



MOSCOW  
EXCHANGE







## Equities Trading in Case of Significant Price Movement





# Discrete Auction lets continue trading without suspension in case of significant price movement .

The discrete auction mechanism for equities to be changed from 1 June 2015

## Before 01.06.2015

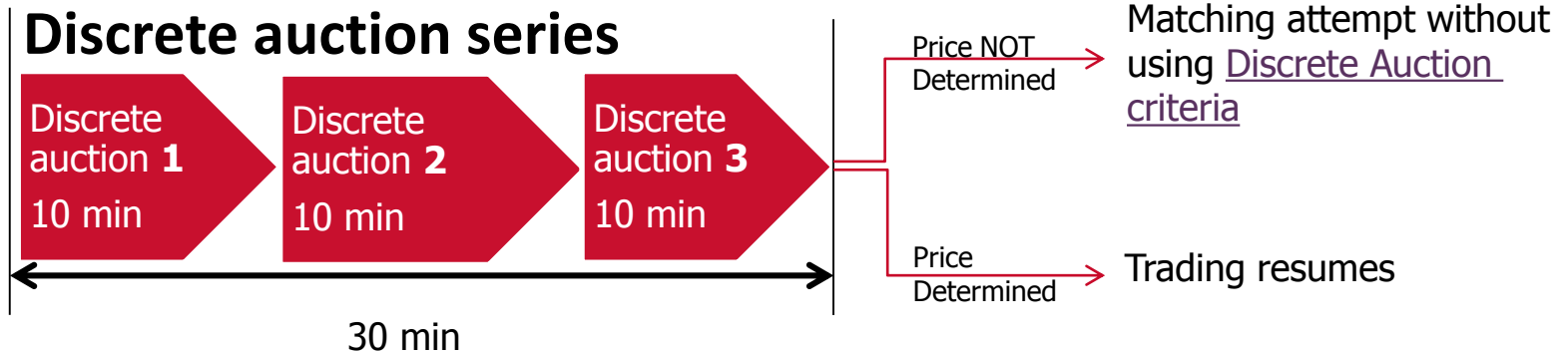
-  Goes on:  
Equities included into **1<sup>st</sup> Securities list**  
And/or equities included into **MICEX Index**
-  MAX number of discrete auction series per day: **1**
-  During the period of the discrete auction trading suspended in: Large blocks of securities trading mode, REPO with CCP, Market sector Classica
-  **Trading resumes:**  
In 30 min if the price isn't determined during the Discrete auction;  
In 15 min if the price was determined.

## After 01.06.2015

-  Goes on:  
**Equities included into MICEX Index**
-  MAX number of discrete auction series per day: **2**
-  **No trading suspensions** in other trading modes
-  **Trading resumes:**  
In 30 min from the start of the auction independently from price determination.



## Equities included into MICEX Index



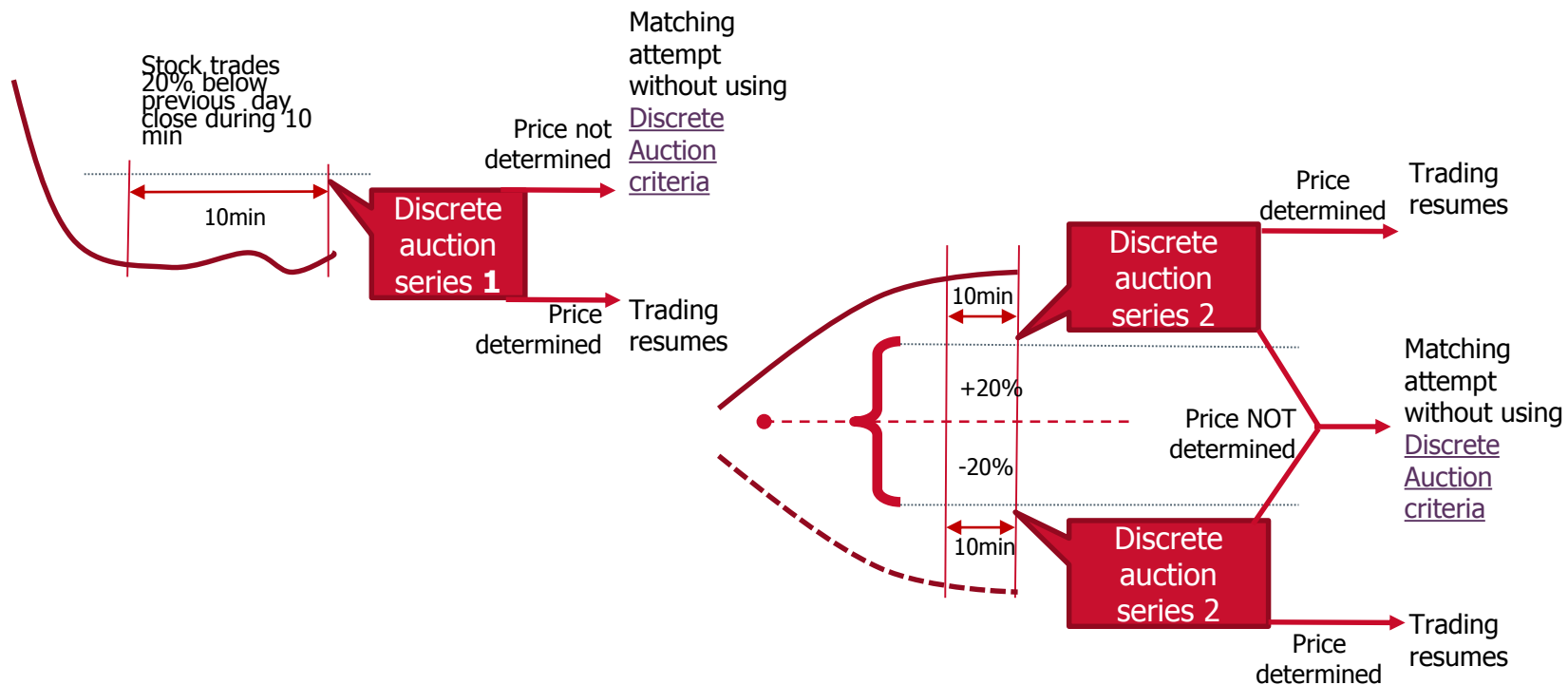
### Discrete auction series main characteristics:

