

Exchange Notice**IT 73/08****IT – Follow up to SAXESS 5.0.1 MWAT**

Last Thursday, September 4, the Nordic exchange held a Market Wide Acceptance Test (MWAT) in preparation of the launch of SAXESS 5.0.1 (scheduled for production release September 29).

We have reviewed participant test reports entered after the MWAT and have concluded that the test was overall successful for most participants. Technical issues reported during and after the MWAT are being addressed by our technical support, as per normal procedures.

However, one particular issue that came to our attention during the MWAT needs to be noted and verified by all members and software providers. A few users reported problems with order updates. Our application experts identified that the problem was due to the fact that the users' trading application used a method for updating hidden volume orders which is erroneously accepted by the SAXESS 5.0.0 release. The same method is not accepted by the new SAXESS 5.0.1 release, which is the correct behavior.

While the 5.0.1 release of SAXESS does not contain any changes to the XTP protocol, updates have been made to the system to enable new functionality. The introduction of non-displayed orders (Zero Visible Volume Iceberg orders) required a re-design of hidden-volume order update. This re-design has been included in SAXESS 5.0.1 (available for external testing in the test system SEXTST1) since early summer.

Here is the scenario which may cause a problem for an application using an incorrect update method for hidden volume orders:

Action 1. Insert a round lot order with hidden volume, e.g. RoundLot=200, TotalVolume=1000 and OpenVolume=800

Action 2. In one order update transaction update the price and remove the hidden volume. The hidden volume is removed by setting the field:

Modify open volume = "Y"
Volume open = ""

Result (Action 2). Update accepted. The price is updated and the open volume is changed to the same value as total volume

Action 3. Repeat action 2, I.e. update the price and remove the hidden volume. The hidden volume is once again removed by setting the field:

Modify open volume = "Y"
Volume open = ""

The results from Action 3 differ between SAXESS 5.0.0 and SAXESS 5.0.1:

In SAXESS 5.0.0:

Result (Action 3). Update accepted. The price is updated and the open volume is equal to the total volume, that is unchanged from step 2 although the Modify open volume = "Y".

In SAXESS 5.0.1:

Result (Action 3). Update rejected on unicast with the reason 'Invalid update'. This means that the price is not updated because one tries to remove the open volume a second time.

In the reports that we have received from participants in the SAXESS 5.0.1 MWAT, we have so far only seen indications of problems relating to the above from a few users.

However, we strongly urge all members and ISVs to ensure that this does not impact your trading applications.

Please verify that the above scenario and described functionality does not cause any problems for you, either by testing in the test system SAXTST1, as per the scenario described above, or by contacting your trading application provider

For more information about how to connect to SAXESS test systems, please see our member extranet: <http://www.omxnordicexchange.com/memberlogin/saxess/communication/>

User: omse

Password: member

For SAXESS technical support, please contact: operator@nasdaqomx.com, +46 8405 6580

If you should find that the above functionality causes problems in your trading application, please notify your application supplier (if applicable) and send an email to: erik.hennix@nasdaqomx.com, stating which member or ISV you represent, and the name of the trading application.

For further information concerning this exchange notice please contact:

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Best regards

OMX Nordic Exchange