

# Trader Update

**Date:** August 21, 2009  
**Audience:** NYSE Arca Options Participants  
**Subject:** New PNP Plus Complex Order

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## Summary:

Beginning Monday, August 24, 2009, NYSE Arca options will introduce the PNP Plus (PNP +) Complex order type.

PNP+ Complex orders are designed to provide the sender price improvement over the leg markets at the time of execution. Upon receipt, our matching engine will validate the price of a PNP+ Complex order against the leg markets and if the order is marketable against these leg markets or would post to the book at a price less than one MPV (minimum price variation) away from all of the leg markets, the order will price back one MPV from the derived (net price) BBO and post to the complex order book.

The smallest MPV will be used when multiple MPVs are involved, i.e. if one leg trades with 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.

PNP+ Complex orders will track the screen markets to both better and worse prices, always maintaining a one MPV buffer.

- If leg markets improve so a resting PNP+ Complex order is marketable against the legs, the PNP+ Complex order will price back one MPV and repost.
- If the leg markets worsen, the PNP+ Complex order will repost at the more aggressive price, up/down to the net debit or credit price of the order, always remaining one MVP distance from the leg markets.
- If an incoming marketable contra side PNP+Complex 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+ Complex orders can be sent to NYSE Arca options for all option symbols, for up to 5 legs, one of which can be an underlying equity or ETF.

The complex order book transaction fees are .10 per side for inter-firm executions and .05 per side for intra-firm executions. See the full fee schedule for details: [http://www.nyse.com/pdfs/Options\\_Fee\\_Schedule.pdf](http://www.nyse.com/pdfs/Options_Fee_Schedule.pdf) )

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

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

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## Contact Info:

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

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