HOSTING SERVICES ECOSYSTEM FORUM 2016

MARKET DATA INITIATIVES AND RECENT DEVELOPMENT

HKEX
香港交易所

Winnie Leung
Vice President,
Data Licensing and Marketing
Market Data
Markets Division

Agenda

1 Business Updates

2 OMD Becomes Unique Ticker Plant

3 Market Data Initiatives

4 Market Data Application Service Provider (ASP) Licence

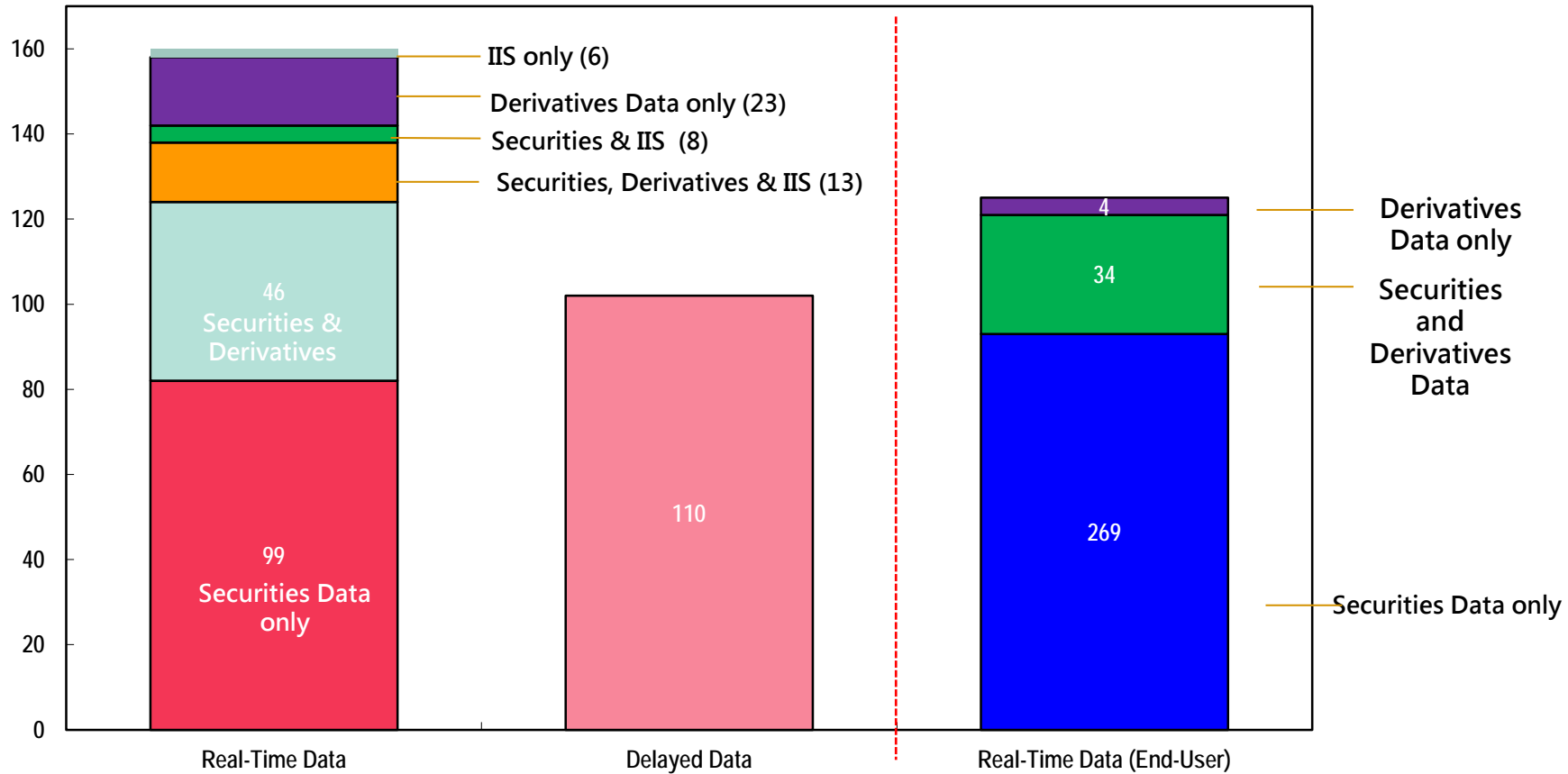# Business Updates
- Vendor Licence and End-User Licence

As of March 2016

Business Updates
- OMD-C & OMD-D Subscription Status of Direct Connection Clients

OMD-C: Total of 363 Direct Connection Clients:

	IVs	EUs	Total
(1) No. of clients	59	303	363
(2) No. of connections			
OMD SS	48	390	438
OMD SP	48	24	72
OMD SF	29	17	46

