

# Exchange

sists of shares traded within the price range of \$1.01 to \$2.50, where the tick size is one cent.

The third category consists of shares traded within the price range of \$2.52 to \$4.50, where the tick size is two cents, while the fourth category consists of shares traded at \$4.55 and above, with a tick size of five cents.

This mechanism is more capable and effective in enhancing the pricing mechanisms at BSE, thereby encouraging more liquidity to invest in shares due to the profit opportunities available for both current and potential investors entering the market, says the BSE.

Investors must now take in consideration that bid and offer orders, as well as the value of the price ticks, should match the category of which the share is traded in, said head of Public Relations and Marketing Ali Al Mansoor.

The BSE's electronic trading system has been programmed to reject all orders that do not match the amendments incurred on the price ticks.

With the new mechanism, investors will be able to move from one pricing category to another, as long as the move is within the 10 per cent daily maximum limit allowed for the share price to fluctuate.

The share price fluctuation will be automatically identified and approximated to fit in the new mechanism, provided that the fluctuation does not exceed 10pc up or down from the previous closing.

The electronic trading system has been programmed to reject all orders that do not match the amendments incurred on the price ticks.

The new tick size mechanism has been implemented in all shares markets supported by the trading system, which include the regular market, special orders market and the IPO (initial public offering) market.

Investors will also benefit from the speed and flexibility of the BSE's newly-launched online trading service.

It enables investors to track their portfolios through the brokers' electronic trading system, regardless of geographic location, enhancing trading activity in the market, said Mr Mansoor.

The BSE has also extended its trading session from two to three hours a day, to give investors and brokers more time to place their orders and execute transactions.

It also launched a variety of services through its website, allowing investors to open accounts electronically, along with other facilities.

The BSE is also linking



● The Crown Prince, standing, second from left, watches as Mr Rashid, left and Mr Ann sign the MoU

up with other exchanges elsewhere, to increase its reach.

"In enhancing joint cooperation between BSE and stock markets worldwide and for us to play a greater role in the national economy and attract more business, we signed a Memorandum of Understanding (MoU) with Singapore Exchange (SGX)," said Mr Mansoor.

"Such MoUs also allow us to benefit from others' experiences and develop relations between each other."

The MoU was signed in the presence of His Royal Highness Crown Prince and Deputy Supreme Commander Salman Bin Hamad Al Khalifa, in October last year by BSE director Fouad Rashid and SGX senior executive vice-president and head of markets Gan Seow Ann.

The two exchanges also signed a consultancy agreement, under which SGX will set up a plan to develop BSE in a way that enhances its competitiveness and to enable it to play a more effective role in the economic development of Bahrain.

Another MoU was signed with the Dubai Financial Market (DFM), which aims at strengthening and widening the areas of co-operation.

BSE is also in the process of relocating its offices from its current Hidayah 2 building in Manama to the Bahrain Financial Harbour, by the end of the year.

"This will help us provide better services and develop and improve our trading flow for traders and brokers alike," says Mr Mansoor.

Mr Rashid issued in October this year a resolution to list a BD165 million Islamic Leasing (Ijara)

Sukuk, issued by the Central Bank of Bahrain on behalf of the government.

The three-year Sukuk will be mature on September 24, 2012. The face value of each Sukuk is BD10,000, with a fixed rate of 3.75 per cent, payable every six months.

Following the listing of this issue, the number of Islamic Sukuk and conventional bonds listed on the exchange reached 13 issues, with an approximate total value of \$3.23 billion.

In April, Mr Rashid issued a resolution to list the SICO Arab Financial Fund, issued by the SICO Funds Company II BSC, a wholly owned subsidiary of Securities & Investment BSC.

The primary objective of the fund was to seek long-term capital appreciation by investing in financial sector-related equity securities listed on the stock markets of the following Arab countries: Kuwait, Oman, Qatar, Bahrain, the UAE, Saudi Arabia, Egypt, Tunisia, Jordan, Morocco, and Lebanon.

BSE acting director Ebrahim Al Aradi issued a resolution last month to list IFC Hilal Sukuk on the exchange.

The size of the issue, by the Hilal Sukuk Company, is \$100 million.

The duration of the issue is five years, until November 3 2014 and it pays a fixed rate of 3.037 per cent every six months.

This took the number of Islamic Sukuk and conventional bonds listed on the exchange to 14 issues, with an approximate total value of US\$ 3.33 bn.



## Congratulations to

**His Majestic King Hamad bin Isa Al Khalifa**

**His Royal Highness Prince Khalifa bin Salman Al Khalifa**

The Prime Minister

**His Royal Highness Crown Prince Shaikh Salman bin Hamad Al Khalifa**

Deputy Supreme Commander

and the people of the Kingdom of Bahrain  
on the occasion of

## National day

