Pegged Order Functional Change Effective Monday 28 January 2019

Further to new regulatory guidance, from Monday 28 January 2019 London Stock Exchange will update its matching logic for Large In Scale Mid-Price Pegged Orders (‘pegged orders’).

From this date, pegged orders will only be executable at a valid tick size for the security concerned, i.e. when there are an even number of ticks between the visible best bid & offer (BBO) prices.

When the visible BBO has an odd number of ticks in the spread, thereby deriving a mid-price not on a valid tick size, pegged orders will be accepted but will rest without being available for execution. When the visible BBO changes to an even number of ticks in the spread, thereby deriving a mid-price on a valid tick size, any resting pegged orders will re-aggress the order book and be available for execution.

There is no impact on customer interfaces.

The Customer Development Service (CDS) has already been updated with this change to the pegged order functionality.

A revised version (14.8) of MIT 201 (Guide to the Trading System) is available in the Next Functional Release section of Technical Specifications of the Technical Library at:

Service Announcement
002/21012019

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Relates to

Exchange
— London Stock Exchange

Environments
— Production
— Customer Development Service

Type
— Service Update

Products
— Millennium Exchange

Additional Information

If you have any queries about this announcement, please e-mail: clients@lseg.com

If you have any technical queries please contact your Technical Account Manager on 020 7797 3939 or londontam@lseg.com.

An archive of previously issued service announcements is available in the technical library section of London Stock Exchange’s Internet site http://www.londonstockexchange.com/techlib

Customers are reminded that London Stock Exchange may broadcast test data from its Production environment at the weekends which should be discarded and not processed.

Customers are reminded that London Stock Exchange may extend or re-enter the Post Close session for instruments or segments to perform necessary end of day activities.