OMD-D: Total of 78 Direct Connection Clients:

	IVs	EUs	Total
(1) No. of clients	40	38	78
(2) No. of connections			
OMD DS	23	12	35
OMD DP	38	27	65
OMD DF	27	18	45

As of March 2016

The overall take up rate is satisfactory and we will continue to promote our datafeed products

Agenda

1 Business Updates

2 OMD Becomes Unique Ticker Plant

3 Market Data Initiatives

4 Market Data Application Service Provider (ASP) Licence

OMD Becomes Unique Ticker Plant

Securities Market

Current

OG
With 10-depth market data

OCG
Market data from OMD

OG phase out (mid- 2016)

OCG
market data from OMD

Derivatives Market

Current

NG
With 5-depth market data

CG
Market data from OMD

NG phase out (tentatively 2017)

CG
Market data from OMD

OMD - Single source of market data

OMD offers deeper market depth, lower latency and different products to improve transparency

Securities Market (OMD-C) *Launched in Sep 2013*	**Derivatives Market (OMD-D)** *Launched in Dec 2014*
Real-time	
□ Securities Standard (SS) - market by price (10 depths), conflated feed	□ Derivatives Standard (DS) - market by price (10 depths), conflated feed
□ Securities Premium (SP) - market by price (10 depths), streaming feed	□ Derivatives Premium (DP) - market by price (10 depths + >10 aggregate), streaming feed
□ Securities FullTick (SF) - market by order (full depths), streaming feed	□ Derivatives FullTick (DF) - market by order (full depths), streaming feed
Historical	
□ Securities Historical FullBook - every order and trade of each trading day since Oct 2013	□ Derivatives Historical FullBook - every order and trade of each trading day since Dec 2014*
□ Securities Trades/Trade Tickers File - all trades/trade tickers of each trading day since Oct 2013	□ Derivatives Trades/Trade Tickers File - all trades/trade tickers of each trading day since Dec 2014*

Lower Latency, Deeper Market Depth

Agenda

Market Data Initiatives
- OMD Free Trial Programme for Premium and Fulltick Datafeed and Historical Full Book

OMD Real-time Datafeeds

Objectives

- To experience faster and deeper depth market data from OMD via direct connection with HKEX for market transparency.
- To promote the subscription of OMD premium datafeeds and historical full book products

3-month free trial for real-time OMD-C & OMD-D datafeeds	3-month free trial for historical Full Book

3-month free trial for real-time OMD-C & OMD-D datafeeds

- For new clients
- Include OMD-C and OMD-D Premium and FullTick datafeeds via direct connection

3-month free trial for historical Full Book

- For new clients
- Include securities and derivatives full book data

Market Data Initiatives

- OMD Free Trial Programme for Premium and Fulltick Datafeed and Historical Full Book

OMD Real-time Datafeeds

Objectives
• To experience faster and deeper depth market data from OMD via direct connection with HKEX for market transparency. • To promote the subscription of OMD premium datafeeds and historical full book products

3-month free trial for real-time OMD-C & OMD-D datafeeds	3-month free trial for historical Full Book
■ For new clients ■ Include OMD-C and OMD-D Premium and FullTick datafeeds via direct connection	■ For new clients ■ Include securities and derivatives full book data

Market Data Initiatives
- OMD Free Trial Programme for Premium and Fulltick Datafeed and Historical Full Book

OMD Real-time Datafeeds

Program Details:	
Program Duration	• From 1 November 2015 to 31 October 2016, subject to annual review thereafter
Applicable Datafeeds	• Securities data: Securities Premium and Securities FullTick • Derivatives data: Derivatives Premium and Derivatives FullTick
Free Trial Period	• 3 calendar months from the datafeed commencement date or start date of respective connection
End-User Licence Fee	<u>Waived</u> Applicants who submit the End-User Licence application forms before end October 2016
Connection Fee	<u>Waived</u> • For eligible End-User Licence applicants, first set of standard connection will be waived • For eligible client with dedicated connection via IVs, first set of standard connection wlll be waived
Subscriber Fee/ Individual User Fee	<u>Waived</u> • All internal display and non-display usage fees
One-off Connection Fee	<u>Waived</u> • One-off Connection Fee for respective premium datafeeds
HSN / HSTN Subscription	• A 3-month contract (instead of standard 24 months) of HSN/HSTN subscription will be offered to clients under this program

Market Data Initiatives
- OMD Free Trial Programme for Premium and Fulltick Datafeed and Historical Full Book

Historical Full Book data

Program Details	
Program duration	From 1 November 2015 to 31 October 2016, subject to annual review thereafter
Applicable Products	Securities data: • Historical Full Book - Securities Market (Binary) Derivatives data: • Historical Full Book - Derivatives Market (Non-SOM) (Binary and CSV format) • Historical Full Book - Derivatives Market (SOM) (Binary and CSV format)
Free Trial Period	Data of the latest 3 months
Subscription Fee	Waived

