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# **Introduction of Market Halts & Widening of Circuit Breakers**



PAKISTAN  
STOCK EXCHANGE  
LIMITED

**PSX-IT(PMO)**  
**13<sup>th</sup> January 2020**

# **Scrip-Based Circuit Breaker**

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## **Existing Mechanism**

- Existing circuit breakers of 5% or Rs. 1 whichever is higher

## **Proposed Changes**

- Scrip wise circuit breakers will be enhanced by 0.5% after every 15th Day (fortnightly basis).
- Circuit breakers will reach the level of 7.5% or Rs.1 whichever is higher.

## **Schedule – Fortnightly Increase in Circuit Breakers**

Date	Circuit Breakers	Price Against (Rs.1)
20 <sup>th</sup> January, 2020 (Monday)	5.5% or Rs. 1 whichever is higher	18.19
04 <sup>th</sup> February, 2020 (Tuesday)	6.0% or Rs. 1 whichever is higher	16.66
19 <sup>th</sup> February, 2020 (Wednesday)	6.5% or Rs. 1 whichever is higher	15.39
5 <sup>th</sup> March, 2020 (Thursday)	7.0% or Rs. 1 whichever is higher	14.29
20 <sup>th</sup> March, 2020 (Friday)	7.5% or Rs. 1 whichever is higher	13.33

# ***Introduction of Market Halts***

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## **Market Halts in PSX**

Introduction of Index-based market halts would facilitate in managing the risk as market participants respond to systematic factors affecting securities across many sectors. Imposing such halts on index movement would allow adequate cooling-off period to investors to assess the market.

## **Application of Market Halts**

- The Exchange will apply index-based market halt in case KSE-30 index 4% either way from its opening index value.
- Once circuit breakers reach the level of 7.5% or Rs.1, whichever is higher, index based market halts shall only be applicable in case KSE-30 index moves 5% either way.

## ***Modalities - Market Halts***

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In case KSE-30 index continues to trade 4% or 5%, as applicable, above or below its opening index value for consecutive 5 minutes (during market open state only), the trading in all securities shall be halted for 45 minutes. Upon imposition of a market halts, the following measures shall be taken:

- All equity and equity based derivative markets shall be suspended.
- The market shall have a five (05) minutes pre-open before its re-opening.
- NCCPL shall collect Mark-to-Market losses from its clearing members as per its regulations.
- Only those BCMs/NBCMs shall be allowed to trade after resumption of trading for that day which have deposited the required margins with NCCPL.
- Provided that the market halt shall not be applicable in case KSE-30 index moves beyond 4% or 5%, as applicable in the last 1 hour of the market.

# Modalities Market Halt - NCCPL

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- Once the Market Halt triggered on the intimation of Exchange, the Mark to Mark(MTM) Losses shall be determined by the Company on the basis of last executed price during trading hours on a trading day;
- Each Clearing Member is required to pay MTM Losses within prescribed time on the trade date;
- A new Report will be available in NCC system where CM can view MTM Losses demand for all Markets;

# National Clearing Company of Pakistan Limited. Loss Summary Report

Transaction Date:10/01/2020  
Market Halt Time:10-JAN-20 12:31:54.285079000 PM  
CM ID: ALL

Page: 1 of 1  
User: IDJAMIR  
Date: 10/01/2020  
Time: 03:28:55

Market Halt Start Time	Discription		ERC			DFC			MTS			SLB			Liquidity Adjusted Loss
	CM ID	CM Name	Loss Demand	Value of Collaterals	Net Demand	Loss Demand	Value of Collaterals	Net Demand	Loss Demand	Value of Collaterals	Net Demand	Loss Demand	Value of Collaterals	Net Demand	
10-JAN-20 12:31:54.285079000 PM	00208	KSR Corporate BCM (Regular) 00208	1,948,999	0	1,948,999	0	0	0	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	00398	LSR Individual BCM (Regular) 00398	14,293,500	0	14,293,500	0	0	0	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	00422	KSR Corporate BCM (Regular) 00422	307,000	0	307,000	0	0	0	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	00513	LSR Corporate BCM (Regular) 00513	3,918,000	13,215,698	0	15,814,000	0	15,814,000	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	00620	KSR Corporate BCM (Regular) 00620	3,750,500	0	3,750,500	0	0	0	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	00646	KSR Corporate BCM (Regular) 00646	445,000	0	445,000	0	0	0	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	00653	KSR Corporate BCM (Regular) 00653	20,964,000	31,154,000	0	15,814,000	0	15,814,000	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	00935	KSR Corporate BCM (Regular) 00935	1,370,000	0	1,370,000	0	0	0	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	01735	NBCM (Regular) 01735	3,342,500	0	3,342,500	0	0	0	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	03996	KSR Corporate BCM (Regular) 03996	126,351,604	100,000	126,251,604	24,626,750	0	24,626,750	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	04234	KSR Corporate BCM (Regular) 04234	3,285,500	3,374,970	0	4,123,500	0	4,123,500	0	0	0	0	0	0	0
10-JAN-20 12:31:54.285079000 PM	41012	MSP NON-BROKER FINANCIER - 01	1,630,550	12,616,130	0	0	0	0	0	0	0	0	0	0	0

End Of Report

# Modalities Market Halt - NCCPL

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- The Company will collect MTM Losses as per existing applicable regime;
- Broker Clearing Member who fails to pay MTM Losses within prescribed time shall not be allowed to take any fresh position during the day before paying the amount of MTM Losses;
- The IDS affirmation facility shall not be available to those Non Broker Clearing Member who failed to deposit required MTM loss to NCCPL;
- The updated position shall be available to PSX trading /EMS systems after collection of MTM losses.



***Thank you!***

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***Questions?***