



2008-02-11

Exchange Notice

IT 09/08

IT – SAXESS 5.0.0, new version available for testing

SAXESS release 5.0.0 has been available for testing since December 2007. A new version of the release is now available in test environment SEXTST1. Also a new version of SAXESS Trade for release 5.0.0 is available on our member web site:

<http://www.omxgroup.com/nordicexchange/Memberlogin/saxess/saxesstrade>

Release schedule:

- 2008-02-22 Test system with full functionality available for Members
- 2008-02-22 – 2008-03-20 Certification period
- 2008-04-10 Market Wide Acceptance Test (Mandatory)
- 2008-04-24 Market Wide Acceptance Test (Backup)
- 2008-06-02 Production launch

Load handling demands on applications

All applications compliant with SAXESS 5.0.0 must be able to handle the output rate of 45 000zB (compressed bytes per second). Currently all applications have been tested with 30 000zB. SEXTST1 will soon be updated to run load tests with 45 000zB. More information will be provided later.

Functional description

The main functionality enhancements in SAXESS 5.0.0 are

- Circuit Breakers and Trading Safeguards
- Midprice Matching

Circuit Breakers and Trading Safeguards

OMX Nordic Exchanges in Helsinki, Iceland, Stockholm and Copenhagen have decided to adopt circuit breakers (volatility interrupters) to reduce uncertainty during volatile periods. In addition, trading safeguards to avoid erroneous orders will be introduced June 2, 2008.

Definition of circuit breakers: Circuit breakers interrupt matching (for up to 4 minutes) when the price movements in a security become relatively large. The purpose is usually to give the market participants a few minutes to evaluate any new information, reconsider their interests or remove any erroneous orders. Circuit breakers have two types of reference prices: a static price and a dynamic price range. When a circuit breaker is triggered continuous trading is interrupted by a brief call auction.

The following submarkets have been set up with a static circuit breaker of +/- 10 % and a dynamic circuit breaker of +/- 2%:

- OMX CPH Equities
- OMX STO Equities
- OMX HEL Equities

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Definition of trading safeguards: Trading safeguards are to be used simultaneously with Circuit breakers. A trading safeguard rejects orders that deviate significantly from last traded price. Compared to circuit breakers the price range for the safeguards will be wider and the purpose of the safeguards is primarily to avoid erroneous order entries.

The following submarkets have been set up with a dynamic trading safeguard of +/- 15 %:

- OMX CPH Equities
- OMX STO Equities
- OMX HEL Equities

Please, note that the current test setup does **not** reflect the future production setup. More information about the coming production setup:

http://www.omxgroup.com/nordicexchange/newsandstatistics/marketnotices/MarketnoticesStockholm/Market_notices_Stockholm/?releaseId=326769&lang=EN

Midprice matching

The other main functionality enhancement in SAXESS 5.0.0 is Midprice Matching. The idea behind this concept is to provide a dark pool of liquidity with no pre-trade transparency. Continuous Midprice matching will be used and each trade in the Midprice order book will be executed in the mid of the round lot spread, Midprice in the order book. Midprice orders are fully anonymous & hidden (cannot be seen by other trading participants). Total volume must be a multiple of the Midprice lot size (Match multiple = Midprice lot size). Midprice Matching will have the same impact on trade statistics as round lot trades.

Due to the large amount of diversified feedback on the functionality OMX has not decided on a timetable for launching the Midprice Matching facility. A broad customer consultation will be conducted within the coming weeks. Based on the results from this consultation, OMX will decide on how to proceed with the Midprice Matching facility. The functionality will however be implemented technically and tested in SAXESS 5.0.0.

Midprice matching (continuous trading - not auctions) is configured on the following order books:
OMX CPH Equities - TPSL With a Midprice Lot size of 50000 and maximum price spread is 3%
OMX STO Equities - ORC With a Midprice Lot size of 1000 and maximum price spread is 2%
OMX HEL Equities - AMEAS with a Midprice Lot size of 2000 and maximum price spread of 1%

Please, note that the current test setup does **not** reflect the future production setup.

If you have any questions regarding this notice or SAXESS 5.0.0, please contact your Technical Account Manager or Sani Nevalainen, +358 9 6166 7683, sani.nevalainen@omxgroup.com

**Best regards,
OMX Nordic Exchange**