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Ethiopian Securities
Exchange

TRADING MANUAL

JULY 2026

Document Control

A. Approvals

Designation	Date
Chief Executive Officer	9 Jan 2026

A. Document History

Author(s)	Issue Date	Issue/Version Number	Obsolete/Current/ Archived	Reason/Notes/ Remark
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B. Review/Endorsement

This version of the *manual* was reviewed and endorsed by:

Designation	Date
Chief Executive Officer	March 17, 2026

Table of Contents

Introduction

This Trading Manual (the “Manual”) establishes the detailed procedures, operational requirements, and trading practices for securities traded on the Ethiopian Securities Exchange (“ESX”). This Manual is issued pursuant to the Capital Market Proclamation and applicable directives of the Ethiopian Capital Market Authority (ECMA) and the **Rulebook of the Ethiopian Securities Exchange 2024** (the “Rulebook”), and forms part of the operational framework governing trading activities on the Exchange.

The Manual provides Trading Members with practical technical guidance on the application of ESX Trading Rules. Its provisions cover:

- Trading sessions and cycle management.
- Order submission, types, and validation procedures.
- Price determination mechanisms and trade execution.
- Market controls, risk management, and emergency procedures.

This Manual is subordinate to the Rulebook and applicable laws. In the event of any inconsistency, the provisions of the Rulebook shall prevail. Nothing in these Manual limits the powers of the Exchange as defined under the Rulebook or applicable law.

ESX reserves the right to amend or replace this Manual to reflect regulatory changes, technological advancements, or international best practices. Amendments will be communicated to Trading Members via standard Exchange procedures and become effective on the date specified by ESX.

Compliance with this Manual is mandatory for all Trading Members and authorized users. Members must ensure that their directors, officers, employees, and technical systems comply at all times with this Manual, the Rulebook, and regulatory requirements to maintain the integrity and efficiency of the Ethiopian securities market.

1. Trading Cycle

1.1 Classification of Securities and Trading Models

1.1.1 Markets Segments

The Ethiopia Securities Exchange (ESX) operates a fully electronic rules-based marketplace designed to support the efficient and orderly trading of a diverse range of securities. The Exchange employs a segmented market structure to ensure efficiency, tailored oversight, and investor protection. ESX reserves the right to amend market structures or session timings in response to market conditions or regulatory developments, subject to appropriate notice.

ESX maintains distinct market segments to accommodate the needs of various issuers and investors. These include:

- **Equities Market**: Facilitates the trading of equity securities issued by publicly listed companies in the Main Equity Market and Growth Market. In addition, ESX supports these markets with a specific Block Trade Board and OTC/unlisted Markets.
- **Fixed Income Market**: Supports trading in government and corporate debt instruments, including treasury bills and bonds.

Alternative Market:.

Alternative Market: A dedicated market segment designed for Small and Medium Enterprises (SMEs) and growth-stage companies.

Only securities that have been formally admitted to listing under ESX's listing framework may be traded on the relevant market segment. Trading Members must be licensed and authorized to operate in each specific segment.

ESX shall periodically review the market segmentation to ensure alignment with regulatory developments and market demand.

1.1.2 Trading Models/ Groups

The ESX Trading Model for ESX Equities and Fixed Income Market primarily includes two frameworks built into ESX Automated Trading System (ATS):

A. The central limit order book (CLOB): the main order book where orders are entered during the trading day.

B. The negotiated market[1]: a facility for executing negotiated trades on the ATS, outside the order book.

All trades entered and executed on the CLOB and negotiated markets that are within the daily price limits are considered on exchange transactions that will affect the market statistics on the trading day.

1.2 Trading Sessions

Trading sessions follow a structured daily schedule, with loading, pre-opening, continuous trading, closing, and post-trade sessions. The trading hours of any trading day are available on the website and will be announced if any change occurs through a notice.[2]

1.2.1 Loaded and preopening session (08:00 AM – 08:59 AM)

- Loading market data, instruments, and configurations
- No order accepted in this state
- System component up and connectivity session open for system-to-system integration.
- Validate connectivity with CSD, brokers, and market data feeds

[1] Currently not allowed for trading members, this trading model is ONLY allowed by the exchange under specific conditions.

