

By the Numbers

NYSE Euronext US Equities
August 2010(Shares in millions,
contracts in thousands)Average Daily Volume and Total
Share of Consolidated Volume

NYSE Listed Issues (Tape A)

Handled	1,643	40.3%
Matched	1,554	38.1%

NYSE Arca and NYSE Amex Listed

Handled	340	27.5%
Matched	310	25.0%

Nasdaq Listed

Handled	313	16.2%
Matched	272	14.1%

ETFs

Handled	331	26.9%
Matched	302	24.6%

NYSE Arca & NYSE Amex Options

Contracts	3,006	25.2%
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Handled volume represents the total number of shares of equity securities and ETFs internally handled 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.

New Circuit Breaker Rules

New SEC circuit breaker rules were put into effect in June 2010 as a way to help prevent a repeat of the May 2010 "flash crash". The intention is to draw attention to an effected stock, establish a reasonable market price and then resume trading in a fair and orderly fashion. The new circuit breaker rules help ensure that all markets pause simultaneously while providing time for buyers and sellers to trade at rational prices.

Under the new rules, U.S. stock exchanges must halt trading for 5 minutes for any S&P 500 stock that rises or falls 10% or more in a 5 minute period at any time between 9:45 a.m. and 3:35 p.m. ET. These rules apply to each of the 404 NYSE-listed S&P 500 stocks. The 6 month pilot period will end December 10, 2010 at which time the SEC will make adjustments based on how the rules work.

In addition to the new circuit breakers, the NYSE will continue to operate Liquidity Replenishment Points (LRPs) to further minimize stock-by-stock volatility on the NYSE marketplace. LRPs are pre-determined price points that moderate volatility, improve price continuity, and foster market quality in a particular security by temporarily converting the electronic market to an auction market. This provides DMMs, Floor Brokers and customers with better opportunity to respond to a stock's volatility.

LRPs are calculated by adding and subtracting a value to the security's last sale price. Values are based on an examination of trading data and vary based on the security's NYSE average daily volume ("ADV"), price and volatility.

For more information on LRPs, click [here](#).

IN CASE YOU MISSED IT:

Make sure you are always up to date with the news you need to know.

Click [HERE](#) for an archive of all NYSE Trader Updates.

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Corrective Measures
Since May 6th Flash
Crash

Since May 6, the following corrective measures have been implemented by the markets in concert with the SEC:

- A pilot program of circuit breakers for individual issues was first rolled out on June 11 for stocks in the Standard & Poor's 500.
- An expansion of the above pilot program to cover 344 exchange traded products plus all stocks in the Russell 1000, pending SEC approval.
- All markets have proposed amendments to existing rules concerning clearly erroneous trades, to make the cancellation of such trades - when they occur in connection with an individual stock circuit breaker - transparent and predictable for market participants.
- NYSE Arca has revised its market order routing to further enhance its interaction with the NYSE when a Liquidity Replenishment Point has been reached and other individual-stock safeguards imposed by primary markets.

Latencystats.com New Free Online Tool for Latency Transparency

In June 2010, NYSE Technologies and Corvil announced the launch of a jointly developed website, www.LatencyStats.com which was created to respond to market participants' needs to access detailed latency and performance statistics of market data to assure predictability in their trading strategies.

LatencyStats.com is the first online resource to provide full transparency regarding latency performance with real-time snapshots of key performance statistics and clear methodologies used for collecting and calculating the statistics. It allows market data publishers and users to compare latency performance on a like-for-like basis as verified by Corvil, a leading independent latency management company.

LatencyStats.com also features exclusive content and research from NYSE Euronext, Corvil and others offering important perspectives and information relevant to the latency-sensitive trading environment.

LatencyStats.com initially launched with the U.S. NYSE ArcaBook and NYSE OpenBook high-frequency feeds. It will later be expanded to include additional NYSE Euronext U.S. and European markets, plus a range of feeds available on the NYSE Technologies SuperFeed platform.

NYSE Bonds Adding Dedicated Liquidity

NYSE Bonds will be adding dedicated liquidity to the platform in the coming months. The platform currently supports the trading of corporate debt for all NYSE listed companies. Additional details will be forthcoming. For more information about the NYSE Bonds offering, visit: <http://www.nyse.com/bonds>.

