

Post-Only Order

The Nasdaq Stock Market[®], Nasdaq BXSM and Nasdaq PSXSM offer a Post-Only order type. The Post-Only order type increases market participants' ability to control their provision, or taking, of market liquidity and thus better anticipate trading costs. Post-Only orders must be entered as displayed orders with a limit price. Cross orders marked Post-Only will be rejected.

Functionality

FOR EXAMPLE

If, upon entry, a Post-Only order would lock a resting displayed order on the book, the incoming order will either post at one minimum price variation away from the locking price or will be canceled, depending on the customer port setting.

- A \$10.15 offer resides on the book, displayed.
- A firm enters a Post-Only order to buy at \$10.15 (the locking price).
- The incoming Post-Only order will be accepted and displayed at \$10.14.

POST-ONLY LOCKING NON-DISPLAY

If, upon entry, a Post-Only order would lock a resting non-displayed order on the book, the incoming order will post and display at the locking price. The non-displayed order will remain posted, at the locking price.

Note: This functionality is only available on Nasdaq.

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

If the Post-Only order would lock or cross a protected quote of another market center, the Post-Only order will either be processed in the same manner as a Price-to-Comply order (or Price to Display order if it is attributable), or will be canceled, depending on the customer port setting.

Note: Customers will not have the option to cancel upon entry if a Post-Only order is price slid due to other restrictions including, but not limited to, Reg SHO and LULD.

- Another market center is displaying a \$10.15 offer.
- A firm enters a Post-Only order to buy at \$10.15 (the locking price).
- The incoming Post-Only order will be accepted at \$10.15 and displayed at \$10.14.

FOR EXAMPLE

If the Post-Only order would cross another order already on the book such that the difference in price between the incoming Post-Only order and the resting order cross is greater than the forgone net rebate (i.e. rebate - fee), then the Post-Only logic is not applicable and the order will be processed as if it were an Immediate or Cancel order at the best price.

- A \$10.15 offer resides on the book.
- A firm enters a Post-Only order to buy at \$10.16.
- Assume that the fee to remove liquidity is \$0.003 and the rebate to add liquidity is \$0.003.
- The difference in price between the incoming Post-Only order and the resting order is \$0.01.
- Because \$0.01 is greater than the foregone net rebate ($\$0.003 + \$0.003 < \$0.01$), the incoming Post-Only order will execute at \$10.15.

POST-ONLY LOCKING MIDPOINT

If, upon entry, a Post-Only order would lock or cross a resting midpoint order on the book such that the difference in price between the incoming Post-Only order and the resting order cross is less than the forgone net rebate (i.e., rebate - fee), then the Post-Only order will post and display at the locking or crossing price. The midpoint order will either be canceled off the book if entered over OUCH or Flite, or will be updated if entered over FIX, RASHport or QIX.

Note: This functionality is only available on Nasdaq.

- The NBBO is \$10.11/\$10.16.
- A \$10.135 midpoint offer resides on the book, non-displayed.
- A firm enters a Post-Only order to buy at \$10.14.
- Assume that the fee to remove liquidity is \$0.003 and the rebate to add liquidity is \$0.003.
- The difference in price between the incoming Post-Only order and the resting order is \$0.005.
- Because \$0.005 is less than the foregone net rebate ($\$0.005 < \$0.003 + \$0.003$), the incoming Post-Only order will be accepted and displayed at \$10.14.
- The Post-Only order moves the NBBO to \$10.14/\$10.16.
- Because the resting midpoint offer is no longer booked at the current NBBO midpoint price, the order is either canceled off the book if entered over OUCH or Flite, or is updated if entered over FIX, RASHport or QIX.

Connectivity

The Post-Only Order Is Available Via:

NASDAQ

- OUCH 2.1, 2.2, 3.1, 3.2, 3.3, 4.0, 4.1 and 4.2
- INET FIX 4.2
- NASDAQ FIX
- RASH 1.0, 1.1
- FIX Lite (Flite)

BX

- OUCH 3.1, 3.2, 3.3, 4.0, 4.1 and 4.2
- INET FIX 4.2
- RASH 1.0, 1.1
- BX Flite

PSX

- OUCH 3.1, 3.2, 3.3, 4.0, 4.1 and 4.2
- INET FIX 4.2
- RASH 1.0, 1.1

IMPORTANT: If a Post-Only order is entered using any protocol other than those specified above, the customer will be disconnected.

Post-Only functionality on BX is only available for stocks trading under one dollar.

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