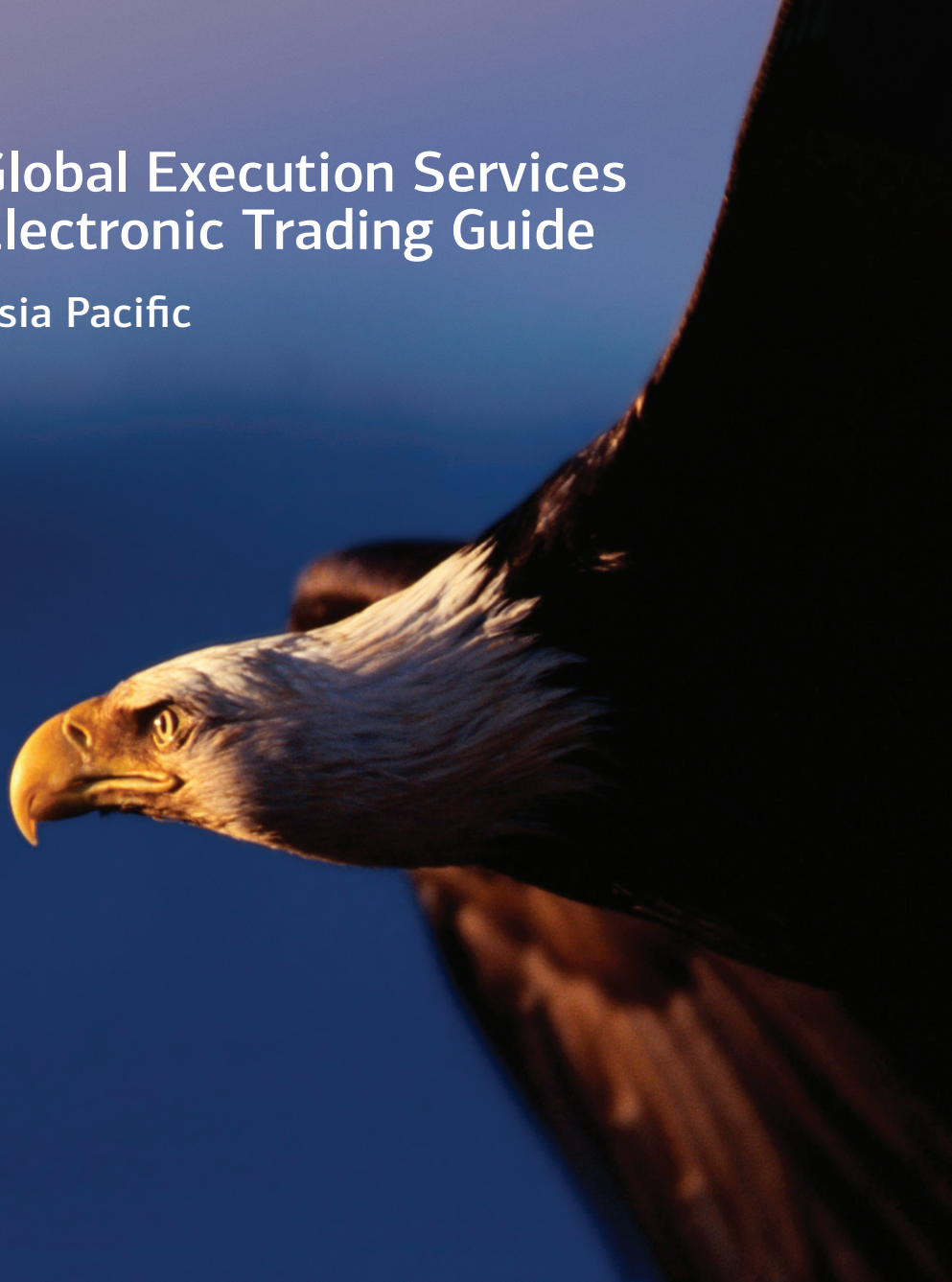


Global Execution Services Electronic Trading Guide

Asia Pacific



The power of global connections™

Bank of America
Merrill Lynch



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VWAP

(Volume Weighted Average Price)

