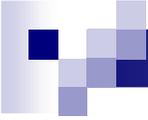




بورصة قطر
Qatar Exchange

QE Investor Presentation

New functionalities offered by the Universal Trading Platform (UTP) trading system effective September 5th, 2010.

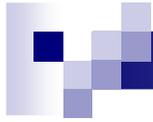


Content

- ✓ Trading cycles and timetable
- ✓ Matching Algorithm
- ✓ Order types, validity parameters & conditions
- ✓ Trading safeguards
- ✓ Special trades

ALL NEW FEATURES AND CHANGES TO THE CURRENT SITUATION ARE FEATURED IN RED FONT





Trading Cycles

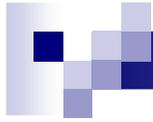
- ✓ **Trading cycle pattern**
 - ✓ Continuous Trading phase, which includes Opening/Closing Auction

- ✓ **Call Phase – valid for both Opening Call & Closing Call**
 - ✓ Enter, modify or cancel orders
 - ✓ No matching
 - ✓ Calculation of IMP (Indicative Matching (opening) Price)

- ✓ **Auction Phase**
 - ✓ Orders matched according to the Auction algorithm – opening and closing
 - ✓ Closing auction = closing price
 - ✓ The Closing auction is followed by a Trading-At-Last (TAL) phase

- ✓ **Continuous phase**
 - ✓ Automatic matching



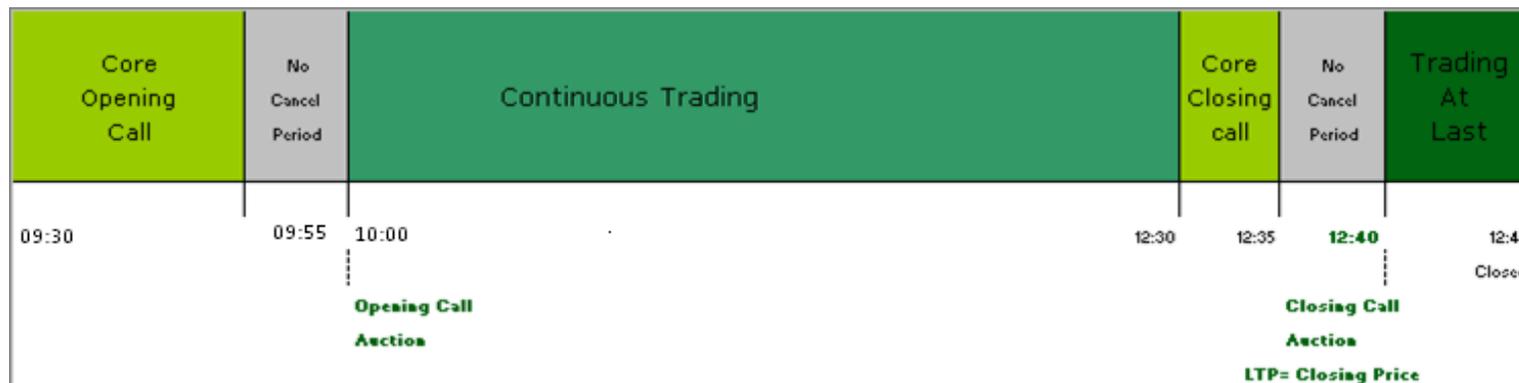


Trading Cycles- Continuous Trading Timetable

Current Trading Timetable



UTP Trading Timetable





Matching Algorithm

Priority rules: Price/Origin/Time priority

1. Best price
2. Within the same price:
 - a) Client
 - b) Broker portfolio (own) or House
 - c) QE and brokers staff
 - d) Insiders: listed company Board members and Executives
3. The oldest orders within same Price/Origin

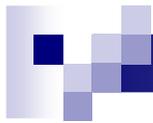


Matching process – continuous and TAL

✓ Phase Types and Matching Process criteria

		Phase Type		
		Call	Auction	Continuous
Processing Criteria	Matching	No matching	Selective	Continuous
	Allowed orders	Limit and Stop	Limit, Market, Market To Limit and Stop	Limit, Market, Market to Limit and Stop
	Matching algorithm	No matching	Unique fixed price	Based on Price / Origin / Time priority