[2] Note: The trading sessions and structure outlines under sections 1.2 apply to on exchange transactions entered on the COB (excluding the execution and subsequent reporting / post trade of negotiated deals and block trades) which will be defined and updated accordingly

1.2.2 Pre-Open Session (09:00 AM – 09:30 AM)

The pre-open phase is a period before the market officially opens, where participants can place, modify, or cancel limit order type.

- The session is used as a structured period for determining official opening prices for symbols.
- The pre-open session ensures that the market opens with a fair and stable price, reducing the likelihood of large price gaps or extreme volatility at the open.
- Traders and investors can submit buy and sell orders. Only limit orders are allowed during the pre-open phase to ensure price stability.
- Limit orders booked with GTC and GTD are available during this session.
- Orders can be entered with time-in-force conditions
- Price during a pre-open is determined based on Volume Weighted Average Price (VWAP) of the previous business day and orders submitted during the session through a market pre-open auction.
- No trades are executed during this phase.

The system uses an auction mechanism to determine the equilibrium price (official opening price). The system calculates an equilibrium price (indicative opening price) based on the orders placed. The indicative price and order book is displayed to participants. This price is the theoretical price at which the maximum number of securities can be traded.

Note: Please refer to Annex 1 for price discovery calculations.

1.2.3. Open (Continuous Trading Session) (09:30 AM – 03:00 PM)

This is the main phase of the trading day where buyers and sellers can continuously place orders, and trades are executed in real-time based on a price-time priority basis, matching buy and sell orders.

- All unexecuted trade at the pre-open sessions will be forwarded into the continuous main trading session.
- Orders are matched and executed immediately if there is a corresponding buy or sell order in full or partially.
- Prices are determined by supply and demand in real-time.
- Mid-session trading halts may be imposed in line with applicable rules and regulations, including but not limited to corporate disclosures (Suspend session) etc.

1.2.4. Closing Session (03:00 PM)

- The closing session is the final phase of the trading day, designed to establish a fair and stable closing price for securities.
- No orders summations and no order matched.
- Closing prices serve as a reference for the next trading session.

1.2.5. Post - Close Session (03:30 PM – 05:00 PM)

- Market is officially closed for trading.
- No new order submissions or modifications allowed.
- Trades are finalized and confirmed.
- End-of-day (EOD) reporting and reconciliation take place
- Generate and send closing prices to CSD

ESX reserves the right to adjust or halt trading sessions in response to extraordinary market conditions, regulatory interventions, or technical disruptions.

2. Order Types

2.1 Order Entry, Validation & Modification

- Trading members shall submit orders through the ATS.
- Orders can be submitted via
  1. Broker Back Office (BBO)/Order Management Systems: Orders are routed from Trading Members' internal systems (BBO) to the ESX ATS.
  2. Online Trading Portal (Web or mobile App): Trading members offering electronic trading portals allow investors to place orders directly into the BBO and route to ESX ATS system.

2.2 Approved Order Types

The following are approved order types that may be submitted using ESX ATS. ESX, with prior notification to the Authority 24 hours in advance of the proposed change, may deactivate certain order types to reduce misuse, stability of the trading system or until the time the market participants have sufficient understanding of the use of the order type.

Mobile APP or web-based trading systems available to retail, and institutional investors may have all or reduced scope/available order types.

No	Order Type	Description
1	**Limit orders**	A limit order stipulates a maximum purchase price or minimum selling price. A limit order can be placed in the pre-opening phase and during the continuous trading session. A limit order entered during the trading session is executed either fully or partially, as market conditions permit. Failing this, it is logged in the order book in descending buy-price order or ascending sell-price order (the price-priority principle) and joins the queue of orders having the same price (the time-priority principle). Limit orders must be sent within applicable thresholds.
2	**Market Orders**	Market orders are entered into the ATS with no price stipulation. Market orders can be placed only during the main trading session. When no price is stipulated,

		a market order like a limit order selects and executes an order at the best bid price (for sell orders) or best ask price (for buy orders). While no price is specified for this type of order, volume must be indicated.
3.	**Stop Order [3]**	A stop order is an instruction to buy or sell a quantity of Securities at the prevailing market price once the Security has reached a "stop price" (Trigger Price) specified by the Client to the Member. The trigger price for a buy order must be higher than the last traded price. A sell order's trigger price must be below the last traded price. A buying stop order is triggered when the last traded price is equal or higher than the given stop limit. A selling stop order is triggered when the last price is equal or lower than the stop limit. A pure stop market order that has been triggered will be executed at the next prices in the book similar to a market order.
4.	**Stop Limit Order [4]**	A stop limit order has the same characteristics as the stop order described above. The difference from a pure stop order is that a stop-limit order will be executed within a price range as set out when sending the order. Once triggered, it will be executed as a limit order.

