



The month of October marked three years since we launched.

It's been three years since trading commenced on A2X with just three listings and four brokers. We now have 37 securities listed and five of the country's top six brokers trading on our exchange.

After three years of operation, the potential savings that can be achieved through narrower spreads and lower fees are clear. Our vision for A2X as a fast, fair, efficient exchange has now become reality just as it did when competition was introduced in other markets around the world.

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In this relatively short period of time, the business has grown from challenger to a 130-year monopoly, to being named the fastest growing South African stock exchange by the 2020 Global Banking & Finance Awards®.

That's not to say the journey hasn't been a challenging one, including 2020's global pandemic and the current economic environment we face as a country but I am pleased to say that A2X has adapted well. Watching A2X influencing the development of the South African marketplace and experiencing the changes first-hand has been very exciting for us.

A large part of Q3 has been spent operationalising brokers and we are pleased to be making steady progress with both our post-trade and starter package solutions.

Wishing you all the best as we head into the final months of 2020.

Take care and stay safe out there.

Kevin
CEO, A2X Markets

A2X Announcements

- ▶ We welcomed our newest broker, Noah Capital Markets to A2X in October and look forward to helping them save money and achieve best execution on their trades.



- ▶ Financial Services group, Momentum Metropolitan Holdings shares became available for trade on A2X on 5 August 2020.



A2X Post Trade System Training

Our post trade system, MeCRAS (the Member Client Record and Allocation System) is being rolled out to some of our brokers.

MeCRAS gives brokers a streamlined post-trade system that automates and reduces administration and makes clearing and settlement simpler, easier and more cost effective.

We are well underway with virtual broker training.

If you would like to arrange a demo or require more information, please contact Brett Kotze on brett.kotze@a2x.co.za



- ▶ A2X Post Trade Team conducting virtual training with one of our brokers



> Website Update

We are very excited to announce the upcoming launch of our newly refreshed website – www.a2x.co.za. The website will be launching later this month and is even easier to navigate and will be more user-friendly for our clients.



As an innovation leader, it's important for us to make information regarding our brokers, issuers, market data, services and announcements easily accessible for our current and prospective stakeholders. Here is a sneak peek of what it will look like and we look forward to having you visit us there soon.

A2X, Three Years On

A2X turns Three: celebrates 37 listings and has created over R200m of available savings to industry and investors over the last year

“Since our launch on 6 October 2017 to 6 October 2020, we recorded about 80 000 trades with a combined value of some R 5.7 billion. We are thrilled at the development of the business which has grown from challenger to a 130-year monopoly, to being named the fastest growing SA stock exchange by the 2020 Global Banking & Finance Awards®.” said Kevin Brady, CEO of A2X.

“After three years of operation, the savings achieved through the narrower spreads and lower fees on A2X are clear. Our vision for A2X as a fast, fair, efficient exchange has now become reality just as it did when competition was introduced in other markets.” added Brady

Before competition was introduced in South Africa, brokers only had one venue on which to trade which meant that there was no option to ‘shop around’ for a better price when transacting in shares. Now brokers can look across markets and secure the best available deal at that point in time and save money.

In the month of August, A2X undertook an in-depth study on savings available to the market whereby 564,000 data points were captured for each listed security.

The analysis found that when August data was extrapolated for a 12-month period, a massive R125m in savings was made available through narrower Bid / Offer spreads on A2X, and this in just the nine Top40 stocks that have a secondary listing on A2X. In the event where all stocks had a secondary listing, the available savings jump to over R1 billion per year. In addition, a further R72 million in savings was available in the universe of stocks listed on A2X in the form of lower exchange fees.

Says Brady, “The numbers are hard to ignore. If you are a company and want to save your shareholders money, you should be listed on A2X. If you are an asset manager or broker looking to increase returns, A2X provides an opportunity to cut costs.”

Trading on A2X has benefits for issuers as well as brokers. A secondary listing on A2X complements an issuer’s primary listing as it provides its investors with a choice of venue on which to transact and at a lower cost. “Many companies are going the extra mile for their shareholders and also support the development of a more progressive and competitive marketplace in South Africa. In this very tough economic climate, everyone should be looking to contain costs wherever it makes sense. Trading across markets and achieving Best Execution is an obvious way to do so.” concludes Brady.

➤ Legal and Regulatory Update

Introduction of new A2X trade types

After constructive consultation with A2X authorised users, the proposed amendments to the A2X trading rules introducing a range of new trade types were published in the Government Gazette for public comment on 16 October 2020.

These trade types, which will be covered in detail in our next newsletter, will include ones that are already found in South Africa but also introduce new types that respond to authorised users' demand and are MiFID II compliant. We hope to introduce these trade types in Q1 2021.



Sign-up for our quarterly newsletter [click here](#).

A2X Markets is an exchange licensed in terms of the Financial Markets Act, 2012.