



## **SGX Proposes Two Initiatives to Improve Market Transparency in Opening and Closing Trading Routines**

Singapore Exchange ("SGX") is consulting the public on two proposed improvements to the pre-opening and pre-closing routines of the securities market. The proposals will enhance the price discovery process and strengthen market transparency. Together with other initiatives including a reduction in the minimum bid size of securities from 4 July 2011, these new improvements are expected to enhance the market.

### **(i) Publication of real-time Indicative Equilibrium Prices ("IEP")**

SGX proposes to publish real-time IEP throughout the pre-open and pre-close phases. The price information currently available to market participants during the pre-open and pre-close market phases comprises the aggregate buy and sell quantities at the various bid and offer prices. IEP is the price at which orders would be executed if auction matching were to occur at that point. The IEP would then form the opening or closing price. The publication of IEP is intended to provide greater market transparency. With this information, market participants are better able to assess market demand and supply conditions and adjust their orders accordingly.

### **(ii) Random End to the pre-close phase of the closing routine**

The pre-close phase of the closing routine is presently a fixed duration of five minutes after the trading session. SGX proposes to randomise the end of the pre-close phase for a varying duration between four to five minutes. The end of the pre-close phase will be synchronised across all counters.

The varying time period protects the integrity of the closing price against the impact of sudden large entry and withdrawal orders.

The consultation paper on the proposed changes and details will be available on the SGX website [www.sgx.com](http://www.sgx.com) from today. Market participants and members of the public can send in their comments and suggestions on the proposed contract from today until 15 June 2011 via email and either by post/courier or fax to:

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