

ETO Market Maker Scheme

October 2021

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 1 October 2021)

ETO Class	Susquehanna	Eclipse	UBS	Mako	Liquid Capital	Vivienne Court	J.P. Morgan	Tibra
A2M	x	x		x				
AGL	x	x	x	x		x		
ALD	x	x		x				
ALL	x		x	x				
ALU	x	x		x				
AMC	x	x	x	x		x		
AMP	x	x	x	x		x		
ANN	x			x				
ANZ*	x w	x w	x	x w	x	x w		
APA	x		x	x				
APT	x	x		x		x		
ASX	x	x	x	x				
AWC*	x w	x w	x	x w	x	x w		
AZJ	x	x	x	x				
BEN	x	x	x	x				
BHP*	x w	x w	x	x w	x	x w		
BLD	x	x	x	x				
BOQ	x	x	x	x				
BPT	x	x		x				
BSL	x	x		x	x	x		
BXB	x	x	x	x		x		
CBA*	x w	x w	x	x w	x	x w		
CIM	x			x				
COL	x	x	x	x		x		
CPU	x	x	x	x				
CSL*	x w	x w		x w	x	x w		
CSR	x			x				
CWN	x	x		x				
EDV	x			x		x		
EVN	x	x		x				
FLT	x			x		x		
FMG*	x w	x w		x w	x	x w		
GMG	x		x	x		x		
GPT	x		x	x				
HVN	x		x	x				
IAG	x	x	x	x				
IFL	x			x				
IGO	x w			x w		x		
ILLU	x	x		x				
IPL	x	x	x	x		x		

ETO Class	Susquehanna	Eclipse	UBS	Mako	Liquid Capital	Vivienne Court	J.P. Morgan	Tibra
JHX	X			X				
LLC*	X W	X W	X	X W				
LYC	X	X		X				
MGR	X		X	X				
MIN	X			X				
MPL	X	X	X	X				
MQG*	X W	X W		X W	X	X W		
MTS	X	X		X				
NAB*	X W	X W	X	X W	X	X W		
NCM*	X W	X W	X	X W	X	X W		
NEC	X	X		X		X		
NST	X	X		X				
ORG	X	X	X	X	X	X		
ORI	X		X	X				
OSH	X W	X W	X	X W	X	X W		
OZL	X W	X	X	X W		X W		
QAN*	X	X	X	X		X		
QBE	X	X	X	X	X	X		
RHC	X	X		X				
RIO*	X W	X W	X	X W	X	X W		
RRL	X	X		X				
S32*	X W	X W	X	X W	X	X W		
SCG	X	X	X	X		X		
SEK	X			X				
SGM	X			X				
SGP	X	X	X	X				
SGR	X			X				
SHL	X			X		X		
STO*	X W	X W	X	X W	X	X W		
STW+	X							
SUN	X	X	X	X		X		
SYD	X	X	X	X		X		
TAH	X		X	X				
TCL*	X	X	X	X		X		
TLS*	X W	X W	X	X W	X	X W		
TPG	X	X		X				
TWE	X			X				
VUK	X	X		X				
WBC*	X W	X W	X	X W	X	X W		
WES*	X W	X W	X	X W	X	X W		
WOR	X			X				
WOW*	X W	X W	X	X W	X	X W		

ETO Class	Susquehanna	Eclipse	UBS	Mako	Liquid Capital	Vivienne Court	J.P. Morgan	Tibra
WPL*	x W	x W	x	x W	x	x W		
WTC	x			x		x		
Z1P	x W	x W		x W		x W		
XJO	x W	x W	x	x W	x	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 1 October 2021)

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	100	50
AGL	3	2	3	4	100	50
ALD	4	3	4	5	50	25
ALL	4	3	4	5	50	25
ALU	4	3	4	5	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	250	125
APA	3	2	3	4	50	25
APT	7	6	7	8	30	15
ASX	5	4	5	6	50	25
AWC*	2	1	2	3	1000	500
AZI	2	1	2	3	300	150
BEN	3	2	3	4	50	25
BHP*	5	4	5	6	200	100
BLD	3	2	3	4	250	125
BOQ	3	2	3	4	400	200
BPT	2	1	2	3	1000	500
BSL	4	3	4	5	300	150
BXB	3	2	3	4	200	100
CBA*	6	5	6	7	100	50
CIM	4	3	4	5	100	50
COL	3	2	3	4	100	50
CPU	3	2	3	4	150	75
CSL*	7	6	7	8	20	10
CSR	3	2	3	4	1000	500
CWN	3	2	3	4	50	25
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
GMG	3	2	3	4	500	250
GPT	3	2	3	4	300	150
HVN	3	2	3	4	500	250
IAG	3	2	3	4	500	250

