

Trader Update

Date: September 14, 2009
Audience: NYSE Amex Options Participants
Subject: PNP+ Order Type for Complex Orders

Highlights:

- Designed to give orders greater opportunity for price improvement over the screen markets
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Summary

NYSE Amex options is pleased to announce the release of the Post No Preference Plus (PNP +) order type for electronic complex orders. The PNP+ order type is designed to give traders an opportunity for price improvement over the screen markets.

How it Works

Upon the receipt of an order, the Complex Matching Engine validates the price of a PNP+ order against the leg markets. If the order is marketable against the leg markets or would post to the Consolidated Book at a price less than one minimum price variation (MPV) away from one of the leg markets, the order will post to the Consolidated Book priced back by one MPV from the derived (net price) Best Bid or Offer (BBO).

The smallest MPV will be used when multiple MPVs are involved, so if one leg trades at a .05 MPV and another leg trades with a .10 MPV, the complex order will post at a price that is priced back .05 in price. If leg markets improve so a resting PNP+ order is marketable, the PNP+ order will be priced back one MPV and repost. If leg markets worsen, the PNP+ order will repost at the more aggressive price, up/down to the net debit or credit price of the order, always remaining one MVP away from the leg markets. If an incoming marketable contra side PNP+ order is received, it will immediately trade against the posted order, as long as the execution price is at least 1 MPV away from either side of the complex BBO. PNP+ orders can be sent to NYSE Amex for ALL option symbols.

Specifications

Participants will be able to submit PNP+ orders for complex trades using their FIX and ArcaDirect connections. The FIX and ArcaDirect PNP+ order, for complex orders, instructions are as follows:

- FIX Tag 18 = M
- For ArcaDirect orders, Extended Execution Instructions will be populated with "M"
- TIF accepted: IOC, Day
- Both Market and Limit orders will be accepted.

PNP+ complex order specifications:

http://www.nyse.com/pdfs/FIX_Specification_and_API.pdf

http://www.nyse.com/pdfs/ArcaDirect_Specification_Equities_and_Options_3_2.pdf

Contact Info:

If you have questions regarding new order types please contact your Relationship Manager at RelationshipMgt@nyx.com or call the options trade desk at (877) 729-7291.

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