

# Market Update – New Trading Platform

23 November 2022



SETTING THE GLOBAL STANDARD



# Housekeeping

- **Questions** – please submit any questions you have throughout the webinar using the Q&A function. If given the option, please direct your question to “*All panellists*” rather than any individual speaker. We will do our best to answer all questions, but will respond directly to you with the answer to any we don’t have time for, and add them to the FAQs on the website.
- **Slides** – slides will be distributed to everyone by email after the session and can be shared with colleagues who are unable to attend.
- **Recording** – this session is being recorded, and the recording will be shared with attendees after the event should you wish to share with colleagues who were unable to join today.
- **Follow-up** – if you have any questions that you’d like to discuss with one of the team directly, please reach out at [newtradingplatform@lme.com](mailto:newtradingplatform@lme.com).



# Agenda

The purpose of the forum is to update market participants (members, independent software providers, market data vendors and member clients) on the progress of the LME's new trading platform (LMEselect v10), the new trading GUI (LMEtrader) and new multicast market data platform (LMEsource v4)

## 1. Recap on scope

- New trading platform functionality

## 2. Update

- Programme time-line
- Market testing time-line
- Go-live migration approach
- LMEtrader

## 3. Next steps

## 4. Questions

Please note, the following slides contain a number of dates and timelines that are based on the latest information. Any changes to these dates/timelines will be communicated via the methods described at the end of this presentation.



# 1. Recap on scope

# New trading platform functionality

## Q2 2024: What is being delivered?

- New LMEselect v10 offering improved performance and deterministic latency
- Upgraded interfaces: New FIX 5.0 sp2 interfaces replacing current FIX 4.4 interfaces and a new binary order entry interface
- New web-based trading GUI, LMEtrader. Offering improved functionality and wider distribution – available to members and their clients
- New LMEsource v4 providing market data pertaining to the Ring, inter-office and electronic trading venues for all participants connecting to LMEsource v4



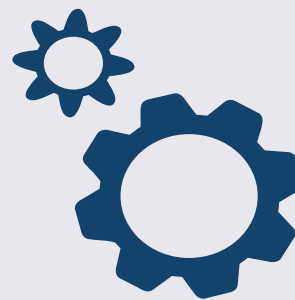
**New trading platform:**  
LMEselect v10

