



Cboe BYX Equities Updates to Midpoint Peg for Periodic Auction Eligible Orders

Reference ID: C2023031001

Overview

Applicable Cboe Exchange: BYX Equities

Effective March 29, 2023, Cboe BYX Equities Exchange (“BYX”) will enable Periodic Auction Eligible (“PAE”) Midpoint Peg orders to be submitted with instruction not to trade in the continuous book during a locked market.

The “No Trade in a Locked Market” instruction will only be applied when the PAE order is live in continuous book trading and will not apply to either initiating a Periodic Auction or to executing at the conclusion of the Periodic Auction. PAE orders containing the “No Trade in a Locked Market” instruction will continue to initiate a Periodic Auction during a locked market and will trade at the conclusion of the Periodic Auction during a locked market.

Technical Details

Currently, ‘Midpoint Peg – No Trade in a Locked Market’ instructions are not allowed with PAE orders.

Upon the effective date, *ExecInst* (FIX Tag 18) = ‘m’ (Midpoint Peg- No Trade in a Locked Market) will be allowed for PAE orders (*CrossTradeFlag* (FIX Tag 9355) = ‘2’). The ‘No Trade in a Locked Market’ instruction will be ignored and the order will be eligible to initiate a Periodic Auction during a locked market and will trade at the conclusion of the Periodic Auction during a locked market. The ‘No Trade in a Locked Market’ instruction will only apply to PAE orders while live for trading on the continuous book.

Note that Periodic Auction Only orders (*CrossTradeFlag* = ‘1’) will continue to be rejected if *ExecInst* = ‘m’.

Examples

Example 1

NBBO: 10.00 x 10.10

Order 1: Buy 100 @ 10.05 – PAE, Midpoint Peg – No Trade in locked market

NBBO Chg: 10.05 x 10.05

Order 2: Sell 100 @ 10.05 IOC

Result: No trade between Order 1 and Order 2.

Example 2

NBBO: 10.00 x 10.10

Order 1: Buy 100 @ 10.05 – PAE, Midpoint Peg – No Trade in locked market

NBBO Chg: 10.05 x 10.05

Order 2: Sell 100 @ 10.05 PAE, Midpoint Peg

Result: Auction is initiated when Order 2 is entered for 100 @ 10.05. After auction period ends, trade occurs between Order 1 and Order 2 at 10.05.

Example 3

NBBO: 10.00 x 10.10

Order 1: Buy 100 @ 10.05 – PAE, Midpoint Peg – No Trade in locked market

Order 2: Sell 100 @ 10.05 PAE, Midpoint Peg

Auction initiates for 100 @ 10.05 between Order 1 and Order 2

NBBO Chg: 10.05 x 10.05 (prior to auction ending)

Result: After auction period ends, trade occurs between Order 1 and Order 2 at 10.05.

Testing Opportunities

This functionality is currently available to test in the BYX certification environment.

Additional Information

For more information, please refer to the following technical specifications:

- [US Equities BOE Specification](#)
- [US Equities FIX Specification](#)

Please contact the Cboe Trade Desk for support or with any questions.

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