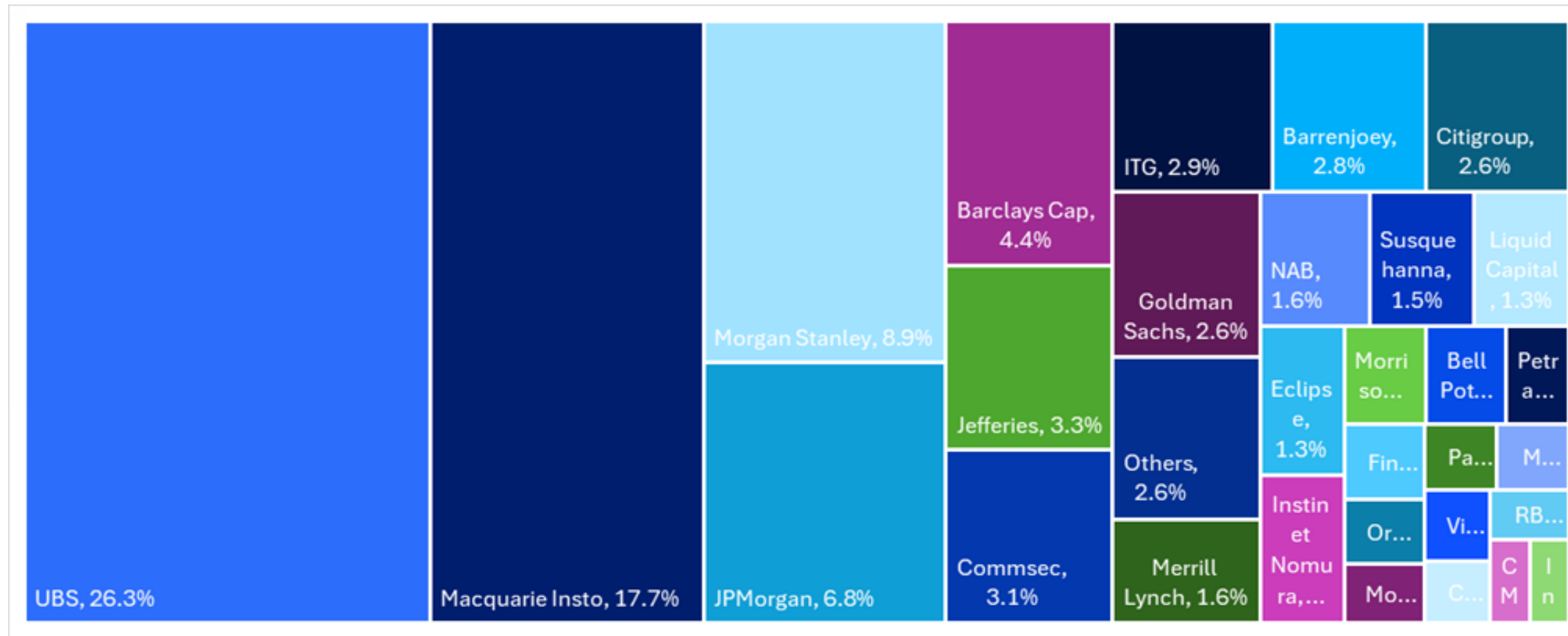


Commentary

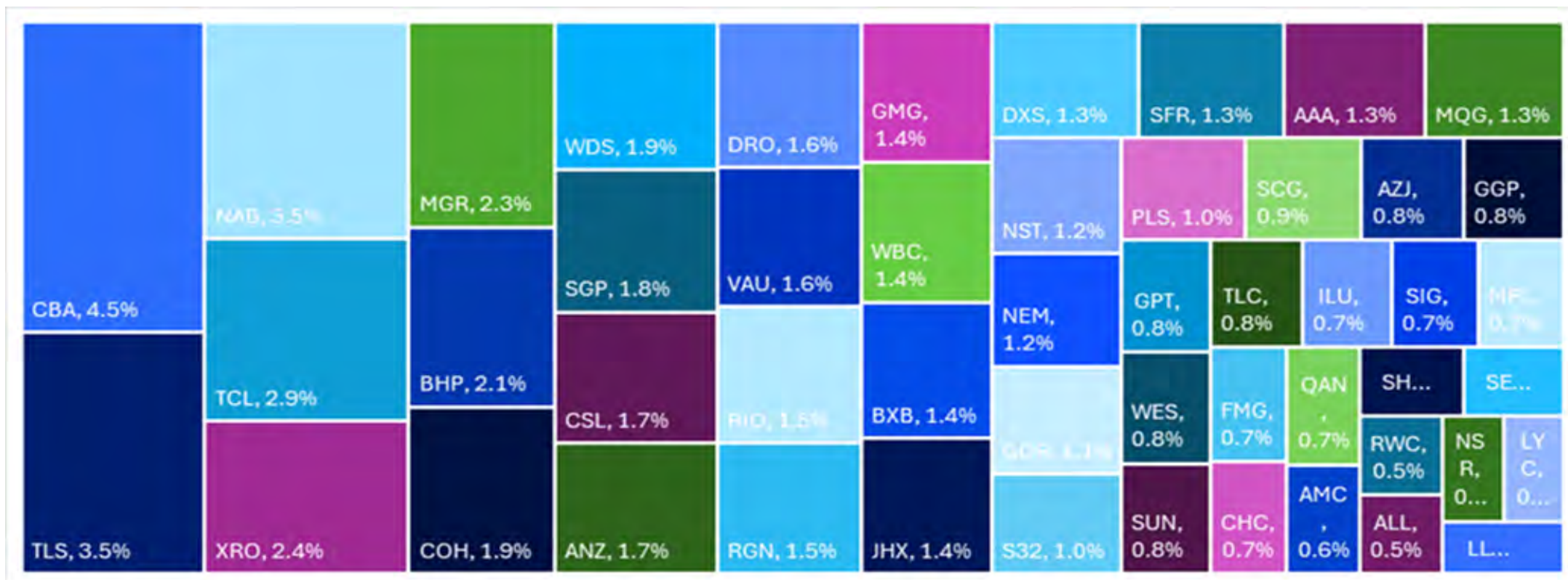
On average, Post Close contributes approximately 0.20% of the notional value of daily ASX on-market trading activity.



Post Close – Participant Concentration by Turnover \$



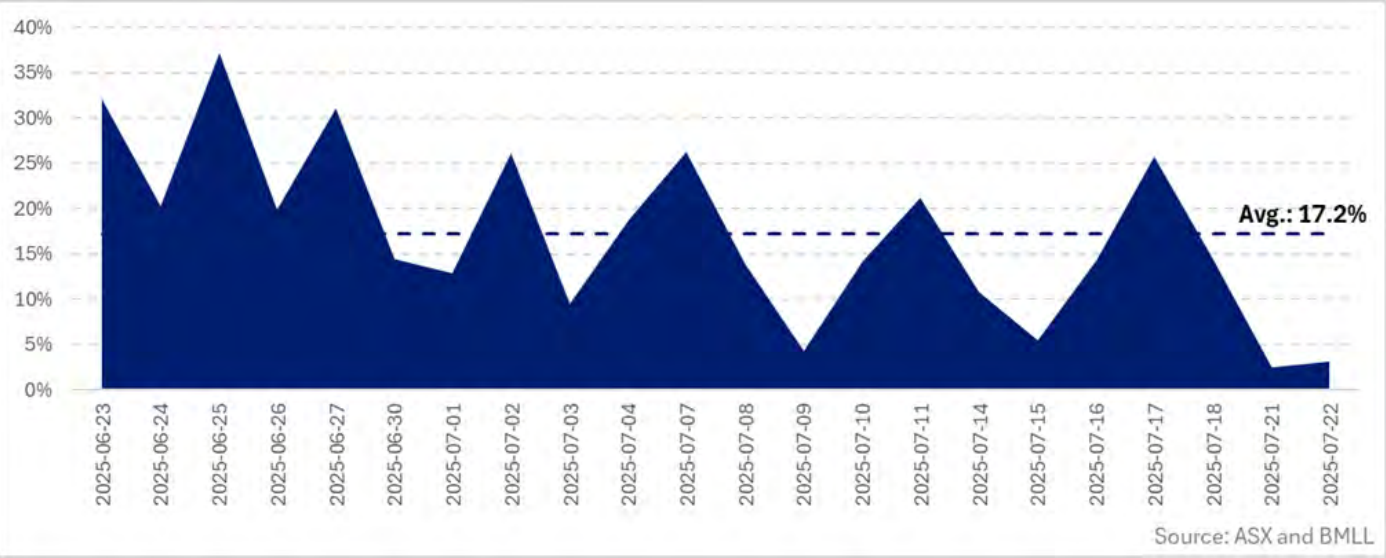
Post Close – Participant Concentration by Turnover \$





Post Close – Only securities traded during Post Close

Post Close vs Closing Auction Imbalance



Commentary

Post Close vs Closing Auction Surplus

Post Close is providing 17.2% improvement in liquidity for residual orders post the CSPA.

