

PRICE SLIDING ON NASDAQ OMX MARKETS

Price sliding occurs on all NASDAQ OMX® markets when an incoming, bookable order would lock or cross a protected quote at another market center. Price sliding allows orders submitted at impermissible prices to be booked in a sensible and convenient way. The particular behavior varies by order type and port configuration.

PRICE SLIDING & POST-ONLY ORDERS

Post-Only Orders are designed to allow firms to submit orders at potentially marketable prices and not execute against booked orders. When a Post-Only order would lock the NASDAQ OMX market's book, the order will be price slid and displayed one tick away from the locking price.

Example

The NASDAQ bid/offer is \$10.00/\$10.03. A post-only order to buy is submitted to NASDAQ at \$10.03. The order is price slid and booked at \$10.02.

- > If a Post-Only order would lock or cross a protected quote at another market center but not lock the NASDAQ OMX market's book, the order will be handled as though it were a Price to Comply order. That is, it will be booked at the national locking price and displayed one tick away.
- > On NASDAQ and BX, a Post-Only order that crosses the book will execute if the amount of price improvement that would be received by trading against that order exceeds the cost to remove liquidity. On PSX, post-only orders will always price slide.

Example

The NASDAQ bid/offer is \$10.00/\$10.02, and there is a non-displayed order to sell at \$10.01. The cost to remove liquidity is \$0.003. A post-only order to buy is submitted to NASDAQ at \$10.02. The order executes at \$10.01.



PRICE SLIDING & PRICE TO COMPLY ORDERS

Price to Comply orders are non-attributable, displayed orders that are price slid if their limit price would cause the NASDAQ OMX market's book to lock or cross the NBBO. When a Price to Comply order is price slid, it is booked as a non-displayed order at the locking price and displayed at one tick away from the locking price.

Example

The NASDAQ bid/offer is \$10.00/\$10.03, the NBBO is \$10.00/\$10.01. A price to comply order to buy at \$10.01 is submitted. The order is booked at the locking price of \$10.01, but displayed at \$10.00.

- > **If the locking price becomes available after the order has been price slid**, the order will be either reentered, cancelled back to the member, or remain on the book as a non-displayed order. Members can select their desired behavior on a port-by-port basis.
- > **Members that submit orders through FIX or RASH ports will have their booked order automatically cancelled and resubmitted at the previously locking price.** If the NBBO should move such that a more aggressive price is available on NASDAQ, the booked order would again be cancelled and resubmitted. This will continue to recur until the order's limit price is reached.

- > **Members that submit orders through OUCH ports can configure their port to handle price slid orders in one of three ways** when a more aggressive price becomes available: do nothing (order will remain non-displayed order at the previously locking price), cancel the order back to the member, or cancel and automatically re-enter the order as a displayed order at the previously booked price. The default port setting is to leave the order on the book as a non-displayed order.

Example

AUTOMATIC RE-ENTRY

After the price to comply order is slid in the example above, the NBBO moves to \$10.00/\$10.02, making \$10.01 a permissible level. The member's OUCH port is configured for automatic re-entry. The member's non-displayed bid at \$10.01 will be cancelled and immediately reentered as a displayed bid at \$10.01. The order will have a new timestamp and sequence number.

- > **Price to Comply orders that are automatically re-entered by their OUCH port** will maintain priority among other similarly price slid orders, but are not guaranteed time priority over other incoming orders at the same price level.
- > Whenever an order is automatically resubmitted, it receives a new sequence number and timestamp to determine its time priority.

More Information

For more information about Price Sliding, contact [Transaction Services U.S. Market Sales](#) at **+1 800 846 0477**.