2.3 Execution Conditions (Qualifiers)

No	Order Type	Description
1.	**All or None (AON)**	All-or-None orders can only be placed during the continuous trading session. An AON order can only be executed in full, depending on market conditions at the time it is entered into and at the specified price or better (which could be a limit price or at market). If an AON order cannot be immediately executed, the order will not be cancelled.
2.	**Fill-and-Kill Orders (FAK)**	"Fill-and-Kill orders" (FAK) can be placed only in the main trading session. If a FAK order is not executed immediately in full or in part upon entry in the ESX Trading Platform, the remaining quantity, if any, is cancelled. A FAK order may be filled in full or in part, depending on market conditions at the time it is entered, at the specified limit price or better.

[3] Currently not activated
[4] Currently not activated

3.	**Immediate or cancel (IOC) /**	An Immediate or Cancel (IOC) order is placed during the main trading session and is immediately executed for the maximum possible quantity and the remaining quantity, if any, will be automatically cancelled.
4.	**Fill or Kill (FOK)**	FOK order is an instruction to execute the entire order immediately and in full, at the specified price (or better). If the full quantity cannot be matched right away, the order is automatically canceled in its entirety.
5.	**Hidden Order (HO) Iceberg orders (disclosed quantity)**	The disclosed quantity of an “iceberg order” means the quantity the Member wishes to be visible to the market. It is the maximum quantity of Securities that will be visible to the market at any given time. An “iceberg order” can be placed in the pre-opening phase and during the main trading session. On entry, the Member must specify a total quantity (hidden plus disclosed) and a disclosed quantity (the “peak”). The disclosed quantity must be greater than a minimum of ten times the trading unit or lot size defined by financial instrument. The initial “peak” is introduced into the order book with the original priority of the “iceberg order” according to price/time priority. When an “iceberg order” is executed for its disclosed quantity (the “peak”), that quantity is renewed automatically, and the order is positioned behind orders at the same limit.

2.4 Order Validity (Time in Force - TIF)

No	Order Type	Description
1.	**Day Order**	Denotes an order that is valid only for the day it is given. Unless otherwise stated all orders shall be presumed to be day orders. All outstanding orders with Day validity that have not been fully executed at the end of the trading day will automatically expire
2.	**Good Till Date (GTD)**	Order remains valid till defined number of days (calendar days) from the day on which it was input. The order will automatically be cancelled by the system on the expiry date or by default as set up in the system after 30 days. Orders with price limits that have become beyond the thresholds available for the next trading session are automatically deleted from the ESX Trading Platform at the end of the trading session.

3.	**Good Till Cancelled Order (GTC)**:	If a limit order is placed with a GTC attribute, then this order remains valid for a fixed number of days, which by default is set up as 30 days in ESX ATS. If it is not executed within the validity period, it will expire at the end of the final day and will be automatically deleted from the list of pending orders. Orders with price limits that have become outside the thresholds available for the next trading session are automatically deleted from the ESX Trading Platform at the end of the trading session.

2.5 Order Types and Execution Conditions Available

The following schemes explain the availability of order types and execution conditions during trading hours.

Market Status	**Pre-opening**	**Main trading session**
Order Types		
Limit order	Yes	Yes
Market order	No	Yes
Stop order	No	Yes
Stop limit order	No	Yes
Execution conditions (Qualifiers)		
Fill-and-Kill	No	Yes
Minimum-quantity (and Fill-or- Kill)	No	Yes
Immediate or Cancel (IOC)	No	Yes
Iceberg order	Yes	Yes
Order Validity (Time in Force - TIF)		
Day Order	Yes	Yes
Good Till Date (GTD)	Yes	Yes
Good Till Cancelled Order (GTC)	Yes	Yes

2.6. Order Processing

This section states the requirement for an order to be processed on the ATS regardless of whether the trading member is processing the order on behalf of the clients or own account aligned with the ESX Rulebook. Orders must include the following mandatory fields:

- **Security Identifier:** Ticker symbol of trade security.
- **Order Type:** Market, Limit, Good till Cancelled (GTC), etc.

