

Cboe Receives Regulatory Approval to Launch Periodic Auctions for U.S. Equities Trading

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- New auction mechanism designed to enhance intraday liquidity and price discovery in the public markets
- Builds on success of Cboe Europe Periodic Auctions, the largest periodic auction platform in Europe
- Further expands Cboe's block trading capabilities
- Planned for launch in the third quarter of 2021

CHICAGO, March 29, 2021 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a market operator and global trading solutions provider, today announced it has received approval from the U.S. Securities and Exchange Commission (SEC) to introduce periodic auctions on Cboe BYX Equities Exchange – bringing to the U.S. equities markets a new, innovative intraday auction mechanism based on a reimagining of a process that it first launched in Europe. Cboe expects to launch U.S. periodic auctions in the third quarter of 2021.

"We continue to engage with market participants to create innovative trading solutions that aim to meet the needs of today's investors and we are pleased to bring this first-of-its-kind periodic auction to the U.S. equities markets," said Adam Inzirillo, Senior Vice President, Head of North American Equities at Cboe Global Markets. "Outside of the opening and closing auctions each day, investors generally have fewer options to interact with natural liquidity, particularly when seeking to execute larger orders with minimum market impact. We believe our U.S. periodic auctions mechanism will provide a unique, on-exchange solution to satisfy investor demand for access to immediate liquidity and size, as well as deliver additional price improvement and increased execution opportunities to benefit all market participants."

Cboe's U.S. periodic auctions are designed to allow market participants to access frequent, price-forming auctions throughout the course of the trading day, thereby helping them find liquidity in a short time-frame with low market impact, while prioritizing price and size. Periodic auctions of one-hundred milliseconds will be initiated when there are matching auctionable buy and sell orders available to trade in the auction. The message identifying when an auction is available will be randomized, helping to mitigate any potential adverse selection. Periodic auctions will not interrupt trading in the continuous market and will execute at a price level that maximizes volume executed in the auction, including any orders posted on the BYX order book.

As block-sized liquidity continues to increase off-exchange with the use of conditional orders, Cboe believes U.S. periodic auctions could provide market participants with an on-exchange alternative to off-exchange electronic block trading by enabling them to trade in size, while reducing market impact. In addition, Cboe expects U.S. periodic auctions to help facilitate price discovery and enhance liquidity and market quality in all equity securities, particularly thinly-traded securities trading on Cboe BYX Equities Exchange.

Cboe Europe Periodic Auctions – a lit order book that independently operates frequent auctions throughout the trading day – was the first of its kind when it launched in 2015 and has become a highly valued trading mechanism that aims to deliver better execution outcomes. It continues to be the largest European periodic auction, accounting for over 80 percent of all periodic auction activity, or approximately 3 percent of notional value traded on European equities exchanges, with an average daily traded notional value of €1 billion in 2020.

David Howson, President, Europe and Asia Pacific at Cboe Global Markets, said: "The creation of U.S. periodic auctions demonstrates our unique capabilities as a truly global exchange operator to leverage and deploy our vast technology and product innovation expertise across asset classes and regions to serve our global base of customers. By serving customer demand we have achieved tremendous success with Cboe Europe Periodic Auctions, and look forward to further extending our leadership and expanding our offerings with the addition of a new U.S. model."

About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE) provides cutting-edge trading and investment solutions to market participants around the world. The company is committed to defining markets through product innovation, leading edge technology and seamless trading solutions.

The company offers trading across a diverse range of products in multiple asset classes and geographies, including options, futures, U.S., Canadian and European equities, exchange-traded products (ETPs), global foreign exchange (FX) and volatility products based on the Cboe Volatility Index® (VIX® Index), recognized as the world's premier gauge of U.S. equity market volatility.

Cboe's subsidiaries include the largest options exchange and the third largest stock exchange operator in the U.S. In addition, the company operates one of the largest stock exchanges by value traded in Europe, and owns EuroCCP, a leading pan-European equities clearing house. Cboe also is a leading market globally for ETP listings and trading.

The company is headquartered in Chicago with a network of domestic and global offices across the Americas, Europe and Asia, including main hubs in New York, London, Kansas City and Amsterdam. For more information, visit www.cboe.com.

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Certain information contained in this press release may constitute forward-looking statements. We caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made and are subject to a number of risks and uncertainties.

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