

NASDAQ to Begin Adding Non-NASDAQ Listed Securities to Opening and Closing Crosses on July 2, 2007



Please Route To: Head Traders; Technical Contacts; Compliance Officers; Buy-Side Contacts

What you need to know:

- Effective July 2, 2007, NASDAQ plans to begin adding NYSE-, Amex- and regional-listed securities to the NASDAQ Opening and Closing Crosses.
- NASDAQ plans to roll out one security to start and continue with a quick roll-out of other select securities. Initially, only short-sale exempt securities will be eligible.
- Information regarding the imbalances and indicative prices will be disseminated prior to the Opening and Closing Crosses exactly as it is currently disseminated for NASDAQ-listed securities.
- Testing will be offered in the NASDAQ Testing Facility (NTF) prior to the roll-out.

Who you should contact: [NASDAQ Market Sales](#) at 800.846.0477

What is changing?

Effective July 2, 2007, NASDAQ® plans to add NYSE-, Amex and regional-listed securities (non-NASDAQ listed securities) to the [NASDAQ Opening and Closing CrossesSM](#). NASDAQ intends to roll out one security to start and continue with a quick roll-out of other select securities. The roll-out schedule and list of securities will be announced as soon as they become available. Initially, only short-sale exempt securities will be eligible.

NASDAQ is expanding on the success of the matching functionality of NASDAQ's Opening and Closing Crosses, which has been widely accepted in the industry, by offering non-NASDAQ listed securities in the Crosses. The processing will be exactly the same for non-NASDAQ listed securities as it currently is for NASDAQ-listed securities.

Will there be new order types offered?

The same order types currently offered in the opening and closing processes will be applied to non-NASDAQ listed securities, including "On Open," "Opening Imbalance Only," "On Close," "Closing Imbalance Only" and "Imbalance Only." Firms can continue to use existing order-entry protocols and instructions to enter orders.

How will imbalance information be disseminated?

Information regarding the imbalances and indicative prices will be disseminated prior to the Opening and Closing Crosses exactly as it is currently disseminated for NASDAQ-listed securities.

NASDAQ calculates a Net Order Imbalance Indicator (NOII) at 5-second intervals in the minutes leading up to the Opening and Closing Crosses. The NOII data element will be supported for all cross-eligible securities on the following NASDAQ direct data feeds:

- [TotalView-ITCH 3.0](#)
- [TotalView-Aggregated](#)
- [NOIView 2.00](#)

In addition, NASDAQ offers a NOII display screen on its [NASDAQ Workstation](#) and the [NASDAQ NOII/BookViewer website](#).

Will there be a NASDAQ Official Opening Price (NOOP) and a NASDAQ Official Closing Price (NOCP)?

Yes, firms may use NASDAQ's proprietary data feeds, [TotalView-ITCH 3.0](#) and [NASDAQ Last Sale \(NLS\)](#)¹, and the NASDAQ Workstation to obtain NOOP and NOCP data for the non-NASDAQ listed securities that have been rolled out in the Crosses.

Unlike the NASDAQ SIP, the SIAC Consolidated Tape System (CTS) data feed does not support sale condition values that specifically designate a market center's "official opening or closing prices." However, CTS subscribers may use NASDAQ's first and last trades to the tape during regular market hours (the first and last trades without a sale condition "T") to set its official opening and official closing prices.

The methodology used to determine the NOOP and NOCP for non-NASDAQ listed securities, as well as the execution algorithm for determining order priority, will be identical to those currently employed for NASDAQ securities.

Are there new technical specifications?

No, to participate in the Opening and Closing Crosses, participants will utilize the existing order designations for NASDAQ securities currently supported in the [order-entry technical specifications](#).

Will NASDAQ offer testing?

NASDAQ will offer testing in the [NASDAQ Testing Facility \(NTF\)](#), beginning May 22, 2007. NASDAQ also plans to offer weekend testing opportunities. Additional details and the testing dates will be communicated when they become available.

Where can I get additional information?

- Refer to the [Opening and Closing Crosses page](#) on the NASDAQ Trader[®] website.
- Contact [NASDAQ Market Sales](#) at 800.846.0477.

NASDAQ is the largest U.S. electronic equities exchange. With approximately 3,200 companies, it lists more companies and, on average, trades more shares per day than any other U.S. electronic market. It is home to companies that are leaders across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology. NASDAQ is the primary market for trading NASDAQ-listed stocks as well as a leading liquidity pool for trading NYSE-listed stocks. For more information about NASDAQ, visit the NASDAQ Trader website at www.NASDAQTrader.com.

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¹ As outlined in [NASDAQ Vendor Alert #2007-028](#), NASDAQ plans to launch the NASDAQ Last Sale (NLS) data feed in the summer of 2007, pending approval from the Securities and Exchange Commission (SEC).