- **Quantity:** The number of securities to be traded.
- **Price:** For limit orders, the specific price at which the trade should be executed.
- **Time Validity:** The duration for which the order remains valid (Day Order, GTC, GTD, etc.).
- **Trading Member ID:** The unique identifier of the broker submitting the order.
- **Client Identification:** Orders must be linked to the respective investor account.

2.7 Order Validation Checks

The trading system shall automatically validate all orders before acceptance. The validation checks include:

- **Trading Account Number Verification:** Each order must be linked to a valid Central Securities Depository (CSD) trading account to ensure that the investor is registered.
- **Trading Member Authorization:** Orders must be submitted by an authorized trading member. Clients of a Trading Member duly authorized may submit an order through Electronic Market Access platforms.
- **Price Limits Compliance:** Orders must fall within the defined price bands set by ESX for the trading session.
- **Sufficient Securities in Account:** Sell orders must be backed by available securities in the client's CSD trading account.
- **Sufficient Cash Balance:** Buy orders must have sufficient funds in the investor's cash account with the broker.
- **Order Lot Size Compliance:** The order quantity must meet the minimum lot size requirements set for security.
- **Time Validity Check:** Orders must comply with the specified validity period (e.g., Day Order, Good till Canceled, etc.).

Orders that fail validation shall be rejected with an error message specifying the reason for rejection.

2.8 Order Size and Block Trade Framework

2.8.1 Minimum Order Size (Central Order Book)

- The minimum order size in the central order book shall be one (1) security per order, unless otherwise specified by ESX.
- ESX may prescribe standard lot sizes for specific securities where necessary to support market liquidity and orderly trading.

2.8.2 Trade Block Definition and Eligibility

- A block trade refers to a large, single transaction submitted by a single investor (not an aggregation of multiple orders), which is pre-negotiated and executed outside the central order book on a designated block trade facility. Such trades are conducted during specified off-market hours, subject to prior approval by the

Exchange, and must be reported to the Exchange in accordance with applicable rules and procedures. Annex 2. Block Trade

2.9. Order Modification and Cancellation

During the pre-opening phase and the main trading session, the Member who entered an order may change it if it has not been fully executed or cancelled.

An order's priority may be affected by a modification as follows:

- It will not be changed following a decrease in total quantity.
- It will be changed following an increase in the total quantity of a simple limit order (excluding iceberg order)
- It will not be changed following an increase in the total quantity of an iceberg order.
- It will be changed following the modification of the price limit.

3. Trading

3.1. Lots Size

ESX may, on a case-by-case basis, implement a round lot and odd lot segments to one or more of its market segments

3.2. Price Determination and Limit

As a general principle, securities trading on the Exchange shall not be less than 1 ETB (floor price).

ESX may determine the applicable time, including a grace period for compliance with this rule.

3.2.1. Reference Price

The reference price of a security is set as the previous closing price of the security (unless explicitly stated or set by the exchange). The daily price limits are determined by the ATS based on the reference price.

3.2.2. Opening price

The opening price,[5] is determined by the pre-open status of the market in an opening auction. This serves to get a better understanding of market demand and supply for traders. There must be at least one potential trade that meets the Minimum Market Trade Quantity threshold for the Theoretical Opening Price and Theoretical Opening Volume to be set. If there is no trade to satisfy this condition, then these fields remain blank. Only limit order and GTC Qualifiers participate in the opening price determination.

