

DATE - 03-07-2018



Advisory Notice A18-013

ELIMINATING THE MARKET-ON-OPEN ORDER TYPE FOR EQUITY, ETF, INDEX & CURRENCY OPTIONS

The purpose of this operational notice is to announce that the Bourse de Montréal Inc (the Bourse) will disable the Market-On-Open (MOO) order type on Equity, ETF, Index & Currency Options (Options).

Given higher volatility level on the underlying instruments at the open which impact quotes on the options markets, it has been noticed that orders executed using the MOO order type can sometimes be executed at prices that are not consistent with actual market conditions. Consequently, this requires the intervention of the Bourse's market operations staff to adjust those prices to acceptable levels. The changes are being put in place to mitigate the risks associated with erroneous execution and the disruptiveness of trade price adjustments as it pertains to participants. The deactivation of this order type is to ensure that orders entered at the opening on the aforementioned equity and currency derivative instruments are executed at prices consistent with actual market conditions. Approved Participants will still be able to enter market orders after the opening of the options market.

The proposed changes will be made on Friday, July 27, 2018, after the close of the market, and will be effective on Monday, July 30, 2018.

If you have any questions regarding this operational notice, please contact the Market Operations Department at:

Local: (514) 871-7877
Toll-Free: 1-866-576-8836
email: monitoring@tmx.com