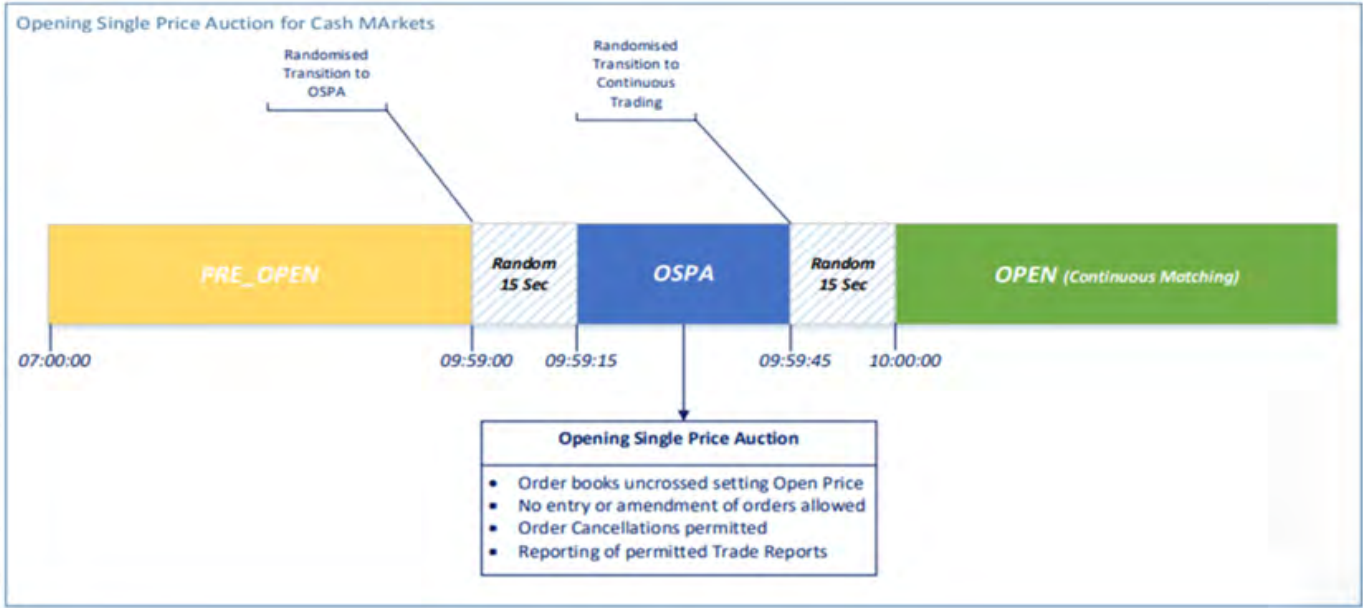
Post Close – Only securities traded during Post Close (As at 31 July 2025)

Execution Time Stamp	ASX Code	Turnover	
2025/06/24 16:21:06	BB1	\$	4,207.00
2025/07/03 16:19:18	FRI	\$	733.00
2025/07/28 16:20:12	EWC	\$	477.00
2025/07/30 16:19:13	CVV	\$	3,303.00

Appendix A –  
ASX Service Release 15

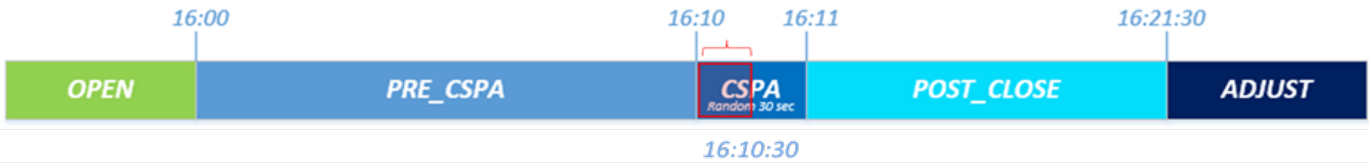
# Mandatory Functional Components

## 1. Remove Opening Auction Stagger



Cash Market products will move to a randomised single opening time and an Opening Single Price Auction (OSPA) levelling period introduced.

