Dear Chair Gensler:

This chart shows the volume-weighted price improvement by exchange over the NBBO for the first 1000 trades on 33 illiquid stocks that traded between $10 and $50 on 11/15/22. The smaller the number, the closer the weighted trade was to either the NBB or the NBO, meaning the worse the fill was for the customer.

The FINRA trades (red) are the ones that I want to highlight, as they include all the PFOF, internalized, and dark pool reporting. FINRA reported trades are .0055 worse than NYSE, .024 worse than ISLD and a staggering .056 worse than IEX per share. The width of the bars is the total volume traded.

Chart, bar chart, histogram

Description automatically generated

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| --- | --- | --- | --- |
| Exchange | Trade count | Total Volume | Improvement\_off\_NBBO |
| AMEX | 110 | 5599 | 0.064 |
| DRCTEDGE | 987 | 46701 | 0.084 |
| BEX | 173 | 2878 | 0.093 |
| BYX | 300 | 6702 | 0.094 |
| FINRA | 3006 | 211549 | 0.105 |
| NYSE | 210 | 7090 | 0.110 |
| PEARL | 20 | 876 | 0.118 |
| PSX | 39 | 821 | 0.121 |
| BATS | 675 | 14702 | 0.122 |
| CHX | 56 | 3036 | 0.124 |
| NYSENAT | 59 | 1206 | 0.124 |
| ARCA | 1102 | 33934 | 0.126 |
| MEMX | 244 | 8701 | 0.128 |
| ISLAND | 3999 | 146967 | 0.128 |
| IEX | 997 | 41783 | 0.162 |
| EDGEA | 244 | 5786 | 0.167 |

The data, the code, and the study are here:

<https://github.com/jaredalbert/FINRA_Execution_Quality_Project/>

Thank you for reading this and kind regards,

Jared Albert