

U. S. Options Market Update

Februarv 2010

By The Numbers

Option Volume for January 2010

	Volume	Market Share
NYSE Group Equity Volume		
NYSE Amex	36,827,438	12.75%
NYSE Arca	43,407,599	15.02%
NYSE Total	80,235,037	27.77%
NYSE Group Total Volume		
NYSE Amex	37,013,945	11.88%
NYSE Arca	43,431,689	13.94%
NYSE Total	80,445,625	25.85%
NYSE Group Equity ADV		
NYSE Amex	1,938,286	
NYSE Arca	2,284,610	
NYSE Total	4,222,897	
NYSE Group Total ADV		
NYSE Amex	1,948,102	
NYSE Arca	2,285,878	
NYSE Total	4,233,980	

Welcome to the U.S. Options Market Update, a publication brought to you by the NYSE Euronext Options Group. Whether it's enhancements to existing trading technology, useful statistical data, connectivity updates, fee changes or new market data products, you can find it here.

Inside this issue:

- NYSE Options #1 in Equity Volumes
- NYSE Amex E-Specialists
- Fee Changes
- OCC Symbology Update
- The Penny Pilot Update

NYSE Options # 1 in Equity Volumes

The combined equity options volume traded on NYSE Amex and NYSE Arca for the month of January 2010 was 80,235,037 contracts for a combined market share of 27.77%.

NYSE Amex E-Specialist Program

On February 1, 2010, NYSE Amex began The E-Specialist Program with 5 firms and approximately 800 options.

Barclays, Citadel, Citigroup, Goldman Sachs, and UBS have been designated by NYSE Amex to act as E-Specialists in approximately 800 option classes. These firms will be required to fulfill the obligations described in NYSE Amex Rule 927.5NY, and in doing so bring additional liquidity and attract additional order flow to the Exchange. For those options where only an E-Specialist has been assigned, the Exchange will designate a trading post on the NYSE Amex floor as the open-outcry trading location.

NYSE Amex Fee Changes

As part of an ongoing review of option related fees, NYSE Amex has implemented the following changes as of February 1, 2010.

NYSE Amex Options has re-instated a \$1.50 per order cancellation fee. This fee is slightly lower than the other market centers employing a cancellation fee. The fee will be charged to an executing clearing member for each public customer order cancelled in excess of 500 public customer orders per month. The Cancellation Fee will only be assessed on cancelled orders in excess of the number of public customer orders that the clearing member executes in a month on behalf of itself or a correspondent firm.

NYSE Amex will pass through all transaction charges associated with orders routed to other exchanges for execution and will assess a \$.11 per contract surcharge. The Routing Surcharge is in addition to NYSE Amex's customary execution fees applicable to the order. The \$.11 surcharge will not be imposed and NYSE Amex will absorb any routing fees when a customer order routes to another exchange and no transaction fee is charged by the receiving exchange.

Market Maker rights fees have been reduced by 50% and a new market maker fee cap has been introduced. The fee cap will be set at \$250,000.00 per month plus an incremental rate of \$.01 per contract for all market maker volume executed in excess of 2,500,000 contracts per month. Non directed market makers will now be charged \$.18 per executed contract and electronically delivered Broker Dealer orders will now be charged \$.30 per executed contract.

Effective March 1, 2010, pending SEC filing, the monthly cost of a market maker ATP will be \$5,000.00. This new rate will more accurately reflect the value of access to the NYSE Amex given our market share. This fee is considerably less expensive than the CBOE and the ISE and is in line with the NASDAQ PHLX.



For a complete fee schedule visit:
http://www.nyse.com/pdfs/NYSE_Amex_Options_Fee_Schedule01.04.10.pdf

Options Symbology Initiative

OSI conversion starts Friday, February 12, 2010. OPRA month and strike price codes will be eliminated and strike prices will be converted from fractions to decimals. For example: MSQGS (Jul 22½) becomes MSQ 7-17-10 \$22.50. Current option underlying symbols remain in use and new listings in existing classes will continue to be assigned a unique three character symbol in the same manner as is current practice; however any new issues other than those resulting from corporate actions or strike wraps that began trading on or after February 12, 2010 are represented by their true underlying symbol. For example: If we began trading options on company "ABCD" on or after February 12, 2010, the option symbol would be represented by its true underlying symbol of "ABCD". GTC (Good Till Cancel) orders remain on the books during the OSI conversion and no additional actions against GTC orders will be taken by the exchange during the OSI conversion. Firms are encouraged to evaluate their internal process with respect to GTC orders to determine if any additional steps are necessary.

For further information please see The OCCs OSI Implementation guide at http://www.theocc.com/components/docs/initiatives/symbology/osi_implementation_guide.pdf

To view the NYSE Options webinar explaining OSI, visit the education section on the NYSE Arca Options page <http://www.nyse.com/futuresoptions/nysearcaoptions/1161956699648.html> or visit the NYSE Amex Options page at <http://www.nyse.com/futuresoptions/nyseamex/1230168611145.html>.

Penny Pilot Expansion

The options Penny Pilot Program was further expanded on February 1, 2010. 75 of the most actively traded multiply listed options classes under \$200 that are not yet in the Pilot have been added. This brings the number of options in the Penny Pilot to 213. Additional names will be added throughout the year in increments of 75 until a total of 300 are added in 2010. Please see the link below for the list of names that were added on February 1, 2010.

<http://www.nyse.com/pdfs/Final%202nd%20Tranche-Amex%20update.pdf>

Contact Information

If you would like additional information please contact your relationship manager. If you have not been assigned a relationship manager, please contact our Relationship Management Group.

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Be sure to visit the education section to view our previous webinars explaining innovative order types such as Intermarket Sweep Orders (ISO), Adding Liquidity Orders (ALO) and a variety of Post No Preference (PNP) Orders.

NYSE Arca Options:
<http://www.nyse.com/futuresoptions/nysearcaoptions/1161956699648.html>

NYSE Amex Options:
<http://www.nyse.com/futuresoptions/nyseamex/1230168611145.html>.