Nasdaq

# Midpoint Peg Post-Only Order

Nasdaq PSX offers a Midpoint Peg Post-Only (MPPO) order type. MPPO is a non-displayed order type that is priced at the Midpoint between the National Best Bid and Offer (NBBO) and only adds liquidity, except when the economics are in the interest of the investor to remove liquidity.

## FUNCTIONALITY /

MPPO combines elements of the Midpoint Peg and Post-Only order types

| A Regular Midpoint Peg Order | A Post-Only Order |
|---|---|
| A MPPO is a non-displayed order that is priced at the Midpoint between the NBBO. | The MPPO order does not remove liquidity from the System upon entry if it would lock an order on the book. Rather, the MPPO order will post and lock the pre-existing order. |

However, if the MPPO order crosses an order on the book such that the economics are in the interest of the investor to remove liquidity, the order will execute - for prices above one dollar, any cross by $0.005 or more will execute.

A MPPO order that would be assigned a price of $1 or less per share will be rejected.

## CONNECTIVITY /

The MPPO order type for PSX is supported via the following protocols:   • OUCH   • INET FIX   • FLITE   • RASH

## EXAMPLES /

| Example 1 | Example 2 |
|---|---|
| PSX has a displayed bid for $1.10 and an offer of $1.11, and there is a non-displayed bid for $1.105. | PSX is at the NBBO, with a bid of $1.10 and an offer of $1.13, and there is a non-displayed buy order at $1.12. |
| A firm enters a MPPO order to sell, which is priced at $1.105. | A firm enters a MPPO order to sell, which is priced at $1.115. |
| The incoming MPPO order will post to the book and will not execute. | The incoming order will execute against the resting order at $1.12 because the order receives price improvement of at least $0.005. |

## More Information

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