



## ASX Trade – The Next Generation

15 April 2010

Brokers back new exchange

*Rival to undercut ASX*

ASX to share  
turf with Chi-X

*Cheaper share trades as  
rival challenges ASX*

Exchange change is looming...

*Chi-X ends ASX monopoly  
with promise of lower fees*

*Fears new exchange  
could catch retail  
trades by surprise*

Brokers wary about rival

# ASX Trade

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- ASX will move to the next generation OMX NASDAQ Genium trading engine
- Branded “ASX Trade” this will be the foundation for a new overall trading strategy
- The trading strategy underlines ASX’s commitment to the development of the Australian Equity Market.
  - Ongoing license obligations
  - Trends in Offshore markets
  - Possible licensing of alternate market operators in Australia



# ASX Trade

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- ASX Trade – 3 Platforms
  - **TradeMatch** – New Generation CLOB
  - **PureMatch** – High Frequency Trading
  - **VolumeMatch** - Block Matching Facility



# ASX Trade

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- TradeMatch
  - Reduced Latency
    - 250 Microsecond message latency (10 times faster than ITS)
  - Increased capacity
    - 5,000,000 trades per day
    - 500,000,000 order book changes per day



# ASX Trade

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- PureMatch
  - Pared back version of TradeMatch
    - Top 200 stocks + ETF Market
    - No ETO's, Warrants, IRS's – no contingent orders
    - No Opening or Closing Auction
  - Different Pricing Model
    - Maker/Taker?



# ASX Trade

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- VolumeMatch
  - Block Matching Facility
    - Allowing for continuous Matching
    - At a price taken from the CLOB
    - For 3 minute blocks every 5 minutes
  - Anonymity Provision
    - Brokers must use a separate Trader ID
    - Must certify that there is physical separation for VM



# ASX Trade

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- New order Types
  - Undisclosed
  - Icebergs
  - Centre Point
    - Centre Point Trade
    - Centre Point Crossing



# ASX Trade

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- Centre Point
  - Provides for priority crossings
  - Provides for Mid-point matching
  - Prices taken from CLOB
  - Centre Point orders can only match with other Centre Point orders



# ASX Trade

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- ASX Best
  - Smart Order Routing
    - Between ASX trading platforms
    - Between All trading venues?
    - Ensuring Best Execution?



# ASX Trade

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- ASX CoLo
  - Allowing for the Co-location of systems within the same data centre as the ASX Matching Engine
    - Lowest possible network latency
    - Who has access?
    - Sponsored Access?



# ASX CoLo

**ASX Market Participants and  
Direct Sponsored Access Clients**

**ASX BEST**

**VolumeMatch**

**TradeMatch  
Including Centre Point**

**PureMatch**

**ASX TRADE**

