The New Version of the Electronic Trading System

The Amman Stock Exchange (ASE) has launched the new version of the electronic trading system NSC V900 last Sunday, whereby 12534 transactions worth JD59.9 million were executed in the first trading session across the several trading stages including the new stages that have been introduced by the new system.

The CEO of the ASE, Jalil Tarif stressed that the new version entailed introducing comprehensive changes to all the components of the electronic infrastructure of the Stock Exchange as well as the other capital market institutions. Among these were the use of new servers, new communication networks, routing systems, and new fiber optic networks.

He added that the introduction of the new version crowns two-years of persistent efforts started by the Jordan Securities Commission (JSC), the ASE and the Securities Depository Center SDC. Tarif also said, the 2.5 million Euro project, funded by the European Union, aimed at upgrading the infrastructure of the capital market institutions and he explained that this project is considered a quantum leap for the concerned institutions as the electronic trading system have now become linked with the SDC systems and the JSC new monitoring systems introduced upon the launch of the project.

Tarif also added that the first trading session -under the new version - was successfully completed and all trading stages were carried out within the scheduled timeframe despite the partial disconnection in the dissemination of trading data for eight brokerage firms. However, the ASE technical team, trained to deal with such cases, were able to reconnect these firms to the service within a short period of time. The ASE technical team has been working closely and in cooperation with the capital market institutions to set up the proper infrastructure to implement the new trading system in accordance with international standards.

The technical team will continue to monitor and follow up to ensure successful implementation of the new version which is set to boost the efficiency and transparency of trading in securities, Tarif stressed.

It is worth noting, that the new version will help develop the trading process at the ASE and enhance the capacity of the electronic trading system. This is due to its high speed and efficiency in receiving and processing orders. This version will also help developing the programs used to manage the trading session; which will enable the ASE having a full control on the trading session events. Moreover, it has interconnected the electronic trading system with control systems and the information dissemination systems as well as other systems.

Under the new version, new phases as well as new features have been added to the trading phases including the random opening feature, which seeks to restrict any attempt to affect the opening price of traded securities. Moreover, the closing price is no longer based on the price of the last transaction during the continuous trading phase. Instead, a new phase, called the pre-closing phase has been introduced whereby all participants in the market are involved in determining the closing price by applying an indicative equilibrium price formula based on the volume and price of the buy and sell orders placed in this phase. This applies to the random closing price, which is aimed at controlling attempts to influence the closing price. A new phase has been introduced as well; it is called Trading at Last. It provides the opportunity for all of those dealing on the market to trade at the closing price only as they can place the buy and sell orders and trade at the closing price for a certain period of time.

The new version also offers new types of buy and sell orders in terms of price and validity in addition to the stop loss order which allows the broker to enter a buy or sell order into the system on condition that it becomes effective only when the required price equals that stated in the order.

Tarif noted that the new version includes a new system called the Central Control Module (CCM) that reduces the trading risks and errors at the Stock Exchange as it verifies whether the orders

placed in the system fulfill all the required conditions before they go through the electronic trading system. Tarif also said that the system does not accept orders unless the clients have reference numbers duly identified in line with practices set by the SDC. It also prevents the execution of any sell orders include a deficit, as the CCM checks the sufficiency of securities in the clients account, which are necessary to complete the order before passing it through the electronic system. The version has other features that aim at preventing any errors during the trading session. The ASE has also developed an alternative site (Disasters Recovery Site) that is used in case of an emergency, where the trading session is recovered at the point of the interruption.