

FTSE MIB OPEN INDEX METHODOLOGY



Borsa Italiana
London Stock Exchange Group



FTSE MIB Open Index Methodology:

This methodology is to be read in conjunction with the FTSE MIB Index Ground Rules which are available at www.ftse.com.

The FTSE MIB constituents all trade on Borsa Italiana's MTA and MIV markets

Standard trading schedule

The standard trading schedule on MTA and MIV markets is divided into three phases, as described below (all times CET):

Phase 1 – Open Auction Phase	08:00:00 – 09:00:00 09:00:00 – 09:00:59	Pre-auction¹ Validation² and Opening³
Phase 2 – Continuous Trading	Opening – 17:25:00	Continuous Trading
Phase 3 – Closing Auction Phase	17:25:00 – 17:30:00 17:30:00 – 17:30:59	Pre-auction⁴ Validation⁵ and Closing⁶

If a stock trades in the opening auction, it enters into the continuous trading period immediately. This can occur anytime between 09:00:00 and 09:00:59 during a random period mechanism of 60 seconds. In this situation the opening auction price of the stock shall be used to compute the FTSE MIB Open Index Value.

If there is no matching between the best bid and best offer prices in the opening auction, the stock will not have opening auction trades and will enter into continuous trading phase immediately. This can occur anytime between 09:00:00 and 09:00:59 during a random period mechanism of 60 seconds. In this case the last price of the previous daily trading session (considering also possible adjustment coefficients) shall be used to compute the FTSE MIB Open Index Value.

Non standard trading schedule

1) According to Borsa Italiana's rules, if the indicative opening auction price of a stock breaches the price tolerance trading limits, the opening auction is extended for 10 minutes. If bands are still breached at the end of the 10 minutes then further extension(s) will occur. There is no specific end period which forces the stock into continuous trading, therefore in case the stock is kept into the opening auction phase at 9:01:00, in absence of an auction price at 9:01 FTSE shall use the last price of the previous daily trading session (considering also possible adjustment coefficients) to compute the FTSE MIB Open Index value.

2) If a stock belonging to the FTSE MIB index is suspended from trading, the last price of the previous daily trading session (considering also possible adjustment coefficients) will be used to compute the FTSE MIB Open Index value.

¹ **Pre-auction:** determining the theoretical opening auction price

² **Validation:** validating the theoretical opening auction price

³ **Opening:** matching opening auction trades on a share by share basis

⁴ **Pre-auction:** determining the theoretical closing auction price

⁵ **Validation:** validating the theoretical closing auction price

⁶ **Closing:** matching closing action trades on a share by share basis

FTSE MIB Index and FTSE MIB Open Index Behaviour

Below is a summary of the headline FTSE MIB Index and the FTSE MIB Open Index to help articulate the differences:

FTSE MIB Open Index	09:01:00	Calculation and dissemination *
FTSE MIB Index – open and continuous	09:01:00 – 17:25:00	Continuous Trading
FTSE MIB Index - closing	17:25:00 – 17:30:00 17:30:00 – 17:31:00	Index is in waiting state Closing

Note that the FTSE MIB Index and the FTSE MIB Open Index are separate indices and will have different index codes to distinguish the two indices (FTSEMIB and FTSEMIBO).

* **FTSE MIB Open Index** – This index is normally calculated around 09:01 and published once per day by approximately 09:45.

FTSE MIB Index – This index opens at 09:01:00. Due to the random closing mechanism of the opening auction, the first index value published may contain both open auction prices and continuous trading prices. Therefore it will never match the FTSE MIB Open Index value.

The continuous trading period occurs between 09:01:00 and 17:25:00. During this period only traded prices are used in the index calculations. Between 17:25:00 and 17:30:00 the index sits and waits for the next price updates which will be the closing auctions prices.

The index will close between 17:30:00 and 17:31:00 when all securities have completed their closing auction. It is possible that a security has an extended auction, and this can take the closing auction process to a random close between 17:35:00 and 17:36:00.

FTSE MIB Derivatives Expiration

According to art. IA.9.1.1 paragraph 6 and art. IA.9.1.6 paragraph 9 of Borsa Italiana's Instructions to Market Rules, FTSE MIB futures and FTSE MIB option settlement values are calculated by Borsa Italiana and based on opening auction prices. In case of extended auctions trading schedule, they may therefore slightly differ from the FTSE MIB Open Index.

Contact Details

For further information and enquiries log on to: www.ftse.com

Borsa Italiana can be contacted at:-

Piazza degli Affari, 6
20123 Milan
Italy

Tel: +39 02 724261

Fax: +39 02 72004333

E-mail: info@borsaitaliana.it

Web site: www.borsaitaliana.it

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