

U. S. Options Market Update

August 2009

By The Numbers

NYSE Euronext U.S. Options July 2009

NYSE Options Group Total Volume

Amex	22,193	7.3%
Arca	31,810	10.4%

NYSE Options Group Equity Volume

Amex	21,932.5	7.7%
Arca	31,771.5	11.1%

NYSE Options Group ETF Volume

Amex	5,438	6.4%
Arca	9,686	11.3%

NYSE Options Group Equity ADV

Amex	997
Arca	1,444

NYSE Options Group ETF ADV

Amex	247
Arca	440

(Contracts in 000's and totals share of
OCC Volume)

Welcome to the U.S. Options Market Data 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:

New order types
Distributive Linkage Update
OCC Symbology Update
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Post No Preference Blind (PNP B)

PNP B orders are limit orders that do not route. If upon receipt, a PNP B order locks/crosses an away market, it will first trade with any available size at the National Best Bid and Offer (NBBO) on NYSE Arca or NYSE Amex and then go blind, rather than cancel back to firm. Non-Marketable PNP B orders will post to the book and disseminate to OPRA. Once posted, the PNP B order stands its ground and does not go blind if locked/crossed by an away BBO.

PNP Light Only (PNP LO) - NYSE Arca Options Only

PNP LO orders do not route. If NYSE Arca is not at the NBBO upon receipt of PNP LO, the order cancels back to the firm. PNP LO orders also cancel if the order is marketable against any interest that is not disseminated to OPRA, e.g. resting PNP B orders (if PNP B is in blind state), or the nondisplayed portion of reserve orders. Non-marketable PNP LO orders will post to book and follow standard order processing.

Adding Liquidity Only (ALO) - NYSE Arca Options Only

ALO orders are limit orders only, with Time in Force of Day, that never take liquidity or route to other markets.

PNP Plus for Complex Orders (PNP+ Complex)

PNP + for complex orders designed to provide the sender the opportunity for price improvement over the screen markets. A PNP + order type will allow clients to send complex orders in all issues and it includes both options only and options with stock orders.

Tracking Orders

Tracking Orders are undisputed limit orders that are eligible for execution after volume in the Display Order Process has been exhausted at the NBBO price. Tracking Orders will only execute against orders that are about to route out and only against such orders when the routable quantity is less than or equal to the size of the Tracking Order. If the routable size of the contra order is greater than the size of the Tracking Order then the Tracking Order will not be executed. A Tracking Order shall not trade through the NBBO.

Distributive Linkage Update for ISO Order Testing

NYSE Amex and NYSE Arca are pleased to announce their participation in the Distributive Linkage Plan. Distributive Linkage (as opposed to the current centralized linkage) is scheduled to go into effect on August 31, 2009, across all seven (7) options exchanges. Distributive linkage is designed to replace the existing Option Linkage Authority (OLA) that some exchanges currently use to route option orders that are marketable against the National Best Bid/Offer (NBBO). Instead, exchanges will use private routing brokers to send orders to markets at the NBBO. Unlike other exchanges, NYSE Amex and NYSE Arca already use routing brokers, and thus much of the changes will be transparent to our customers. Under Distributive Linkage we will continue to route Firm and Market Maker orders as well as Customer orders.

Distributive Linkage is designed to incorporate elements of the U.S. Equities Market's Regulation NMS, including a new trade-through exception called the Intermarket Sweep Order (ISO). ISOs are Limit Orders routable to all Eligible Exchanges, and marked appropriately as "ISO" orders. These orders



execute against the fully displayed size of any Protected Bid or Offer (each exchange's best bid and best offer, or "BBO"). ISOs are designed to allow a large trade to fill against quotes priced worse than the NBBO while simultaneously meeting the requirement to sweep the top of the book at all eligible protected markets. A broker can sweep and then fill the remainder of an order, so long as simultaneous "ISO Orders" are sent out to trade against the protected quotes on away markets.

Alternatively, a firm may enter a routable order that is NOT marked ISO and priced through the NBBO. In that instance, the Exchange will route out ISO's on behalf of the order to clear the BBO's at each exchange (i.e., sweep the market); the balance of the order will trade or book at its limit price.

In preparation for Distributive Linkage, the CERT environment is currently available for NYSE Arca options and NYSE Amex options trading permit holders who wish to test ISO orders.

OCC Symbology Update:
The CERT testing environment for ArcaDirect using OSI compliant formats is currently available. OSI compliant Drop copy testing in CERT is also available.

Further inquiries regarding the test environment for Distributive Linkage for ISO order testing or for the OCC Symbology testing should be directed to the Connectivity Hotline: (888) 689-7739 (Option 1) or by email to connectivity@nyx.com

Complex Order Book for Amex Options

Watch for the upcoming roll out of the Complex Order Book on NYSE Amex Options with an expected roll out in late September. The PNP Plus Complex order type will also be available immediately upon implementation. In order to allow clients to prepare for the

upcoming Amex Complex Options release, a test environment for Complex Orders is available.

Prior to testing, clients will need to update their FIX specs for both order entry and the ArcaBook data feed. Updated specifications can be found at the links below:

NYSE Options FIX Specification
http://www.nyse.com/pdfs/FIX_Specification_and_API.pdf

NYSE ArcaBook Specification for Complex Options
http://www.nyse.com/pdfs/ArcaBook_Complex_Order_Specs.pdf

Customers who have questions or want to begin setting up testing can contact the NYSE Amex Options trade desk at (877) 729-7291 or email connectivity@nyx.com.

NYSE Exchange Contact Information:

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Connectivity@nyx.com
1-888-689-7739 (#1)

Client Relationship Services
Crs@nyx.com
1-888-689-7739 (#3)

If you would like additional information please contact a relationship manager. If you have not been assigned a relationship manager, please contact our [Relationship Management Group](#).