

PREVENTING MARKET ABUSE

In addition to implementing automated electronic market protections, exchanges constantly works to detect and address trading activities that may undermine market integrity. We conduct extensive surveillance, investigate allegations of misconduct and prosecute activity that violates the rules.



UP TO 500 MILLION PER DAY
Number of messages captured by a typical market regulation system.

To understand how many that is, consider that approximately 340 million tweets are posted worldwide over the course of one day.

Multi-level Analysis

Robust combinations of data tell us who is trading and when they're trading—down to the millisecond. This information allows us to analyze market activity at multiple levels:



ORDER LEVEL

All messaging activity, including bids, offers, order modifications and cancellations on both a real-time and historical basis.



TRANSACTION LEVEL

All transaction activity on both a real-time and historical basis.



POSITION LEVEL

All end-of-day open positions on a daily and historical basis.

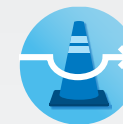
Comprehensive Surveillance

We use sophisticated surveillance technology to investigate trading activity, generate real-time alerts, and analyze messaging, transaction patterns or positions that may indicate market abuse, such as:



WASH TRADING

Intentionally executing trades that do not result in a change of ownership, causing false price and volume signals to the market.



PRE-ARRANGED TRADING

When trades are arranged to unfairly bypass competitive execution requirements.



FRONT RUNNING

Taking a position based on client order information that is non-public and is expected to influence market price.



SPOOFING

Order entry practices that are intended to mislead other market participants, such as submitting an order with the intent to cancel it before execution.



PRICE MANIPULATION

Activity intended to manipulate prices, including, for example, improperly influencing indicative opening prices or settlement prices.



EXCEEDING POSITION LIMITS

Establishing a position greater than the highest number of positions allowed to be held in a particular contract.



DISRUPTIVE MESSAGING

Excessive messaging intended to delay other participants' access to the market, or may involve a failure to supervise or adequately test an automated trading system.