**New market data  
distribution system:**  
LMEsource v4

**New trading GUI:**  
LMEtrader

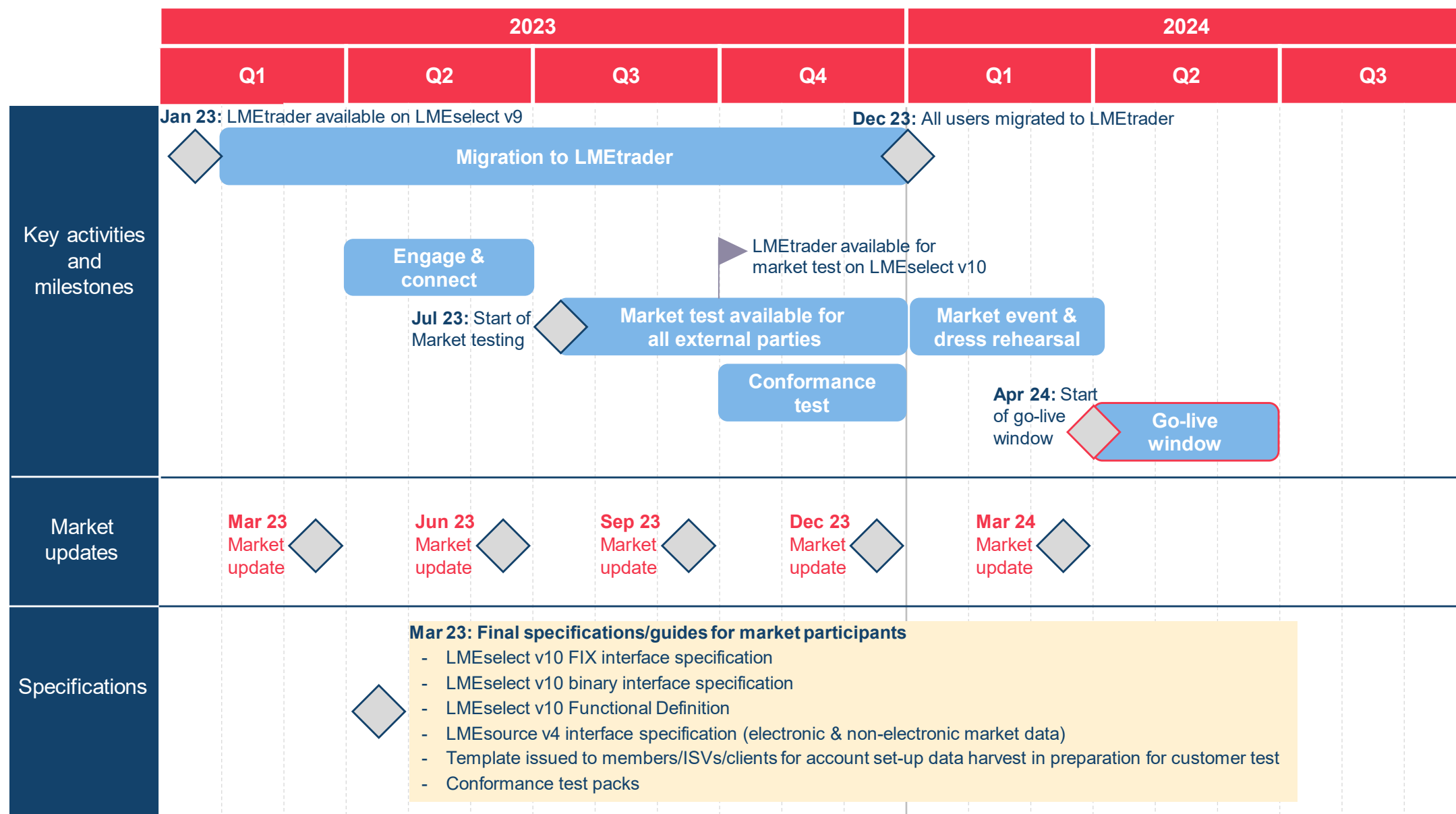
## 2024+ Future functionality

- Functionality relating to an on-screen options market including mass quotes, mass cancels
- Separate market data channels for options and futures