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Description

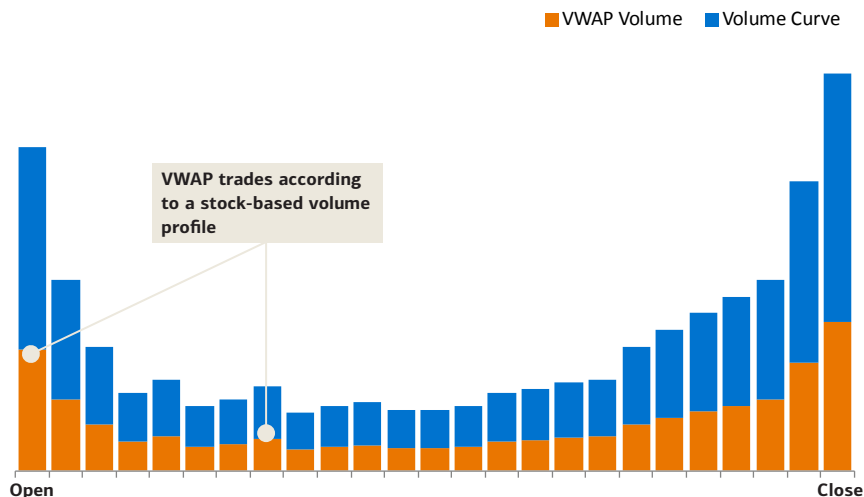
VWAP (Volume Weighted Average Price) schedules execution of an order over a specified time period based on a historical volume profile and enhanced with real time volume prediction. The 'Auction Participation' parameter allows you to opt in or out of open and close periods on the fly. Use 'GetDone' features to complete an order at a specified price.

Parameters

Start / End Time : Order Start / End Time (Default: Time of submission, market open / close)
Max % Volume : Controls the maximum participation rate (Default: None)
Auction Participation : Select auctions to participation in (Default: All)
GetDone Price : Price where the order will look to complete (Default: Not enabled)
GetDone %* : Percentage of the order to complete at GetDone Price (Default: 100%)

Example

"Buy 100,000 ABC, VWAP over the day. Do not exceed 30% of volume"



Good for

- Limiting market impact by executing over a specified time period
- When order completion is a priority
- Continuously accessing liquidity in Instinct X™

Watch out for

- Use price and volume limits to avoid pushing prices
- Orders with a GetDone Price may exceed your Max% Volume
- Stocks with unstable volume profiles

* Where available. Talk to your Electronic Trading sales representative for configuration options

TWAP

(Time Weighted Average Price)

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Description

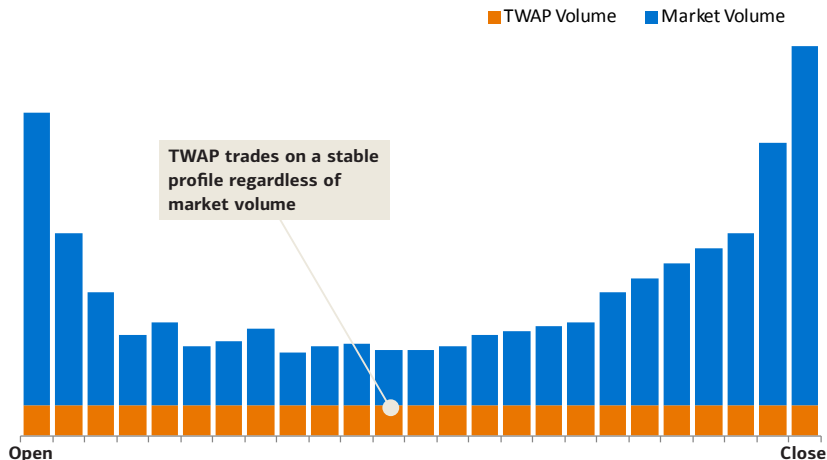
TWAP (Time Weighted Average Price) schedules execution of an order evenly over a specified time period. The 'Auction Participation' parameter allows you to opt in or out of open and close periods on the fly. Use 'GetDone' features to complete an order at a specified price.

Parameters

Start / End Time : Order Start / End Time (Default: Time of submission, market open / close)
Max % Volume : Controls the maximum participation rate (Default: None)
Auction Participation : Select auctions to participation in (Default: All)[^]
GetDone Price : Price where the order will look to complete (Default: Not enabled)
GetDone %* : Percentage of the order to complete at GetDone Price (Default: 100%)

Example

"Buy 100,000 ABC, TWAP over the day. Do not exceed 20% of volume"



Good for

- Keeping dollar neutral on buy versus sell baskets
- Names with unstable volume profiles
- Accessing mid-point liquidity in Instinct X™

