

# ETO Market Maker Scheme

April 2024

## Role of ETO Market Makers

**Market Makers play an important role in the ASX options market. Market Makers compete against one another while trading on their own accounts and at their own risk. Under contractual arrangements with ASX, they are incentivised to achieve benchmark quoting requirements.**

The quoting requirements are to ensure liquidity in the market, so that traders are more easily able to trade into and out of an options position and also so that other traders and investors are more easily able to price and value options positions.

Liquidity is assisted when there are multiple Market Makers covering each stock. ETO Market Makers are contracted into one or more Classes (representing each underlying security) in which they must meet ASX's volume and spread requirements with maturities going out to a minimum of one year. This involves quoting buy and sell prices for a certain number of series, and/or responding to quote requests from other Market Participants for prices.

## Description of Quoting Requirements for Market Makers

For each option Class in which a Market Maker is responsible there are three quoting benchmark requirements. Market Makers are judged on their performance in making markets in certain series on a Continuous Basis and on making markets in response to Quote Requests in certain series.

- Minimum of 50% on the required Continuous Quoting benchmark;
- Minimum of 50% on the required Quote Request Quoting benchmark; and
- A combined minimum average of 70% on Continuous Quoting and Quote Request Quoting

## Continuous Quoting Benchmark

**Monthly Contracts:** A market maker is required to provide continuous quoting as per the below.

Top 20 ETO Class:

- 1) For American style single stock options, a market maker can choose between 3 different minimum benchmarks:
  - a. 48 option series per class (comprising 8 calls and 8 puts in any 3 of the first 6 expiration months)
  - b. 96 series (comprising 12 calls and 12 puts) in in any 4 of the first 7 expiry months.
  - c. 156 series (comprising 13 calls and 13 puts) in any 6 of the first 8 expiry months.
- 2) For European style single stock options, a market maker has the option to take up the following obligation:
  - a. 36 option series per class (comprising 6 calls and 6 puts in any 3 of the first 6 expiration months.

20+ ETO Class:

- 1) For American style single stock options, a market maker can choose between 3 different minimum benchmarks:
  - a. 24 option series per class (comprising 4 calls and 4 puts) in any 3 of the first 6 expiration months.
  - b. 36 option series per class (comprising 6 calls and 6 puts) in any 3 of the first 6 expiration months.
  - c. 72 series (comprising 9 calls and 9 puts) in in any 4 of the first 7 expiry months.
- 2) For European style single stock options, a market maker has the option to take up the following obligation:
  - a. 24 option series per class (comprising 4 calls and 4 puts in any 3 of the first 6 expiration months

Each order must be for at least the minimum quantity, and at or within the designated maximum spread requirements.

**Weekly Contracts:** A market maker is required to provide continuous orders in 24 American style series encompassing 6 calls and 6 puts in at least two weekly expiries. Each order must be for at least the minimum quantity, and at or within the designated maximum spread requirements.

## Quote Request Quoting Benchmark

The market maker is required to provide orders on request for all series up to a minimum of twelve months expiration in the minimum quantity and at or within the maximum spread.

## Minimum Contracts

Each security (Class) over which exchange traded options is listed whereby MMs have been contracted to meet obligations has been allocated a minimum number of contracts to quote designated by ASX. The number of contracts set by ASX takes into account the underlying security's liquidity and volatility whilst also considering the historic trading volumes of options for that given security. ASX will at times also consult with participants (generally Market Makers) in determining the appropriate level to be set.

## Quoting Requirement Notes

Investors in ASX ETOs should be aware of the following:

- Market Maker monitoring (as to the Market Maker's quoting performance against the benchmark requirements) is calculated over the course of a calendar month not daily.
- Market Maker monitoring (as to the Market Maker's performance against the benchmark requirements) times are: 10.00am – 4.00pm for single stock options; and 9.50am – 4.30pm for index options.
- Market Makers are not required to provide quotes in all series, or at all times, and as such there can be no guarantee that all series will have prices displayed. The ability of Market Makers to provide quotes can be impacted at times by a variety of factors including, company announcements, company corporate actions, liquidity in the underlying and its options, price volatility in the underlying and its options and trading system limitations. While these events may occur infrequently traders and investors should have a contingency plan to deal with an absence of quotes.

