

# Intraday Trading

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## Intraday Trading Definition

Intraday trading is defined as buying and selling the same security on the same day, i.e. during the same trading session.

This activity aims to increase liquidity and market efficiency, in addition to taking the advantage of the differences in the stocks' prices throughout the session.

It is also a facility that most developed stock exchanges offer to their investors to enhance the market liquidity and efficiency.

## Securities Eligible for Intraday Trading

It is not permitted to trade via the intraday mechanism except on the securities that are listed in category A and B lists that fulfills the requirements set by the EGX and approved by the FRA, Further, the EGX concerned committee shall revise the mentioned lists once every 6 months and these lists will be effective starting the next working day of announcement, thus it may include the IPO shares that took place during the first 3 months of the periodic review whenever it fulfills the quantitative criteria and as per tracking the first 20 trading session after the first actual trading session.

## Intraday Trading Procedures

- 1) Choose a brokerage firm eligible for intraday trading.
- 2) Under taking settlement transactions for securities traded among the intraday trading must be through only one brokerage firm and in case of any failure, transactions will be settled with in the usual time frames (T+1 or T+2).
- 3) Client shall pick out a traded stock among the intraday trading issued list, which fulfills the requirements set by the EGX and approved by the FRA.
- 4) Investor has to conduct the intraday trading transaction through one broker and the daily transactions should not exceed the percentage of ( 1/10000 per client), of the total number of securities listed for such company in the EGX.
- 5) The MCSD shall perform clearing and instantaneous settlement according to this activity, also clearing and settlement of transactions carried out to related parties are excluded during the usual time frames (T+1 or T+2).

## Brokerage Firms' Obligations

- 1) The reserved quantity in the available balance for the same day purchase shall not exceed (1/10000) per client, of the total number of securities listed for such company in the exchange, additionally, the FRA has the authority to amend the mentioned percentage for the benefit of the market participants.
- 2) Execution of any transaction according to this system should be written on the order form detected for this mechanism.
- 3) In case the sale order is prior to the purchase order, the brokerage firm is obligated to reserve the required quantity of the sale order that is available in the client balance.

## Investors' Obligations

- 1) In case of not selling all or part of the securities in the same session, these securities will belong to the client and shall fulfill all the financial obligations associated to it.
- 2) It is not allowed to buy and sell among the intraday trading except through one brokerage.
- 3) A client may exercise more than once on the same security during the same trading session with the same maximum amount of the order; provided that the sale of the reserved amount purchased during the same trading session is completed.

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