

NZX to change dairy derivatives market trading hours

NZX will adjust the trading hours of its dairy derivatives market, effective 2 September 2019.

In July 2018, NZX extended the trading hours for the dairy derivatives market by six hours to allow normal trading to close at 9.58pm NZST. As a result, NZX has observed a shift in trading which has supported an overall increase in activity, with over half of all traded volumes being executed in the newly extended trading hours. This reflects growing trading activity developing in Asia and Europe, which are important regions in the trading of underlying physical dairy products and supports the global aspirations of NZX's dairy derivatives business.

To support these changes and further concentrate market liquidity, NZX will abbreviate the normal session state for the NZX dairy derivatives market. The existing market open of 8.00am NZST on Monday and 2.00am NZST on Tuesday to Friday will move to a market open of 7.00am NZST, concentrating the session to 15 hours from its current 20 hours. Closing times will remain unchanged.

The change in market hours will continue to enable global market coverage in key active dairy trading regions, while concentrating liquidity and improving NZX's operational efficiency.

NZX Head of Derivatives Nick Morris commented: "This change in trading hours supports the recently extended trading hours by allowing trading to focus on pivotal liquidity points, and supports NZX's strategy to grow our dairy derivatives market to scale and compete globally".

NZX will continue to engage with participants, clearers, independent software vendors and data vendors on the upcoming changes.

Please view the link below for more details on the trading hours across affected time zones:

<https://www.nzx.com/markets/nzx-dairy-derivatives/market-information>

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