- Self-execution prevention (SEP) and market maker protection (MMP)
- Additional implied functionality: implieds between and implieds chaining



## 2. Update

# Programme timeline



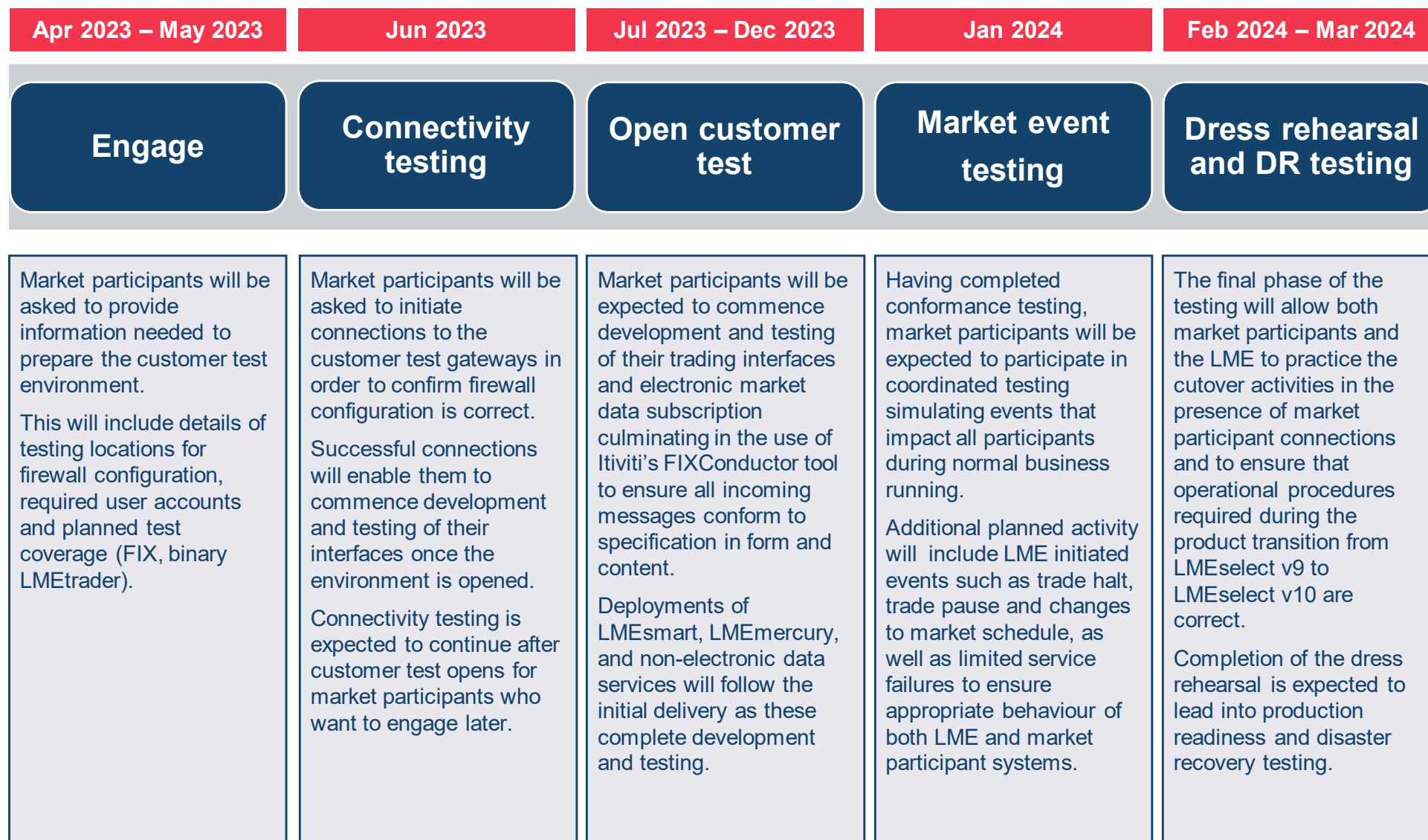
**ACTION 1:** Line up development and testing resources ahead of the start of customer connectivity by Jun-23

