

NEWS

SGX INTRODUCES DMA TO SECURITIES TRADING

Singapore Exchange has introduced rule changes to allow market participants to access SGX-ST's trading system directly using systems of their own or of SGX-ST Members. The new rules took effect on 18 September 2012. These rules facilitate the introduction of the ASEAN Trading Link.

With direct market access (DMA), market participants are able to transmit orders to SGX-ST's trading engine in real time. Accordingly, SGX-ST Members are required to establish measures to safeguard against potential system malfunction, and excessive customer trades by volume or value. The main rule amendments are:

- introducing Member requirements for customers who use their own order management systems;
- requiring Members to put in place minimum credit standards for customers with direct market access;
- requiring Members to have comprehensive programmes for maintaining the integrity of their order management systems.

The rule amendments take into consideration comments and suggestions from market participants and members of the public on the public consultation issued on 9 April 2012 and closed on 22 April 2012.

In addition to the rule changes on direct market access, SGX is also introducing new rules on the participation criteria and compliance requirements for SGX-ST members in relation to the ASEAN Trading Link. These rules also took effect on 18 September 2012.

SQUAWKER LAUNCHES SELL-SIDE BLOCK TRADING VENUE

Squawker, the negotiation venue for sell-side block trading, has launched the world's first institutional trading venue based on professional social-networking technology. Due to go live in the first quarter of 2013, Squawker will enable investment banks, market makers, agency broker, proprietary and principal trading firms to find, negotiate and unwind large positions anonymously, cost-effectively and within a single transaction without the risks of market movement or information leakage. The announcement from the UK FSA-regulated firm comes eight weeks after Squawker signed a multi-million pound Series-A investment from the private sector.

ASEAN TRADING LINK GOES LIVE

ASEAN Exchanges, a collaboration of the seven stock exchanges of ASEAN, announced the rollout of the ASEAN Trading Link connecting Bursa Malaysia and Singapore Exchange.

Malaysia and Singapore are the first two connected markets in ASEAN while it was confirmed at the launch that Thailand will be next when The Stock Exchange of Thailand connects on the ASEAN Trading Link next month.

With the launch of the ASEAN Trading Link, brokers of participating exchanges will now seamlessly be able to trade shares on other participating markets. What this means is that investors will now be able to buy and sell shares across the connected ASEAN markets of Malaysia, Singapore and soon Thailand through their broker as easily as investing in their home-country stock exchange. To date, 31 brokers from across Malaysia, Singapore and Thailand, have already joined.

HKEX, SHSE AND SZSE JOINT VENTURE

Three months after the exchanges announced plans for a joint venture to develop financial products and related services, the board of China Exchanges Services Company Limited (CESC) had its inaugural meeting in Hong Kong. CESC's board consists of three directors nominated by each of the exchanges.

CESC's principal business will include, but not be limited to, the development and franchising of index-linked and other equity derivatives; the compilation of cross-border indices based on products traded on the three markets; and the development of industry classification for listed companies, as well as information standards and information products. The business will also include market promotion, customer services, technical services and infrastructure development.

HKEx, SHSE and SZSE each contributed HKD100m of CESC's initial paid-up capital of HKD300m and they have equal stakes in the JV.

HEARD ON THE STREET

Our intrepid columnist Patrick Young launched a new conference the other week, with a boutique event focussing on the meaty topic of the future of markets. A glittering array of speakers and markets from across the globe were represented in that previously largely unknown financial conference hotspot, Sibiu, in the heart of Transylvania.

The conference, planned to showcase new thinking and all forms of markets, in emerging and developed geographies, also involved a wondrous awards ceremony where many industry luminaries received certificates of excellence. In a highly competitive field, industry IT guru Brian Taylor won the best researched speech trophy for his brilliant paper on bond markets, while Adrian Fitzpatrick of Kames Capital was pronounced best speaker.

Two new markets, the American prediction exchange AmCiv and the new Trend-ex commodity exchange were the recipients of awards as Young Markets New Exchanges of the Year.

Meanwhile there were also lifetime achievement awards for UNCTAD guru and commodity exchange pioneer Colin Howard and also Teodor Ancuta, the founder and Chairman of the SIBEX marketplace, headquartered in Sibiu.

Meanwhile, leading management consultant Andre Cappon, the head of CBM, had jetted in from New York to keynote in the country of his birth. Cappon found himself in great

demand as one of the few Romanian native speakers at Young Markets and therefore a focus of interest in the rather frenzied media coverage which followed every development in the inaugural Young Markets conference.

While the focus of attention was on Young Markets, elsewhere in the city of Sibiu, the rather controversial Chairman of SIBEX, Christian Sima was being kept busy fending off angry shareholders - if the media is to be believed. Apparently, at an EGM last week a majority of his shareholders were prevented from voting to oust him. So instead they signed an open letter seeking his removal from office. And a number of shareholders want to pursue Mr Sima for damages as a result of his actions in office which have led SIBEX into losses for the first time in its history.

Away from the controversy of Romania's second exchange, back at Young Markets there was one final award to celebrate as one of the most popular men in the industry, Ulf Axman of Cinnober was awarded the 'Personality of the Year' award to unanimous acclaim from all delegates. Well done Ulf!

The next Young Markets will move from the former Saxon Transylvania to the former Prussia, with the event scheduled for Torun, Poland on June 5 and 6, 2013. Former British Ambassador to Sarajevo, Belgrade and Warsaw, H. E. Charles Crawford, who provided a blistering opening speech at the Liquidnet inaugural dinner, will be returning to open YMarkets2.