

U.S. Equities News

January 2010

By the Numbers

NYSE Euronext US Equities
November 2009

(Shares in Millions)

Average Daily Volume and Total
Share of Consolidated Volume

NYSE Listed Issues (Tape A)

Handled	1,782	39.9%
Matched	1,641	36.8%

NYSE Arca and Amex Listed

Handled	369	24.9%
Matched	325	22.0%

Nasdaq Listed

Handled	307	15.5%
Matched	249	12.6%

ETFs

Handled	352	24.1%
Matched	311	21.4%

NYSE Arca & NYSE Amex Options

Contracts	3,003	24.7%
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Handled volume represents the total number of shares of equity securities and ETFs internally matched on the NYSE Group's exchanges or routed to and executed at an external market center. NYSE Arca routing includes odd-lots. Matched volume represents the total number of shares of equity securities and ETFs executed on the NYSE Group's exchanges.

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Universal Trading Platform Launches in U.S.

In November 2009, NYSE Arca started the migration of its Equities market to the Universal Trading Platform (UTP). Once this is completed, NYSE Arca and NYSE Amex Options will migrate as well bringing all NYSE Arca-based markets to a next generation of systems in terms of speed and throughput. Customers will also have opportunities to benefit from new functionality (such as new order types) in the future. Since the Universal Trading Platform is based on NYSE Arca code, it is expected that customers will only have to make minor changes.

On our European markets, customers have experienced tremendous improvements in terms of capacity and latency - as low as 40 microseconds on NYSE Arca Europe. Future

milestones include planned migration of the European warrants markets to the platform in February 2010.

NYSE

For the NYSE, the objective is to maintain our competitive market model, while providing customers with all the benefits of the Universal Trading Platform. The plan for the NYSE market started in December 2009 with a progressive migration to the UTP framework. Combined with upgrades to the sDBK engine in 2010, the Universal Trading Platform, once completed, will provide improved recoverability and operational monitoring. In addition, the availability of the Common Customer Gateway (CCG) with the UTP Direct binary protocol will bring additional significant improvements to latency.

NYSE Liffe Markets

2010 will also see the implementation of this new environment on NYSE Liffe markets, starting with the planned migration to CCG and the Exchange Data Publisher platform in Q2, followed by the new matching engine.

The Universal Trading Platform program includes four components intended to provide easier, faster trading access for all market participants. Components include:

- the Universal Trading Platform matching engine: a multi-market, multi-geography and multi-regulation exchange platform
- the Common Customer Gateway: common point of entry to all markets supporting FIX protocol and the new UTP Direct protocol for ultra low latency



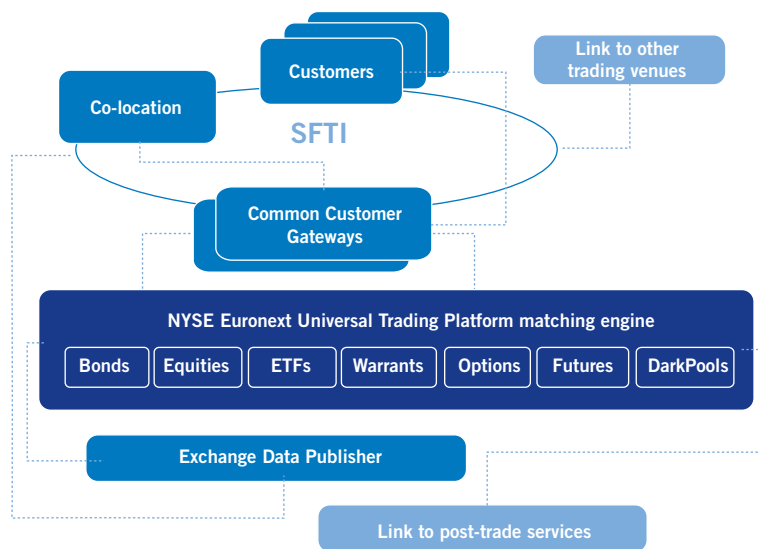
- the NYSE Euronext Secure Financial Transaction Infrastructure (SFTI®), high performance network backbone
- common market data formats distributed via the Exchange Data Publisher platform

become more important for broker-dealers to have tools that can help them manage their risk exposure and the risk exposure of their clients in real time.