Market Data Initiatives
- OMD Free Trial Programme for Premium and Fulltick Datafeed and Historical Full Book

Historical Full Book data

To enhance our service offerings for historical data products, HKEX has introduced new historical data products as well as CSV files for some products that are previously available in binary format			
Market	**Product**	**Content**	**Format**
Securities	Historical Full Book	• Orders (inc. odd lot) • Trades • Reference Data • Status	Binary
	Historical Order and Statistics Update *(new product to replace Bid and Ask Record)*	• Orders (inc. odd lot) • Static Data* • Statistics	CSV
	Trade File	• Trades • Trade Cancel	Binary and CSV
	Trade Ticker File	• Trade Tickers	Binary and CSV
Derivatives	Historical Full Book	• Orders and Trades • Reference Data • Status	Binary and CSV
	Trade File	• Trade (inc. block trades) • Reference Data	Binary and CSV
	Trade Statistics File	• Trade Statistics • Reference Data	Binary and CSV

For full product suite, please refer to our Historical Data Product Page
https://www.hkex.com.hk/eng/ods/English/asp/prdList.asp

Agenda

1	Business Updates

2	OMD Becomes Unique Ticker Plant

3	Market Data Initiatives

4	Market Data Application Service Provider (ASP) Licence

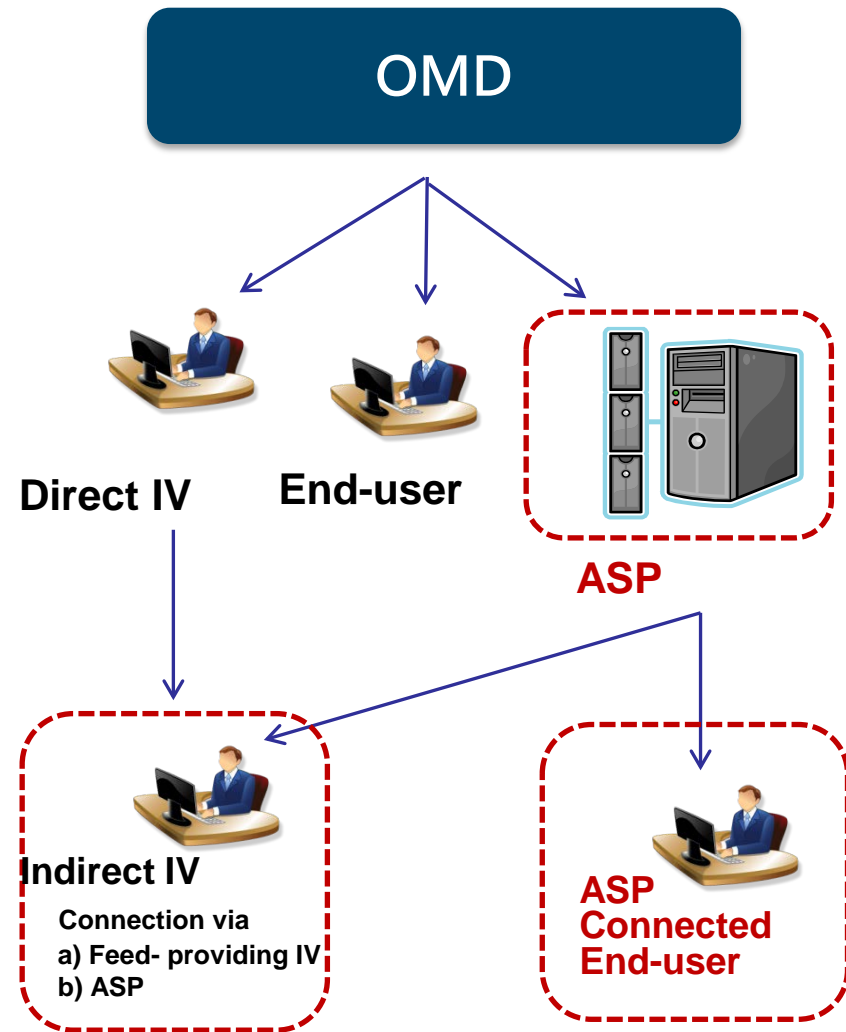# Market Data Application Service Provider (ASP) Licence

Application Service Provider (ASP) acts as a business enabler to facilitate the trading participants easier and faster access to the HKEX market systems.

- Benefits:
  - To shorten the lead time required for getting Exchange Participants (EPs)' on-boarding.
  - To reduce EPs'cost in infrastructural setup and maintenance.
  - To ease the market readiness of implementing upcoming HKEX's system initiatives.
  - To promote the access of market data from overseas.

