

NEW YORK STOCK EXCHANGE OUTLINES PRIORITIES TO STRENGTHEN EQUITY MARKET STRUCTURE DURING EXTREME VOLATILITY

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Actions include results from survey of market participants

NEW YORK--(BUSINESS WIRE)-- The New York Stock Exchange (NYSE), a subsidiary of Intercontinental Exchange's (NYSE:ICE) global network of exchanges, today outlined actions it will prioritize to enhance U.S. equity market structure and strengthen the markets during times of extreme volatility.

The NYSE continually seeks opportunities to improve market structure, and following global market volatility during the second half of 2015, evaluated ways to adapt its rules and process across its exchanges. The NYSE subsequently made a number of changes including:

- Increased the transparency of pre-opening indications, effective October 26, 2015;
- Widened collars on NYSE Arca's opening auction, effective September 8, 2015;
- Announced the elimination of stop orders from February 26, 2016.

NYSE undertook research and analysis to identify opportunities to further enhance market structures and trading rules. Additionally, NYSE retained McKinsey & Company, a leading global management consulting firm, to conduct interviews with a number of market participants, including market makers, liquidity providers, broker-dealers and issuers, to gather feedback on potential market structure changes. NYSE's review and analysis of the research are included in the detailed report outlining a series of changes to better protect long-term investors during periods of extreme market volatility. The report also includes a review of trading events on August 24, 2015. The full report can be found at https://www.nyse.com/publicdocs/Strengthening_US_equity_market_structure.pdf.

"We take seriously our leadership role in the U.S. market structure discussion, and are pleased to have advanced from dialogue to what are now meaningful steps that we will begin taking to improve markets for all investors," said Tom Farley, NYSE Group President. "With a vast offering of products for investors and as the global leader in exchange traded products (ETPs), with over 93 percent of U.S. assets under management listed on our markets, we are committed to ensuring that the U.S. remains the leading capital market in the world."

The report identifies five actions based on feedback from market participants that NYSE believes should be taken immediately to materially improve the stability of the cash equity and ETP markets:

- Amending the Limit Up/Limit Down program (LULD) procedures to:
 - Harmonize LULD re-opening auction behaviors across U.S. exchanges;
 - Facilitate price recovery for securities that fall or rise under double-wide bands during the market open;
 - Consolidate orders on the primary market during re-openings after halts; and
 - Extend the duration of trading halts to clear order imbalances prior to reopening.
- Eliminating conditions that may preclude price bands from being in immediate effect after a halt;
- Synchronizing Clearly Erroneous Execution ("CEE") rules and LULD bands across venues;
- Enacting guardrails and industry best practices around the use of market orders and stop orders (which turn into market orders once triggered); and
- Increasing coordination on education efforts to ensure investors better understand market structure features and enhancements.

"Products, technology and markets continue to rapidly change, and we are committed to implementing enhancements to market structure that strengthen market stability and soundness," said Stacey Cunningham, NYSE Group Chief Operating Officer. "This report identifies a number of priorities for enhancing market structure that have the support of a broad cross-section of our industry and which can and should be implemented quickly. Taking these steps will not only offer operational and trading improvements, but also, and importantly, support investor confidence that our markets are the fairest, most efficient capital markets in the world."

The report also outlines a series of potential solutions that NYSE believes warrant further evaluation as to their potential to augment price transparency, incentivize greater liquidity and improve overall efficiency of the capital markets.

Cunningham also said that NYSE would continue reviewing a number of additional industry-wide and exchange-specific solutions that could address instances of extreme market-wide volatility.

"Extreme volatility events are rare, and analysis of those events don't represent the norm, but do offer an opportunity to evaluate the effectiveness of current market structure in times of stress and consider improvements," Cunningham said. "We believe that, after the volatility of August 2015, market participants are better informed about the interaction of specific rules and triggers embedded in the national market system. In addition, many liquidity providers have changed their trading practices to be more responsive and automated to better manage the effects and impact of major market volatility."

Cunningham added that NYSE is committed to creating a more robust and transparent trading environment.

"We will continue to pursue many of the solutions identified in this report and identify additional enhancements as needed, while working with the industry to build insight and support," she said. "We remain committed to ensuring continued efficiency in daily trading at the NYSE."

About NYSE Group

NYSE Group is a wholly-owned subsidiary of Intercontinental Exchange (NYSE:ICE), operator of the leading global network of exchanges and clearing houses. NYSE Group operates multi-asset exchanges and a range of related data products and technology services. The company's equity exchanges -- the New York Stock Exchange, NYSE MKT and NYSE Arca -- trade more U.S. equity volume than any other exchange group. NYSE is the global leader in capital raising for listed companies, including the majority of technology IPOs globally since 2012. The company's equity options markets, NYSE Arca Options and NYSE Amex Options, offer complementary market models.

About Intercontinental Exchange

Intercontinental Exchange (NYSE:ICE) operates the leading network of exchanges and clearing houses, serving global commodity and financial futures, and equity markets. The New York Stock Exchange is the world leader in capital raising and equities trading. ICE is also a leading provider of data services across global markets.

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Intercontinental Exchange
Media Contact:
Sara Cohen
(212) 656-4527
sara.cohen@nyse.com
media@theice.com

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