



ToB Spoofing

Scaring someone into hitting my order

Definitions

Central limit order book view

Best bid/offer along with executed trades shown with respect to time

Current time marker

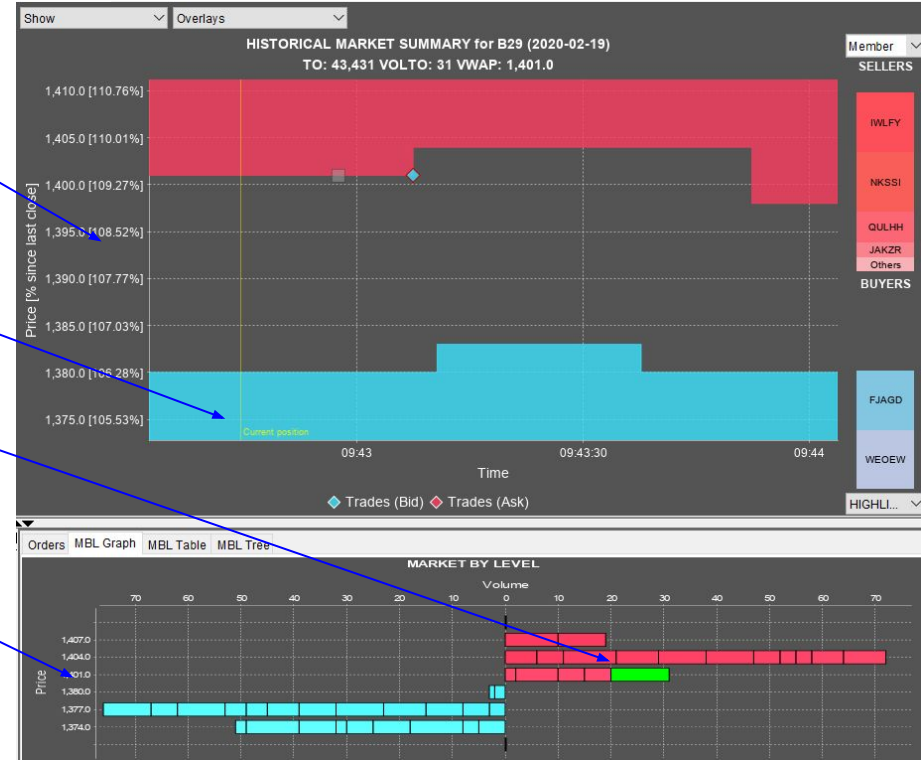
The yellow line shows for what point in time time Market-By-Level is shown