The Auction pre-opening (opening price) works based on the following basic criteria. **See Additional Guidance under Annex 1.**

[5] Referred to as the equilibrium price, theoretical opening price. Please refer to section 1.2.2 in conjunction to these sections

- Maximum Tradable Volume*:* The auction price should first be the price at which the largest volume of orders can be matched.
- Minimum Imbalance in the share volume (Minimum surplus): If there is more than one price that satisfies the first criterion (Maximum Tradable Volume), then the equilibrium price should be where the minimum surplus (minimum unfilled quantity) is achieved (minimum or least imbalance in the share volume).
- Highest share price (Market pressure): based on the minimum surplus criteria assumes that all potential auction prices must have identical surplus, but this may be on different sides of the order book. If they are on the buy side, then unexecuted buy orders will be left after matching and this will likely push prices up; so, the highest price is selected. Similarly, if all order surpluses are on the sell side, the lowest price is selected. This implies that the auction price is the price with the highest market pressure i.e. better price for the market side in high demand.
- Least closing price (Reference Price): If there is more than one price that satisfies the third criterion, narrow the options of potential auction prices to two (2) within the entire range of possible auction prices. Then consider the relationship between the reference price and the potential auction price.

  If the reference price:

  - It is equal to or greater than the higher of the two possible prices established in the first section of this principle, then the higher price becomes the auction price.
  - It is equal to or less the lower of the two possible prices established in the first section of this principle, then the lower price becomes the auction price.
  - Lies between the two (2) possible prices established in the first section of this principle, then the reference price itself becomes the auction price.

3.2.3 First Trading day Opening Price Determination

Price Determination for New Listings & Reference Price Calculation

- Based on the indicative price (derived from the valuation report, trading price in a lower segment market or off-market transactions, par value), newly listed securities shall undergo an initial price discovery auction to determine the first trading price.
- The auction will be open for 30 minutes on the first trading day, allowing demand-supply forces to set the price.
- If the price is still not established, the opening price will be the indicative price.

3.2.4 Price during the continuous trading

- In line with section 1.2.3 price during the open or continuous trading session is determined by each new incoming order, which is immediately checked for execution against orders on the other side of the order book.
- Orders can be executed in full, partially, or not at all. Thus, each new incoming order may generate none, one, or several executions.

- Orders in the order book will be executed according to the price/time priority principle.
- Orders, or parts thereof which have not been executed, are sorted in the order book according to price/cross/time priority.

3.3 Tick sizes

Only orders with price limits in the respective bandwidth defined here below are accepted for trading:

Market Price (ETB)	Tick Size (ETB)
1 up to less than 10	0.01
10 up to less than 100	0.1
100 up to less than 1000	1.0
Above 1000	10

3.4 Circuit Breakers – Market-Wide Safeguards

- Static circuit breakers apply based on the previous day's closing price
- A circuit breaker of (+/- 20%) of the previous day's closing price shall be applicable for all equity securities.
- The exchange reserves the right to redefine and modify circuit breakers depending on the market conditions and will notify the market when any change is made. The Exchange shall notify ECMA of modifications made in line with this rule.
- The circuit breakers may be lifted during;
  - the first trading session, to ensure price discovery of a listed security; or
  - after the disclosure of material information by issuers, issuance of profit warnings or distribution of dividends, subject to any cooling off period that may be implemented by The Exchange.
- Circuit breakers shall not be applicable to fixed-income securities.

Application of circuit breakers during first trading session

- Where ESX relies up on the nominal/par value of security during the first trading session as the opening price/indicative price, a static circuit breaker of (+/-) 50% will be applicable
- Where an off-market price exists but cannot be used as an opening price for lack of sufficient transaction history, the circuit breaker may be entirely lifted for the first 30 trading days/sessions, after which a circuit breaker of (+/- 20%) shall be applied.
- Where the opening price is determined based on securities valuation report or previous trading experience under a lower-tier market, a circuit breaker of (+/- 20%) shall be applicable.

3.6 Trading Halts and Signs

To ensure fair and efficient trading, ESX may use trading halts and special supervisory signs to regulate trading and inform investors of special situations and conditions that may affect the securities of a listed company.

The Exchange may implement trading halts, or other operational measures to maintain orderly market functioning, subject to the supervisory authority of the Ethiopian Capital Market Authority, which may take necessary action in accordance with applicable laws and regulations.

