

# London Stock Exchange Derivatives

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## MARKET NOTICE 2018/045

### 'Too Deep' Trading Safeguards for Norwegian Derivative Contracts

London Stock Exchange Derivatives Market (LSEDM) informs Member Firms that the 'Too Deep' trading safeguard will be configured to include Norwegian index and stock option contracts **effective 2 July 2018**. This safeguard is already in use for future contracts.

The 'Too Deep' trading safeguard validates incoming limit orders by comparing the limit price with the current order book's best bid or offer. Buy orders are validated against the offer price and sell orders are validated against the bid price.

Buy limit orders entered with a price exceeding the best offer price by more than the 'Too Deep' Limit will be rejected by the trading system. Likewise, sell limit orders entered with a price lower than the best bid price by more than the 'Too Deep' Limit will be rejected by the trading system.

The 'Too Deep' Limit is specified in number of ticks and will be set to:

<b>OBX Index Options</b>	10 ticks
<b>Norwegian Stock Options</b>	10 ticks

Note that 'Too Deep' applies only to limit orders.

The 'LSEDM - Trading Services Description' document will be updated accordingly and uploaded to the [LSEDM Document Library](#) before the changes become effective.

Members are encouraged to ensure that their Customers and all relevant parties of the organisation are aware of these changes.

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