

# **Face 2 Face Electronic Forum: DMA In Equities – An Update**

**Conference Room, Bursa Malaysia  
26 May 2010**

# **A BIT OF BACKGROUND**

- **DMA at Bursa Malaysia**

- DMA Derivatives : Launched since March 2008
- DMA Equities : Launched since November 2009

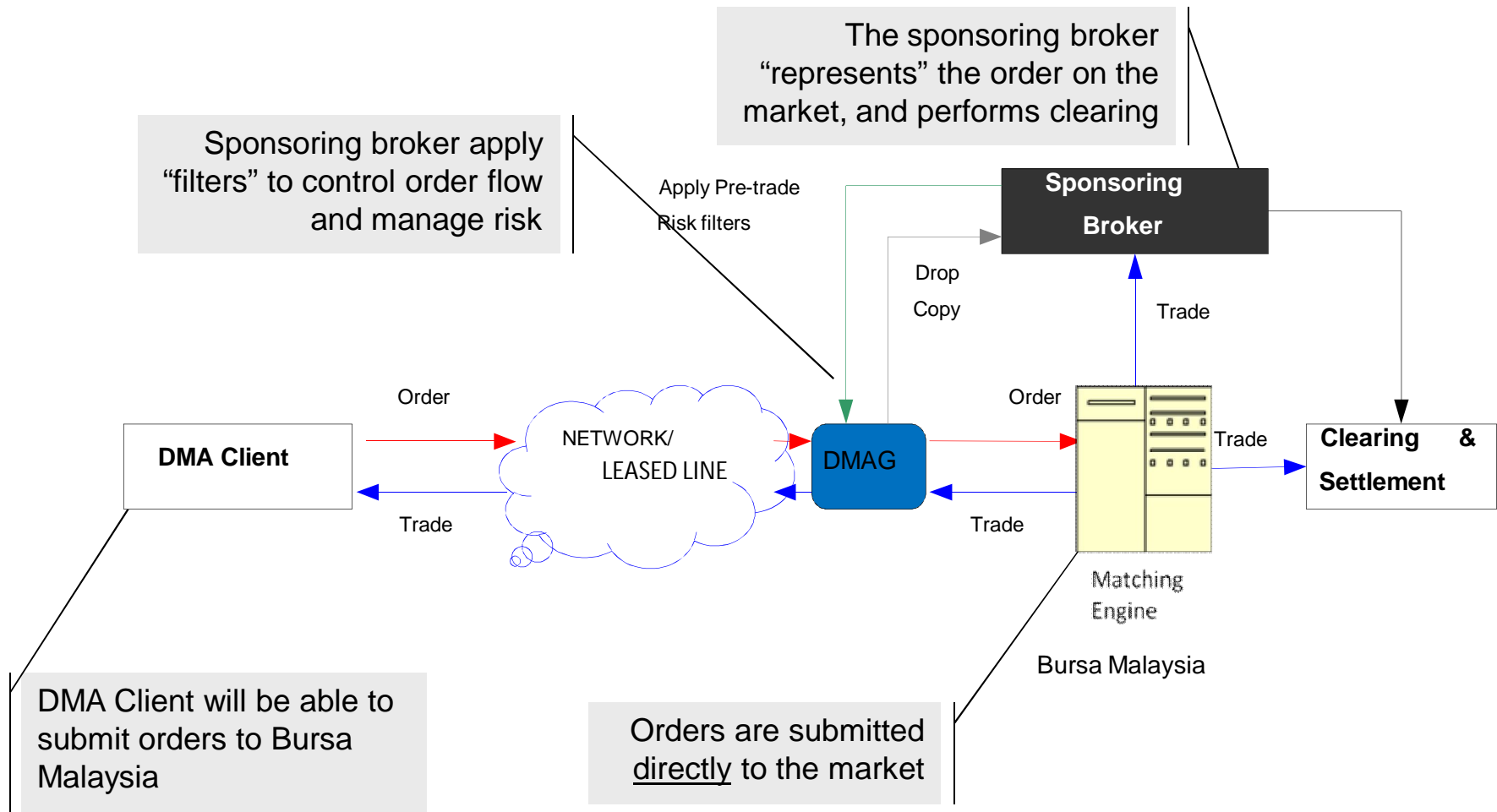
**WHAT HAS CHANGED**

**&**

**WHAT HAS NOT**

▪ **What *hasn't* changed from DMA Derivatives : Sponsored Access**

**SPONSORED ACCESS MODEL**



- **Connectivity**

- DMA Client is CONNECTED DIRECTLY to ~~the Bursa DMAE Gateway~~

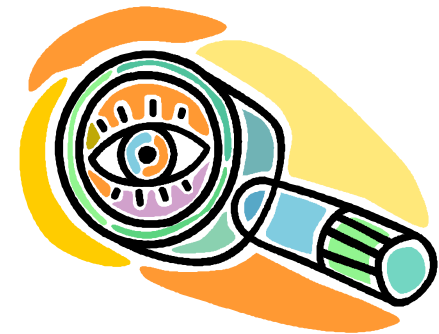
“Technologically speaking”

However, the Sponsoring Broker is not disintermediated and is a part of the process, monitoring the situation.

- Sponsoring broker receives drop copies of execution reports

- **Pre-trade risk filters at the Gateway:**
  - Daily Net Cash Position
  - Daily Maximum Total Capital Engaged
  - Maximum Capital Engaged Per Order
  - % Far From Market Spread
  - % Far From Last Traded Price (LTP)
  - Small Order Far from LTP
  - Market Type Authorization
  - Instrument Type Authorization
  - Order Technical Type Authorization

\*The Exchange does NOT prescribe any of the values



## An award winning approach!

Bursa Malaysia won the “*Best Innovation by an Exchange*” award by the Futures and Options World (FOW) under the category of Customer Service, South and Southeast Asia and Australasia” for this Sponsored Access model.



