



ALL MARKET PARTICIPANTS

Consultation on Enhancement of Circuit Breakers and Market Halt

Enhancement of scrip based Circuit Breakers (CBs) was implemented in a phased manner along with introduction of Index based Market halt, in January 2020. CBs were enhanced from 5% to 7.5% in a phased manner and market halt was implemented based on KSE 30 Index move, initially at 4% and then increased to 5%. This implementation contributed to overall discipline in the market and so as an improvement in the trading volumes as a result of enhanced day's price range. Furthermore, this implementation is well aligned with the Global practices with an added benefit of better price discovery.

In order to move further, PSX is exploring the possibility of further enhancement in the circuit breakers from existing 7.5% to 10% in a phased manner along with introduction of 2nd level of Index-based market halt at 7%. CBs to increase 0.50% after every 2 weeks and once the level of 10% is reached, the second level of market halt to be implemented upon 7% move of KSE 30 Index.

In this regard, we would like to engage with market participants through initiating a consultation process on the above stated implementation. All market participants are therefore requested to share their initial feedback on the above proposal at comments.rad@psx.com.pk by November 25, 2020.

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Cc:

1. The Commissioner SMD, SECP (Smd.notices@secp.gov.pk)
2. The Chief Executive Officer, PSX
3. The Acting Chief Regulatory Officer, PSX
4. The Chief Executive Officer, CDC
5. The Chief Executive Officer, NCCPL
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