## Market Maker Coverage (AS AT 18 April 2024)

ETO Class	Min MM Quote Size	Susquehanna	Eclipse	UBS	Mako	Vivienne Court	J.P. Morgan
A2M	200	x	x		x		
AGL	200	x	x	x	x	x	
ALD	50	x	x	x	x		
ALL	50	x		x	x		
ALU	50	x	x		x		
AMC	200	x	x	x	x	x	
AMP	750	x	x	x	x	x	
ANN	50	x	x		x		
ANZ*	250	x w	x w	x	x w	x w	
APA	100	x		x	x		
ASX	30	x	x	x	x		
AWC*	750	x w	x w	x	x w	x w	
AZJ	400	x	x	x	x		
BEN	100	x	x	x	x		
BGL	500	x	x		x		
BHP*	200	x w	x w	x	x w	x w	
BLD	200	x	x	x	x		
BOQ	300	x	x	x	x	x	
BPT	1000	x	x		x		
BSL	200	x	x	x	x	x	
BXB	200	x	x	x	x	x	
CAR	150	x			x		
CBA*	100	x w	x w	x	x w	x w	
CHN	500	x			x		
COL	100	x	x	x	x	x	
CPU	100	x	x	x	x		
CSL*	20	x w	x w		x w	x w	
CSR	500	x		x	x		
CTD	150	x			x		
CWY	400	x		x	x		
DMP	100	x	x		x		
DXS	200	x		x	x		
EDV	200	x	x	x	x	x	
EVN	400	x	x		x	x	
FLT	100	x	x		x	x	
FMG*	300	x w	x w	x	x w	x w	
FPH	150	x			x		
GMG	100	x	x	x	x	x	
GOR	750	x	x		x		
GPT	300	x	x	x	x		

ETO Class	Min MM Quote Size	Susquehanna	Eclipse	UBS	Mako	Vivienne Court	J.P. Morgan
HVN	300	x	x	x	x		
IAG	500	x	x	x	x	x	
IEL	150	x			x		
IFL	200	x	x		x		
IGO	200	x w	x w	x	x w	x	
ILU	100	x	x		x		
IPL	1000	x	x	x	x	x	
IVV+	100		x		x		
JBH	100	x	x		x		
JHX	50	x			x		
LLC*	150	x w	x w	x	x w	x	
LOV	150	x			x		
LYC	300	x w	x	x	x w	x	
MGR	1000	x	x	x	x		
MIN	30	x	x	x	x	x	
MPL	300	x	x	x	x		
MQG*	30	x w	x w	x	x w	x w	
MTS	750	x	x	x	x		
NAB*	200	x w	x w	x	x w	x w	
NDQ+	100		x		x		
NEC	750	x	x	x	x	x	
NHC	200	x	x		x		
NST	200	x w	x		x w	x	
NXT	200	x		x	x		
ORG	200	x	x		x	x	
ORI	100	x		x	x		
PDN	100	x	x		x		
PLS	200	x w	x	x	x w	x	
QAN*	300	x	x	x	x	x	
QBE	150	x	x	x	x	x	
REH	150	x			x		
RHC	50	x	x		x		
RIO*	50	x w	x w	x	x w	x w	
RRL	500	x	x		x		
S32*	300	x w	x w	x	x w	x w	
SCG	500	x	x	x	x	x	
SDF	200	x		x	x		
SEK	100	x			x		
SFR	300	x			x		
SGM	100	x			x		
SGP	400	x	x	x	x		
SGR	400	x			x		

ETO Class	Min MM Quote Size	Susquehanna	Eclipse	UBS	Mako	Vivienne Court	J.P. Morgan
SHL	100	x			x	x	
SOL	150	x			x		
STO*	200	x w	x w	x	x w	x w	
STW+	100		x		x		
SUN	200	x	x	x	x	x	
TAH	500	x		x	x		
TCL*	300	x	x	x	x	x	
TLC	200	x	x	x	x		
TLS*	1000	x w	x w	x	x w	x w	
TPG	200	x	x		x		
TWE	250	x			x		
VGS+	50		x		x		
VUK	400	x	x		x		
WBC*	150	x w	x w	x	x w	x w	
WDS*	100	x w	x w	x	x w	x w	
WES*	50	x w	x w	x	x w	x w	
WHC	200	x	x	x	x	x	
WOR	200	x			x		
WOW*	100	x w	x w	x	x w	x w	
WTC	50	x			x		
XRO	20	x	x	x	x		
XJO	20	x w	x w	x w	x w	x w	x w

