

MARKET NOTICE

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Number: 27/2019

Relates to: Equity Market
 Equity Derivatives
 Commodity Derivatives
 Interest Rate and Currency Derivatives

Date: 28 January 2019

SUBJECT: CLARIFICATION ON CLOSING AUCTION CALL AND CLOSING PRICES PUBLICATION

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Designation: Head - Equity and Equity Derivatives

Dear JSE Stakeholder

We have received several queries from market participants pertaining to delays in publication of Closing Prices from the Closing Auction Call. The delays experienced recently are a result of the changes made on 3 December 2018 on **Circuit Breakers** (i.e. Dynamic and Static percentage tolerances) applied during the Closing Auction Call period coupled with the **Random Uncrossing Period**.

Circuit Breakers during Closing Auction Call

On ZA01, **Static Circuit Breaker** tolerance levels was reduced from 8% to 4% and **Dynamic Circuit Breaker** tolerance levels was reduced from 6% to 2%. On ZA02, **Static Circuit Breaker** tolerance was reduced from 20% to 10% and **Dynamic Circuit Breaker** tolerance was reduced from 10% to 5%.

Random Uncrossing Period at Closing Auction Call

The Random Auction Uncrossing period was increased from **30 seconds** to the current time duration of **60 seconds**. This change was applied to all segments and trading sessions where any auction periods are prevalent.

What is causing the Closing Price publication delays?

The earliest time an instrument can close and publish a closing price is 17:00:00 where the random auction uncrossing period settles at 0 seconds. The latest an instrument can close and publish a closing price in the absence of a Price Monitoring Extensions (PME) is 17:01:00

However, a maximum of two (PME) and one Market Order Extension (MOE) can be triggered during the Closing Auction, resulting in a latest possible publication of a Closing Price being 17:13:00

This process is illustrated below:

Impact of Price Monitoring Extensions (PME) during Closing Auction Call

				Price Monitoring Extensions (PME) are triggered by either <i>Static</i> or <i>Dynamic</i> Circuit Breaker breach							
Closing Auction Call				Price Monitoring Sessions #1				Price Monitoring Sessions #2			
Auction - 10 mins		Random 60s Uncrossing		Price Monitoring Sessions		Random 60s Uncrossing		Price Monitoring Sessions		Random 60s Uncrossing	
16:50:00	17:00:00	17:00:00	17:01:00	17:01:00	17:06:00	17:06:00	17:07:00	17:07:00	17:12:00	17:12:00	17:13:00
		If either a <i>Static</i> or <i>Dynamic</i> Circuit Breaker is breached, the stock goes into <i>first PME</i> .				If either a <i>Static</i> or <i>Dynamic</i> Circuit Breaker is breached, the stock goes into <i>second PME</i> .				If another Circuit Breaker is breached, the stock <i>uncrosses regardless</i> of the move in Price.	

We would like to thank you for your continued support and advice. Further information on circuit breaker functionality and the randomised auction uncross period can be found in **Volume 00** document, which is available on the following link: [JSE Volume 00 - Trading and Information Overview](#)

Please note: The trade cancellation rules are still under consideration and any revisions to those rules will be implemented following the standard consultation process for rule amendments.

Should you have any queries regarding this notice, please contact customersupport@jse.co.za

This Market Notice will be available on the website at <https://www.jse.co.za/redirects/market-notices-and-circulars>