Watch out for

- TWAP will pay the spread more than VWAP in long queue names
- Use price and volume limits to avoid pushing prices
- Orders with a GetDone Price may exceed your Max% Volume

[^] No participation in Japan closing auction

* Where available. Talk to your Electronic Trading sales representative for configuration options

POV (Percentage of Volume)

Description

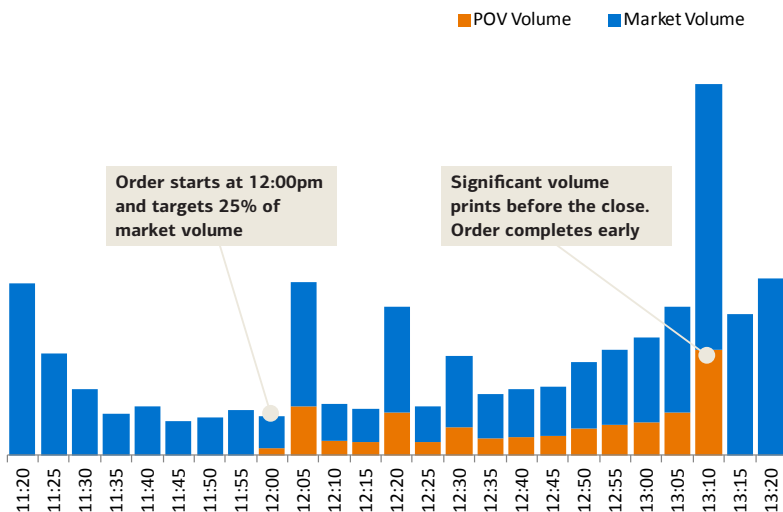
POV (Percentage of Volume) targets a user-specified percentage of market volume. Trader Instinct® Fair Value and Gradual Catch Up logic protects you against unexpected price or volume spikes. Take advantage of price moves in your favor by setting a Speed Up price and target participation.

Parameters

Start / End Time	: Order Start / End Time (Default: Time of submission, market open / close)
Target % Volume	: Sets the target participation rate
Auction Participation	: Select auctions to participation in (Default: All)^
Speed Up Price	: Price level to trigger Speed Up (Default: Not enabled)
Speed Up Target %	: Target % of volume when Speed up is triggered
GetDone Price	: Price where the order will look to complete (Default: Not enabled)
GetDone %*	: Percentage of the order to complete at GetDone Price (Default: 100%)

Example

“Buy 1 million ABC, be 25% of market volume from 12pm”



Good for

- Keeping pace with market volume
- Utilising the 'Speed Up' function to take advantage of favorable prices

Watch out for

- Completion is not guaranteed
- Orders with a GetDone Price may exceed your Max% Volume

^ No participation in Japan closing auction

* Where available. Talk to your Electronic Trading sales representative for configuration options

Description

Based upon our standard POV strategy, Dynamic POV uses a dynamic reference price as the trigger for when to speed up.

Additional Parameters

Ref : Dynamic reference price to trigger Speed Up
Min Vol / Target % : Participation rate when price is less favorable than reference
Max Vol / Speed Up % : Participation rate when price is more favorable than reference

Reference Price Examples

AVG : Average price
VSOT : VWAP since the order is trading
VWAP : All day VWAP for the particular security
PCL : Previous closing price
OPN : Opening price
ARR : Arrival mid price
PWP : Participation Weighted Price
(When selected, **Speed Up** % is ignored)

Order Size:

Order Type/LMT Price:

Strategy:

Ref:

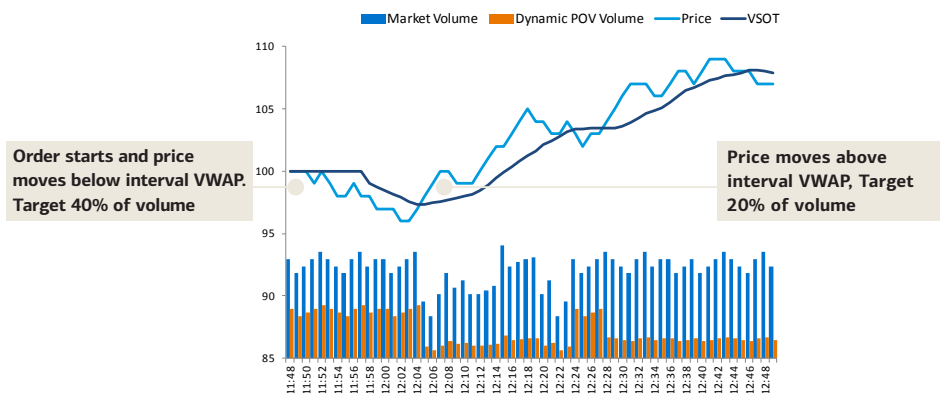
Min Vol/Target %:

Max Vol/Speedup %:

Get Done Price:

Example

“Buy 1 million ABC, be 20% of volume above interval VWAP, 40% below”



Good for

- Dynamically switching participation based on real time price movement

Watch out for

- Completion is not guaranteed
- Orders with a GetDone Price may exceed your Max% Volume

Description

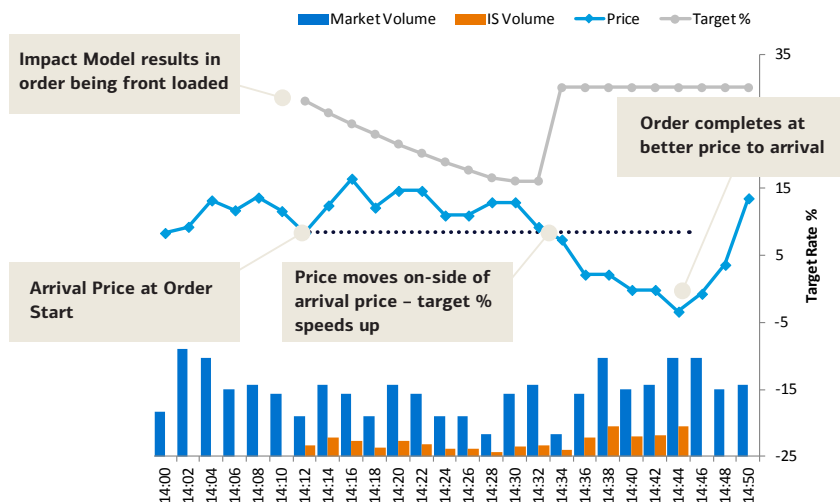
IS (Implementation Shortfall) aims to minimize market impact versus arrival by dynamically adjusting target participation using both a user specified trading style (Reversion, Momentum or Neutral) and a proprietary market impact model.

Parameters

Start / End Time : Order Start / End Time (Default: Time of submission, market open / close)
 Scaling : Reversion / Momentum / Neutral (Default: Neutral)
 Urgency : Low Risk (Tgt 10%) / Medium Risk (Tgt 20%) / High Risk (Tgt 30%)
 Max / Min % Volume : Controls the Max and Min participation rate (Default: None)
 GetDone Price : Price where the order will look to complete (Default: Not enabled)
 GetDone %* : Percentage of the order to complete at GetDone Price (Default: 100%)
 Auction Participation : Select auctions to participation in (Default: All)^

Example

“Buy 250,000 ABC, IS with Reversion scaling”



Good for

- Targeting an arrival price benchmark based on your preferred trading style
- When you have a story view on price movement

Watch out for

- Completion is not guaranteed
- Orders with a GetDone Price may exceed your Max% Volume

^ No participation in Japan closing auction

* Where available. Talk to your Electronic Trading sales representative for configuration options

QMOC (Quantitative Market on Close)

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Description

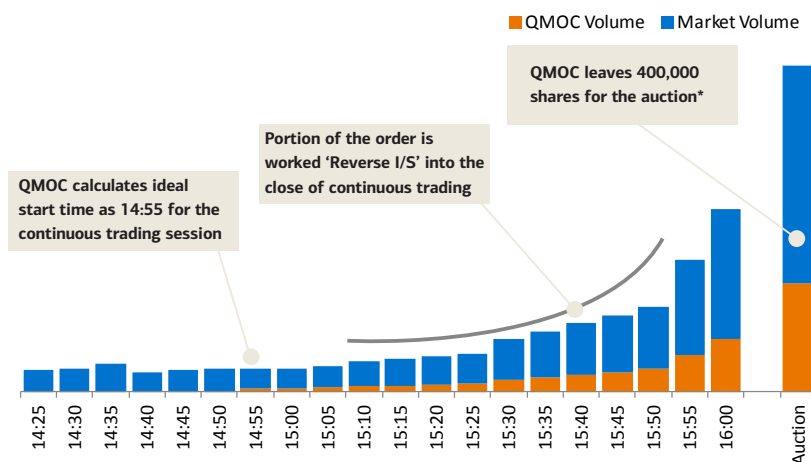
QMOC (Quantitative Market on Close) targets the closing price by scheduling trading based on order size, stock volatility and trader urgency. Select an urgency of 'High' to start later in the trading day, 'Low' to start earlier. You can limit your participation to the closing auction period only by selecting 'MOC Only'.