RMG Direct is a high throughput, low latency routing and risk management engine enabling

- Daily Order Value
- Short Sale Management including Easy-to-Borrow List support
- Deviation from Closing Price

Every filter can be optionally configured with Symbol or Symbol/Side constraints (i.e., Daily Order Value by Symbol). Any filters may be updated or removed intraday via the intuitive GUI. Additional filters can be created on-demand, including but not limited to Market Manipulation and various Notional Position Limits filters.



For an in depth introduction of the Universal Trading Platform, visit www.nyse.com/video

New Risk Management Gateway

In October 2009, NYSE Technologies rolled out its new Risk Management Gateway (RMG) product to help broker-dealers more effectively monitor and supervise the trading activity of market participants they sponsor. As the demand for low-latency access to markets has increased and execution times have decreased to microseconds, it has

broker-dealers to safely provide high performance direct market access to their clients. It offers a set of pre-trade filters, configured and managed by Sponsoring Brokers via the web GUI, that control the level of risk taken on by Sponsored Clients. Each filter blocks orders according to configurable criteria before the orders get to the markets. If a client's message fails a trade filter, RMG Direct blocks the message and sends the client a reject specifying the reason for the block. Some checks include:


- Per-Order Quantity
- Per-Order Value
- Daily Order Quantity

NYSE Arca Europe Momentum Grows

In just over nine months, NYSE Arca Europe, NYSE Euronext's new pan-European Multi-lateral Trading Facility (MTF), made solid progress in building out its infrastructure and connectivity, and of course getting clients on board. Significant milestones were also achieved in the development of a strong network of partners and service providers. Partnership agreements with RTS and Sungard were announced in September and more cooperation plans are in the pipeline.

Market activity has also increased particularly towards the end of 2009. In December alone, 563.8 MEUR were traded on the MTF, up 73% compared to November. The average daily turnover in December was 25.63 MEUR, which equals a 65% increase compared to the previous month.

"We have built a strong membership base of over 40 members, including the leading financial firms and high frequency traders from the UK as well as from continental Europe", said Virginie Saade, Head of NYSE Arca Europe. "With a neutral tariff to



attract flow from high-frequency traders as well as any other type of client, the platform has a solid pricing strategy that appeals to many clients. They also appreciate having a neutral trading offering from an independent provider that is not linked to any particular interest from investors. Overall, there is a strong sense amongst the European trading community that NYSE Arca Europe is poised for the future with a sustainable strategy. ”

NYSE Arca Europe boasts a unique position due to its integration with NYSE Euronext: the ability to build on the success of NYSE Arca US as well as our strong European cross-border base are advantages compared to other MTFs.

For information about NYSE Arca Europe contact: naesales@nyx.com or go to www.nyse.com/arcaeurope.

NYSE Amex to Trade NASDAQ Symbols

NYSE Amex plans to begin trading NASDAQ listed equities and select ETFs on an Unlisted Trading Privilege (UTP). As provided by the Securities Exchange Act of 1934, an Unlisted Trading Privilege (UTP) permits securities listed on any national securities exchange to be traded by other such exchanges.

Powered by the NYSE high tech/ high touch floor based parity market model, NYSE Amex UTP will be differentiated from other venues trading NASDAQ securities by leveraging the unique attributes of the new market model (i.e. parity, floor brokers and Designated Market Maker (DMM) affirmative obligations).

Consistent with the NYSE Amex market model, there will be a single DMM for every NASDAQ stock and one or more Supplemental Liquidity Providers (SLPs) assigned to most securities. Initially, there will be no open or closing auctions for NASDAQ securities on the NYSE Amex market and securities will only be traded intraday.

