

Week 10

Research Problem

1. ASIC found that many brokers reported TWPI that do not actually with improvement. Either they were at best bid/ask or worse than that. But ASIC does not published the report. Therefore, we want to know how the violation occurred since the introduction of the rule in 2011.
2. The purposes of rule change in 2013 (limit TWPI to within best bid/ask exclusively) are:
 - encourage more trading to occur in lit market
 - protect lit orders from being traded ahead of by dark trades at the same price
 - address the impact of dark liquidity on price formation, market quality and fairness

Therefore, we want to know how effective is this rule change in 2013: did TWPI trades significantly decrease in percentage of total trades? (to answer purpose no 1)

Data

- TWPI trades on ASX200 since the introduction of the TWPI rule in 2011, until 2016. New columns of within, at, or outside best bid/ask.
- Everything about Big Machine, where can I read about it?
- Brokers with the most special trades (Fill and Kill, All or Nothing, Iceberg), to analyse the correlation to the TWPI

Analysis

- Violation of TWPI by numbers, from 2011 - 2016
- Rules change in 2013, how they impact the numbers of TWPI
- What type of brokers did the most violation? Are they informed brokers (institutional)?

- Do brokers with the most special orders tend to do TWPI? if yes, then we have initial connection that TWPI is informed transaction (for future work)