State of the Options Industry

Listed Options Symposium

September 18, 2019

Henry Schwartz

Supporting data available from hschwartz@trade-alert.com or 212-372-8020
2019 Option Open Interest

9/17/19 YTD OI PEAK 327.3M contracts

@UTIL
@TELCO
@MAT
@IND
@HLTH
@FIN
@ENER
@CONST
@CONDI
@IT
@index
@ETF
Average Daily Volume and "Edge"
Price vs FT Options Theo Value

- Index - Volume and Edge
- ETF - Volume and Edge
- Stock - Volume and Edge

Contract Volume

Avg Daily Theoretical Edge

- INDEX DAILY EDGE, $28.8M
- ETF DAILY EDGE, $23.5M
- STOCK DAILY EDGE, $40.1M

2018
- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

2019
- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
Activity Concentration
Market Quality

BID-ASK TREND
Top 25 Single Stock

Average of Effective Spread
Average of Quoted Bid-Ask/2
Average of VIX

Basket: AAPL, AMD, AMZN, BABA, BAC, C, CSCO, F, FB, GE, INTC, JD, JPM, MSFT, MU, NFLX, NVDA, PBR, SNAP, SQ, T, TSLA, TWTR, WFC, WMT

Data: AUG30 2019 Trade Alert LLC
Market Quality

BID-ASK TREND
SP500 Bottom100

- Average of Effective Spread
- Average of Quoted Bid-Ask/2
- Average of VIX

$SPREAD

$0.30

$0.25

$0.20

$0.15

$0.10

$0.05

$0.00

VIX INDEX

30

25

20

15

10

5

0

AEE, AES, AIV, AIZ, AJG, ALLE, AME, AMF, AN, AON, APD, APH, AVB, AVY, AYI, B, BXP, CB, CHD, CINF, CMS, CNP, CTAS, DGX, DISCK, DTE, ECL, ED, EFX, EQU, EQR, ES, ESS, ETR, EXR, FLS, FMC, FOX, FRT, FTV, GPC, GPX, HCP, HOLX, HRS, JPC, JEC, KIM, KLAC, LH, LLL, LNC, LNT, MAC, MCO, MMC, MTB, NAVI, NI, NTRS, NWS, NWS, H, OI, ORLY, PCAR, PDCO, PEG, PKI, PLD, PNW, PSA, REG, RHI, ROP, RSG, SEE, SIM, SLG, SRCL, SRE, TDC, TDG, TEL, TGIN, TMK, TSS, UDR, UHS, VAR, VN, VRSK, VRSN, WAT, WEC, WLTW, XEL, XYL

Data: AUG 30 2019 Trade Alert LLC
Alternative Expirations

Average of %QTRLY
Average of %WKLY

Data: AUG 30 2019 Trade Alert LLC
Short-Dated Shift

Data: AUG 30 2019 Trade Alert LLC
Complex Orders

INDEX

- Vertical: 36%
- Tied: 12%

ETF & STOCK

- Diagonal: 8%
- TimeSpread: 6%
- RiskRev: 6%
- TiedSpread: 5%
- Combo: 4%

OTHER: 19%

Data: AUG 30 2019 Trade Alert LLC
Cross-Asset ETFs

- US EQUITY: 77%
- VOLATILITY: 4%
- RATES: 5%
- COMMODITY: 5%
- CURRENCY: 0%

RATES
- CURRENCY (UUP, FXE, FXY, EUO, FXB)
- RATES (HYG, TLT, EMB, TBT, LQD...)
- COMMODITY (USO, GLD, SLV, UNG, UCO...)
- GLOBAL EQUITIES (EWZ, FXI, EFA, EWW, FEZ...)
- VOLATILITY (VXX, VXXB, UVXY, SVYX, VIXY, VXXB...)

- Global Equity: +28%
- Rates: +12%
- Volatility: -23%
- Commodity: +15%

AUG 30 2019 Trade Alert LLC
GOLD OPTIONS RUSH
AS SHARE OF NONINDEX

- GoldOpenInterestShare
- GoldOptionVolumeShare
- GLD Close

GLD CLOSE
Sep 4-Sep, $146.66

GOLD sector Option Volume
Jun 25-Jun, 9.8%

GLD CLOSE
May 29-May, $120.87

GLD CLOSE
May 29-May, $120.87
MARKET ACCESS

Smart Routed Flow
non-index, outright

SweepTrades Share
SweepVolume Share

12383 contracts traded at $0.25 starting at 10:06:31.888
- 2 contracts traded at $0.25 on the [AMX] at 10:06:31.860
- 15 contracts traded at $0.25 on the [ARCA] at 10:06:31.888
- 300 contracts traded at $0.25 on the [ARCA] at 10:06:31.888
- 200 contracts traded at $0.25 on the [ARCA] at 10:06:31.888
- 4 contracts traded at $0.25 on the [ARCA] at 10:06:31.888
- 5 contracts traded at $0.25 on the [ARCA] at 10:06:31.888
- 2 contracts traded at $0.25 on the [ARCA] at 10:06:31.860

12383 BP Sep 41.0 Calls $0.25 (FT Tipe=0.25) O/S [MULTI] 10:06:31
BZX 3060 x $0.25 -- $0.25 x 691 BZX BP=35.60 OPENING

Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4
0% 1% 2% 3% 4% 5% 60%
0% 10% 20% 30% 40% 50% 60%
Smart Routed Volume
Smart Routed Trades
OPRA NOV 2019 - Seven legacy condition codes replaced with 20 new codes

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FLEX OPTIONS VOLUME

FLEX Option Volume Leaders 2019 YTD

CONTRACT VOLUME

2.0M 4.0M 6.0M 8.0M 10.0M 12.0M 14.0M

Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4 Qtr1 Qtr2 Qtr3 Qtr4


Data: Sep 13 2019 Trade Alert LLC