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)
IFL	2	1	2	3	200	100
IGO	3	2	3	4	300	150
ILU	3	2	3	4	100	50
IPL	2	1	2	3	1000	500
JHX	5	4	5	6	200	100
LLC*	3	2	3	4	150	75
LYC	3	2	3	4	300	150
MGR	2	1	2	3	1000	500
MIN	4	3	4	5	50	25
MPL	2	1	2	3	100	50
MQG*	6	5	6	7	50	25
MTS	2	1	2	3	1000	500
NAB*	4	3	4	5	200	100
NCM*	4	3	4	5	100	50
NEC	2	1	2	3	1000	500
NST	3	2	3	4	200	100
ORG	3	2	3	4	100	50
ORI	3	2	3	4	50	25
OSH	3	2	3	4	150	75
OZL	4	3	4	5	250	125
QAN*	3	2	3	4	300	150
QBE	3	2	3	4	100	50
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	400	200
SEK	4	3	4	5	100	50
SGM	3	2	3	4	100	50
SGP	2	1	2	3	400	200
SGR	2	1	2	3	500	250
SHL	4	3	4	5	250	125
STO*	3	2	3	4	100	50
STW+	5	4	5	6	100	50
SUN	3	2	3	4	200	100
SYD	3	2	3	4	200	100
TAH	2	1	2	3	500	250
TCL*	3	2	3	4	300	150

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)
TLS*	2	1	2	3	1000	500
TPG	2	1	2	3	200	100
TWE	3	2	3	4	250	125
VUK	2	1	2	3	400	200
WBC*	4	3	4	5	150	75
WES*	5	4	5	6	50	25
WOR	3	2	3	4	200	100
WOW*	5	4	5	6	50	25
WPL*	4	3	4	5	50	25
WTC	4	3	4	5	50	25
Z1P	4	3	4	5	100	50
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 179.5 cents	12
180 to 250.5 cents	18
251 to 499.5 cents	22
500 to 749.5 cents	27
750 to 999.5 cents	35
1000 to 1499.5 cents	45
1500 to 1999.5 cents	60
2000 to 3999.5 cents	100
4000 to 7999.5 cents	180
8000 to 99999999.5 cents	250

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 179.5 cents	14
180 to 250.5 cents	20
251 to 499.5 cents	25
500 to 749.5 cents	30
750 to 999.5 cents	40
1000 to 1499.5 cents	55
1500 to 1999.5 cents	70
2000 to 3999.5 cents	110
4000 to 7999.5 cents	200
8000 to 99999999.5 cents	270

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 499.5 cents	35
500 to 749.5 cents	50
750 to 999.5 cents	65
1000 to 1499.5 cents	80
1500 to 1999.5 cents	120
2000 to 3999.5 cents	160
4000 to 7999.5 cents	220
8000 to 99999999.5 cents	300

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 749.5 cents	70
750 to 999.5 cents	80
1000 to 1499.5 cents	90
1500 to 1999.5 cents	130
2000 to 3999.5 cents	175
4000 to 7999.5 cents	250
8000 to 99999999.5 cents	350

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 999.5 cents	85
1000 to 1499.5 cents	100
1500 to 1999.5 cents	150
2000 to 3999.5 cents	200
4000 to 7999.5 cents	300
8000 to 99999999.5 cents	400

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 1499.5 cents	110
1500 to 1999.5 cents	160
2000 to 5999.5 cents	320
6000 to 9999.5 cents	400
10000 to 99999999.5 cents	500

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 5999.5 cents	360
6000 to 9999.5 cents	450
10000 to 99999999.5 cents	600

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 9999.5 cents	500
10000 to 99999999.5 cents	700

SCHEDULE 10

Premium range (Bid based)	Maximum Spread (cents)
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 749 cents	45
750 to 999 cents	58
1000 to 99999999 cents	70

SCHEDULE 11

Premium range (Bid based)	Maximum Spread (cents)
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 999 cents	65
1000 to 99999999 cents	80

SCHEDULE 12

Premium range (Bid based)	Maximum Spread (cents)
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 999 cents	75
1000 to 99999999 cents	100

Further information

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