INTERVAL PRICE LIMIT

ABSTRACT

Systems and methods of limiting price movement of a financial instrument include establishing, via an exchange server comprising at least one matching engine module, an interval price limit (IPL) period that defines a predetermined length of time commencing at a start time, and an IPL amount that defines a permissible increase or decrease in an anchor price of a financial instrument during the IPL period. Buy and sell orders received for the financial instrument during the IPL period are matched to generate at least one matched trade having a trade price. The trade price is compared to the anchor price, and if the trade price is within the IPL amount of the anchor price, the matching engine module executes the at least one matched trade. Otherwise, if it is not, the matching engine module is prevented from executing the matched trade.

Fig. 1