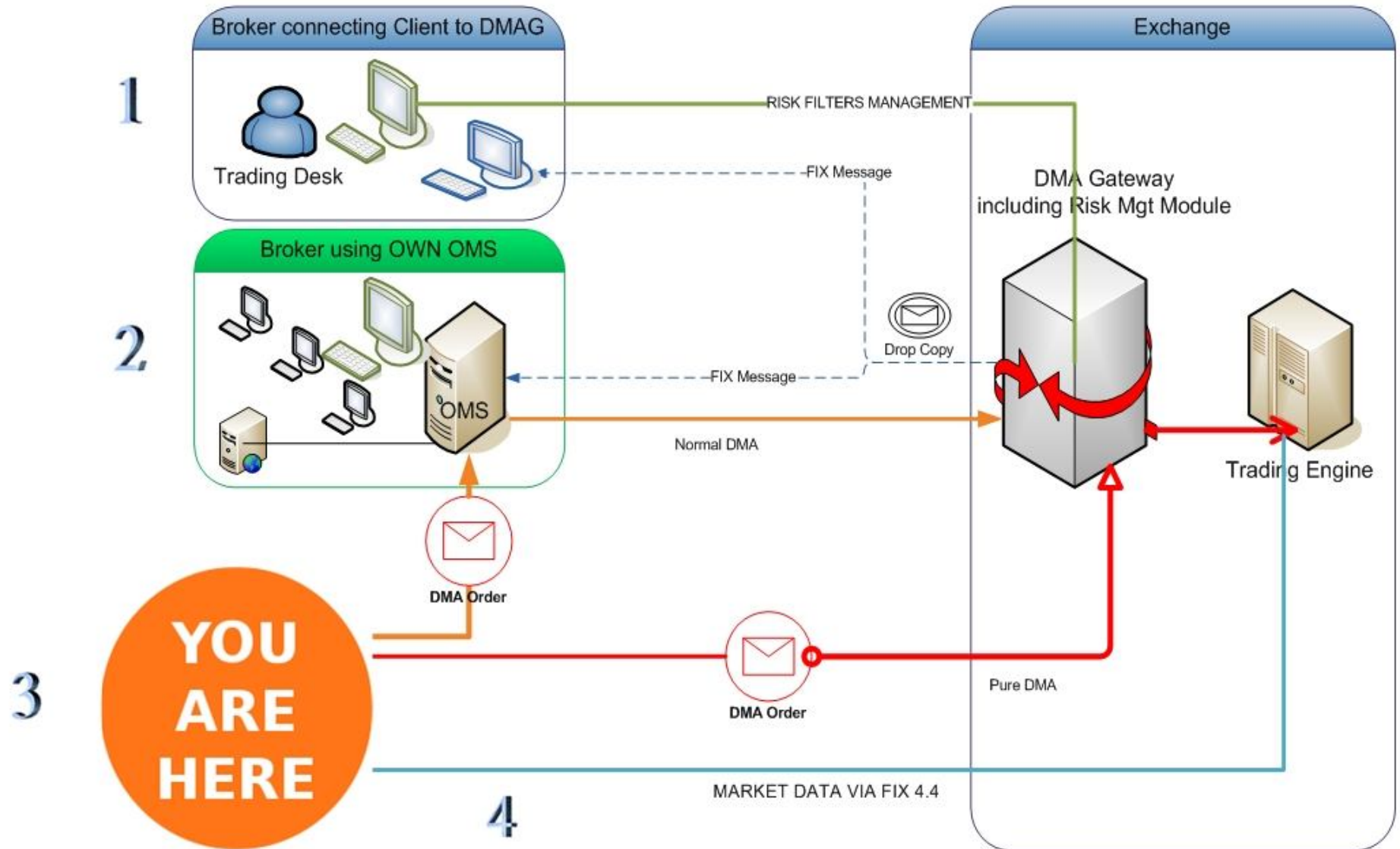


## **(b) Co-location**

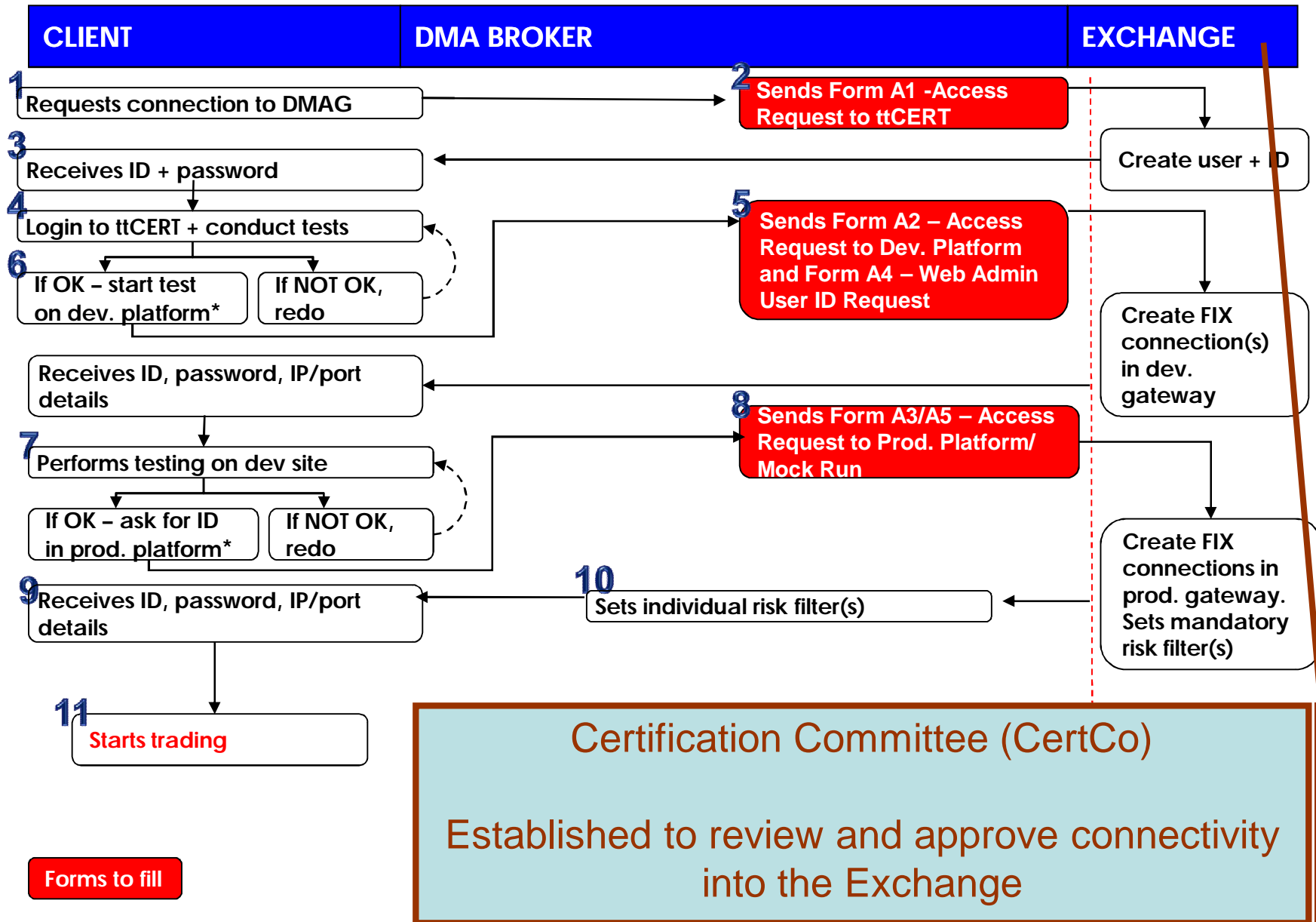
- Market participants can install own servers at our data centre
  - Facilitate algo trading
  - Lower latency

# THE END RESULT?

# DMA, PRE-RISK FILTERS & MARKET DATA



# THE ONBOARDING PROCESS



\*Brokers have to submit test results/reports upon successful testing

# **A PEEK INTO THE FUTURE**

## ASEAN Link – The Plan

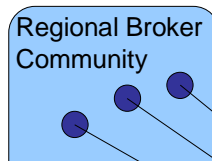
The linkage opens up new markets and new trading communities...

Direct access to trade on ASEAN exchanges

Act as a local sponsor for inbound business from regional brokers

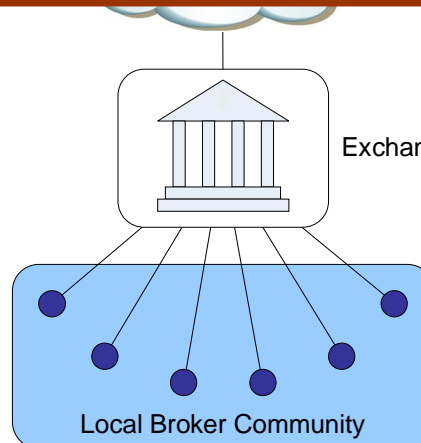
Act as a local sponsor for inbound business from global brokers

Act as a local sponsor for inbound business from global buy-sides



Brokers can leverage on the same infrastructure – the vendors for DMA Equities (NYSETT) are building the ASEAN Link Gateway

SFTI is all leading brokers in the US and Europe to access major markets including NYSE Euronext, and NASDAQ. It has over 1,300 participants.



Marketplace-based community connecting buy-sides with sell-sides. The Marketplace community includes

- 460+ Institutional Buy-side Clients
- 600+ Direct Broker Connections



**THANK YOU**

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