1. Trading methods

The trading system of Ho Chi Minh City Stock Exchange has two trading methods: order matching and put-through method.

1.1 Order matching is the method performed on the trading system based on matching securities of buy and sell orders. It includes call auction matching and continuous matching.

- **Call auction matching** is based on matching buy and sell orders of securities at a specified time.

The principle of determining the matching price is as follows:

a) The execution price at which the trading quantity is the largest and all buy orders with prices higher than the execution price and sell orders with prices lower than the execution price must be fully executed.

b) In case there are multiple prices satisfying point a of this clause, the execution price is the price at which the orders of one side must be fully executed and the orders of the corresponding side must be fully or partially executed.

c) In case there are multiple prices satisfying point b of this clause, the execution price is the same or closest price to the last executed price of the order matching method.

d) In case there is no price satisfying point b of this clause, the selected price is the price satisfying point a of this clause and being the same or closest to the last executed price of the order matching method.

Example 1: Call auction matching

In the opening call auction session, stock A has the reference price of 125,000 dong. The following orders are input in turn:

Order	Side	Price	Quantity
1	Buy	125.400	500
2	Sell	125.300	300
3	Buy	125.000	400
4	Sell	124.900	400
5	Sell	ATO	100

(Quote on order book: Order number - Order quantity, for example: 1-500: Order 1 quantity 500)

Cumm-ulative buy quantity	Buy quantity	Price	Sell quantity	Cumm-ulative sell quantity	Matched quantity	Point a	Point b	Point c	Point d
500	1-500	125.400		800	500				
500		125.300	2-300	800	500	✓			
500		125.200		500	500	✓	✓		
500		125.100		500	500	✓	✓	✓	
900	3-400	125.000		500	500	✓			
900		124.900	4-400	500	500				

900		124.800	5-100	100	100				

According to point a of the principle of determining call auction matching price, there are 6 prices having the largest matched quantity (500 shares), namely: 124.900; 125.000; 125.100; 125.200; 125.300;125.400:

- At the price of 125.400, buy order 1 is fully matched with sell order 4 and sell order 5, sell order 2-300 which is not fully matched, does not satisfy point a, so this price is eliminated.

- At the price of 124.900, buy order 1 is fully matched with sell order 4 and sell order 5, buy order 3-400 is not fully matched, does not satisfy point a, so this price is eliminated.

The remaining 4 prices (125.000; 125.100; 125.200; 125.300) all satisfy point a, so point b should be considered:

- At the price of 125.300, buy order 1 is fully matched with sell order 4 and 5, sell order 2-300 has no matching, so this price is not satisfying point b.

- At the price of 125.000, buy order 1 is fully matched with sell orders 4 and sell orders 5, order buy 3-400 has no matching, so this price does not satisfy point b.

- The two prices: 125.100 and 125.200 having no buy or sell orders is considered to be fully matched on both sides, so this price satisfies point b.

According to point c, if there are multiple prices that satisfy point b, choose the price that is the same or closer to the reference price. At the remaining two prices, the price of 125.100 is closer to the reference price (125.000) than the price of 125.200, so it is chosen as the execution price.

Example 2: Call auction matching

In the closing call auction session, stock B has the last executed price of 89.500 dong. The following orders are input in turn:

Order	Side	Price	Quantity
1	Sell	85.200	100
2	Sell	85.300	100
3	Sell	85.700	100
4	Buy	85.700	200
5	Buy	85.600	500

(Quote on order book: Order number - Order quantity, for example: 1-500: Order 1 quantity 500)

Cumm-ulative buy quantity	Buy quantity	Price	Sell quantity	Cumm-ulative sell quantity	Matched quantity	Point a	Point b	Point c	Point d
0		85.900		300	0				
0		85.800		300	0				
200	4-200	85.700	3-100	300	200	✓			✓
700	5-500	85.600		200	200	✓			
700		85.500		200	200				

700		85.400		200	200				
700		85.300	2-100	200	200				
700		85.200	1-100	100	100				

According to point a of the principle of determining call auction matching price, there are 5 prices having the largest matched quantity (200 shares) namely: 85.300; 85.400; 85.500; 85.600; 85.700:

- At 85.300, 85.400 and 85.500, buy order 4 is fully matched with sell order 1 and sell order 2, buy order 5-500 is not fully matched, does not satisfy point a, so this price is is eliminated.

The remaining two prices 85.600 and 85.700 all satisfy- point a, so point b should be considered:

- At the price of 85.600, buy order 4 is fully matched with sell order 1 and sell order 2, buy order 5-500 has no matching, so it is not satisfying point b.

- At the price of 85.700, buy order 4 is fully matched with sell order 1 and sell order 2, sell order 3-100 has no matching, so it is not satisfying point b.

According to point d, in case there is no price satisfying point b, the selected price is the price satisfying point a and being the same or closest to the last executed price of the order matching method. Between 85.700 and 85.600, 85.700 is closer to the last executed price (85.900) so it is chosen as the execution price.

- **Continuous matching** is a trading method performed on the trading system based on matching buy and sell orders as soon as they are entered into the trading system. The matching price in the continuous trading method is the price of the corresponding limit order waiting on the order book.

The trading system matches buy and sell orders according to the principle of price and time priority, specifically as follows:

- Price priority:

+ Buy orders with higher prices have priority to be executed first.

+ Sell orders with lower prices have priority to be executed first.

- Time priority: In case buy or sell orders have the same price, the orders entered into the trading system first will have priority to be executed first.

Example 3: Continuous matching

In the continuous matching session, stock C has the order book with limit orders as following:

(Quote on order book: Order number - Order quantity, for example: 1-500: Order 1 quantity 500)

Buy quantity	Price	Sell quantity
	40.900	4-200
	40.850	2-200; 6-300
	40.800	7-900
	40.750	
	40.700	

1-100	40.650	
3-300	40.600	
5-500	40.550	

Then, buy order 8 (limit order; quantity: 1.000; price: 40.850) is entered into the order book.

Based on the principle of price and time priority, the order matching result is:

- Buy order 8 is matched with sell order 7: quantity 900, price 40.800
- Buy order 8 is matched with sell order 2: quantity 100, price 40.850

The order book after matching:

Buy quantity	Price	Sell quantity
	40.900	4-200
	40.850	2-100; 6-300
	40.800	
	40.750	
	40.700	
1-100	40.650	
3-300	40.600	
5-500	40.550	

1.2 Put-through is the trading method in which the parties participating in the transaction through the securities company agree on the transaction conditions on the trading system; or the parties participating in the transaction agree, execute the transaction, then record the transaction results into the trading system through the securities company.