**ACTION 2:** Review specifications available from Jan-23 and revert with any questions by Mar-23



# Market testing timeline 2023- 2024

Expected market participant involvement through the coming year and beyond



# Go-live migration approach

## Approach revised to a single migration event

- To minimise operational complexity and migration risk the LME can confirm that the migration from LMEselect v9 to LMEselect v10 will follow a single migration event/weekend.
  - During the single migration weekend:
    - Trading for all products will migrate from LMEselect v9 to LMEselect v10
    - Market data for all products and data sets will migrate from LMEselectMD/LMEsource v3 to the consolidated LMEsource v4 platform
- Note:** This is different to the previously communicated “phased” migration approach
- Prior to the migration weekend participants will be invited to access the LMEselect v10 and LMEsource v4 target production environment to enable:
    - Pre go-live setup, configuration and validation
    - Participation in migration and rollback dress rehearsals
    - Participation in disaster recovery/failover tests

**LME ACTION 1:** LME will provide further details related to the migration approach and timeline in the next update forum



# LMetrader

# LMTrader overview

LME has partnered with TT to provide the front-end interface for LMEselect v10



**Lowering barriers to entry**



**Broadening participation in our market**



**Enhancing the user experience**

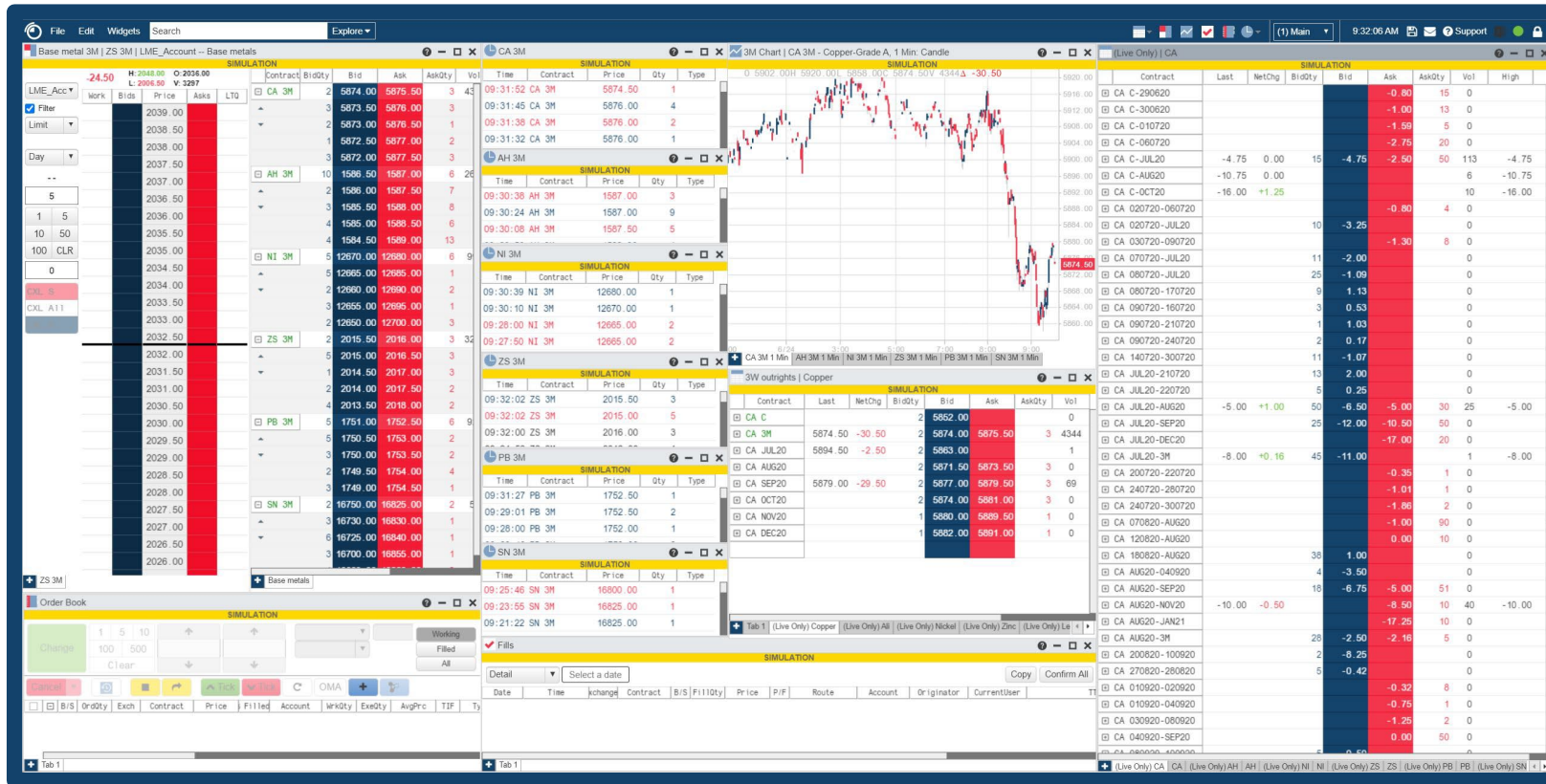