Parameters

Start Time : Order Start Time (Default: later of QMOC calculated and user specified time)
Urgency : Low (Start Early) / Medium / High (Start Later) (Default: Medium)
Auction Participation : MOC Only (Default: OFF)

Example

"Buy 500,000 ABC, market on close. Happy to start early to avoid market impact"



* QMOC takes each markets closing mechanism into account.

Hong Kong : QMOC takes liquidity every 15 seconds in the last minute as per closing mechanism.

India : QMOC trades VWAP from calculated order start time

Good for

- Targeting Market On Close without having unnecessary impact
- Trading MOC only

Watch out for

- Without 'MOC only' selected, QMOC can start early.
- Stocks with unstable closing volumes

Description

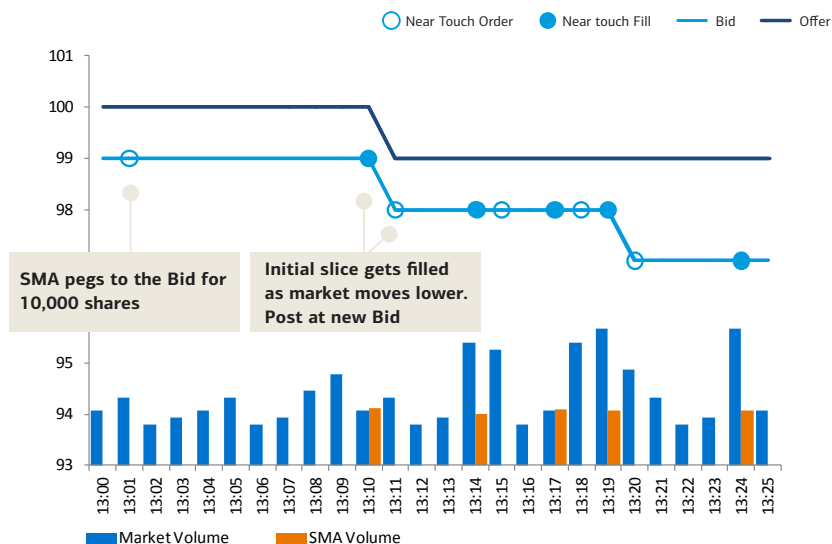
Smart Market Access (SMA) is a Smart DMA strategy that adheres to the market microstructure and exchange rules across Asia Pacific. By default, SMA offers Iceberg and Peg functionality. Set a display size to only show a portion of your order at one time. Select a 'Peg To' price and optional 'Peg Offset' to follow a prevailing market price.

Parameters

Peg To : Price point to peg to BID/ASK/NEAR/FAR (Default: OFF)
Peg Offset : Price (in ticks) to adjust your selected 'Peg To' (Default: 0)
Display Size : Quantity of shares to display at the Peg or Limit Price (Default : Instinct calculated)

Example

"Buy 50,000 shares in ABC, peg to the bid and only show 10,000 shares at a time"



Good for

- Direct access to the order book
- Earning the spread (Peg)
- Limiting market impact by hiding your true order size (Iceberg)

Watch out for

- Use limit prices to avoid market impact
- Completion is not guaranteed
- Stock price momentum against you when using Peg

Description

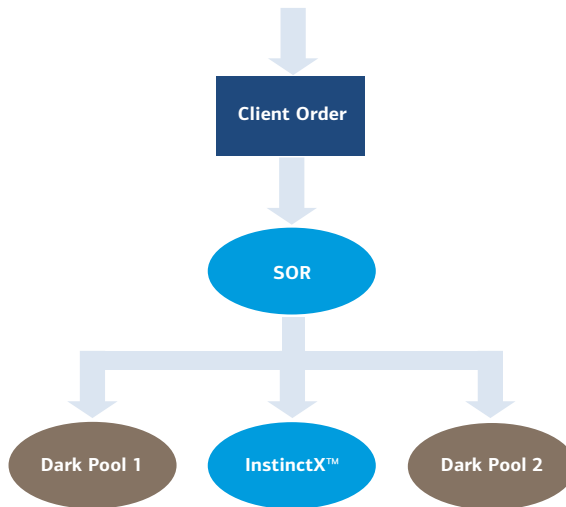
Blockseeker™ is a dark only strategy that can access both Instinct X and external exchange dark liquidity venues (Australia only). Set a 'Cross Price' to peg the order to Mid, Near, Far touch and a 'Min Cross Quantity' to avoid fills below a specified size (MAQ).