Order Types

IMPORTANT NOTE: NOT ALL BROKERS OFFER ALL ORDER TYPES AVAILABLE ON THE UTP PLATFORM. PLEASE CHECK WITH YOUR BROKER WHAT ORDER TYPES THEY WILL SUPPORT

Limit order: Order to buy or sell at a specific price or better. The order is executed for the entire quantity until the limit price is reached. If there is a residual quantity once the limit price is reached, the order stays in the book at this same price.

Market orders: 2 different market order types

- ✓ **Market Order:** Order entered without price limit that will trade against opposite orders until the total quantity of the order has traded (within the 10% daily price limit).
- ✓ **Market to Limit order:** Order to buy or sell a stated amount for immediate execution at the best opposite price. A partially filled Market to Limit order becomes a limit order at the price it is executed at.

Stop order:

- ✓ **Stop loss:** Order to buy or sell when a trigger price is reached or exceeded in the market. The trigger price of a stop order must always be greater (for a buy order) or less (for a sell order) than the last traded price. When triggered, it behaves like a Market order.
- ✓ **Stop limit:** Order to buy or sell when a trigger price is reached or exceeded in the market. The stop limit order also has a limit price beyond which it cannot trade. The trigger price of a stop order must always be greater (for a buy order) or less (for a sell order) than the last traded price. When triggered, it behaves like a Market to Limit order.





Validity Parameters & Conditions

Parameters:

- ✓ **Day order (DAY):** the Day order is automatically at the end of the trading session.
- ✓ **Good-till-time (GTT):** the GTT order is valid until a certain time specified by the investor.
- ✓ **Good-till-date (GTD):** the GTT order is valid until a certain time specified by the investor.
- ✓ **Good-till-cancelled (GTC):** the GTC order remains valid until it is cancelled by the investor.
- ✓ **Valid For Auction (VFA):** the VFA order is valid during auction phases (opening / closing) only.
- ✓ **Valid for Closing (VFC):** the VFC order is valid during the closing auction only.

Conditions:

- ✓ **Fill and Kill:** the Fill-and-Kill order trades for the maximum quantity available at the best opposite price and any remaining quantity is cancelled.
- ✓ **Fill or Kill:** the Fill-Or-Kill order will trade only if the total quantity of the order can be immediately filled at the best opposite price, otherwise it will be cancelled.
- ✓ **Minimum quantity orders:** A Minimum Quantity order trades only if there is a minimum quantity specified by the investor available at the opposite price, otherwise the order is cancelled.

Other attributes:

- ✓ **Iceberg Orders:** Investors may decide to show only part of the total quantity of their order to the market. Every time the displayed quantity is filled, the system automatically replenishes the order book with the same quantity.





Trading Safeguards

2 sets of safeguards:

The static price range

+/- 10% from the Static Reference Price (= closing price of the previous day)

The dynamic thresholds (or “Collars”)

Objective:

- ✓ Avoid large and abrupt price fluctuations
- ✓ Protect investors against pricing errors
- ✓ Ensure smooth and fair market conditions through rejection / confirmation of orders breaching the dynamic thresholds

Dynamic Reference Price

- ✓ First Dynamic Reference Price: first traded price of the day
- ✓ During continuous trading: the dynamic reference price takes the value of the last traded price

Dynamic Price Range

- ✓ Defined by the Exchange around the Dynamic Reference Price. Currently set at 5% during continuous trading and 10% during opening / closing auction phases but subject to change based on market conditions.



Special Trades

General principles:

- ✓ Minimum value of QR 10,000,000
- ✓ Outside regular market
- ✓ 2 categories:
 - ✓ **Cross declaration:** negotiated deal – entered by 1 member
 - ✓ One-sided declaration: Member A enters one leg; member B enters other leg
- ✓ During continuous trading only
- ✓ 10% static reference price and dynamic thresholds of regular market apply