**Early adoption**

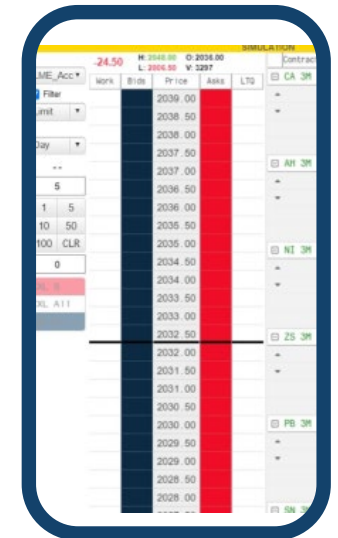


# Lowering barriers to entry

Advanced browser-based trading GUI, fully customisable



Available on v10





# Broadening participation in our market

Direct access to members and their clients





# Enhancing the user experience

Delivering new functionality and supporting future functionality

2023

*LMeselect v9*



Fully  
customisable



Charting and  
analytics



Trading ladder



xls  
Excel plug-in

2024

*LMeselect v10*



More good till  
cancelled/date  
orders



Merged order  
books

2024+

Future functionality



Premium quoted  
options



RFQs



Strategy creation



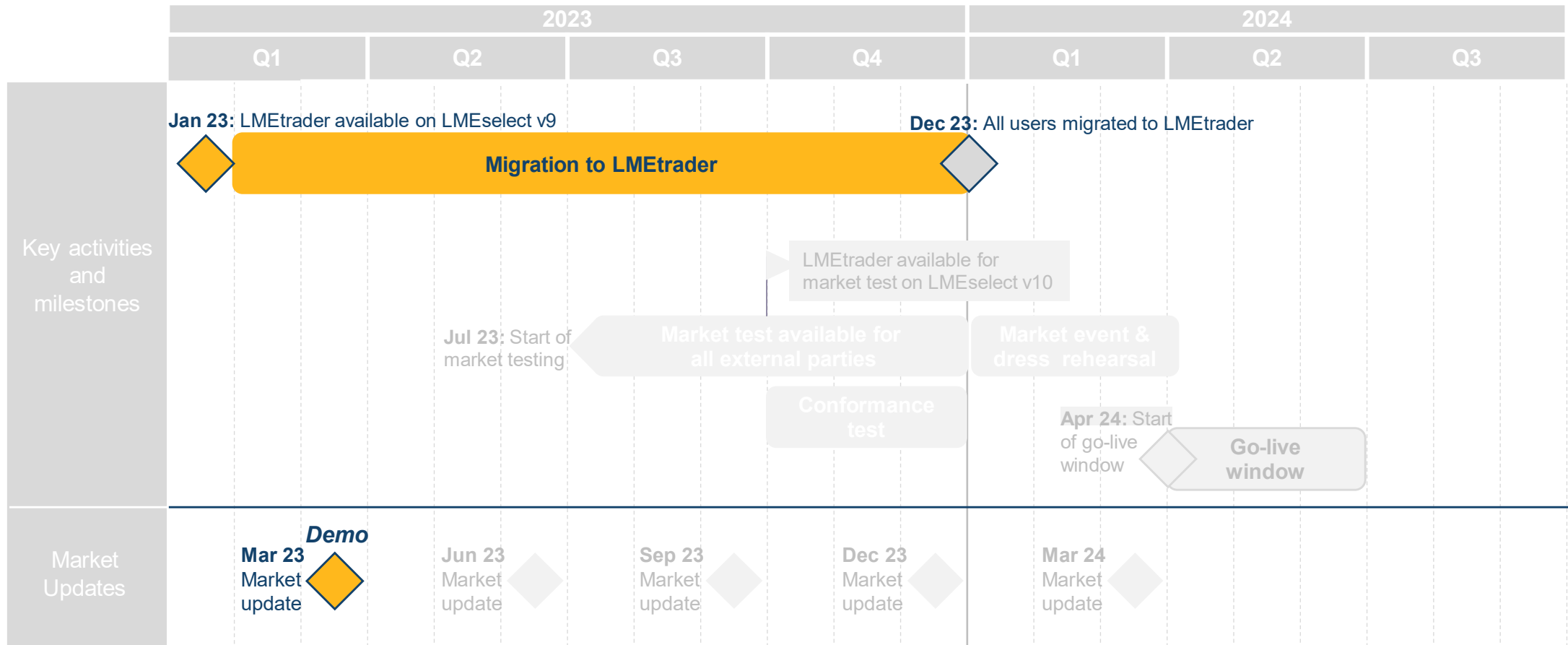
SEP and MMP  
config





# Early access from January 2023

To support user familiarisation and encourage early adoption



### 3. Next steps

# Next steps

## Actions recap



## 4. Questions

# Appendix

# External communications and support

## Regular updates and queries

### Updates

- Regular updates for the programme will be communicated via the weekly Relationship Management email, including the notification of new/updated document artefacts posted onto LME.com  
<https://www.lme.com/en-GB/Trading/New-initiatives/New-trading-platform>
- Next update forum proposed for Q1 2023

### Queries

- Any questions related to the new trading platform can be submitted via the [newtradingplatform@lme.com](mailto:newtradingplatform@lme.com) inbox



