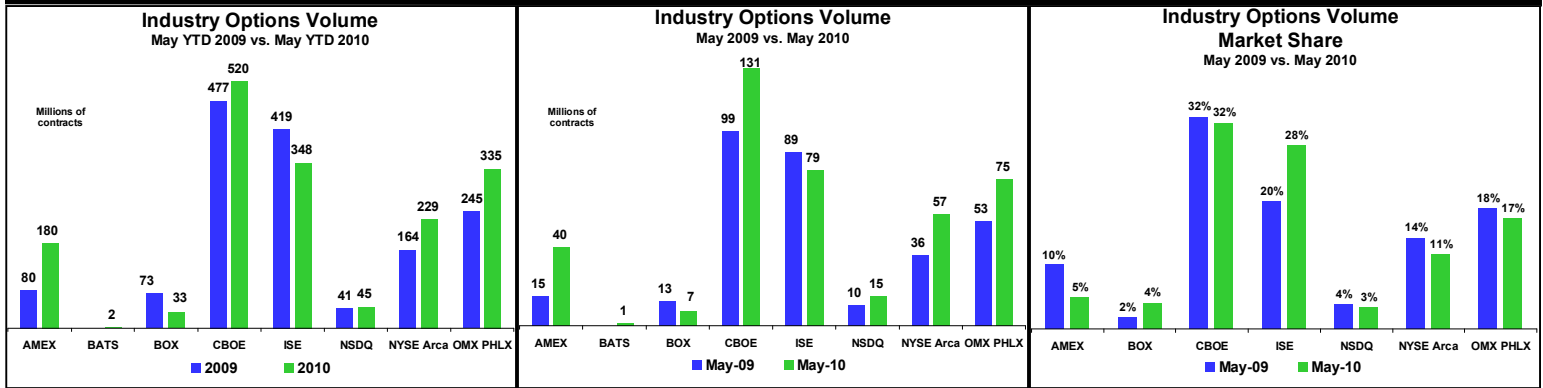


# Options LiquidityMatrix™ May 2010

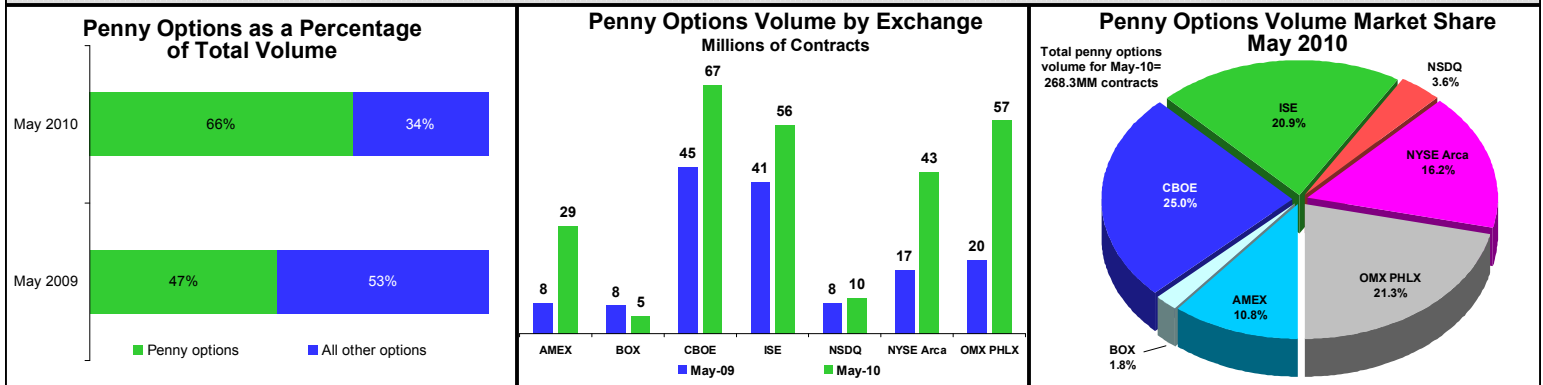
## Industry Volume by Exchange



	Year-to-Date Volume					Monthly Volume				
	Millions of Contracts			Market Share		Millions of Contracts			Market share	
	May-10 YTD	May-09 YTD	% Change	May-10 YTD	May-09 YTD	May-10	May-09	% Change	May-10	May-09
AMEX	179.8	79.5	126.1%	10.6%	5.3%	40.1	15.2	163.8%	9.9%	4.8%
BATS	2.3	NA	NA	0.1%	NA	1.4	NA	NA	0.3%	NA
BOX	33.1	73.3	-54.8%	2.0%	4.9%	7.4	12.5	-40.8%	1.8%	4.0%
CBOE	520.0	477.4	8.9%	30.7%	31.8%	131.3	99.2	32.4%	32.3%	31.5%
ISE	347.6	418.9	-17.0%	20.5%	27.9%	79.2	88.6	-10.6%	19.5%	28.1%
NSDQ	44.7	41.0	9.0%	2.6%	2.7%	15.1	10.3	46.6%	3.7%	3.3%
NYSE Arca	229.4	164.2	39.7%	13.6%	10.9%	56.6	35.8	58.1%	13.9%	11.4%
OMX PHLX	334.8	245.3	36.5%	19.8%	16.4%	74.6	53.2	40.2%	18.4%	16.9%
<b>Total</b>	<b>1,691.6</b>	<b>1,499.7</b>	<b>12.8%</b>			<b>405.9</b>	<b>314.8</b>	<b>28.9%</b>		

Source: OCC/TABB Group

## Penny Options Volume by Exchange



	Monthly Penny Options Volume					Volume by Contract Price: May 2010			
	Millions of Contracts			Market Share		Millions of Contracts			
	May-10	May-09	% Change	May-10	May-09	Under \$1	>\$1 to \$2	>\$2 to \$3	>\$3
