

Trade-Now and Midpoint Trade-Now

Designed to increase customer participation and improve order interaction on The Nasdaq Stock Market and Nasdaq BX, Trade-Now and Midpoint Trade-Now* are optional features available free of charge that provide participants the ability to have their resting order remove liquidity against locking contra-side orders.

TRADE-NOW FUNCTIONALITY

Customers using FIX and RASHport protocols have a Reactive Trade-Now option. This provides participants the ability to specify on the original order that once posted on the Exchange book, if the order is locked by a contra-side displayed order, the resting order will automatically attempt to remove liquidity against locking contra-side orders up to its available size; any unexecuted portion of the order will remain posted at its price, with no change in order priority.

Reactive Trade-Now is also available on a port-by-port basis, allowing all orders entered via the port to be specified with the Reactive Trade-Now option.

EXAMPLE

- An offer resides on the book at \$10.15, non-displayed, with Reactive Trade-Now specified on the order.
- A firm enters a Post-Only order to buy at \$10.15.
- The incoming Post-Only order is accepted and displayed at \$10.15.
- Because the resting non-displayed offer is specified with Reactive Trade-Now, the non-displayed order will remove against the available size of the locking Post-Only order, at \$10.15.

Customers using OUCH and FIX Lite protocols have the ability to send a Trade-Now message which instructs the Exchange to allow the resting order to remove liquidity against any locking contra-side orders. If a Trade-Now message results in no or partial execution, the resting or unexecuted portion of the order will remain posted at its price, with no change in order priority.

- An offer resides on the book at \$10.15, non-displayed.
- A firm enters a Post-Only order to buy at \$10.15.
- The incoming Post-Only order is accepted and displayed at \$10.15.
- A Trade-Now instruction is submitted, by the entering firm, for the resting non-displayed order.
- The non-displayed order removes against the available size of the locking Post-Only order at \$10.15.

More Information

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MIDPOINT TRADE-NOW FUNCTIONALITY

EXAMPLE

Customers using OUCH, FIX Lite, FIX and RASHport protocols have a Midpoint Trade-Now option. This provides participants the ability to specify on the original order that once posted on the Nasdaq book, if the order is locked by a contra-side Midpoint Peg Post-Only (MPPO) order, the resting order will automatically attempt to remove liquidity against locking contra-side MPPO orders up to its available size; any unexecuted portion of the order will remain posted at its price with no change in order priority. Midpoint Trade-Now is available on The Nasdaq Stock Market as a port setting for all order types, and will be available on an order-by-order basis for Non-Displayed and Midpoint Peg orders only.

- NBBO is \$10.00/\$10.01.
- A midpoint offer resides on the book at \$10.005, with Midpoint Trade-Now.
- A firm enters an MPPO order to buy at \$10.01.
- The incoming MPPO order is accepted and posted at \$10.005.
- A Midpoint Trade-Now instruction is submitted by the entering firm for the resting midpoint order.
- The midpoint order removes against the available size of the locking MPPO order at \$10.005.

SELF-MATCH PREVENTION WITH TRADE-NOW

EXAMPLE

For a firm with Self-Match Prevention enabled, if a resting order is locked by a contra-side order for the same MPID and a Trade-Now message is sent for the initial order:

- The cancel oldest option will result in the full size of the initial order to be cancelled back to the customer.
- The cancel newest option will result in the full size of the contra-side order to be cancelled back to the customer.
- An offer resides on the book at \$10.15, non-displayed (MPID A).
- A firm enters a Post-Only order to buy at \$10.15 (MPID A).
- The incoming Post-Only order is accepted and displayed at \$10.15.
- MPID A has opted in for self match prevention of cancel oldest.
- A Trade-Now instruction is submitted for the resting non-displayed order.
- The full size of the non-displayed order is cancelled back to the entering firm.
- The Post-Only order remains posted at \$10.15.

Midpoint Trade-Now is available on The Nasdaq Stock Market only.

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