This initiative underscores NYSE Euronext's commitment to offer customers the broadest array of compelling choices for trading U.S. equities as well as other financial products and complements the all-electronic trading of NASDAQ securities provided on NYSE Arca today.

Prior to its integration with the NYSE, the Amex traded a limited number of NASDAQ issues on a UTP basis, accepting order flow through their trading system and publishing quotes and trades to Tape C with a Market Center Participant ID of 'A'. In the same way as the NYSE systems accept order flow for NYSE Amex stocks, the NYSE systems will accept orders for NASDAQ symbols, regardless of the destination market center identified on the order ('N' or 'A'), and will route the order to the appropriate NYSE Amex matching engine and DMM. Quotes and trades will be disseminated to Tape C with a Market Center Participant ID of 'A' and order Acks, UROUTs and reports will be sent back to customers with a market center of 'A'.

NYSE Amex is supporting member firm testing in the User Acceptance Test (UAT) environment during normal business hours. Multiple Saturday production testing opportunities will also be provided. Based upon these tests and member firm readiness, the NYSE will announce a live date for trading in the first quarter of 2010. A notice will be distributed in the near future providing further details on UAT availability, the

functionality that can be tested, and outputs that will be provided for the Saturday production tests.

Inverted Pricing Special on NYSE Amex Equities

Effective October 1, 2009, NYSE Amex equities increased the liquidity-providing rebate for all customers to \$0.003 per share from \$0.0015 in securities priced above \$1, including displayed and non-displayed orders. The take rate for removing liquidity remains \$0.0025. In addition to receiving a higher rebate, posted customer orders have a strong chance of first execution given our aggressive liquidity takers and the benefits of a parity market. The inverted pricing plan will be in effect for a minimum of three months.

If you have further questions contact your Relationship Manager. Or see the inverted pricing memo at: http://www.nyse.com/pdfs/Client_Notice_Amex_Fees_10_1_09.pdf.

SuperFeed- Simplicity and High Performance

In addition to market data from NYSE Euronext markets, NYSE Technologies offers SuperFeed™, a fully managed ticker plant. SuperFeed enables clients to access market data with the low latency, high performance capabilities of a direct feed and the simplicity, efficiencies, and lower total cost of ownership of a consolidated feed. Customers have broad access to an ever expanding range of market data from major

US, European, and Asian markets all in a single normalized format.

As a fully managed solution, the SuperFeed ticker plant leverages our best-of-breed market data technology with industry-leading levels of service, availability and vendor of record services along with 24x7 monitoring and support. Benefits of SuperFeed include:

- Simplicity of a consolidated feed with direct feed performance
- Scalability without further client development
- Ultra-low latency middleware, Data Fabric
- SuperBook virtual order book aggregation

SuperFeed provides cost-efficient access to multiple markets via a single fast connection (SFTI®, network or co-location). It has been available in the US for over a year now and was recently expanded with CME data and made available from a Chicago based data center. Throughout early 2010, we will be adding additional direct options and futures exchange feeds as well as providing value-added and filtered feeds to complement our normalized direct feed access.

The service is now also live in Europe, covering major European trading venues and in Asia.

NYSE Amex Options Embraces Equity Partners

On September 9, 2009, NYSE Euronext announced that it had agreed in principle on a framework with leading liquidity providers and market making firms – BofA, Merrill

Lynch, Barclays Capital, Citadel Securities, Citi, Goldman Sachs, TD AMERITRADE and UBS – to sell common equity interest in NYSE Amex options. NYSE Euronext will remain the largest shareholder in the entity, which aims to enhance the competitive position of NYSE Amex options, while bringing competitive and operational benefits to the marketplace.

For more information on the purchase see the press release: <http://www.nyse.com/press/1252404221620.html>

NYSE Amex: Best Price and Size in Small Cap Stocks

Quoted spreads are at their historically narrowest levels in Russell 1000® issues. However, small cap issues, as measured by the Russell 2000® have not achieved similar spread narrowing because high frequency trading is not as prevalent in small cap issues.

