Boursa Kuwait Obtains CMA Approval on Temporary Reduction of Security Circuit Breaker

Lower limit is reduced from “–10” % to “-5” % while maintaining the upper limit at “10%”

Kuwait – 14, March 2020: Following approval by the Capital Markets Authority (CMA), Boursa Kuwait announced on its official website and social media channels that effective from 15 March, 2020, the security circuit breaker will be modified by reducing the lower limit from -10% to -5%, while maintaining the upper limit at 10%.

This decision has been made in an effort to address the fast-paced changes and turbulence facing the local exchange market, as well as regional and international exchanges, as a result of the COVID-19 outbreak. It also follows the major drop in oil prices globally, which has led to a state of extreme volatility of listed shares prices and halted market trading in Boursa Kuwait.

Boursa Kuwait has rolled out the reduction in the security circuit breaker, in compliance with its Rulebook, which allows it to intervene in such challenging conditions and take the necessary action to ensure the protection of all dealers and minimize any negative impacts.

In the event a drop or increase occurs for any security, the modification allows dealers to enter buy or sell orders after pausing the security for a time frame of two minutes. During these two minutes, an auction takes place to define the new reference price, while giving priority to orders based on the current operating system. The number of shares entered in the auction must comply to the Normal Market Size (NMS) specified, in proportion to the daily average trading.

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