

Bursa Trade Securities

Frequently Asked Questions (FAQs)

BTS MODEL

Q1. What is Bursa Trade (BT) Securities?

A. BT Securities is a trading platform or a new trading system that will change the way Bursa Malaysia conducts its business of trading, information dissemination, clearing and surveillance of the securities market. The BT Securities is a replacement of SCORE.

Q2. What are the trading sessions?

A. Normal and Odd Lot Market

Session 1: 9.00am – 12.30pm

Session 2: 2.30pm – 5.00pm

Buying-In Market

Session 1: 8.30am – 12.30pm

Session 2: 2.00pm – 5.00pm

Direct Business Transaction

8.30am – 5.15pm

Q3. What markets are available in BT Securities?

A Normal Market

Odd Lot Market

Buying-In Normal Market

Direct Business Transaction

Q4. What are the types of orders available in BT Securities?

A Type of orders that are allowed under Bursa Trade are:

- Limit Order
- Market Order

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Q5. What are the key changes to how securities are traded under BTS System?

A See the summary below:

	SCORE	BTS System
Order Entry	<ul style="list-style-type: none"> • Time • Sequence • Cancel/ reduce • Quantity & value • Upper & lower limit 	No change No change No change No change No change
Matching Priority	Market order has priority over limit order. Limit Order is based on price/time priority Matching priority during pre-opening with the same price is randomised	No change Matching priority during pre-opening with the <i>same price will be time priority.</i>
Matching Interval	10 second matching (Continuous Auction)	<i>Real-time</i> matching (Continuous)
Matching Time	Normal and Odd Lot Market 9.00am – 12.30pm and 2.30pm – 5.00pm Buying-In Market 8.30am – 12.30pm and 2.00pm – 5.00pm	Normal and Odd Lot Market No change Buying-In Market No change
	Direct Business Transaction 8.30am – 12.45pm 2.00pm – 5.15pm	Direct Business Transaction <i>8.30am – 5.15pm</i>
Order Confirmation	Can be seen online and offline Can print	No change
Trading Phases	<ul style="list-style-type: none"> • Pre-Opening, • Opening, • Continuous, • Closing 	<i>Additional two more phases ie Pre-Closing and Trading At Last</i>
Pre Opening Phase	Orders are not made transparent	<i>Orders are transparent with TOP computation</i>
Opening Price	The TOP pricing is formulated based on the following algorithm: <ul style="list-style-type: none"> • Maximising the number of shares traded (executable volume) • Price at closest to the reference price 	<i>Refer to Question 12</i>

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Q6. What are the changes to the Odd Lot Market?

A See the summary below:

	Current System	BT System
Matching of Orders	All or none	Partial matching
Order Validity	Good for Day	Good for Session
Matching Mechanism	Time Priority	Price/time priority
Price Limit Control	None	Yes
Order Confirmation	Can be seen online and offline	No change

Q7. What are the Order Entry States and the functions available to be executed for each state?

A During a normal trading session, securities pass from one Market Phase to another within its product group. In addition to this, securities have their own order entry states, which changes according to the circumstances specifically affecting the securities. They are:

- **Authorised**
- **Forbidden**

Table summary of Order Entry States:

Securities States	Order Entry	Modification Order	Cancellation Order	Matching
Authorised	√	√	√	√
Forbid	X	X	X	X

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Q8. What are the Trading Phases, Trading Hours in BT and the functions available to be executed at each Phase?

A See the summary below:

Trading Phases	Trading hours	Functions/Activities
Pre-Opening	<p>1st Session - 8.30am</p> <p>2nd Session - 2.00 pm</p>	<ul style="list-style-type: none">• Orders can be entered, modified and deleted.• No matching of orders.• Theoretical Opening Price (TOP) of each securities is dynamically calculated• Information is broadcasted to market based on orders in order book.• Market Orders and Limit Orders are allowed to be entered.
Opening	<p>1st Session - 9.00 am - 8.30am (BI/ DBT)</p> <p>2nd Session - 2.30 pm - 2 pm (BI)</p>	<ul style="list-style-type: none">• Opening price is last TOP calculated before matching.• Opening price and quantity of contract matched are broadcasted.• At end of Opening period, system will automatically move to Continuous Trading.• If no matching can be done at opening, price of first trade occurring in main trading session is designated as the opening price.• No orders can be entered during this phase.