Sign	Name	Explanation
H	**Trading Halt**	Trading in security is halted for a maximum period of one trading session. • Trading halts may be implemented because of: 1. Critical changes or major events concerning a listed company which have occurred during trading hours. The firm involved must immediately clarify the situation with ESX. (e.g., mergers, bankruptcies, acquisitions, fraud investigations, etc.). 2. Trading conditions (e.g., price fluctuations) which indicate insider trading, i.e. some investors may have received important news or information about a listed company before it was formally disseminated to the public. 3. A request of the issuer in order to allow for clarification of a major development or for a news announcement to be made during trading hours. 4. Major events which may critically affect the ESX trading system. • Remarks: The Halt Sign may be removed at any time during the trading session if deemed appropriate by ESX and/or following clarification or resolution of the situation.
SP	**Trading Suspension**	Trading in security is being suspended for more than one trading session. Trading suspensions may be enforced because of: 1. Following the failure of the issuer to adhere to ESX disclosure regulations. 2. The securities of the listed company are under delisting consideration. 3. The listed securities are due for redemption, conversion, or exercise of rights. 4. There is any other event that may seriously affect the trading of listed security.

3.7 Duration and Resumption of Trading Halts

- Temporary Halt: Trading may be paused for 15 to 30 minutes to allow market participants to process new information.

- Extended Halt: If the issue is not resolved, trading may remain suspended for the rest of the session. The exchange will publicly notify the halt to the market.
- Resumption: Trading will resume after ESX assesses the situation and determines that order flow has stabilized.

3.8. Trade Cancellation Procedures

Trade may be cancelled under the following conditions

- System Malfunction: The trade was successfully executed through the Automated Trading System (ATS), but the settlement message could not be delivered to the Central Securities Depository (CSD) because of a technical issue affecting the CSD or the supporting network infrastructure.
- In the occurrence of the above incident, where a trade is affected by a technical system malfunction, the trade may be **cancelled or rejected**. The ESX system administrator shall resend the settlement message to the CSD only after the technical issue has been resolved, and confirmation has been obtained that the issue has been fully addressed.
- Alternatively, the trade may be **cancelled or rejected within the ATS**, in which case the system automatically updates the trade status and restores the investor's holding position to the level prior to trade execution.
- In the occasion that a trade is cancelled/rejected due to a system malfunction, ESX may utilize the negotiated/ alternative trade portal (arrangement) to allow members to execute the trade after the system malfunction/interruption is addressed.
- Regulatory intervention by ESX or ECMA, if a trade violates market integrity rules or regulations.

3.9. Trading Symbol Status & Announcements by Listed Companies

3.9.1 Trading Symbol Categories

- *Active,* Security is available for normal trading.
- *Cum Trading,* Security trades with rights to dividends, bonuses, or entitlements.
- *Suspended,* Trading is temporarily paused due to regulatory issues.
- *Halted,* Trading is halted for price discovery or pending disclosures.
- *Delisted,* Security is permanently removed from the ESX trading platform.
- *Inactive,* security has matured and isn't available for trading.

3.9.2 Announcements by Listed Companies

- *Material Disclosures:* Companies must disclose financial results, mergers, board changes, and other market-moving events.
- *Trading Halts,* ESX may halt trading for up to a full session for major disclosures.

4. Trade Settlement & Clearing

4.1 Settlement Model

- All trade in the Equity market segment will be settled on a T+2 settlement cycle, using a Delivery-Versus Payment (DvP)2 mechanism.
- Trade in the Fixed Income Market segment shall be settled on a T+1 settlement cycle.

4.2 Roles of Market Participants in Settlement

- ESX, facilitates trade execution and reporting to the CSD.
- *Trading Members*, ensure that client funds and securities are available for settlement.
- CSD, Maintains the official ownership record and coordinates the securities transfer. Intervenes in settlement failures by mandating corrective actions or approving forced buy-ins.
- Settlement Banks: Process the transfer of funds between trading members.
- National Bank of Ethiopia (NBE)
  - Manages the CSD, ensuring accurate securities of ownership records and reconciliations.
  - Ensure that settlement funds are cleared through the Real-Time Gross Settlement (RTGS) system to facilitate timely settlement.

5. Market Oversight

5.1 Risk Management & Surveillance

- In accordance with the roles and responsibilities given to it under the Proclamation ESX and ECMA Directives, The Exchange will conduct market monitoring, surveillance and supervision of the market and its members to ensure fairness, efficiency, transparency, and investor protection.
- ESX will use various tools including an automated surveillance systems analyze real-time trading data to flag abnormal trading behaviors, such as price manipulation, wash trades, and order spoofing. Trading Members must comply with real-time reporting requirements to ensure market integrity.

