

LONDON NOTICE No. 3317

ISSUE DATE: 4 August 2010
EFFECTIVE DATE: 11 August 2010

IMPLEMENTATION OF THE UPDATED TIME PRO RATA TRADE MATCHING ALGORITHM FOR SHORT TERM INTEREST RATE (“STIR”) FUTURES CONTRACTS

Executive Summary

This Notice informs Members that the trade matching algorithm currently used in Three Month Euro (EURIBOR) Interest Rate Futures, Three Month Sterling (Short Sterling) Interest Rate Futures and Three Month Swiss (Euroswiss) Interest Rate Futures Contracts will be updated, and applied to all NYSE Liffe Short Term Interest Rate (STIR) Futures in the ‘live’ market on and from **11 August 2010**.

1. London Notice No. 3292, issued on 11 June 2010, informed Members of a new version of the Time Pro Rata trade matching algorithm to be applied to all STIR Futures Contracts. This Notice informs Members that the new version of the Time Pro Rata trade matching algorithm will be deployed in the ‘live’ market on and from **11 August 2010**. However, the Exchange reserves the right to amend this date in the event of high levels of volatility within the markets. In the event that the implementation of the updated algorithm is delayed, a Notice will be issued to Members.
2. The updated Time Pro Rata trade matching algorithm will continue to encourage the timely entry of volume into the order book. However, the mathematical approach used within the trade matching algorithm will be updated (for further details please refer to London Notice No. 3292). The algorithm currently considers both the size of resting orders and the sequence of orders entered. On and from 11 August 2010, it will continue to consider the size of resting orders, but will consider where the orders on a lot-by-lot basis sit in the sequence of lots entered, rather than the sequence of orders themselves.
3. LIFFE CONNECT[®] will be upgraded to accommodate this update. This upgrade does not require any action from Independent Software Vendors or member developers as there will be no changes to the API associated with this release. However, Members who have developed specific trading tools that take account of the features of the current matching algorithm(s) may wish to modify these in light of the changes.

For further information in relation to this Notice, Members should contact:

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