LOWER NYSE AMEX TAKE FEE

Effective September 1, 2010 the take fee for all NYSE Amex customers was lowered to \$0.0013 per share from \$0.0021 per share in Nasdaq-listed (Tape C) securities priced above \$1, including displayed and non-displayed orders. The client rebate for adding liquidity remains \$0.0019.

Citi Controls Data Spend with DART

Citi was the first customer to use the new DART (Data Administration and Reporting Technologies) services to implement a managed service, wide-ranging market data compliance and cost savings strategy.

The NYSE Technologies' enhanced product suite is built on DART technologies in collaboration with Jordan & Jordan, a market data management consulting and information technology services firm.

Citi was able to reduce market data administration costs globally by using services that facilitate direct reporting of entitlements to exchanges, exchange compliance, and the elimination of multiple user exchange fees across vendor platforms.

Citi received top honors for "Most Innovative Market Data Project" at the IMD Awards 2010.

NYSE Arca Introduces New Collar to Safeguard Market Orders

On July 15, 2010, NYSE Arca introduced a new price collar designed to safeguard the execution of market orders. This represents the latest in a series of steps implemented to improve market practices and structure since the "flash crash" of May 6, 2010.

"The market-order collar is an additional protection that complements those already in place and addresses a specific issue highlighted by the flash crash—market orders that were executed at anomalous prices in electronic markets. The new collar is designed to help limit potential harm from extreme market volatility by preventing trades from occurring a specified percentage away from the last trade price," said Joseph Mecane, Executive Vice President and Co-Head of U.S. Listings and Cash Execution. "We will continue working closely with the SEC, other markets and market participants toward the goals of further strengthening the markets' safety net and rebuilding investor confidence in our national market system."

The new collar will prevent market orders to buy stock from executing or routing to another trading venue at a price above the collar. Conversely, market orders to sell will not execute or route at a price below the trading collar. The collar for issues priced \$25 or less will be 10 percent above or below the last trade price; for issues priced above \$25 up to and including \$50, the collar will be 5 percent; and for issues above \$50, the collar will be 3 percent. These limits

also will help prevent erroneous trades from inadvertently triggering the individual-stock circuit breakers introduced last month, and are consistent with those in the newly implemented rules concerning the cancellation of erroneous trades.

Additional details of the new measure, including trading examples, are in the NYSE Arca rule filed with the SEC.

Trading in Shares: Odd-lots Now Trade on NYSE Market Model

In August 2010, the NYSE implemented an initiative which eliminates the separate odd-lot execution system. As a result, odd-lots are able to trade on the existing NYSE Market Model.

This change improves the efficiency and speed of execution for all client orders because odd lot and mixed-lot orders fully interact against NYSE quoted liquidity. All orders trade at the Display Book regardless of size. The result is reduced latency, faster execution and less opportunity to miss a market.

As an added benefit, Member Firm clients can unwind complicated system programming done to comply with NYSE rules that were in place surrounding the separate odd-lot execution system.

Rollout is scheduled to be completed by mid September.

Customer Q&A

Q: What are the parity and priority models and how do they help execute trades?

A: The NYSE parity and priority models help all market participants execute trades, especially in very liquid stocks with deep pools and illiquid stocks. Parity enables orders from Floor Brokers, DMMs and those at the top of the Electronic Book to move to the front of the list. This is in contrast to other exchanges that operate on a price and time priority basis which means that orders go to the bottom of the list to await execution. The NYSE is the only U.S. exchange that offers parity to customer orders.

How parity works:

- Each bucket is always on parity – floor clearing event eliminated
- Within the parity bucket, there is a priority wheel which facilitates the allocation of small prints
- Brokers and DMMs can only achieve parity using e-Quote and s-Quote orders respectfully
- The parity split is allocated systemically by NYSE DBK
- Reserve orders are only on parity with other reserve orders

The NYSE also rewards participants who set the best bid or offer by giving them priority over the other interest at the same price. This rewards traders whose orders set the NBBO.

