

New York Stock Exchange broker systems and parity/priority allocation model

NYSE innovation

The New York Stock Exchange strives to protect market integrity, drive innovation, and connect investors to opportunity. NYSE is currently upgrading its existing floor broker technology to offer NYSE floor brokers a lower latency, lower friction path to the NYSE electronic order book. This seamless order entry approach allows clients to modify or cancel orders directly and eliminates arbitrary legacy restrictions such as the maximum number of orders entered in a single basket. NYSE member firms can work with their floor brokers to connect to this new order entry path via a common OMS or establish connectivity through an OMS of their choice. Once on the NYSE order book, member firms will continue to benefit from NYSE's Parity/Priority Allocation model designed to promote deep liquidity and superior market quality by sharing the allocation among those who post the best price, rather than how quickly they place the order, thereby delivering better fill rates, lower execution costs, and the ability to share executions at the same price.

NYSE is the only U.S. cash equities exchange that offers parity allocation to all trades.

The benefits of NYSE floor brokers

NYSE floor brokers offer clients a variety of unique order types, including Discretionary or D Orders. D Orders offer flexibility by permitting floor brokers to interact with contra-side orders at a range of prices and can be used both during continuous trading and auctions, including the NYSE Closing Auction. The NYSE Closing Auction is the largest liquidity event of the U.S. trading day, trading an average of 300 million shares (\$18.5 billion) on a standard day, and over 2.5 billion shares (\$122 billion) on major index rebalance days. NYSE floor brokers offer investors a powerful and flexible way to leverage this liquidity.

Intraday, floor brokers can utilize e-Quotes to capitalize on sharing in a parity allocation of incoming executions. Parity is defined as the state of being equal and the NYSE Parity/Priority Allocation model allows for resting orders represented by a floor broker, Designated Market Maker (DMM), and electronic price/time order book to equally share in a trade event. NYSE is the only U.S. cash equities exchange that offers parity allocation to all trades.

Clients that leverage floor broker representation may benefit from better fill rates, greater flexibility in order placement, and the ability to successfully access liquidity at the same price level as faster participants. Algorithmic strategies, including VWAP, POV, and any strategy seeking to provide liquidity and capture spread can benefit from the advantages of parity as they have a better chance to participate in every incoming fill.



Contact your relationship manager at: rmteam@nyse.com