In contrast, quoted spreads on NYSE Amex are much narrower in smaller cap issues than other exchanges. Stocks listed on NYSE Amex have their own DMMs, whose job functions include providing liquidity in issues assigned to them. These obligations are met via depth guidelines, as well as incentive-based quoting standards to post prices at the best price throughout the trading day.

NYSE Amex monitors and incents DMMs to actively provide liquidity in issues across the market capitalization spectrum. New quoting standards added in September are yielding favorable results. In smaller cap issues NYSE Amex DMMs were at the best price

57% of the time, and accounted for 12.1% of NYSE Amex volume in sub-\$500mn market cap issues.

In addition, NYSE Amex trades using a parity model. This means that our DMMs cannot trade ahead just because they are on our floor. Orders on the book share in executions with DMMs and the floor. So, you don't have to be first to get an execution.

The parity model, coupled with DMM responsibilities means there is no better place to send your order for an issue listed on NYSE Amex. Compare our quoted spreads to other exchanges.

NYSE Amex is the Best Price and Size (December 2009)

	Quoted Spread	Quoted Size	Setting NBBO
NYSE Amex	315	3,903	40%
NYSE Arca	854	1,306	14%
NASDAQ	807	1,356	10%
ISE (Direct Edge)	743	2,260	25%
BATS	1,122	1,174	4%

Order Type Updates

Post No Preference Blind Order for Options

Already available to equities traders, the Post-No-Preference Blind (PNP B) order type is now available on both the NYSE Amex and NYSE Arca options trading platforms.

The PNP B order is an undisplayed limit order priced at or through the Protected Best Bid and Offer (PBBO), with a tradable price set at the contra side of the PBBO. When the PBBO moves away from the price of the PNP B and the prices continue to overlap,

Upcoming Events in 2010

Trade Tech USA
February 22-24, 2010

the limit price of the PNP B will remain undisplayed and its tradable price will be adjusted to the contra side of the PBBO. When the PBBO moves away from the price of the PNP B and the prices no longer overlap, the PNP B shall convert to a displayed PNP limit order.

ALO Order Type

More and more traders are finding that the Adding Liquidity Only (ALO) order type is a useful tool for adding liquidity while helping to control costs

The ALO order is a limit order that is posted to the NYSE Arca book in order to add liquidity. Once accepted and placed in the NYSE Arca book, ALO orders will not route to an away market center. The ALO order shall be Day Only and may not be designated as Good Till Cancel (GTC). ALO orders will be rejected at the time of entry when:

- the ALO is marketable
- the ALO will lock or cross the market
- the ALO order would interact with a Passive (PL) Order
- the ALO order as PNP B instructions

To learn more about these and other order types available to NYSE Arca equities traders visit: www.nyse.com/nysearcaordertypes.

Exchanges - Web Blog

Exchanges is a blog about the markets, products and services of NYSE Euronext, the world's leading exchange group. Our goal is to share information and insights with customers and the public. The name of the blog signals that it's about markets and that we want to have an open, multi-way exchange of ideas.

Exchanges welcomes questions and comments. We allow anonymous or pseudonymous comments, although we prefer signed comments, which we believe carry more weight in the online conversation. We also do our best to answer questions and respond to comments within the constraints of the fact that blogging is not a full-time gig for any of us.

Top 5 Blog Topics:

1. [NYSE and NYSE Amex: Best Price and Size in Small-Cap Issues](#)
2. [Complex Order Book Arrives Tomorrow on NYSE Amex Options](#)
3. [High-Frequency Trading Helps Narrow Quoted Spreads](#)
4. [How the NYSE Trading Floor Prevented a Big, Erroneous Trade Today](#)
5. [NYSE Floor Brokers Bullish' on Next-Generation Trading Floor](#)

So visit <http://exchanges.nyse.com> to read a posting, participate in a discussion, ask a question or simply express your opinion.



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