\*Top 20 ETO Class +Option over ETF X = Monthly Contract W = Weekly Contract

## Market Maker Quote Schedule & Minimum Quote Size (AS AT 18 April 2024)

ETO Class	Quote Schedule Weeklies	Quote Schedule Monthly Spot - Spot+2	Quote Schedule Monthly (Spot+3 - Spot+7)	Quote Schedule Monthly (>Spot+7)	Min MM Quote Size (Spot - Spot+7)	Min MM Quote Size (> Spot+7)
A2M	3	2	3	4	200	100
AGL	3	2	3	4	200	100
ALD	4	3	4	5	50	25
ALL	4	3	4	5	50	25
ALU	5	4	5	6	50	25
AMC	3	2	3	4	200	100
AMP	2	1	2	3	750	375
ANN	4	3	4	5	50	25
ANZ*	4	3	4	5	300	150
APA	3	2	3	4	100	50
ASX	5	4	5	6	50	25
AWC*	2	1	2	3	750	375
AZJ	2	1	2	3	400	200
BEN	3	2	3	4	100	50
BGL	2	1	2	3	500	250
BHP*	5	4	5	6	200	100
BLD	3	2	3	4	200	100
BOQ	3	2	3	4	300	150
BPT	2	1	2	3	1000	500
BSL	4	3	4	5	150	75
BXB	3	2	3	4	200	100
CAR	4	3	4	5	150	75
CBA*	6	5	6	7	100	50
CDA	4	3	4	5	100	50
CHN	2	1	2	3	500	250
COL	3	2	3	4	200	100
CPU	3	2	3	4	100	50
CSL*	7	6	7	8	20	10
CSR	3	2	3	4	500	250
CTD	4	3	4	5	150	75
CWY	3	2	3	4	400	200
DMP	5	4	5	6	100	50
DXS	4	3	4	5	200	100
EDV	3	2	3	4	200	100
EVN	2	1	2	3	400	200
FLT	4	3	4	5	100	50
FMG*	4	3	4	5	300	150
FPH	4	3	4	5	150	75
GMG	3	2	3	4	200	100
GOR	2	1	2	3	750	375
GPT	3	2	3	4	300	150
HVN	3	2	3	4	300	150
IAG	3	2	3	4	500	250
IEL	4	3	4	5	150	75
IFL	2	1	2	3	300	150
IGO	3	2	3	4	200	100
ILU	3	2	3	4	100	50
IPL	2	1	2	3	1000	500
IVV+	7	6	7	8	100	50
JBH	5	4	5	6	100	50
JHX	5	4	5	6	50	25

LLC*	3	2	3	4	150	75
LOV	4	3	4	5	150	75
LYC	3	2	3	4	300	150
MGR	2	1	2	3	1000	500
MIN	7	6	7	8	30	15
MPL	2	1	2	3	300	150
MQG*	6	5	6	7	30	15
MTS	2	1	2	3	750	375
NAB*	4	3	4	5	250	125
NDQ+	6	5	6	7	100	50
NEC	2	1	2	3	750	375
NHC	4	3	4	5	200	100
NST	3	2	3	4	200	100
NXT	4	3	4	5	200	100
ORG	3	2	3	4	200	100
ORI	3	2	3	4	100	50
PDN	3	2	3	4	100	50
PLS	3	2	3	4	200	100
QAN*	3	2	3	4	300	150
QBE	3	2	3	4	150	75
REH	4	3	4	5	150	75
RHC	5	4	5	6	50	25
RIO*	6	5	6	7	50	25
RRL	2	1	2	3	500	250
S32*	2	1	2	3	300	150
SCG	2	1	2	3	500	250
SDF	3	2	3	4	200	100
SEK	4	3	4	5	100	50
SFR	3	2	3	4	300	150
SGM	3	2	3	4	100	50
SGP	2	1	2	3	400	200
SGR	2	1	2	3	400	200
SHL	4	3	4	5	100	50
SOL	5	4	5	6	150	75
STO*	3	2	3	4	400	200
STW+	5	4	5	6	100	50
SUN	3	2	3	4	200	100
TAH	2	1	2	3	1000	500
TCL*	3	2	3	4	300	150
TLC	3	2	3	4	200	100
TLS*	2	1	2	3	1000	500
TPG	2	1	2	3	200	100
TWE	3	2	3	4	150	75
VGS+	8	7	8	8	50	25
VUK	2	1	2	3	400	200
WBC*	4	3	4	5	300	150
WDS*	4	3	4	5	100	50
WES*	5	4	5	6	50	25
WHC	4	3	4	5	200	100
WOR	3	2	3	4	200	100
WOW*	5	4	5	6	100	50
WTC	4	3	4	5	30	15
XRO	7	6	7	8	20	10
XJO	11	10	11	12	20	10

