

Penny increments are here

- bringing greater precision to your trading

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

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	

Example:

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:

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:

\$0.05 TICK INCREMENTS

SPIKE CONTRACTS BOUGHT	PRICE
53	32.70
47	32.75
Average Price	32.7235

\$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.

- 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 miaxoptions.com/

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