Parameters

Start / End Time : Order Start / End Time (Default: Time of submission, market open / close)
Min Cross Quantity : Minimum fill size in number of shares (Default: 1)
Cross Price : Peg to Near Touch, Mid, Far Touch (Default: Mid)

Example

"Buy 1 million ABC, dark only and pegged to the mid price. Use an MAQ of 100,000 shares"



Good for

- Minimising information leakage and market impact
- Searching for block liquidity by using an MAQ

Watch out for

- No guarantee of completion

Description

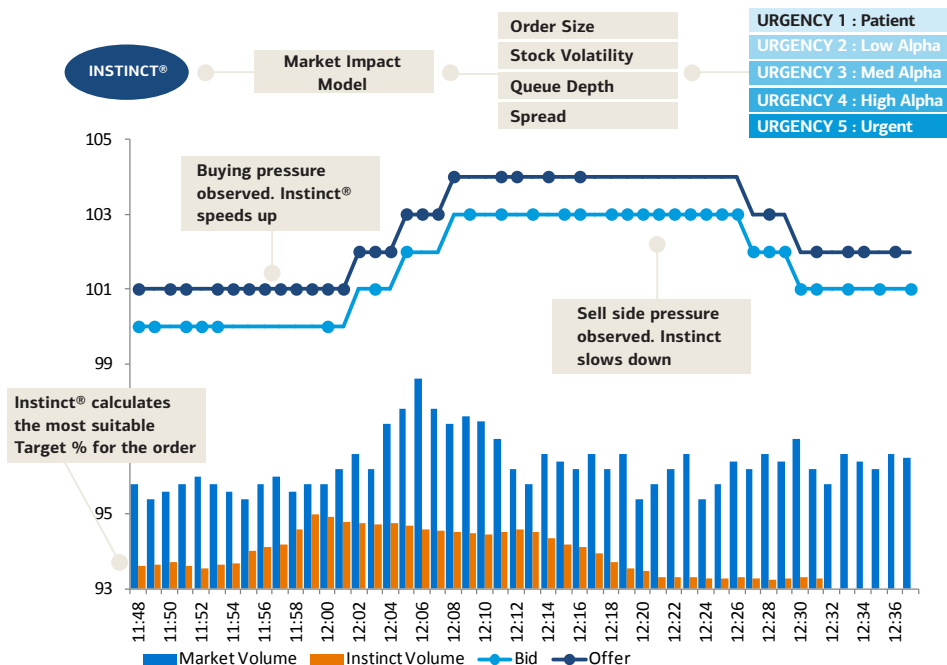
INSTINCT® combines stock specific characteristics and 'Urgency' to determine the ideal average participation rate. The algorithmic continuously monitors real-time order book dynamics using the instinct signaling framework to minimise market impact. With 5 urgency levels at your disposal, take full control of your execution with a simple parameter change.

Parameters

Start / End Time : Order Start / End Time (Default: Time of submission, market open / close)
Urgency[^] : 1=5-10%, 2=10-20%, 3=20-30%, 4=30-35%, 5=GetDone
Max% Volume : Controls the maximum participation rate (Default: None)
GetDone Price : Price where the order will look to complete (Default: Not enabled)
GetDone %* : Percentage of the order to complete at GetDone Price (Default: 100%)

Example

"Buy 2M ABC, Instinct 3 with a 110 limit"



Good for

- The go-to algorithm for smart participation and flexibility

Watch out for

- Urgency 5 will be aggressive, use limits

* Where available. Talk to your Electronic Trading sales representative for configuration options