Annex 1: Methodology of Price Discovery Auctions Implemented during Pre-Open Sessions

The following section of the document explains the determination of pre-open pricing.

Case # 1 The Pre-Open Market is

ID	Volume	Buy	Sell	Volume	ID
A	2000	3.85	4.00	3000	C
B	1000	3.70	4.10	4000	D

The Basis for the opening price Calculation is:

Buy Volume	Price	Sell Volume	Trade Volume
3000	3.70	0	0
2000	3.85	0	0
0	4.00	3000	0
0	4.10	700 0	0

Opening Price = Last Day's Closing Price as there is no tradable volume during the pre-opening phase

Expected Trades = No trading is carried out at open.

Case #2: Rule# 1: Maximum Tradable Volume

The Pre-Opening Market is:

ID	Volume	Buy	Sell	Volume	ID
A	1000	3.85	3.80	2000	D
B	1000	3.80	3.85	1500	E
C	1000	3.70	4.10	2000	F

The Basis for the opening price selection.

Buy Volume	Buy Volume	Sell Volume	Trade Volume
3000	3.70	0	0
2000	**3.80**	**2000**	**2000** Price based on maximum trade volume
1000	3.85	3500	1000
0	4.10	5500	0

Opening Price = 3.80

Expected trades: A buys from D 1000 @ 3.80 / B buys from D 1000 @ 3.80

Case # 3: Rule# 2 : Minimum imbalance in the share volume

ID	Volume	Buy	Sell	Volume	ID
A	2000	3.85	3.80	2000	D
B	1000	3.80	3.85	1500	E
C	1000	3.70	4.10	2000	F

The Basis for the opening price selection.

Buy Volume	Price	Sell Volume	Trade Volume	Least Imbalance
4000	3.70	0	0	0
3000	**3.80**	**2000**	**2000**	**1000 Price based on least imbalance**
2000	3.85	3500	2000	1500
0	4.10	5500	0	0

Opening Price is 3.80

Expected trade A buys from D 2000 @ 3.80

Market after opening

ID	Volume	Buy	Sell	Volume	ID
B	1000	3.80	3.85	1500	E
C	1000	3.70	4.10	2000	F

Case # 4: Rule# 3: Least net change from the last day's closing price

ID	Volume	Buy	Sell	Volume	ID
A	2000	3.85	3.80	2000	D
B	1000	3.80	3.85	1000	E
C	1000	3.70	4.10	1000	F

The Basis for the opening price selection.

Buy Vol	Price	S.Vol	Trade Vol	Least Imbalance	Difference from L. Closing Price Say (3.75)
4000	3.70	0	0	0	0
3000	**3.80**	**2000**	**2000**	**1000**	**0.05 Closest to the last trade price**
2000	3.85	3000	2000	1000	0.10
0	4.10	4000	0	0	0

Opening Price is 3.80

Expected trades: A buy from D 2000 @ 3.80

The Opening Market is:

ID	Volume	Buy	Sell	Volume	ID
B	1000	3.80	3.85	1000	E
C	1000	3.70	4.10	1000	F

Case # 5: Rule # 4 : Highest Share Price

ID	**Volume**	**Buy**	**Sell**	**Volume**	**ID**
A	2000	3.90	3.80	2000	D
B	1000	3.80	3.90	1000	E
C	1000	3.70	4.10	1000	F

The Basis for the opening price selection.

Buy Vol.	**Price**	**S.Vol**	**Trade Vol**	**Least Imbalance**	**L.Closing Price** Say (3..85)
4000	3.70	0	0	0	0
3000	3.80	2000	2000	1000	- 0.05
2000	**3.90**	**3000**	**2000**	**1000**	**+ 0.05 Highest Price**
0	4.10	4000	0	0	0

Opening price is 3.90

Expected trade A buy from D 2000 @ 3.90

The Opening market is:

ID	**Volume**	**Buy**	**Sell**	**Volume**	**ID**
B	1000	3.80	3.90	1000	E
C	1000	3.70	4.10	1000	F

Annex 2. Block Trade

1. *Criteria for block trade*

A block trade refers to a large, pre-negotiated transaction executed outside the central order book and reported to the Exchange in accordance with these rules.

