



MAXIMISE PRICE IMPROVEMENT OPPORTUNITIES WITH CHI-X MID-POINT ORDERS

In the new trading landscape best execution is essential and clients are demanding price improvement opportunities. Chi-X's innovative order book delivers with Mid-Point Orders.

HOW DOES IT WORK?

Chi-X's Mid-Point Orders are hidden and pegged to a reference price, enabling you to track the midpoint of the National Best Bid and Offer ("NBBO") to provide guaranteed price improvement upon execution. Mid-Point Orders can rest in the central limit order book enabling them to interact with all other orders, both lit and dark, maximising your chance of execution. Alternatively, you can integrate aggressive Mid-Point Orders with IOC or FOK attributes into smart order routing strategies to achieve price improvement.

WHEN IS IT AVAILABLE?

Chi-X Mid-Point Orders are available now with no minimum order size.

WHAT ARE THE KEY BENEFITS?

Sick of crossing the spread?	Maximise Price Improvement – Mid-Point Orders are hidden and offer price improvement over the NBBO.
Want the best execution midpoint execution?	Half Tick Executions – Mid-Point Orders can execute at the half tick to provide the greatest price improvement*, which is particularly crucial for symbols trading on a tight spread.
Tired of slippage on midpoint execution?	All Mid-Point orders require a limit price and Chi-X offers the ability to set limit prices at a standard tick or at the half tick. If a half tick limit price had been set on the order and the limit price has been reached, the order can only execute at the half tick when that limit price is the arithmetic mid-point of the NBBO.
Want to increase the speed of execution?	An integrated order book – Chi-X's unique book enables lit and dark orders to interact. Resting Mid-Point liquidity gets first look at all incoming aggressive orders and any related executions provide price improvement to both sides of the trade.
Feeling off-Centre about your trading fees?	Reduced Execution Cost - Chi-X Mid-Point offers low fees: 0.06 bps (maker)/ 0.12 bps (taker) versus 0.50 bps (each side) currently charged by other venues – that's a discount of over 85% for passive executions.
Avoid information leakage and market impact?	All Mid-Point Orders are completely hidden, which minimises information leakage and market impact when posting liquidity.
Concerned about small execution size?	Protect yourself with Minimum Quantity – Chi-X's minimum execution quantity (MEQ) is available as an optional setting to protect Mid-Point Orders from partially executing below a minimum quantity.
How much time do you spend in the queue?	Shorter Order Book Queues – potential for faster execution.
Want to reduce latency and your exposure to regulatory messaging charges?	Another benefit of the integrated order book: routing Mid-Point Orders to one order book reduces your messages, minimising exposure to the regulatory messaging tax while also reducing latency associated with routing orders between separate dark and lit books.

*when the arithmetic midpoint of the NBBO is a half tick.

HOW TO MAKE USE OF CHI-X'S MID-POINT ORDERS?

Chi-X FIX Interface

Required:

- <40>OrdType = P
- <18>ExecInst = M
- <44>Price = Limit Price
- <111>MaxFloor = 0

Options:

- <110>MinQty
- <59>TimeInForce incl's IOC & FOK

IRESS Market Technology

IRESS BMR

The BMR can be configured to seek mid-point liquidity by changing the default settings to preference CXADARK as shown below. CXADARK works with all routing algorithms – SWAY, SPRAY and SWEEP. Once CXADARK is given priority, Fill and Kill orders (IOC) are routed to Chi-X at a level that is configurable on the BMR to seek mid-point liquidity. The spread can be tested using Best, Mid-Point or Market pegs including with tick offsets. For further information on BMR configurations, including how to post to the Chi-X Mid-Point, please contact IRESS.

Exchanges

MARKET	PRIORITY	STATUS
LPDARK	1	Enabled
CXADARK	2	Enabled
ASXCP	3	Enabled
LP	11	Enabled
CXA	12	Enabled
ASX	13	Enabled

Posting with the IRESS OTW:

- Select CXA as destination
- Insert limit price (half tick supported)
- Select "Mid-Price" from Pegging Type under Execution Instructions

Fidessa

For posting to the Chi-X Mid-Point, use the following steps in the order entry ticket:

- select special order flag – mid-tick limit.
- MEQ can be set in designated field.

Smart order router:

- Fidessa smart router supports mid-point where TIF= IOC or FOK for aggressive liquidity seeking orders at the Mid-Point.

For further information concerning Fidessa configurations, please contact Fidessa.

WANT TO KNOW MORE?

+612 8078 1701
info-australia@chi-x.com www.chi-x.com.au