Highlight of a spoofer's activity

The green orders are associated with the endUserRef of the spoofing participant

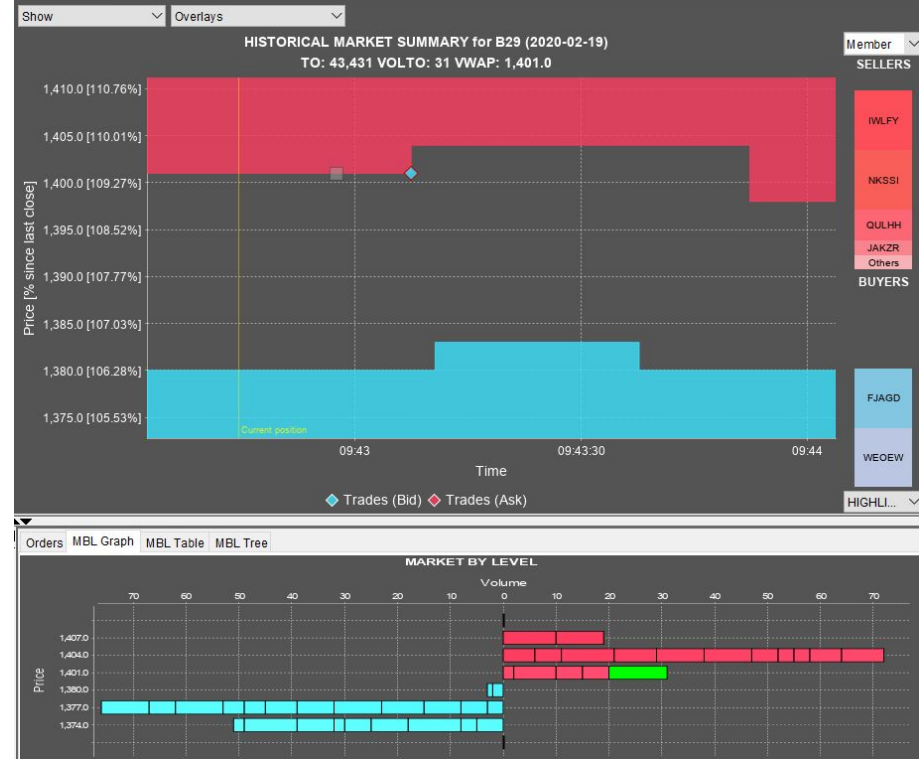
Market-By-Level “snapshot” view

Shows the orders at top 3 price levels for each side at a specific point in time



No one is hitting my ToB ask order

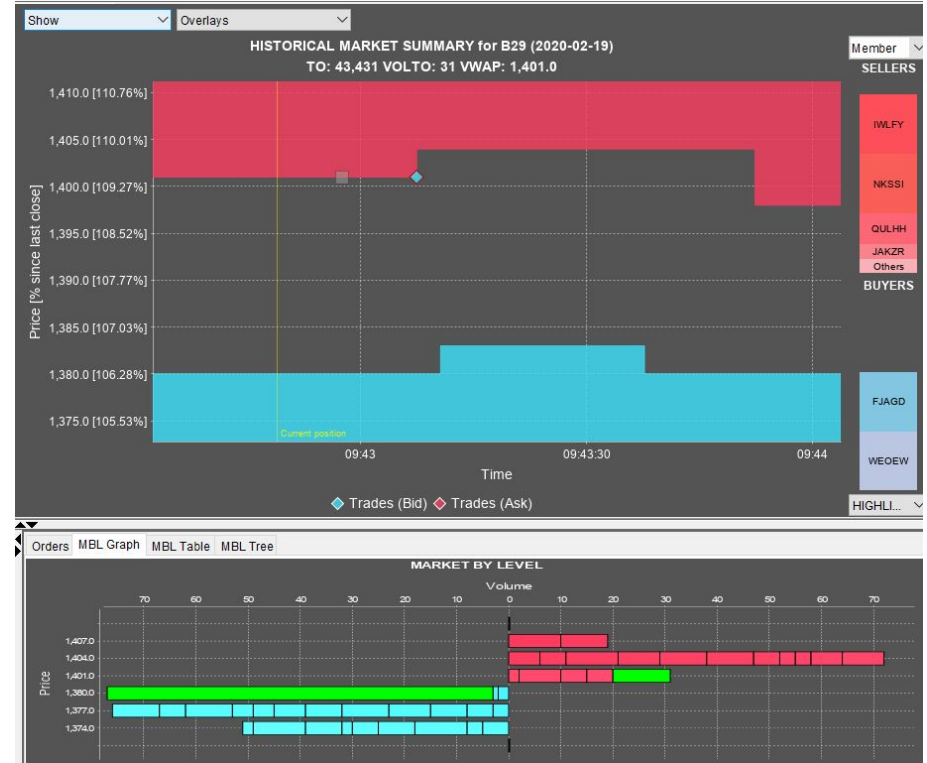
There's gotta be something I can do?



I know, let's pretend there's a big buyer!

Insert a large order at best bid price.

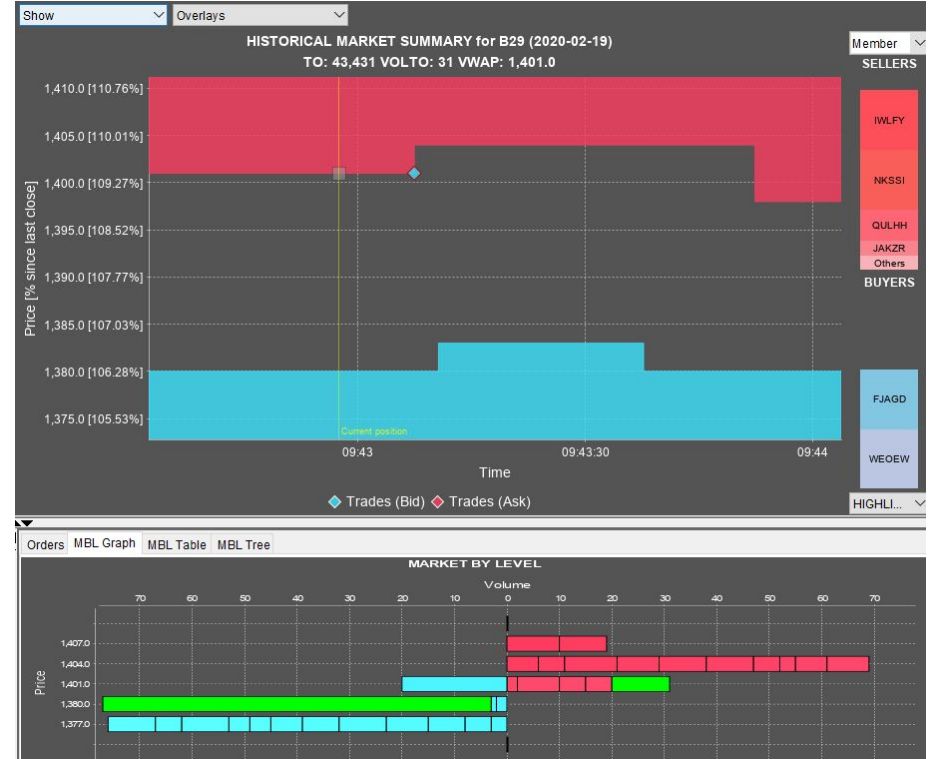
Others will get ready for things to move upwards when seeing this.



And so it begins...

Already is someone starting to buy aggressively.

