

The sterling 'flash event' of 7 October

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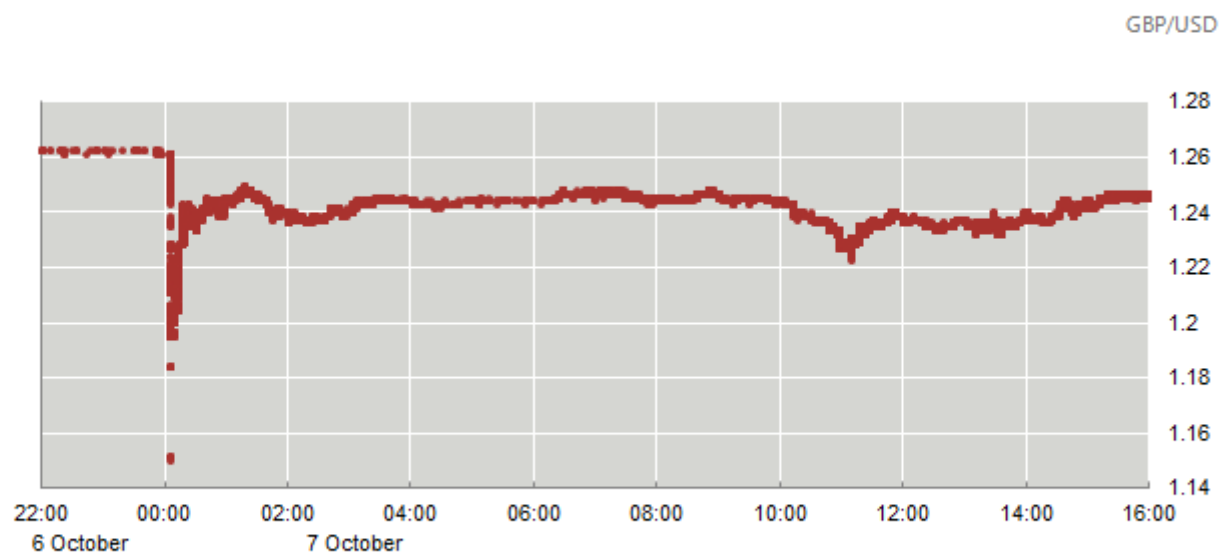
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7 October 2016 – sterling flash event

GBP/USD traded prices on Thomson Reuters Matching on 6/7 October

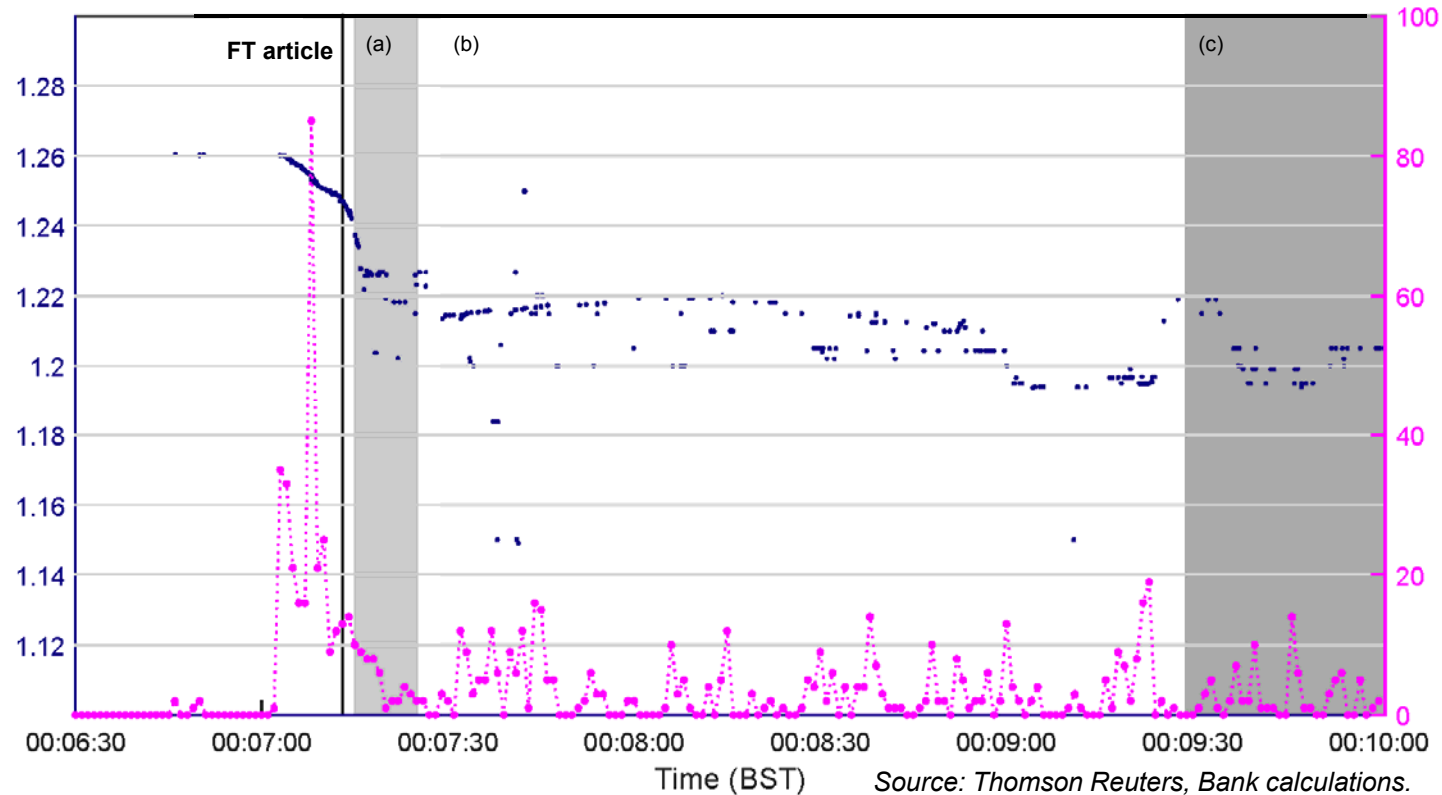


Sources: Thomson Reuters; Bank of England calculations.



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● Traded prices (lhs)
 ●● Volumes (£mn/second) (rhs)

(a) 00:07:15 BST – Sharp price movements over a two second window trigger a velocity logic event which pauses trading on CME for ten seconds.
 (b) 00:07:29 BST – Futures prices reach their lower limit of 122.17 (based on the percentage change on the day). The exchange remains open, but transactions cannot take place below this price on CME. A two minute monitoring period begins.
 (c) 00:09:29 BST – As the futures price has not rebounded from the lower limit by the end of the monitoring period, a further two minute trading halt is triggered on CME. At 00:11:29 the exchange reopens with a new (lower) price limit.



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