

**TO:** LIGHTSPEED TRADING CUSTOMERS/TRADERS  
**FROM:** OPERATIONS GROUP  
**SUBJECT:** NASDAQ PEGGED ORDERS  
**DATE:** 2/4/2011

---

Lightspeed Trader Version 7.0.195.1 and above supports two new Pegged Orders: Nasdaq-Primary-Pegged Order and Nasdaq-Midpoint-Pegged Order.

### How do I get permission to Nasdaq Pegged Orders?

Ask your RM for permission to use these new order types.

### What is Nasdaq Primary Peg?

A Nasdaq Primary Peg is a passive order that is intended to peg to the best non-Nasdaq participant on NBBO on same side of market. Users can select an offset to peg an order x cents better or select no offset to peg at same price.

### What is Nasdaq Midpoint Peg?

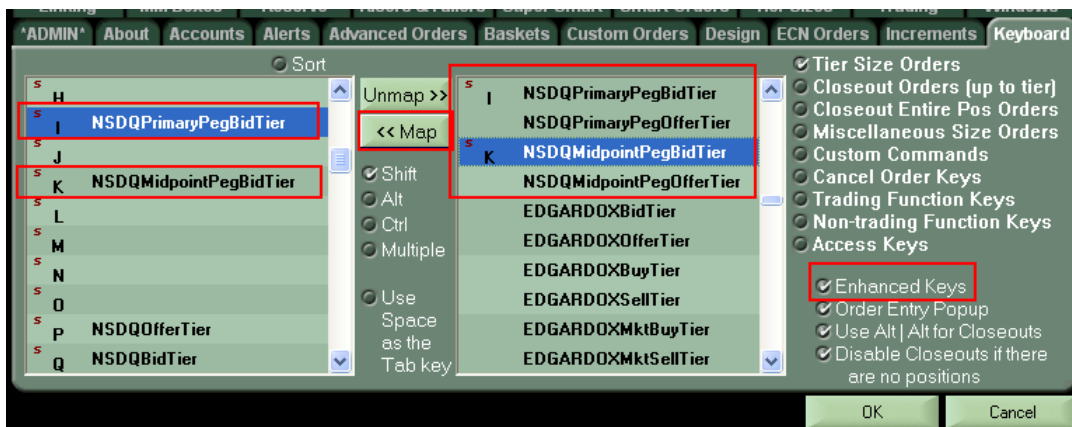
Nasdaq Midpoint Peg is a hidden order that is pegged to the midpoint of the bid and offer. These orders will peg in half-penny increments in the event of an odd spread. For more information about the Nasdaq Midpoint Peg order, consult the following document:

<http://www.nasdaqtrader.com/content/productservices/trading/midpointpeg.pdf>

### How do I map Nasdaq Primary Peg and Nasdaq Midpoint Peg to my Keyboard?

Once you have permission to Pegged orders, you can map both keys to your keyboard in your Keyboard Tab. Select the type of key to map (Tier, Closeout, or Closeout Full) and be sure to select “Enhanced Keys” to see the extended list of keys available.

Once you have found the keys, map them to your keyboard as seen below:



## How do I use Nasdaq Primary Peg?

Set your peg offset to the amount above the best bid (when buying) or below the best offer (when selling) you would like your order to display. When your offset is 0 you will peg at same price as best NBBO.

Set your price to your Limit Price, the highest price you would be willing to buy at or the lowest price you would be willing to sell at.

In the example below, the order in GOOG will display at 611.02 and will continue to peg to the best bid until the bid price exceeds 612.01 or until the order is filled.

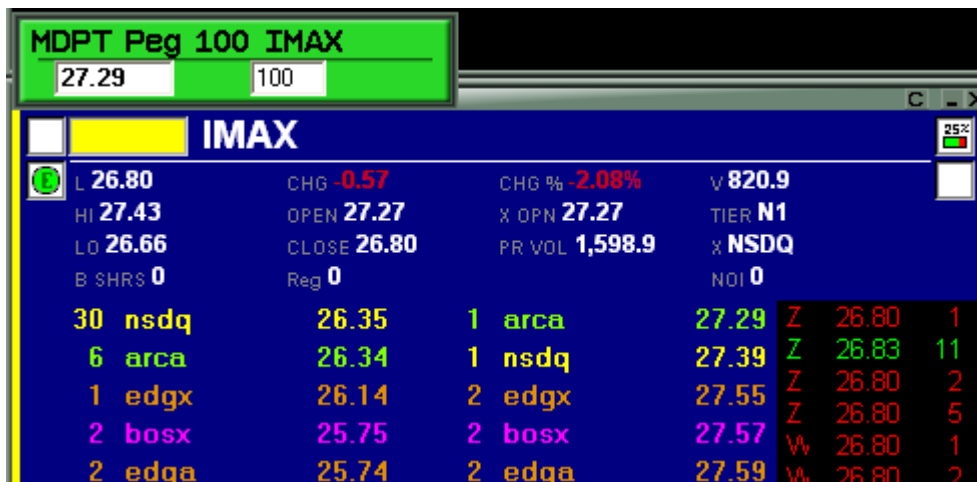


| Order Entry : GOOG |         |             |        |
|--------------------|---------|-------------|--------|
| Symbol             | Shares  | Limit Price | Market |
| GOOG               | 100     | 612.01      | NSDQ   |
| Type               | Visible | Peg Offset  | TIF    |
| NSDQ Primary Peg   | 100     | 0.01        | DAY    |
| Inside Bid         |         | Inside Ask  |        |
| SELL               | 611.01  | 612.00      | BUY    |

## How do I use Nasdaq Midpoint Peg?

Set the price to your Limit Price, the highest price you would be willing to buy at or the lowest price you would be willing to sell at.

In the example below, the order in IMAX will be a hidden order to buy at 26.82 (the midpoint of the best bid and offer). As the price of the displayed NBBO changes, the price of your non-displayed midpoint peg order will keep changing until the midpoint exceeds your limit of 27.29 or until your order is filled entirely.



When placing Midpoint Pegged Orders with the Order Entry Window, there is no Limit Price. The price of your order will keep changing until your order is filled or until the user cancels the orders.

The screenshot shows the "Order Entry : IMAX" window with the following fields:

|        |              |            |       |            |       |
|--------|--------------|------------|-------|------------|-------|
| Symbol | IMAX         | Shares     | 100   | Market     | NSDQ  |
| Type   | Midpoint Peg | Visible    | 100   | TIF        | DAY   |
|        |              | Inside Bid | 26.35 | Inside Ask | 27.29 |
|        |              | SELL       |       | BUY        |       |

## When are Nasdaq Pegged Orders Supported?

These orders are only supported by Nasdaq during market hours, 9:30am – 4pm EST.