- ❑ Only for shares included into MICEX Index;
- ❑ There will be 3 coherent Discrete auction 10 min each in every Discrete auction series, total length of discrete auction series 30 min\*;
- ❑ Next Auction starts independently from price determination in previous Auction;
- ❑ Each Auction has random closing period during 30 sec;
- ❑ Only limit orders can be submitted;
- ❑ All unexecuted orders go to the main trading mode after trading resumes;
- ❑ Auction series can be run twice a day max;
- ❑ Period when discrete auction can be launched: 10:10 – 18:00 MSK.



# Equities included into MICEX Index

## Example: price falling\*



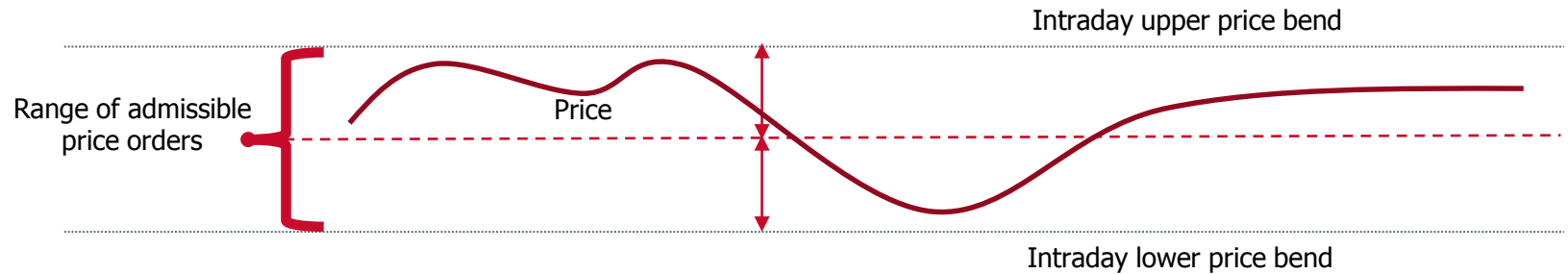
Intraday lower price bend

- 1<sup>st</sup> Discrete auction series starts if stock trades 20% below previous day close during 10min.
- 2<sup>nd</sup> Discrete auction series starts if stock trades during 10 min with +/-20% deviation of the weighted average price during 10 min before 1<sup>st</sup> series started.
- Intraday price bends to limit admissible order's price during the day.

\*the logic of launching Discrete auction is equal for rising and falling prices.



## Equities NOT included in MICEX Index



**Admissible order's price is limited with intraday upper and lower price bends. Trading system to reject orders with prices out of the price bends.**

Price bend (or Statistical range of acceptable prices of orders) is defined like

**$\approx \pm(0,5 * \text{market risk rate up or market risk rate down})$  from the Settlement price.**

Reference values disclosed on NCC website:

<http://nkcbank.com/fondMarketRates.do>

[Broadcast of the upper and lower price bands in MOEX trading terminal](#)



## Discrete Auction criteria:

### Discrete Auction criteria:

The Discrete Auction is considered to be happened if:

- Number of Trading Members who placed orders is not less than 3;
- Value of total demand and supply is more than figures predefined for each stock;
- Spread, defined as the ratio of the difference between the average weighted sale price and the average weighted purchase price, to the average purchase price does not exceed 5%.

### Discrete Auction price is determined:

- By the limit orders submitted in the Discrete Auction;
- After the random closing in the period of 30 seconds;
- At a price, at which the maximum quantity of trades can be concluded.



# Broadcast of the upper and lower price bands in MOEX trading terminal\*

Enter Order

Buy Sell Repeat Last

Type  
 Limit  
 Market

Board: T+: stocks, DRs  
Security: MoscowExchange  
Settle code: Y2, Settle currency: SUR

Max: 82,71  
Price: 75,11  
Min: 67,28

Yield, %:

Quantity: 100  
Lot size: 10  
Secs: 1 000  
Hidden qty.:  
Total quantity: 100, Secs: 1 000

1	10	50
100	500	1000

Value: 75110,00 -> price  
Currency: SUR

Stabilizer order  
Activation method  
 Activate at 0:00:00  
 To Close Auction

Trd. account: Position code:  
Client: Reference:

Enter Order Close

Check the «Help» button entering the order to see min and max possible price in RUB during the trading day

\*In Quik trading system upper and lower price bands are broadcasted at fields «Max. possible price» and «Min. possible price». Ask your broker to add the information into the «Available parameters» .



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  - changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets;
  - competition increase from new players on the Russian market;
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  - the ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness;
  - the ability to attract new customers on the domestic market and in foreign jurisdictions;
  - the ability to increase the offer of products in foreign jurisdictions.
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