

London Stock Exchange Derivatives

MARKET NOTICE 2017/005

Review of Price Controls and Fair Value Ranges for Interest Rate and Equity Derivatives

London Stock Exchange Derivatives Market (LSEDM) informs Member Firms that the price controls for orders and block trades as well as Fair Value Ranges have been reviewed. Parameters that will be updated as a result of the review process are set out in the tables below and will be effective on **Monday, 30 January 2017**.

Price controls for interest rate derivatives

Product	Colour code ¹	Order book price control		Block Trade price control		
		X validation (order price vs. static control price – in ticks ²)		Allowable % from bid/ask		
		Old parameters	New parameters	Old parameters	New parameters	
Interest Rate futures	Three month Euribor [®]	Serial	20	2000	+/- 20%	+/- 10%
		White	20	2000	+/- 20%	+/- 10%
		Red	40	2000	+/- 20%	+/- 10%
		Green	40	2000	+/- 20%	+/- 10%
		Blue	60	2000	+/- 20%	+/- 10%
		Gold	60	2000	+/- 20%	+/- 10%
		Purple	80	2000	+/- 20%	+/- 10%
	Three month Sterling	Serial	10	1000	+/- 20%	+/- 10%
		White	10	1000	+/- 20%	+/- 10%
		Red	20	1000	+/- 20%	+/- 10%
		Green	20	1000	+/- 20%	+/- 10%
		Blue	30	1000	+/- 20%	+/- 10%
		Gold	30	1000	+/- 20%	+/- 10%
		Purple	40	1000	+/- 20%	+/- 10%
Schatz	All months	60	2250	+/- 20%	+/- 10%	
Bobl	All months	135	1250	+/- 20%	+/- 10%	
Bund	All months	315	1600	+/- 20%	+/- 10%	
Long Gilt	All months	195	1250	+/- 20%	+/- 10%	

¹ The expiry colour coding refers to the following monthly strips or “packs”: White, 3-12m; Red, 12-24m; Green, 24-36m; Blue, 36-48m; Gold, 48-60m; Purple, 60-72m.

² Please note that the tick size for Euribor[®] futures is 0.005 and 0.01 for the Three Month Sterling futures.

Product	Colour code	Order book price control	
		Y validation (trade price vs. static control price - in ticks)	
		Old parameter	New parameter
Long Gilt Futures	All months	65	105

Price controls for equity derivatives

Product	Order book price control % from static control		
	Old parameters	New parameters	
Equity Futures	FTSE 100	+/- 5.0% for orders +/- 3.5% for trades	+/- 10.0% for orders +/- 3.5% for trades
	FTSE UK SLQ	+/- 5.0% for orders +/- 3.5% for trades	+/- 10.0% for orders +/- 3.5% for trades
	FTSE RIOB	+/- 5.0% for orders +/- 3.5% for trades	+/- 10.0% for orders +/- 3.5% for trades
	BIST 30	+/- 5.0% for orders +/- 3.5% for trades	+/- 10.0% for orders +/- 3.5% for trades

Fair Value Range for interest rate derivatives

Product	Colour code	Value Ranges – old parameters (ticks from fair value)	Value Ranges – new parameters (ticks from fair value)
Interest Rate futures	Serial	8	16
	White	8	16
	Red	18	36
	Green	20	40
	Blue	26	52
	Gold	30	60
	Purple	40	80

Tables 12.1 and 12.2 of the Trading Services Description will be updated accordingly and will be made available on the [LSEDM Document Library](#) before the changes become effective.

Member firms wishing to receive more information may contact Derivatives Market Supervision on +44 (0) 20 7797 4632.

LSEDM Supervision
London Stock Exchange

Telephone: +44 (0) 20 7797 4632
lseadm.supervision@lse.com

10 Paternoster Square, London, EC4M 7LS