



## Cboe Options Exchange PAR Enhancements – Complex Order Sweep; Trade Individual Legs of a Complex Order

### Overview

Beginning April 16, 2018, a rollout of the following PAR enhancements for Cboe Options Exchange will commence:

- Complex Order Sweep - will permit a PAR user to sweep orders in the single-leg (simple) and complex order books based on the price of the PAR order. Note the Sweep function is not applicable to orders that include a stock leg.
- Trade Individual Legs of a complex order – will allow the PAR user to more easily trade a leg of a PAR complex order with the simple book.

### Complex Order Sweep

A PAR user will follow the steps below to electronically sweep tradeable orders in the simple order book and the Complex Order Book (“COB”).

- The Sweep button may be pressed before or after pressing the Represent button.
  - If the Represent button has been pressed, and if there is any remaining quantity after the Sweep is executed, the order ticket will return to PAR as open (blue), and the same timestamp will apply to subsequent trades for the order, as long as the order ticket is not closed.
  - If the Represent button has not been pressed, and if there is any remaining quantity after the Sweep is executed, the order ticket will return to PAR as closed, and a separate timestamp will apply to subsequent trades for the order.
- When the Sweep button is pressed, a Sweep dialog box will be displayed.
  - The price field value in the dialog box will default to the better of the implied/Displayed Spread Market (“DSM”) or the limit price of the order; and the trade Quantity will default to the full order quantity.
  - The Price field may be manually adjusted but cannot be worse than the order limit price.
  - The dialog box includes a choice to press Sweep and Return or Close. The next bullets apply if Sweep and Return is pressed.
- The system will electronically execute the PAR order, in ratio, with available resting order quantity up to the prescribed PAR Price.

- Execution priority will be resting customer orders on the legs, followed by resting customer orders in COB, then non-customers on the legs or in COB.
- Ratio spreads may trade with customer and non-customer legs to maintain the PAR order ratio.
- The Sweep process will stop further trading if a resting AON order on any leg would be tradeable with the PAR price.
- Reserve orders must be executed in full before trading at the next allowable price point. If the reserve order price is the last price point then only the displayed quantity will trade. Ratio spreads will trade with a simple reserve order only if the displayed quantity can satisfy the PAR order ratio.
- A represented order will return to PAR open and blue if the priority prices have been satisfied. The prices displayed on PAR for each of the legs will be static and will reflect the quotes present immediately following the last price traded.

## **Trading Individual Legs of a Complex Order**

The complex order ticket has been modified to include a trade (“Tr”) button for use on individual legs of the order. When the “Tr” button is pressed a new dialog box will be displayed. The PAR user may specify a quantity to trade with the simple resting interest.

- The TR button may be pressed before or after pressing the Represent button.
- If the Represent button has been pressed, and if there is any remaining quantity after the TR is executed, the order ticket will return to PAR as open (blue), and the same timestamp will apply to subsequent trades for the order, as long as the order ticket is not closed.
- If the Represent button has not been pressed, and if there is any remaining quantity after the TR is executed, the order ticket will return to PAR as closed, and a separate timestamp will apply to subsequent trades for the order.

## **Training**

The Trading Floor Operations group has been offering, and will continue to offer, training to all PAR users. Users will be notified when the new version is available on their specific PAR terminal.

## **Additional Information**

Please contact the Cboe Trading Floor Operations group with questions concerning the PAR enhancements and to schedule time for additional training.

We appreciate your continued support and will work hard every day to keep earning your business by powering your potential to stay ahead of an evolving market. As always, we are committed to our customers and to making markets better as your partner in trading.

### **Trading Floor Operations**

312.786.8580

[FloorOps@cboe.com](mailto:FloorOps@cboe.com)

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