## Quoting Schedules (Max Spreads) for ETO classes

### SCHEDULE 1

Premium range (Bid based)	Maximum Spread (cents)
0 to 9.5 cents	4
10 to 19.5 cents	5
20 to 34.5 cents	7
35 to 59.5 cents	9
60 to 119.5 cents	10
120 to 99999999.5 cents	12

### SCHEDULE 2

Premium range (Bid based)	Maximum Spread (cents)
0 to 9.5 cents	5
10 to 19.5 cents	6
20 to 34.5 cents	8
35 to 59.5 cents	10
60 to 119.5 cents	12
120 to 99999999.5 cents	14

### SCHEDULE 3

Premium range (Bid based)	Maximum Spread (cents)
0 to 9.5 cents	6
10 to 19.5 cents	7
20 to 34.5 cents	9
35 to 59.5 cents	12
60 to 119.5 cents	14
120 to 179.5 cents	18
180 to 250.5 cents	22
251 to 99999999.5 cents	35

### SCHEDULE 4

Premium range (Bid based)	Maximum Spread (cents)
0 to 9.5 cents	8
10 to 19.5 cents	10
20 to 34.5 cents	15
35 to 59.5 cents	20
60 to 119.5 cents	30
120 to 179.5 cents	40
180 to 250.5 cents	50
251 to 499.5 cents	60
500 to 99999999.5 cents	70



## SCHEDULE 5

Premium range (Bid based)	Maximum Spread (cents)
0 to 9.5 cents	10
10 to 19.5 cents	12
20 to 34.5 cents	18
35 to 59.5 cents	24
60 to 119.5 cents	35
120 to 179.5 cents	45
180 to 250.5 cents	55
251 to 499.5 cents	65
500 to 749.5 cents	75
750 to 99999999.5 cents	85

## SCHEDULE 6

Premium range (Bid based)	Maximum Spread (cents)
0 to 9.5 cents	12
10 to 19.5 cents	15
20 to 34.5 cents	20
35 to 59.5 cents	25
60 to 119.5 cents	35
120 to 179.5 cents	45
180 to 250.5 cents	60
251 to 499.5 cents	70
500 to 749.5 cents	80
750 to 999.5 cents	90
1000 to 99999999.5 cents	110

## SCHEDULE 7

Premium range (Bid based)	Maximum Spread (cents)
0 to 9.5 cents	14
10 to 19.5 cents	17
20 to 34.5 cents	28
35 to 59.5 cents	38
60 to 119.5 cents	48
120 to 179.5 cents	58
180 to 250.5 cents	70
251 to 499.5 cents	80
500 to 749.5 cents	100
750 to 999.5 cents	120
1000 to 1499.5 cents	135
1500 to 1999.5 cents	175
2000 to 99999999.5 cents	360

## SCHEDULE 8

Premium range (Bid based)	Maximum Spread (cents)
0 to 9.5 cents	15
10 to 19.5 cents	20
20 to 34.5 cents	30
35 to 59.5 cents	40
60 to 119.5 cents	50
120 to 179.5 cents	60
180 to 250.5 cents	75
251 to 499.5 cents	90
500 to 749.5 cents	110
750 to 999.5 cents	130
1000 to 1499.5 cents	150
1500 to 1999.5 cents	190
2000 to 5999.5 cents	400
6000 to 99999999.5 cents	500

## SCHEDULE 10

Premium range (Bid based)	Maximum Spread (points)
0 to 9 cents	5
10 to 19 cents	6
20 to 34 cents	8
35 to 59 cents	10
60 to 119 cents	12
120 to 179 cents	16
180 to 249 cents	20
250 to 499 cents	32
500 to 9999999 cents	45

## SCHEDULE 11

Premium range (Bid based)	Maximum Spread (points)
0 to 9 cents	6
10 to 19 cents	7
20 to 34 cents	9
35 to 59 cents	12
60 to 119 cents	14
120 to 179 cents	18
180 to 249 cents	22
250 to 499 cents	35
500 to 749 cents	50
750 to 9999999 cents	65

## SCHEDULE 12

Premium range (Bid based)	Maximum Spread (points)
0 to 9 cents	7
10 to 19 cents	8
20 to 34 cents	10
35 to 59 cents	15
60 to 119 cents	18
120 to 179 cents	22
180 to 249 cents	28
250 to 499 cents	40
500 to 749 cents	60
750 to 9999999 cents	75

## Further information

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