How priority works:

- The setter of the best quote receives 15% of the print, plus parity share
- All 100 share prints go to the setter of the best quote
- No mixed lots are allocated
- NYSE Best Bid/Offer must be established to qualify
- Once priority is established the best quote setter never loses priority unless the order is cancelled
- Only the displayed portion of the order is eligible for priority
- Absent of no setting interest, all parties are on parity
- The setter of the best quote may only receive priority allocation and not parity allocation if they were not eligible in the time/price wheel
- Once you set the BBO on the NYSE, the order lasts until cancelled

Priority Example

The NBBO is 5.28 X 5.31 10X10	
The NYSE BBO is 5.27 X 5.32 10X10	
Orders:	Allocation of Execution:
• DOT Order #1 is entered to S 2000 at 5.30	• DOT order #1 sells 1700 shares (600 shares priority share and 1100 shares parity share), leaves 300 shares*
• After DOT order #1 sets a new NBBO and BBO on NYSE, then: <ul style="list-style-type: none"> – Broker #1 enters S 2000 at 5.30 – DMM enters S 2000 at 5.30 – DOT Order #2 enters S 2000 at 5.30 	<ul style="list-style-type: none"> – Broker #1 sells 1100 shares, leaves 900 shares – DMM sells 1100 shares, leaves 900 shares – DOT order #2 receives no allocation until DOT Order #1 is complete or cancels
• A DOT order is entered on the NYSE to B 3900 at 5.30	
*With Priority (15% of the incoming order, rounded up to the next round lot), DOT order #1 which established setting interest at 5.30 on the NYSE sold 1700 shares of 55% more than the order that joined the offer after DOT order #1 established the new NBBO at 5.30.	

To submit questions for future Q&A articles, please email Joyce Smith at jsmith@nyx.com.

Short Take Updates

LiquidityBook Achieves NYSE Euronext Power Partner™ status

The Power Partner program was recently created to recognize and reward companies that partner with us to best meet the needs of mutual customers by providing the highest levels of functionality, access, and timely enhancements. Members receive qualifying emblems with designations ranging from one portal to three portals, with three portals being the highest level of eligibility.

As a two portal recipient, LiquidityBook will benefit from many high value marketing activities. For more information, please visit nyxdata.com/powerpartners or email powerpartners@nyx.com

DART Receives IMD Awards

At the 2010 Inside Market Data and Inside Reference Data Awards, NYSE Technologies was chosen to receive the "Contract Win of the Year" award in recognition of a Société Générale expanded contract for the DART usage monitoring system implemented to manage their data spend and identify cost savings.

In addition, Citi received top honors for "Most Innovative Market Data Project" for implementing the DART managed market data administration solution, which enhances data compliance, reduces administration costs and better controls fees.

Mahwah Data Center

On August 9, 2010, NYSE Euronext successfully migrated the electronic trading of 19 select securities from NYSE and NYSE Amex servers to its new matching engines located in the Mahwah, New Jersey high-speed data center. The migration of all NYSE-listed securities to Mahwah was then completed on August 25, 2010. As stocks are migrated, NYSE Euronext customers experience performance and capacity improvements from the new data center infrastructure. The new trading facility can handle over 15 million customer messages per second.

Universal Trading Platform (UTP) Migration

Work continues on the migration of NYSE Euronext trading systems to the Universal Trading Platform ("UTP"). The migration of the NYSE Arca and the NYSE Amex Options platforms to UTP was successfully completed on June 30, 2010. Next is the rollout of the Common Customer Gateway (CCG) Binary for both the NYSE Arca Equities and Options platforms, followed by the migration of the NYSE Classic matching engine to UTP.

NYSE Next Generation Trading Floor

Deutsche Bank, Merrill Lynch, UBS, Direct Access Partners, and Barclays have all moved into their new space on the west wall of the NYSE Trading Floor. To see a video of Phase I of the transformation, visit nyse.com/nextgenfloor

Upcoming Events in 2010

- National STA, Washington DC, September 22-25
- FIA OIC, NY, October 4-5
- NYSE Euronext Vendor Update Forum, NY, October 20th
- NYSE Euronext Trader Update Forum, NY, October 27th
- FIA Chicago, November 2-4
- NYSE Euronext Trader Update Forum, Boston, November 10th

Coming in Future Issues:

- Next Generation Trading Floor Remodel Update
- Update on NYPC
- Launch of New Interest Rate Futures on NYSE Liffe U.S.

And more....

Exchanges - Web Blog

Exchanges is a blog about the markets, products and services of NYSE Euronext where we share information and insights with customers and the public through an open, multi-way exchange of ideas.

Top 5 Blog Topics:

1. Note from Duncan Niederauer on May 6th Flash Crash
2. NYX -360—30 July 2010
3. Latest News Report on NYSE's Next-Generation Trading Floor Project
4. The Leadership Lessons of Juanita M. Kreps
5. Duncan Niederauer on the Sideways Market, Sidelined Investors, Regulatory Reform, Job Creation and More

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