[^] Controls the average participation range

Description

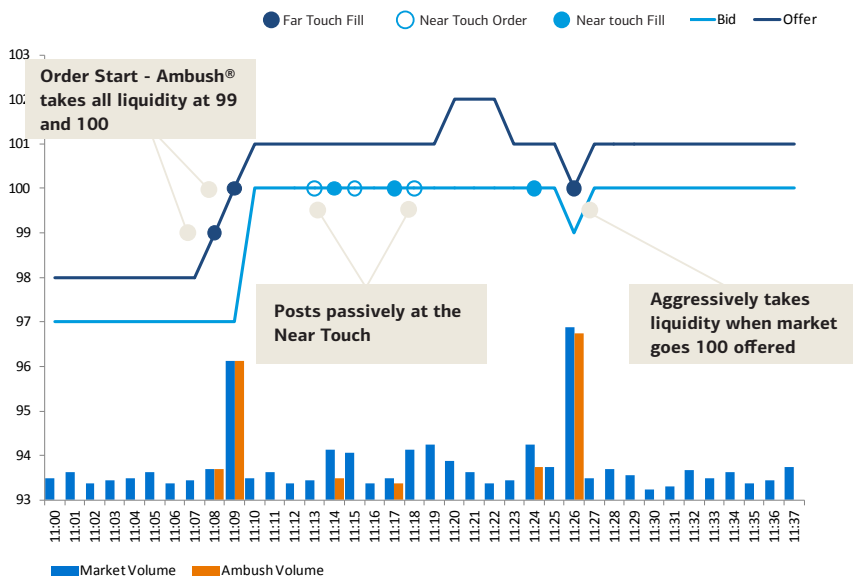
Ambush® is a liquidity seeking strategy that looks to intelligently take volume up to your limit price. With 'Post' and 'No-Post' options you have the ability to passively queue in the market whilst constantly monitoring the order book for liquidity taking opportunities.

Parameters

Start / End Time : Order Start / End Time (Default: Time of submission, market open / close)
 Urgency : Low / Medium / Get Done (Default: Medium)
 Allow Post : Allow / Not Allow (Default: Post)

Example

"Buy 100,000 ABC aggressively up to 100, happy to post"



Good for

- Liquidity taking at a price level

Watch out for

- Strategy can be very aggressive – use limit prices where possible to minimize impact
- With Post enabled, strategy can compress the spread to your limit

Algorithmic Trading Order Manager

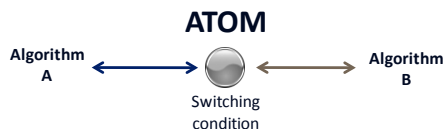
Algorithmic Trading Order Manager gives you the ability to create custom algorithms individually tailored to your trading style. Speak to your Electronic Trading Sales representative to discuss the options available and to begin the customization process.

Examples

Switch from VWAP to INSTINCT® when the stock price moves on side of arrival (or previous close, etc.)

Switch from POV to VWAP in the last 30 minutes of your order to ensure completion

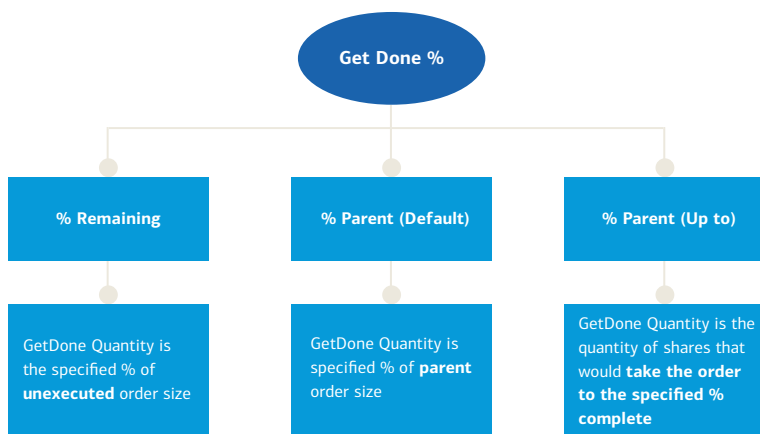
Switch from AMBUSH to INSTINCT® when my order is 20% complete