# Application versions

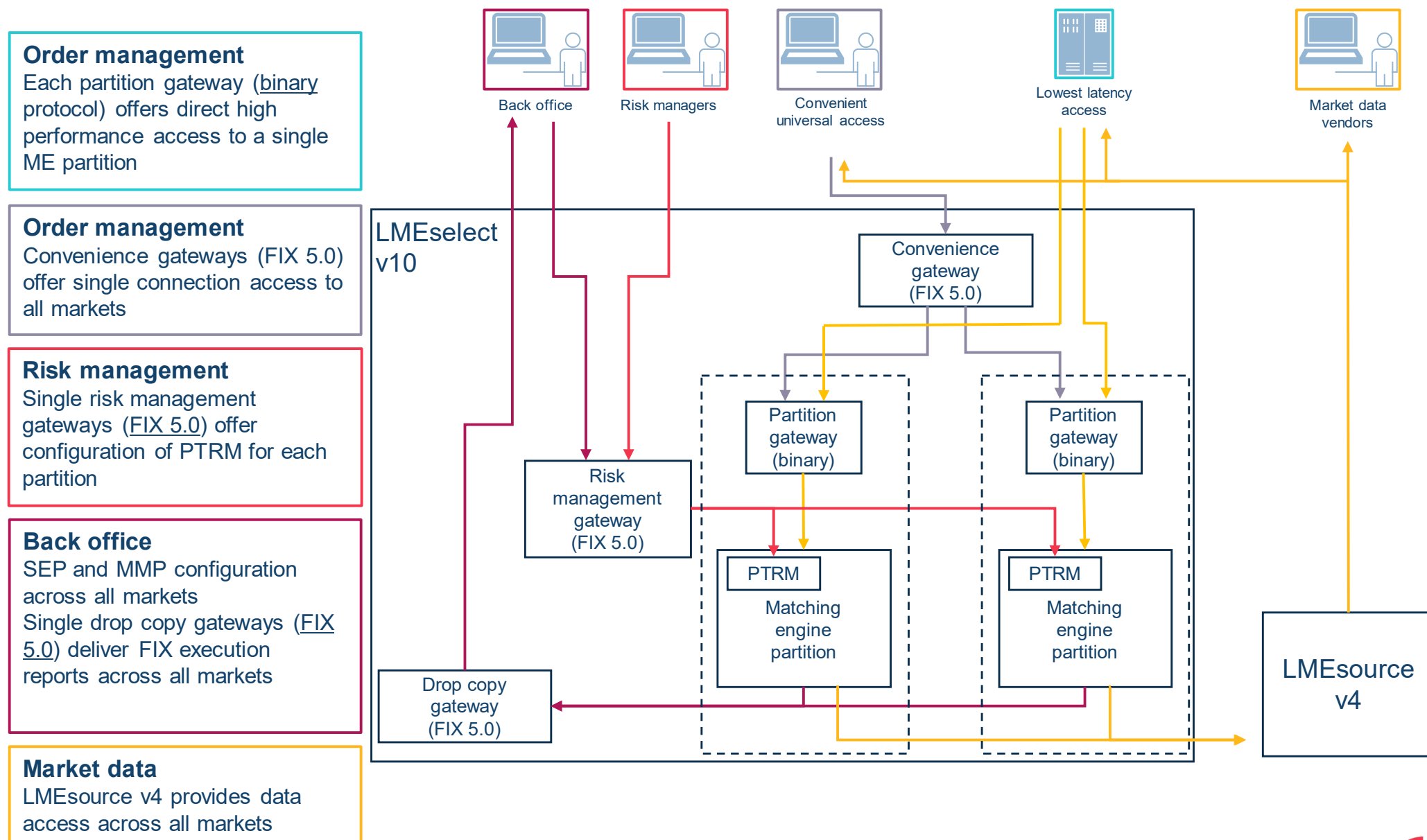
Summary of the current and future application version numbers

Trading venue	Current trading platform	Future trading platform	Current market data platform	Future market data platform
Electronic	LMeselect v9	LMeselect v10	LMESource v3 LMeselectMD	LMESource v4
Ring			LMeselectMD	LMESource v4
Inter-office			LMeselectMD	LMESource v4



# Market design – market partitions

Market partitions offering performance, predictable latency and scalability



Please note, some of the features shown will be delivered post go-live



# LMeselect v10 – FIX and binary interfaces

LMeselect v10 will support both FIX 5.0 sp2 and Binary interfaces

	FIX 5.0 sp2	Binary
Objective	<ul style="list-style-type: none"><li>• Single gateway connection to all market partitions</li></ul>	<ul style="list-style-type: none"><li>• Fastest route to a single partition</li><li>• Specifically designed to reduce latency</li></ul>
Principles	<ul style="list-style-type: none"><li>• Aligned with FIX principles</li><li>• Minimise use of custom tags</li></ul>	<ul style="list-style-type: none"><li>• Proprietary protocol, based on the existing HKEX cash binary interface</li></ul>
Convenience gateway	Yes	No
Partition specific gateway	No	Yes
Drop copy gateway	Yes	No
Risk management gateway	Yes	No
Specifications	Available here; <a href="https://www.lme.com/Trading/New-initiatives/New-trading-platform/FIX-binary-and-GUI">https://www.lme.com/Trading/New-initiatives/New-trading-platform/FIX-binary-and-GUI</a>	
Market test service availability	Q3 2023	



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