- ASPs play an important part in HKEX's trading ecosystem
  - They supply systems to EPs
  - They can bring new global clients to our markets
  - They can provide access to participants of new asset classes

- Under the ASP framework
  - ASPs can establish direct connectivity to HKEX which can be shared by their customers
  - ASPs can re-distribute market data to their customers (where they are HKEX-IS licensees) without becoming an Information Vendor

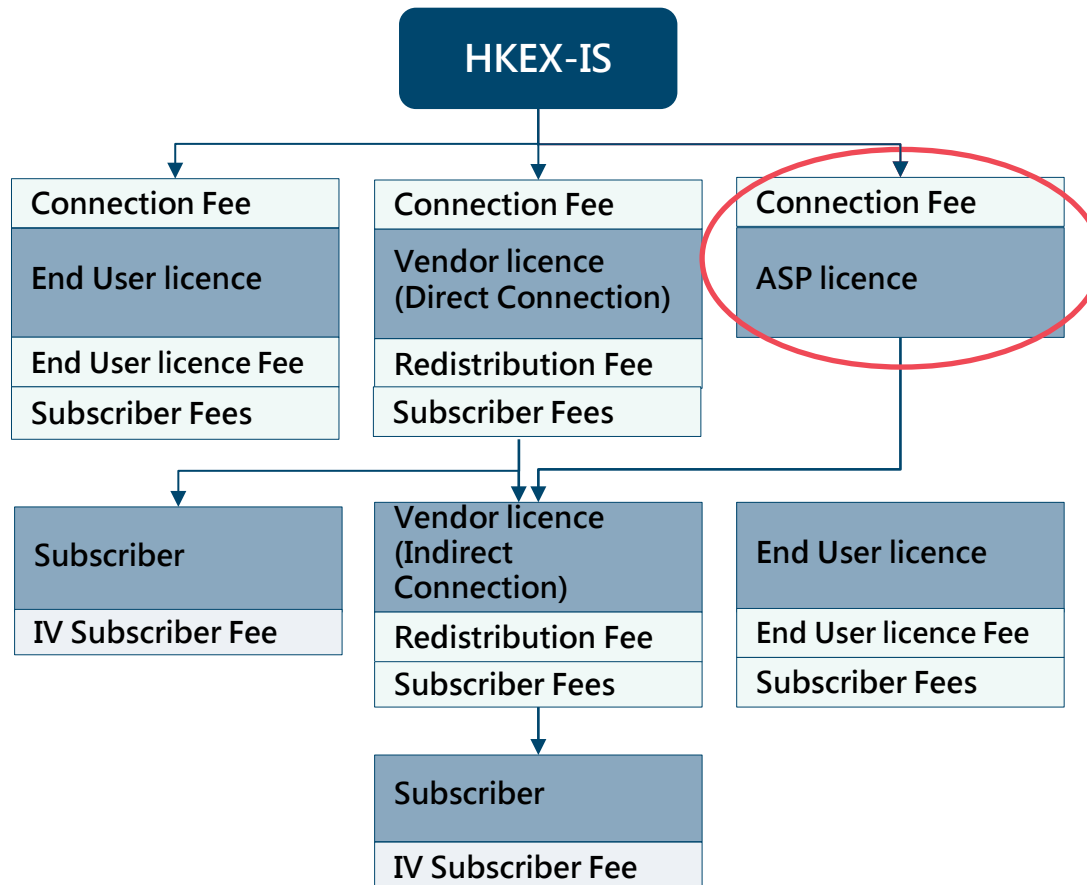# Market Data Application Service Provider (ASP) Licence

- **Definition:**
  - ASP is a service provider providing shared infrastructural setup and connectivity to multiple clients accessing market data and trading either through SDNet or through HKEX Hosting Service.

- **Scope:**
  - <u>Market Data ASP License</u>: ASP is only entitled to pass through the market data to the clients having direct market data license with HKEX-IS. ASP Connected Clients will need to sign End-User License Agreement or Vendor License Agreement with HKEx-IS if they use the market data for internal use or external redistribution respectively.

  - <u>Production Access for Market Data</u>: ASP can connect to the market data system with at least one set of production connections serving multiple ASP Connected Clients (should it be EPs or other market users).

  - <u>Test Access for Market Data</u>: ASP can access the market data test service for certifying or self-verifying their system prior to getting access to production market data.

OMD

Direct IV   **End-user**   **ASP**

Indirect IV
Connection via
a) Feed- providing IV
b) ASP

ASP Connected End-user

Market Data Application Service Provider (ASP) Licence

In contrast with vendor licence in which direct connection Information vendors are required to pay the Redistribution Fee, Connection Fee and Subscriber Fee, ASPs are only subject to the Connection Fee of the respective datafeed(s).

Q&A

Website: www.hkex.com.hk/MarketData

Email: MarketData@hkex.com.hk

Thank you!