

## **THE JOHANNESBURG STOCK EXCHANGE TO FACILITATE ANONYMOUS BLOCK TRADING**

**JOHANNESBURG, 21 April 2010** – Today, the Johannesburg Stock Exchange (JSE) announced that it is close to launching on-exchange anonymous trading functionality. Called Block X, it will allow for complete anonymity in the execution of large trades through hidden order functionality in the central order book.

Dark Pools are valuable to traders who want to transact large numbers of shares without revealing all the information to the market, whilst using many of the efficiencies associated with trading on exchanges' public Central Order Books. In an era in which the average transaction size is declining on the JSE and worldwide, Block X will reduce the market impact costs of trading large orders.

Leanne Parsons, Head of Equity Market at the JSE, says that the development of Block-X is the JSE's response to market demand when trading in large volumes. "Good businesses listen to their customers and our large users have made it clear to us that while the transparent central order book has numerous advantages, they would also like hidden-order functionality. This is offered in other markets which offer trading in JSE-listed securities."

The JSE is hopeful that Block X will prompt increased transactions in the local market, building on recent growth in trade figures which may have been buoyed by a revised equities billing system.

The billing system, implemented to recognise both low value and high volume traders, has been effective since 1 March 2010. "A key reason for changing our billing model is to incentivise algorithmic and retail investors - segments of our market with great growth potential," says Parsons.

In March 2010, the number of cash equity trades climbed 8% on the previous period. Also during last month, the exchange recorded the highest number of trades ever traded in the exchange's 123 year history. 172, 433 trades valued at more than ZAR26.1 billion were executed on the exchange.

"As competitive pressure in the exchange environment builds, innovation becomes increasingly important," adds Parsons. Developing an anonymous block trading facility is only one of the JSE's initiatives to attract trade and increase liquidity. The JSE, which is FIX enabled, has a track record of innovation. For example, the exchange was one of the first to allow for Direct Market Access (DMA) for investors.

### **JSE Limited**

As South Africa's only full service securities exchange, the JSE connects buyers and sellers in four financial markets, namely equities, equity

derivatives, commodity derivatives and interest rate instruments. The JSE Ltd offers the investor a first world trading environment, with world class technology, surveillance and settlement in an emerging market context. It is amongst the top 20 largest equities exchanges in terms of market capitalisation in the world.

For further information, please visit [www.jse.co.za](http://www.jse.co.za)

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