

## Guidance Note

### Released:

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Version: 3

### Key concepts

Available Order Types

### Related Information

FEX Guidance Notes

*GN 24 - Exchange for  
Physicals*

*GN 25 - Block Trades*

*GN 29 - Tailored Strategies*

*GN 38 - Price Limits and*

*GN 42 - Defined Strategies*

### Recommended Audience

Derivatives Staff Members

Compliance Managers

### Previous Issues:

Nil

## GN 23 - Order Types

### Introduction

The aim of this Guidance Note is to explain the types of Orders that the Exchange has implemented and how each order type will work with respect to its ongoing presence in the order book.

There are two characteristics used to define the dominant order types available. These are the Price and Duration attributes of the order.

For the Price attribute the Order will either be entered with a specific price or the Order will take its price from the prevailing market created by Orders already in the market or Trades that have occurred in the market.

For the Duration attribute an Order can be assigned one of the duration options from the following list: Immediate, Session, Current Trading Day, Good until Date, and Good until Cancelled.

Normal trading session transitions use the Duration attribute to remove orders from the order book at the appropriate times.

There are also special Order types that are used to facilitate either multi-legged transactions or pre-negotiated deals.

The order types and operations of multi-legged transactions are explained in detail within GN29 - Tailored Strategies and GN42 - Defined Strategies. These order types are not expanded further within this Guidance Note.

Similarly, the details regarding the use and procedures for pre-negotiated deals are explained in detail within GN24 - Exchange for Physical, GN25 - Block Trades and GN53 - Pre-Negotiation and are not expanded further within this Guidance Note.

### Guidance

The following tables identify the various Price and Duration attributes specific to Orders and describe how prices are determined and how long orders will remain as viable orders for matching within the order book. This Guidance Note should be read in conjunction with GN38 - Price Limits.

Price Attributes	Description
Market	<p>Orders with this type of Price attribute are known as “Market Orders” and use the price from the best priced Orders on the opposite side of the order book (Best Buy price if the order is to sell and best Sell price if the order is to buy.) as the price at which matching commences. Market Orders do not require the user to enter a price when entering the order details into the Trading System.</p> <p>Market Orders are designed to support the immediate trading of a desired volume of a product without specifically limiting the price at which this occurs.</p> <p>Using the Daily Price Movement Limit for this product, the Trading System will attempt to fill all volume of the Market Order at the current best price and then continue matching existing orders through price levels until the Market Order volume is filled or the Daily Price Movement Limit for this product is reached, whichever comes first.</p> <p>If the volume is not filled when the Daily Price Movement Limit for this product is reached any remaining volume will stay in the market at the price determined by the Daily Price Movement Limit and the order type will be changed to a “Limit Order” (see below).</p>
Limit	<p>A “Limit Order” order type allows the user to enter a specific price that the order will trade to, (down to in the case of a sell order, or up to in the case of a buy order) when the order is received by the Trading System.</p> <p>This order may or may not find volume to match against upon entry, and unmatched volume from this order will remain available for matching in the order book at the limit price entered.</p>
Duration Attributes	Description
Immediate (aka Fill or Kill)	<p>Orders of this duration type, upon entry, match the full volume entered, providing the Price parameters support this, or will not transact at all.</p> <p>No residual order remains in the order book.</p>
Session	<p>Orders of this duration type will transact as per normal matching rules but will only remain in the order book until the end of the current trading session.</p> <p>In particular, an order entered into the night trading session will not be carried over into the day trading session and an order entered into the Day session will not be carried over to the next Trade Date.</p>
Duration Attributes	Description
Good until Date (aka GTD)	<p>Orders of this duration type transact as per normal matching rules.</p> <p>Any volume remaining after initial execution will remain in the order book for this product for all sessions until it is matched, manually cancelled or up until the completion of the Trade Day that equals the Date entered.</p>
Good until Cancelled (aka GTC)	<p>Orders of this duration type transact as per normal matching rules.</p> <p>Any volume remaining after initial execution will remain in the order book for this product for all sessions and trading days until matched, or until it is manually cancelled or it has been in the order book for the maximum permissible number of days as set by the Exchange.</p>

At the end of each session of trading the orders remaining in the order book will have their Duration attribute assessed against the current trading session information and orders that expire at the conclusion of the current trading session will be deleted from the order book.

## Amendments to an Order

Existing orders may be amended or cancelled at any time during open trading. Orders may also be amended or cancelled while the market is in a Trading Halt or Pre-Open period. Where an order is amended the following rules of Order amendment for the Price/Time matching algorithm apply:

- A change to an Order price up or down moves the Order to lowest in time priority at the new price.
- A change to an Order to increase the quantity moves the Order to the lowest in time priority at that price.
- A change to an Order to decrease the quantity retains the existing time priority at that price.

## Limitation on the price at which an Order will be accepted

To reduce the potential of clearly erroneous Trades occurring, the Exchange has implemented an Order Price Movement Limit that determines the price at which an Order will be accepted. The Order Price Movement Limit is specified in the relevant Contract Specification and is expressed as an amount:

- Accepted for a buy Order above the current best sell Order in the order book; or
- Accepted for a sell Order below the current best buy Order in the order book.

*See GN38 - Price Limits for further details.*

FGL has issued this Guidance Note to give general assistance to Trading Participants and Clearing Entities in their compliance with the Operating Rules. FGL is not bound by this Guidance Note in any particular case. This Guidance Note is not legal advice and Trading Participants and Clearing Entities should seek their own professional advice on their obligations under the Operating Rules in their particular circumstances. FGL may replace this Guidance Note at any time. Current Guidance Notes are available at [www.fex.com.au/Guidance](http://www.fex.com.au/Guidance) or by contacting FGL on [enquiries@fex.com.au](mailto:enquiries@fex.com.au) or on +61 2 8024 5200

Defined terms in this Guidance Note have the meaning given in the Operating Rules.