IT – INET – Update on NASDAQ OMX Execution Algorithms offering (87/13)

As previously communicated in IT-notice 56/13, NASDAQ OMX will implement a set of Execution Algorithms available via the INET Nordic FIX protocol and Nordic Workstation. The algo strategies offered initially are:

- VWAP (Volume Weighted Average Price) - Pre-trade schedule based on historical volumes.
- TWAP (Time Weighted Average Price) - Executes desired quantity at a constant rate.
- POV (Percentage Of Volume) - Targets a user-defined participation rate.
- IS (Implementation Shortfall) - Minimizes risk-adjusted trading costs relative to the arrival price.
- CLOSE - Minimizes risk-adjusted trading costs relative to the closing price.
- PNPAIR - Targets relative performance of execution at or better than a specified basis point spread between a pair of stocks.

The algorithms will be offered as a separate technical service and requires an agreement with NASDAQ OMX Exchange and Clearing Services AB. The execution algorithm engine utilizes the NASDAQ OMX Smart Order Routing service to send orders to away markets and therefore a Smart Order Routing service agreement with NASDAQ OMX Nordic exchanges[1] is required as well.

Application forms for Execution Algorithms and Smart Order Routing together with more detailed information about Nordic Execution Services are available at:

http://www.nasdaqomx.com/transactions/trading/equities/nordicexecutionservices

[1] Smart Order Routing Service requires that the member has membership at the NASDAQ OMX Nordic Exchange from which orders may be routed. "NASDAQ OMX Nordic Exchanges" shall mean NASDAQ OMX Stockholm AB, NASDAQ OMX Helsinki Oy and NASDAQ OMX Copenhagen A/S, or the relevant NASDAQ OMX Nordic exchange, as applicable

Test access

Please contact Member Services ms.inet@nasdaqomx.com in order to enable the Execution Algo service in OTF and on your Nordic Workstation accounts.

Protocol changes

The latest FIX Order Entry and FIX Order Entry Drop copy protocol specifications are available under the "Future protocol versions" section at the NASDAQ OMX member extranet:

http://nordic.nasdaqomxtrader.com/memberextranet/inetnordic/Connectivity_and_Protocols/

Nordic Workstation

A new version of Nordic Workstation supporting the new Execution Algorithm strategies is available in OTF from November 4, 2013 and will be enabled upon request, please contact ms.inet@nasdaqomx.com

Time schedule
- INET Test (OTF) – November 4, 2013
- INET Prod – December 9, 2013

Support

For questions and assistance regarding port configuration, please contact NASDAQ OMX Member Services at: +46 8 405 6560, ms.inet@nasdaqomx.com

For technical questions, please contact NASDAQ OMX Tech Support at: +46 8 405 6410, operator@nasdaqomx.com

For trading related questions and assistance, please contact NASDAQ OMX Trading Operations at: +46 8 405 6570, tradingoperations@nasdaqomx.com

Questions and feedback

For further information and feedback concerning this information, please contact Ronny Thellman, +46 8 405 6313, ronny.thellman@nasdaqomx.com

Best regards,
NASDAQ OMX Nordic

"NASDAQ OMX Nordic" is not a legal entity but describes the common offering from the NASDAQ OMX exchanges in Helsinki, Copenhagen, Stockholm, and Reykjavik.