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Trading Phases	Trading hours	Functions/Activities
Continuous Trading	<p>1st Session</p> <ul style="list-style-type: none">- 9.00 am- 8.30am (BI/DBT) <p>2nd Session</p> <ul style="list-style-type: none">- 2.30 pm- 2 pm (BI)	<ul style="list-style-type: none">• Orders can be entered, modified and deleted.• Trading takes place on a continuous basis.• Each incoming order is checked immediately for possible execution.• Unexecuted portion of such order is added to the order book.• Matched trades can be viewed via Automated Trading System (ATS)• Matching will be based on Price and Time Priority.• Market Orders and Limit Orders are allowed to be entered.
Pre Closing	<p>1st Session</p> <ul style="list-style-type: none">- 12.15 pm <p>2nd Session</p> <ul style="list-style-type: none">- 4.45 pm	<ul style="list-style-type: none">• Starts immediately after end of continuous trading phase.• Order entry performed by participants is automatically updated in order book without giving rise to trades.• Theoretical Closing Price is calculated each time a new order is entered into the order book and displayed on the TOP column.• Market Orders and Limit Orders are allowed to be entered.

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Trading Phases	Trading hours	Functions/Activities
Closing	1 st Session - 12.20 pm 2 nd Session - 4.50 pm	<ul style="list-style-type: none">• Closing price is defined in this phase.• In event of no trading quotation during Trading Day, the closing price is last known traded price.
Trading At Last	1 st Session - 12.20 pm 2 nd Session - 4.50 pm	<ul style="list-style-type: none">• Orders can be entered and matched at Theoretical Closing Price or Last Done Price only.• Only Limit Orders can be entered.
End of Session/ Trading Day	1 st Session - 12.30 pm <i>for all except DBT</i> 2 nd Session - 5.00 pm <i>for all</i> -5.15pm (DBT)	<ul style="list-style-type: none">• Orders cannot be entered, modified, cancelled or matched.

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Q9. In what circumstances do the Open, Reserved, and Suspend states happen? Does it have any relation to Trading Phases and/or Trading Sessions?

A See summary below:

Instrument States	Description
Open	Order execution is allowed for the instrument, assuming the group state permits.
Suspended	Order execution is denied (as when the instrument is in the Pre-Opening phase). Bursa manually suspends an instrument. (The System cannot automatically suspend an instrument.)
Reserved	<p>Order execution is denied (as when the instrument is in the Pre-Opening phase). The instrument is subject to Pre-Opening rules regardless of whether the group to which it belongs is in the Pre-Opening, Opening, or Continuous Trading phase.</p> <p>An instrument is assigned a Reserved state in any of the following circumstances:</p> <p>i) The instrument is automatically reserved by the Trading Engine at the Opening if a) the opening price is outside the instrument's upper or lower price threshold; b) if a Market order is not fully executed; or c) only one Opening order is in the book.</p> <p>ii) Bursa manually reserves the instrument(s)-e.g. after the System freezes the instrument (see Frozen) or in other circumstances.</p> <p>In this instance, POs have a maximum of 5 minutes to cancel the particular order, failing which, the Exchange will use its discretion to 'open' the securities for trade.</p>
These commands will be executed during the Trading Phases and Trading Sessions.	

Q10. Are orders allowed to be entered during the 'RESERVE' status? What is the impact?

A During the 'RESERVE' status, brokers are able to key in orders and the Theoretical Opening Price (TOP) will change accordingly. However, the orders will only be matched after the counter has been opened for trading. Please ensure the Status fields are selected for each market on WinSCORE – Odd Lot and Normal Lot Markets.

Q11. How long will a counter be in 'RESERVE' status?

A If an order is not cancelled by the PO within 5 minutes of the market Opening, Bursa will proceed to open the counter for trading. It would normally take between 2 to 5 minutes to open counters under 'RESERVE' status, depending on the number of counters being under 'RESERVE' status.

