

NASDAQ OMX NLX Market Notice: 007-14

Issue Date: 04/06/14

Effective Date: 05/06/14

Enhancements to NLX Price Limits

Introduction

This Notice advises NASDAQ OMX NLX ("NLX") market Participants of enhancements to be made to the NLX price limits and a new set of price limit spreads for the short term products.

NLX Price Limits

NLX will introduce enhanced price limits to its market effective June 5, 2014 (the "Effective Date").

Appendix 1 to this Notice details the amendments to be made to part 4.8 of the NLX Trading Procedures.

Appendix 2 to this Notice details the amendments to be made to Appendix C of the NLX Trading Procedures

An updated version of the Trading Procedures will be available on the NLX website on the Effective Date to reflect the update to the price limits.

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Appendix 1

4.8 Price Limits

Throughout the Open Session, Price Limits for all Products will be calculated from a Reference Price; with the same margin allowed above the Reference Price for Bid Orders/Quotes and below the Reference Price for offer Orders/Quotes.

~~The most active Quarterly expiry / delivery month (Ref a), determined from the first two Quarterly months, will be used to generate the reference price for all other Expiry / Delivery months (n) within a product.~~

The Reference Price for ~~all other each discrete~~ Expiry / Delivery months will be generated as follows: ~~Reference Price for Expiry / Delivery month, n (Ref n) on current trading day T~~

$$Ref_n(T) = Ref_a(T) - (DSP_a(T-1) - DSP_n(T-1))$$

Where DSP = Daily Settlement Price

The Reference Price (Ref a) is based on the last traded price or, if not available, the last calculated price, for each Product; see logic detailed below:

During the Pre Open Session, Price Limits will not be activated.

At commencement of the Open Session, the Reference Price will be last traded price from the previous trading session following the release of the Daily Settlement Price. If there was no matched trade after the release of the Daily Settlement Price of the previous trading session, then the Reference Price shall be the Daily Settlement Price.

During the Open Session, the Reference Price for a Product is defined as:

4. The last traded price; or bid price if the bid price is greater than the last traded price, or ask price if the ask price is lower than the last traded price.
2. If a Trade has not matched;
 - a. The last traded price from the previous trading session following the previous Business Day's Daily Settlement Price calculation; or
 - b. If no such trade is available from the previous trading session, the Daily Settlement Price from the previous Business Day is used.

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Both ~~outright~~ Outright and Implied Orders will be disclosed to the market if they are at or within the current Price Limits. If Implied Out orders are outside the price limit, they will be displayed at the Price Limit.

Buy orders with prices lower than the lower Price Limit and sell orders with prices above the upper Price Limit are allowed to enter the system. On the other hand, buy orders with prices above the upper Price Limit and sell orders with prices below the lower Price Limit will be rejected. Orders with prices equal to the Price Limit will be accepted.

Implied bids with prices lower than the lower Price Limit and implied offers with prices above the upper Price Limit are generated. Conversely, the price of an implied bid order shall be constrained to the upper Price Limit, while an implied offer shall be constrained to the lower Price Limit.

Attempts to enter Orders and Quotes during the Open Session outside the prevailing Price Limits for the relevant Product will be rejected by the System. Strategy Limit Orders, and both Single and Strategy Market and Market-to-Limit Orders are not validated against price limits. The Operator will send a message to that Participant via the relevant ITR connection to inform him of the rejection. The permitted spreads for Price Limits for each Product will be determined from time to time by the Operator. The spreads may be adjusted to reflect market conditions with the objective of preventing the execution of any Orders

submitted to the System with manifest pricing errors and/or at unrepresentative price levels. The current Price Limit spreads for each Expiry / Delivery month for each product is published in **Appendix C: Price Limit Spreads**.

Appendix 2
Short Term Products (Futures):

Price Limits for STIRs		
Euribor® (1 tick = 0.005)	White Quarterlies	<u>1422</u> ticks above and below
	White Serials	<u>1422</u> ticks above and below
	Reds	<u>1432</u> ticks above and below
	Greens	<u>2442</u> ticks above and below
	Blues	<u>2452</u> ticks above and below
	Golds	<u>2864</u> ticks above and below
	Purples	<u>2874</u> ticks above and below
Sterling (1 tick = 0.01)	White Quarterlies	<u>744</u> ticks above and below
	White Serials	<u>744</u> ticks above and below
	Reds	<u>746</u> ticks above and below
	Greens	<u>1224</u> ticks above and below
	Blues	<u>1226</u> ticks above and below
	Golds	<u>1432</u> ticks above and below
	Purples	<u>1437</u> ticks above and below