



The tick size of shares, ETFs, single-stock futures and currency futures changes as of 4 March 2019. The price of currency futures and single-stock futures will be determined with a precision of PLN 0.0001. The trading unit of currency futures will change from 100 to 1.

DETAILS OF THE CHANGE

The tick size before the change is **PLN 0.01** and it applies to prices of futures expressed per **100 currency units** (EUR 100, USD 100, GBP 100, CHF 100).

The tick size after the change will be **PLN 0.0001** and the price of futures will be expressed per **1 currency unit** (EUR 1, USD 1, GBP 1, CHF 1). The price of futures may not be less than PLN 0.01.

IMPACT OF THE CHANGE

Following the change, the prices of futures will be determined in the same way as the exchange rate of the currency which is the underlying, i.e., with a precision of PLN 0.0001 (1 pip), ensuring consistency between the presentation of the price of the underlying and the price of futures. At present, the price of futures is determined with a precision of PLN 0.01 per 100 currency units, which is different from the presentation of currency exchange rates.

Example 1: *Examples of prices of EUR/PLN futures:*

- ◆ before the change: 432.11 PLN for EUR 100
- ◆ after the change: 4.3211 PLN for EUR 1

The size of a contract, i.e., the number of currency units per contract, will remain unchanged at 1000 currency units (EUR 1000, USD 1000, GBP 1000, CHF 1000). Note that the calculation algorithm of the value of futures will change. The value of a contract is now equal to the price times 10. After the change, the value of a contract will be equal to the price times 1000.

Example 2: *Calculation of the value of a contract before and after the change.*

	FUTURES PRICE	FUTURES VALUE
<i>before the change</i>	PLN 432.11 for EUR 100	432.11 PLN x 10 = 4321.10 PLN
<i>after the change</i>	PLN 4.3211 for EUR 1	4.3211 PLN x 1000 = 4321.10 PLN

SETTLEMENT PRICE

The change of the tick size and the trading unit of currency futures applies to all prices of futures, including daily and final settlement prices. Note that the final settlement price after the change will be equal to the average exchange rate of the currency (EUR, USD, GBP, CHF) determined by NBP at a fixing on the futures expiry date and **the exchange rate will not be multiplied by 100 as it is now.**

DETERMINING THE RETURN ON INVESTMENT IN FUTURES WITH THE NEW TICK SIZE

The change of the tick size and the trading unit of currency futures does not change the terms and conditions of determining the return on investment in currency futures, including the daily and the final settlement price. However, note the different calculation algorithm of the value of the futures (see above).

Example 3: *Determination of the return on investment in EUR/PLN futures after the change of the tick size and the trading unit. Assumptions: investment in 10 futures, the position is closed (the contracts are sold) at the same trading session.*

Calculation before the change of the tick size and the trading unit.

<i>Futures buy price [PLN]</i>	432.11
<i>Futures sell price [PLN]</i>	434.36
<i>Transaction volume [# contracts]</i>	10
<i>Profit (Loss) [PLN]</i>	$(434.36 \times 10 - 432.11 \times 10) \times 10 = 225.00$

Calculation after the change of the tick size and the trading unit.

<i>Futures buy price [PLN]</i>	4.3211
<i>Futures sell price [PLN]</i>	4.3436
<i>Transaction volume [# contracts]</i>	10
<i>Profit (Loss) [PLN]</i>	$(4.3436 \times 1000 - 4.3211 \times 1000) \times 10 = 225.00$

EFFECTIVE DATE OF THE NEW TICK SIZE

The new tick size and the new trading unit of currency futures will be introduced on GPW as of 4 March 2019. Note that the trading session preceding the introduction of the new tick size and the new trading unit will be cleared using the daily settlement price determined with a precision of the tick size and the trading unit from before the change. All broker's orders submitted to the exchange but not executed will become null and void after that trading session.