In opening the counters under 'RESERVE' status, Bursa will at times be required to change the Upper or Lower Price Limit of the counter. This can happen when there is a limit order entered by Dealers at either the upper or the lower price limits with a Market Order.

E.g. A counter with Reference Price RM 1.00

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B/Qty	Buy	Sell	S/Qty
700	MO	MO	300
100	1.30	1.30	200
		1.29	100

In the above scenario, the system will try to calculate TOP which is higher than the best buy price which will be RM 1.31. As the initial upper limit is RM 1.30 (based on 30% price threshold), the counter will be reserved by the system.

Bursa will change the upper limit up to RM 1.32 before the counter is opened.

Q12. What is Theoretical Opening/Closing Price (TOP)

A The TOP is the price calculated and displayed during the pre-opening and pre-closing phases.

The TOP pricing is formulated based on the following theoretical pricing algorithm, that:

- Maximizes the number of shares traded (executable volume),
- Minimizes the number of unfilled shares (minimum surplus),
- If an imbalance of unfilled shares is on the buy side, the TOP will be the highest price therein,
- If an imbalance of unfilled shares is on the sell side, the TOP will be the lowest price therein,
- Price at closest to the reference price.

Q13. Is there any calculation of TOP when dealers key in Odd Lot orders during Pre-Opening/Pre-Closing Phase?

A Yes, the same rules as a normal market will apply to odd lot market. However, the system will NOT display the TOP for Odd lot Market. The TOP field on the WinSCORE will only display the Theoretical Opening Price for Normal Market.

Q14. What is the matching mechanism of BT Securities during Continuous Trading Phase?

A The current system's approach of the matching mechanism is based on 10 second interval call market mechanism. With BT Securities the matching is continuous matching during the Continuous Trading Phase.

Q15. What happens during Trading at Last (TAL)?

A Only Limit orders are allowed and system will reject any Market Orders. Orders at Trading At Last (TAL) will only be matched at the Theoretical Closing Price (TOP) or last done price (LDP). The Trading System will reject all orders entered with different prices with error code 2138.

When there is an order queuing-in in the order book during the TAL which is better than the LDP/TOP, the system will reject all other orders entered with inferior price.

Example:

The last done price for counter ABC is RM0.700

The best sell price is RM0.600 (carried forward from CTP/OCP) but no TOP calculated during pre-closing

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During the TAL, when a dealer enters a BUY order at a price higher than the best sell price (RM0.600) the order will be rejected with an error code "2138 Invalid order price", whereas when the dealer enters a BUY order at the last done price (RM0.700), the order will be rejected with an error code "2137 Order price is outside the thresholds".

When a dealer enters a SELL order at a price lower than the best sell price (RM0.600), the order will again be rejected with an error code "2138 Invalid order price" and when the dealer enters a SELL order at the last done price (RM0.700), the order will be rejected with an error code "2137 Order price is outside the thresholds".

Q16. What is Last Adjusted Closing Price (LACP)?

A LACP is the adjusted price of the stock due to corporate exercise.

Q17. What is the function of LACP and how useful is this LACP?

A The LACP indicates the newly adjusted price when a stock has gone through a corporate exercise.

The LACP is useful as it the base in calculating the trading limit % change and price change (Chg) columns on WinScore.

Q18. What is the difference between SCORE's 'Ref' Price and BT's 'Ref' Price?

A The difference between the SCORE's 'Ref' Price and BT's 'Ref' Price is:

- SCORE's 'Ref' Price – will not change for the 2nd session.
- BT's 'Ref' Price – will change in the 2nd session where it takes the Last Done Price (LDP) of the 1st session.

Q19. Can I trade beyond the 99% range of VWAP on DBT?

A Yes. However a new policy and procedure have been developed for trading in DBT which will be forwarded to all POs soon. For the purpose for EUAT POs are requested to enter DBT orders within the 99% range only.

Q20. Is the Company's Particulars (COP's) limit up price and limit down price on WinSCORE applicable to BT?

A Yes, the COP's limit up price and limit down price on WinSCORE is applicable to BT.

Q21. How is the COP's limit up price and limit down price calculated in BT?

A The COP's limit up price and limit down price is calculated based on the Reference Price.