## 2. Post Close Trading Session



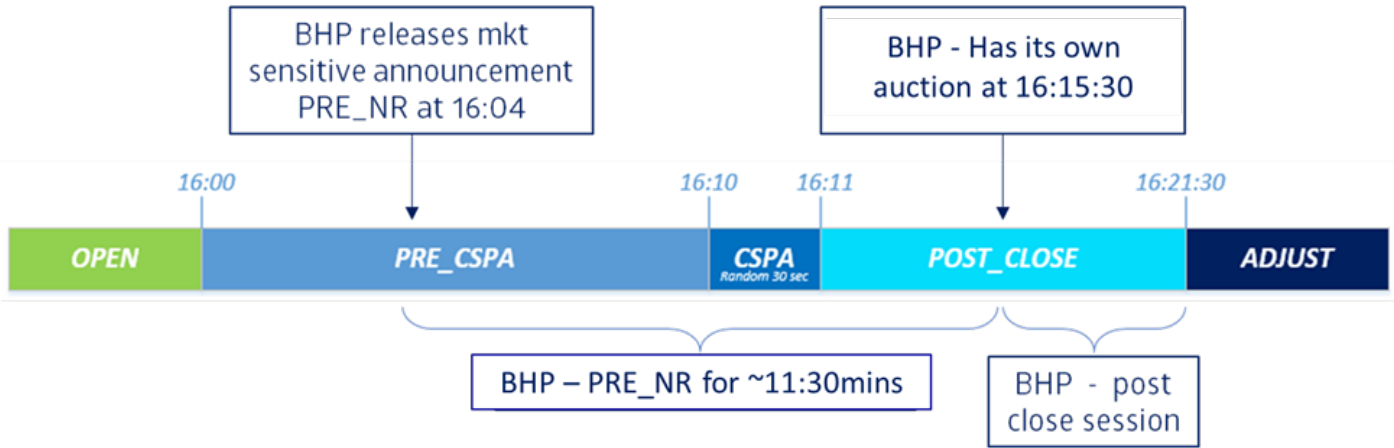
Introduction of a Post Close trading session immediately following the closing auction (CSPA) providing an opportunity to execute at the CSPA price

Post Close Trading Session		
Closing Auction	Close Trading Session	
<ul style="list-style-type: none"><li>• Begins at 16:10 (+30 seconds)</li><li>• Random times for closing auction will be reduced from 60 seconds to 30 seconds.</li><li>• Ends no later than 16:10:30</li><li>• Time stamp granularity reduced to millisecond.</li></ul>	<ul style="list-style-type: none"><li>• Begins at 16:11:00 – Ends 16:21:30</li><li>• Lit Order book.</li><li>• Residual orders at the auction price will be carried forward to the Post Close automatically.</li><li>• Queue priority will be preserved</li><li>• Residual orders not executed at the auction price may be adjusted to match the fixed post-close price.</li><li>• New orders can be submitted into the Post Close as long as it's at fixed post close price.</li></ul>	<ul style="list-style-type: none"><li>• New session state, deal source.</li><li>• Block Trades will be permitted.</li><li>• Late trade reporting will NOT be permitted, as the session state is a 'lit/open' order book.</li><li>• Late trades will be permitted during the ADJUST session state.</li><li>• If there is no CSPA, there will be no Post Close</li></ul>
CSPA		

## 3. CSPA changes for company announcements

Instruments that miss the CSPA due to a price sensitive announcement will still have an auction where the PreNR period ends during the Post Close trading session

- The Market Announcements Platform (MAP) currently sets the resumption time for a security under PRE\_NR to approximately 11 minutes after the release of an announcement.
- This time frame ensures that the market receives at least 10 minutes' notice of a security's resumption time, in accordance with ASX Operating Rules Procedures.
- While the resumption time for a security is typically close to 11 minutes from the start of the PRE\_NR session, consuming applications should rely on state transition broadcasts or the time published in the market news announcement to determine the exact resumption time.
- As part of the implementation of the new POST\_CLOSE session state, the MAP resumption time configuration will be adjusted to approximately 11 and a half minutes.
- This adjustment aims to prevent a security from having a subsequent auction in the Post Close session following its CSPA auction, due to a late price-sensitive announcement.
- 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 approximately 11 and a half mins, resuming at 16:15:30, therefore missing out on the closing auction.
  - BHP would be able to have its own Auction at 16:15:30 (upon the conclusion of its Pre\_NR period), thereby providing investors with the opportunity to participate in the closing auction liquidity event.
  - BHP will immediately (no time gap) be able to participate in the remaining time of the Post Close trading session at its CSPA price.







## Get in touch

Contact the Trading Services team inbox at **Equities@asx.com.au** or call 131 279 if you would like more information.

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