

**Trading Technology**

June 27, 2008



**TO:** All Members and Member Organizations/Chief Operations Officers/Managing Partners/Operations Managers/Data Processing Managers and P&S Managers of Member Organizations/MOL Users/OCS Users

**SUBJECT: MOL changes in support of NYSE Broker Algo**

**PT 147**

It is expected that in July 2008, NYSE Floor Brokers will have the ability to represent their customer orders by routing orders from their hand-held to an Algorithm engine (the NYSE Broker Algo), which will provide access to various Algorithmic trading strategies. The introduction of the NYSE Broker Algo will facilitate the replacement of CAP orders with this enhanced tool. In addition, the NYSE Broker Algo will route interest to the NYSE Floor as an e-Quote.

Currently, for non locked-in e-Quotes, users receive the e-Broker generated order turnaround number (TA) and Branch/Sequence in the common fields of the 1C e-Quote order record as well as contra "LMT" (0789). In addition, users receive the parent order turnaround number in the Order Link ID field of the 3B record. However, Broker Algo e-Quotes will be "locked-in" by Post Trade and will not require OCS submission. The locked-in reports will receive "LOC" (787) as contra and contain the parent order branch/sequence and Algo generated order TA number on NYSE Listed Contract Output.

As a result of these locked-in Broker Algo e-Quote reports, Merged Order Log recipients will not receive a 3B e-Quote Link Message on their Broker Algo generated trade activity. Instead, Merged Order Log recipients will receive the parent order turnaround number (TA) and Algo Branch/Sequence in new fields of the 1C e-Quote order record. Merged Order Log recipients are being notified in advance so that they can prepare for this new Broker Algo initiative. Listed below is a summary of the changes.

**Merged Order Log Output Changes**

- Broker Algo e-Quotes will be reflected on the following outputs:
    - **Broker Badge Log** (MRO File) Product ID 06201029
    - **Broker Badge Log** (Print Image) Product ID 06201028
    - **Specialist Clearing Firm Log\*** (MRO File) Product ID 06220143
- \* - Executed e-Quotes only

**Merged Order Log "1C" e-Quote Order Record changes**

- The following changes are being made to the 1C record to accommodate Broker Algo e-Quotes. The new fields are replacing current filler space. When position 210 of the 1C record contains the value "1", the Algo Branch/Sequence and Parent Order TA will be contained on the 1C record as shown below. For regular HHD created e-Quotes, position 210 will contain a zero and the Algo Branch/Sequence and TA fields will remain blank.

Field Name	Position Start-End	Format (Length)	Field Value
ALGO INDICATOR	210 – 210	9 (1)	0 = Non-Algo e-Quote 1 = Algo e-Quote
SAME FIELDS (NO CHANGES)	211-240	X(30)	No changes
ALGO BRANCH/SEQUENCE	241-249	A(4)9(5)	Branch and Sequence Number from the Algo Quote: A(4) Branch alpha from Algo & 9(5) Sequence number assigned by Algo
PARENT TA	250-255	X(6)	SuperDot Assigned Turnaround number
END OF RECORD	256	X(1)	ETX = 1-byte end-of-text character

### Merged Order Log “3A” Admin Response Record changes

- Three new admin messages from the Broker Algo will be reflected on the Merged Order Log output as follows:
  - “Algo Order Accepted” (when the Broker Algo accepts an order from the HHD)
  - “Algo Confirm Cancel” (when the Broker Algo confirms the cancellation of interest)
  - “Algo Confirm Cancel/Replace” (when the Broker Algo confirms a cancel request with a replacement order)
- These new admin messages will be reflected by a new admin subtype on 3A records of the Badge MRO are as follows:

Field Name	Position	Format	Field Value
ADMIN TYPE	74-74	X (1)	E = e-Broker
ADMIN SUBTYPE	75-75	X (1)	For Admin Type = E R = Algo Order Accepted S = Algo Confirm Cancel T = Algo Confirm Cancel/Replace