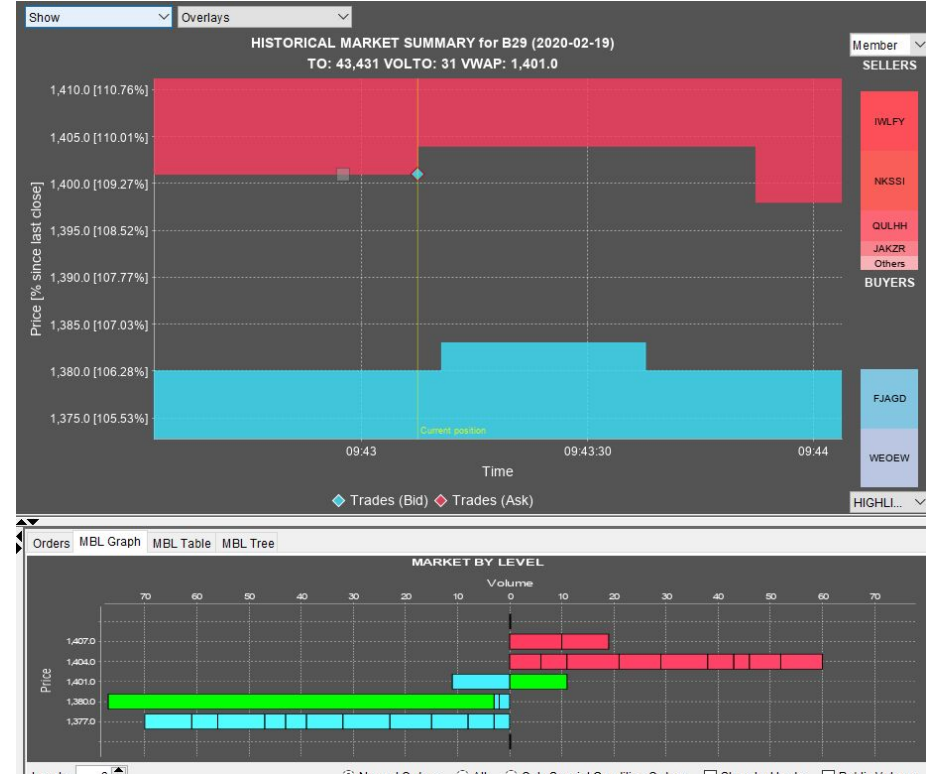
Almost hitting our order!



Bingo!

After a few more moments someone also hits our resting ask order.

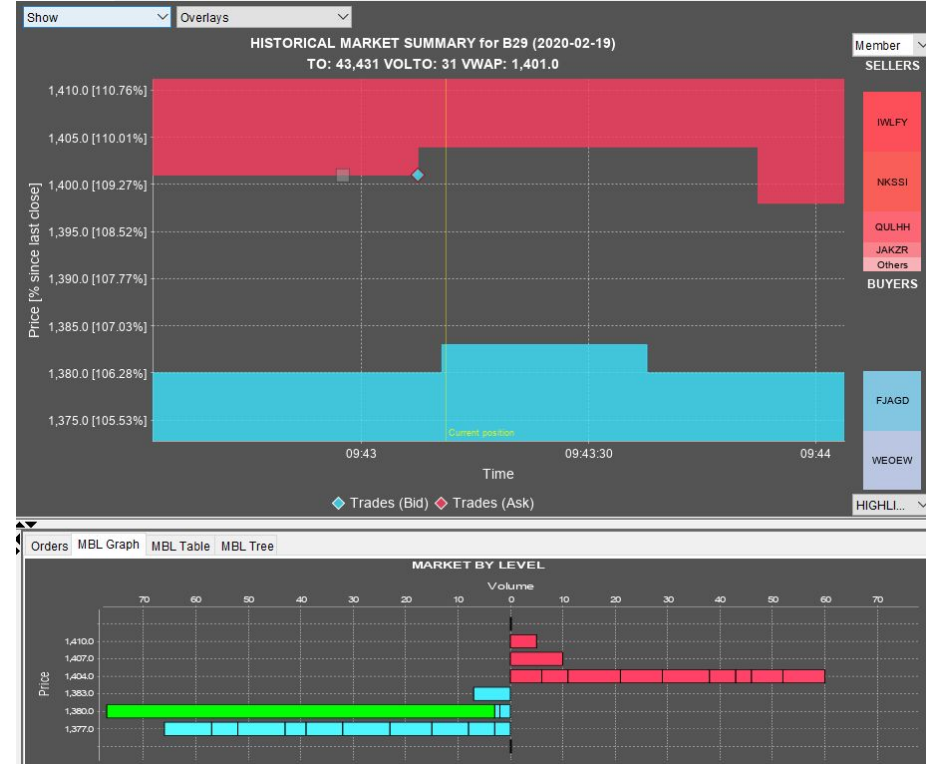
We've done it!



It even affects prices

Due to the trades the market moves upwards a price increment.

All because of me.



Let's get out of here!

I quickly remove my large spoofing order.

Glancing into the future (the right), we can see that markets then return back one tick downwards in response to the removal of my large spoofing order.