An order shall be classified as a block trade where the transaction value is equal to or greater than 5% of the issuer's market capitalization.

ESX may, from time to time, prescribe security-specific thresholds based on liquidity and trading patterns.

2. *Pricing Methodology*

Block trades shall be executed at a price reasonably aligned with prevailing market conditions.

The reference price shall be based on:

a. The last traded price, or
b. The volume-weighted average price (VWAP) over a defined recent period.

- For liquid securities, symbol prices for the last thirty-day Volume-Weighted Average Price (VWAP) plus/minus 30 %. i.e. VWAP = Σ (Price × Volume) ÷ Σ Volume
- For illiquid securities: ESX may use nominal/par value, with an applicable price limit of plus/minus 30 % or request the trading parties to obtain three dealer quotes as a minimum.
- ESX may prescribe an allowable price range (e.g., within a specified percentage band) and retain discretion to approve, reject, or request justification for transactions that deviate materially from the reference price.

3. *Execution*

- Block trades shall be executed through a designated block trade board operated by Ethiopian Securities Exchange.
- Such trades shall be pre-negotiated between eligible counterparties and submitted to ESX for validation and execution.
- Before executing a block trade, a trading member must notify and obtain prior approval from the Exchange in the format specified by the Exchange.
- After approval, order submission shall be conducted through a dedicated block trade board during specified trading hours. The ESX will define these hours after the closure of the main board market. Transactions executed on the block trade board shall not impact on the closing price of the main board market.
- ESX shall ensure that all block trades comply with applicable market rules, including participant eligibility and reporting requirements.

4. *Transparency and Reporting*

- All block trading shall be promptly reported to the market and clearly identified as block transactions.
- Block trades shall:
    - Be included in total market turnover and volume statistics; and
    - Be separately disclosed to distinguish them from trades executed through the central order book.

- ESX shall publish periodic reports on block trading activity to support market transparency.

5. *Risk Management and Surveillance*

- All block trades shall be subject to pre- and post-trade risk controls and market surveillance by ESX.
- ESX shall monitor block transactions for:
  - Market abuse, including manipulation and insider trading
  - Off-market pricing anomalies
  - Unusual transaction patterns
- Any suspicious activity shall be escalated in accordance with ESX rules and reported to Ethiopian Capital Market Authority.

Annex 3. Block Trade Execution Request Form

ETHIOPIAN SECURITIES EXCHANGE ***BLOCK TRADE EXECUTION REQUEST FORM***
1. TRADE DETAILS
Request Date: ___________________________
Proposed Execution Date: ___________________________
Security Name: ___________________________
Security Type: ___________________________
Ticker Symbol (if applicable): ___________________________
2. TRADE SPECIFICS
Trade Amount: ___________________________
Trade Volume: ___________________________
Proposed Price per Unit: ___________________________
3. PARTICIPANT DETAILS
Seller Side
Broker / Participant Name: ___________________________
Participant License Number: ___________________________
Contact Person: ___________________________
Contact Details: ___________________________
Buyer Side
Broker / Participant Name: ___________________________
Participant License Number: ___________________________
Contact Person: ___________________________
Contact Details: ___________________________
4. CLIENT DETAILS
Seller Client
Client Name: ___________________________

Client ID / Account Number: ___________________________
Nationality: ___________________________
Buyer Client
Client Name: ___________________________
Client ID / Account Number: ___________________________
Nationality: ___________________________
6. AUTHORIZED SIGNATORIES
Seller Participant Authorized Signatory
Name: ___________________________
Signature: ___________________________
Date: ___________________________
ETHIOPIAN SECURITIES EXCHANGE   ***BLOCK TRADE EXECUTION REQUEST FORM***
Buyer Participant Authorized Signatory
Name: ___________________________
Signature: ___________________________
Date: ___________________________
7. FOR OFFICIAL USE (ESX ONLY)
Received By: ___________________________
Approval Status: ☐ Approved ☐ Rejected
Comments: ___________________________
Authorized Signature: ___________________________
Date: ___________________________