- The new admin messages will be reflected on the print-image badge log with “ADM” in the “Type” field and the same text (as shown in the table above) in the “Admin Response” field
  - Broker Algo e-Quotes will not be reflected on any of the following outputs:
    - **Clearing Firm Log\*\*** [Firm Copy] (MRO File) Product ID 06220143
    - **Clearing Firm Log\*\*** [Firm Copy] (Print Image) Product ID 06010641
    - **Entering Firm Log\*\*** (MRO File) Product ID 06220174
    - **Entering Firm Log\*\*** (Print Image) Product ID 06222466
    - **Agency Log** (MRO File) Product ID 06010176
    - **Agency Log** (Print Image) Product ID 06010166
- \*\* - Unlike broker generated e-Quotes today

### Attachments –

- 1) Badge Log Print Image Sample

Any questions regarding this circular should be forwarded to John Schwarzbeck (212) 656-5462 or Larry Moreno (212) 656-4648.

Attachment 1 – Badge Log Print Image Sample

BADGE: 9999		N.Y.S.E. BADGE LOG										TRADE DATE: 99/99/9999											
FIRM: XYZ CLEARING NUMBER: 9999		AUTOROUTE # 06201028										PAGE 11											
		---CONTRA INFORMATION--- P  TIME OR   RPT   T																					
		WRITEIN  R T  PRICE   LMKID  T A ORG DST BILL INTR EXEC BBS MEMO OR																					
SYMBOL	BR-SEQ# TA-NUM	ORD ID	ORD TYPE	INS	SRC	QTY	PRICE	DP	FIRM	EDGE	TIME	LEAVES	N C	ORD DATE	SQI	TIF	N CLR S T ETH	ETH	TO	BKBR	BKBR	ADMIN	RESPONSE
		RPT	DEK			100	24.61		LOC	SPEC		FILLS	2	155842		008798							1726
ABC	AB1234 99999	BUY	ETH			100000																	
		ADM	HHD			100000																	10271 ACCEPTED ORDER
		ADM	HHD			50000																	ALGO ORDER ACCEPTED
		ADM	HHD			50000	24.20																P/O 50000 11111
		RPT	HHD			1300	24.18		LMT	0001		98700	1	100128		000845							0371
		RPT	HHD			2600	24.19		LMT	0001		96100	1	100129		000856							0371
		RPT	HHD			3300	24.20		LMT	0001		92800	1	100129		000857							0371
		RPT	HHD			100	24.18		LMT	0001		92700	P	100129		000858							0371
		RPT	HHD			200	24.18		LMT	0001		92500	P	100129		000859							0371

New Admin Message

  

BADGE: 9999		N.Y.S.E. BADGE LOG										TRADE DATE:											
99/99/9999		AUTOROUTE # 06201028										PAGE											
		E-QUOTE SECTION																					
		CONTRA INFORMATION										-----EQUOTE INFORMATION-----D											
		T  FIRM EDGE LEAVES TYPE TIME LINK										ENT CLR ETH S											
SYMBOL	BR-SEQ# TA-NUM	TYPE	SQI	SRC	QTY	PRICE	C	FIRM	EDGE	LEAVES	TYPE	TIME	LINK	FIRM	FIRM	ID	TYPE	EQUOTE	ID	PUR	QTY	P ADMIN	
ABC	AB1234 11111	BUY		ETH	50000	24.20																	
		MISC																					
		RPT		DEK	1300	24.18	1	LMT	0001	48700													
		RPT		DEK	2600	24.19	1	LMT	0001	46100													
		RPT		DEK	3300	24.20	1	LMT	0001	42800													
		RPT		DEK	100	24.18	P	LMT	0001	42700													
		RPT		DEK	200	24.18	P	LMT	0001	42500													

Bill To Parent EF   
 Algo Branch   
 Algo Seq   
 Parent TA