

TRADING IN THE MATCHING PHASE

Prior to the ASX opening (Opening Single Price Auction, which determines the opening price of a stock), and immediately prior to closing (Closing Single Price Auction, which determines the closing price), stocks enter a 'matching phase', during which ordinary price/time priority trading ceases, but orders can still be placed on any terms, such that the price on buy orders can exceed the price on sell orders, and an overlap occurs. During 'the match', the ASX utilises sophisticated algorithms to determine a single price at which all overlapping orders will trade.

For example:

Security	R	Last	+/-	%	Volume	Open	High	Low	PrevClose	VWAP	MPrice	M+/-	M%	MVol	Basis	Value(\$)	ShortSold	Status	
		36	0.5	1.41	3,091,995	36	36.5	35	35.5	35.9786	36.5	0.5	1.39	429,977		1,112T	823T	P	
Bids		Asks		Trades															
XRef	Volume	Price	Price	Volume	XRef	Price	Volume	Time	Reason	BuyXRef	SellXRef	Co...							
	20000	44	33	45		36	9055	15:58:42	BID										
	1850	44	33	98		36	680	15:58:42	BID										XT
	1850	44	33	168		36	24	15:58:42	BID										
	1850	44	33	93		36	5424	15:58:42	BID										
	6000	39.5	34.5	1480		35.5	24	15:57:51	ASK										
	360233	39	34.5	529		36	10000	15:57:05	BID										
	5156	38	34.5	9940		36	925	15:56:58	BID										
	777	37.5	35	104		36	925	15:56:55	ASK										
	291	37	35	4625		36	14	15:56:55	ASK										
	4625	36.5	35	4625		36	14	15:56:55	ASK										
	4625	36.5	35	1863		36	1446	15:56:55	ASK										
	22720	36.5	35.5	1000		36	1252	15:56:54	ASK										
	1400	36	35.5	20000		36	35000	15:56:54	ASK										
	30000	36	35.5	1500		36	20000	15:56:40	ASK										
	29976	35.5	36	90945		36	5409	15:56:22	ASK										
	20000	35.5	36	50000		36.5	933	15:56:21	BID										
	29000	35.5	36	60000		36.5	934	15:55:50	BID										
	28000	35.5	36	50000		36	10000	15:55:16	ASK										
	30000	35.5	36	3052		36	30000	15:54:25	ASK										
	50000	35.5	36.5	404		36	20000	15:54:25	ASK										
	95250	35.5	36.5	1209		36	23	15:54:05	ASK										
	2000	35.5	36.5	50000		36.5	925	15:53:32	BID										
	1000	35.5	36.5	1725		36.5	925	15:52:42	BID										
	4070	35.5	36.5	3050		36.5	925	15:52:41	BID										
	23151	35	36.5	44000		36.5	934	15:52:37	BID										
	30000	35	36.5	50000		36	1850	15:52:36	ASK										
	20000	35	36.5	20000		36	12500	15:52:35	ASK										
	30000	35	36.5	25000		36.5	45	15:52:30	BID										
	2600	35	36.5	15000		36	40000	15:51:39	ASK										
	2685	35	36.5	15000		36	2650	15:51:19	ASK										
	24000	35	36.5	15000		36	89	15:51:17	ASK										

- During Pre-Closing Single Price Auction ("the closing match"), orders may be placed on any terms (in this example, the stock last traded at 36.5c, but many buy orders are placed above this price, and many sell orders below).
- A 'match price' is quoted, whereby all buys above the match price, and all sales below, will be traded at this single (variable) price: i.e., all buys at 37c and above will trade at 36.5c; all sells at 36c and below will trade at 36.5c. The match price changes dynamically during the Pre-CSPA
- Dependant on the volumes of buy & sell orders at the match price, some orders queued to sell at 36.5c may not be traded. In this instance, the circled sell order will only be partially traded, whilst all orders below will be executed.
- It is possible to 'jump the queue', by entering a lower sale price (e.g., 36c), but still realise 36.5c.
- This type of trading can be risky, as there is the possibility that other orders (placed potentially up to the last second) may alter the match price, and cause a lower price to be realised. This is particularly a risk when automated/high frequency trading systems ("bots") are active.

To see additional information on ASX phases & times, see <https://www.amscot.com.au/research/>