Never loose queue priority on algo switches and amendments

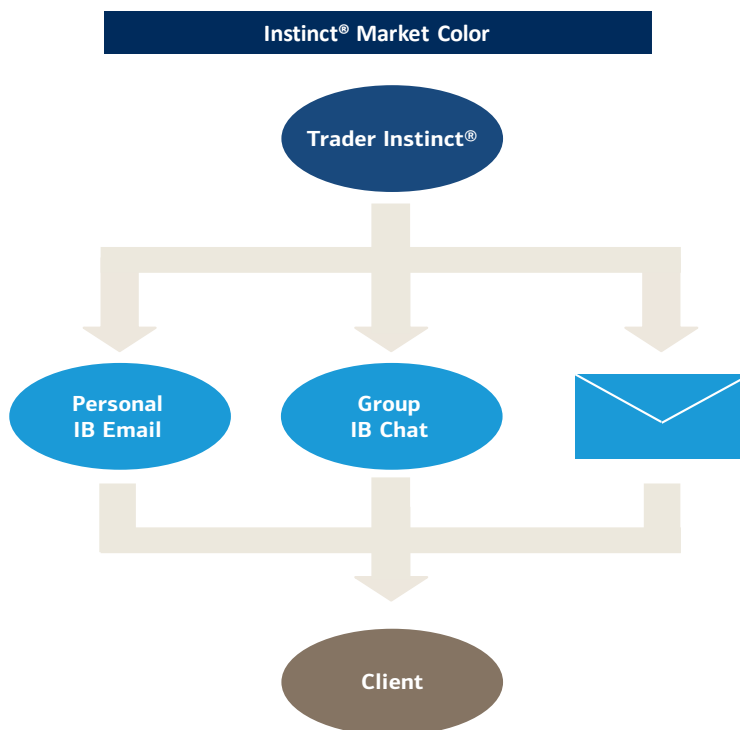
Get Done%

Adding an additional level of flexibility, 'Get Done %' allows users to choose the percentage of the order to complete at the 'GetDone Price' (Default is 100% of the remaining order size). 'GetDone %' can be configured in 3 different configurations – speak to your Electronic Trading Sales representative to enable.



Description

Trader Instinct® monitors real time order, stock and market conditions. Via 'Market Color' clients are alerted of events directly based on pre defined criteria. Used extensively by the Electronic Trading desk, Market Color alerts are highly customizable in order to meet your specific trading requirements.



Examples

Price Movement	: Tell me when the price moves 3% from arrival
Non Complete	: Alert me if my order is unlikely to get done
Dark Pool Fills	: Let me know if I start getting executions in Instinct X™
First Order	: Please acknowledge my first order of the day
No Executions	: Give me a heads up if a order isn't getting anything done
Stock Suspension	: Alert me if I send an order in a suspended stock

Trader Instinct® delivers a wide range of safety checks which can be configured and set as required. Going beyond standard fat-finger limits, Trader Instinct® monitors real-time market and order conditions to protect your order throughout the trading cycle.

Standard Safety Features

The following set of fat finger checks apply to each order (configured separately per client)

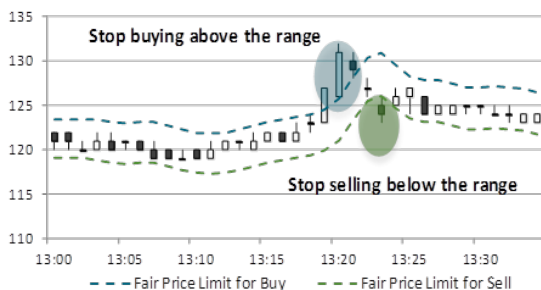
Price Limit Checks	: Maximum distance away from 'Last' traded price
Order Size Limits	: Maximum order size (Notional)
Daily Limits	: Maximum Turnover (Notional)
ADV %	: Maximum allowable order size as % of historical ADV%
Minimum Trade Frequency	: Minimum acceptable trade frequency

Dynamic Safety Features

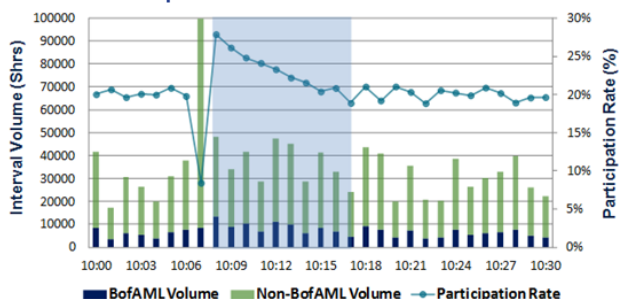
In addition to our standard set of safety checks, the following dynamic features protect you during the trading life cycle.

Circuit Breaker Alert	: When stock moves ~5% away from arrival
Circuit Breaker Pause	: When stock moves ~7.5% away from arrival
Circuit Breaker Stop	: When stock moves ~10% away from arrival
Fair Price Control	: Trailing VWAP-based secondary price limit to avoid price spikes
Instinct Iceberg Logic	: Ensures sensibly sized orders are sent to market
Gradual Catch Up	: Avoid market impact during unexpected volume spikes

Fair Price Control



Gradual Catch Up



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