

25 November 2014

N11/14

Changes to price monitoring (circuit breaker) thresholds

Introduction

1. London Stock Exchange (“the Exchange”) reviews regularly the operation of its trading services. As a result of this review process the Exchange intends to revise some of the price monitoring thresholds currently in operation on the Millennium Exchange trading system. Price monitoring functionality tracks the prices at which automatic executions can occur on the trading system and will halt regular trading, or delay an auction execution, when a potential price movement would otherwise breach one of the ruling thresholds. The intended revisions to these thresholds are shown below.

Price monitoring threshold revisions

2. For FTSE 100 index securities constituting approximately 75% of the market capitalisation of the index (trading segment/sector SET0/FE00 and SET1/FE10):
 - dynamic threshold (potential order book trade price vs last executed order book trade price) will be reduced from 5% to 3%;
 - static thresholds (potential order book trade price vs last auction uncrossing price) will be reduced from 10% to 8%; and
 - closing auction price monitoring extension threshold reduced from 3% to 1%, to align with the thresholds used for the monthly Exchange Delivery Settlement Price (EDSP).
3. For all FTSE 250 index securities:
 - closing auction price monitoring extension threshold reduced from 5% to 3%, to align with the thresholds used for the quarterly EDSP.
4. For SETS securities outside the FTSE350:
 - introduce the flexibility of sectors with a 15% price monitoring threshold alongside the existing 10% and 25% thresholds.

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5. For all SETSqx securities with market makers:
 - all relevant thresholds changed from 15% to 10% to bring in line with less liquid SETS securities.

Implementation date

6. The implementation date for the threshold changes above will be **Monday 19 January 2015**.

Testing

7. The threshold changes above will be available on the Exchange's Customer Development Service (CDS) from Monday 8 December 2014.

Further information

8. Attachment 1 to this Notice sets out the changes in greater detail. For more information on the operation of the Exchange's price monitoring functionality please see section 7.0 of **MIT 201 – Guide to the Trading System**. The current thresholds for all trading services are set out in the **Millennium Exchange Business Parameters**. Both these documents can be found at:

www.lseg.com/areas-expertise/our-markets/london-stock-exchange/equities-markets/trading-services/guide-trading-system

9. Any comments or queries on this Notice should be addressed to David Smith, telephone +44 (0)20 7797 1765 (STX 31765) or email: clients@lseg.com

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