

Penny increments are here – bringing greater precision to your trading



The change to penny increments provides traders with two significant advantages:

- Allows customers to be more precise with their orders
- Avoids tick constrained markets that inhibit further price discovery

The introduction of \$0.01 tick increments creates the potential for more discrete price points being displayed in the order book, as well as the opportunity for improved execution prices and reduced trading costs.

Order Book Example: \$0.05 Ticks versus \$0.01 Ticks

\$0.05 TICK INCREMENTS		
BID SIZE	PRICE	ASK SIZE
	32.75	205
	32.70	53
75	32.65	
153	32.60	

\$0.01 TICK INCREMENTS		
BID SIZE	PRICE	ASK SIZE
	32.75	70
	32.74	56
	32.73	12
	32.72	26
	32.71	44
	32.70	27
	32.69	14
	32.68	9
12	32.67	
26	32.66	
37	32.65	
18	32.64	
25	32.63	
34	32.62	
21	32.61	
55	32.60	

SPIKES Options traded on MIAX Options® Exchange are also available in penny (\$0.01) increments if the options series is trading at less than \$3.00, and in five cent (\$0.05) increments if the options series is trading at \$3.00 or higher.

To learn more about SPIKES Futures and Options, visit miaxglobal.com/markets/proprietary-products/spikes-volatility or contact sales at products@miaxglobal.com • 609-897-8177

Disclaimer: The information contained in this document has been prepared solely for general education and information purposes. You may not rely on this document as a basis to make an investment decision. MIAX is not obligated to update this document or otherwise notify you of any such changes, nor is MIAX obligated to provide any update to this information if it is later shown to be inaccurate. The information in this document is being provided in summary fashion and does not purport to be complete, and is of general nature only. This information is not (and you shall not construe it as) legal, tax regulatory, investment, financial or accounting advice. For a complete description of the minimum price increments for SPIKES Volatility Index Futures referenced in this document, you must review Chapter 83 of the MGEX Rulebook, which can be found at <https://www.mgex.com/documents/202200712-Rulebook.pdf>.

The minimum tick increment for SPIKES® Futures changed from \$0.05 to \$0.01, effective October 31, 2022.

Using the hypothetical order book on the previous page, suppose a client wanted to buy 100 contracts at the market under the \$0.05 tick environment:

\$0.05 TICK INCREMENTS	
SPIKE CONTRACTS BOUGHT	PRICE
53	32.70
47	32.75
Average Price	32.7235

Using the hypothetical book order on the previous page, under the \$0.01 tick environment, this buyer of 100 contracts could achieve a more favorable average price for the trade execution:

\$0.01 TICK INCREMENTS	
SPIKE CONTRACTS BOUGHT	PRICE
9	32.68
14	32.69
27	32.70
44	32.71
6	32.72
Average Price	32.7024

In this hypothetical example, the average execution price improved by 0.0211, which translates to \$21.10 per contract as each contract has a 1,000 multiplier.