AMEX	28.9	8.2	252.4%	10.8%	5.6%	14.9	5.7	3.0	5.2
BATS	1.3	NA	NA	0.5%	NA	0.4	0.3	0.2	0.3
BOX	4.8	7.6	-36.8%	1.8%	5.2%	2.6	1.0	0.5	0.8
CBOE	67.0	44.9	49.2%	25.0%	30.6%	31.9	14.8	7.8	12.4
ISE	56.1	40.9	37.2%	20.9%	27.9%	25.6	12.8	7.5	10.2
NSDQ	9.6	8.2	17.1%	3.6%	5.6%	3.5	2.2	1.5	2.4
NYSE Arca	43.4	17.1	153.8%	16.2%	11.6%	20.6	10.1	5.3	7.4
OMX PHLX	57.3	19.9	187.9%	21.4%	13.6%	26.1	12.3	6.5	12.4
<b>Total</b>	<b>268.3</b>	<b>146.8</b>	<b>82.8%</b>	<b>100%</b>	<b>100%</b>	<b>125.6</b>	<b>59.3</b>	<b>32.3</b>	<b>51.1</b>

Source: TAG/TABB Group

## May 2010 Spread and Execution Quality: All Options

									% of time at Best Bid/Offer & Greatest Size
	Average Bid/Ask Spread	Average Bid/Ask Size	Number of Series Traded	Average Trade Size	Average Trade Value	% Executed at		% time at Best Bid/Offer	
						Bid	Offer		
AMEX	\$ 0.280	116.2	110,613	19.9	\$ 4,029	30.2%	30.7%	49.6%	12.6%
BATS	\$ 0.674	14.9	2,020	15.9	\$ 3,232	21.0%	19.9%	0.3%	0.0%
BOX	\$ 0.391	37.2	62,906	14.8	\$ 2,875	17.9%	18.1%	31.6%	2.6%
CBOE	\$ 0.350	130.2	160,968	29.5	\$ 20,000	19.0%	19.5%	77.0%	45.1%
ISE	\$ 0.260	155.5	138,848	26.7	\$ 5,954	16.6%	16.6%	74.0%	41.6%
NSDQ	\$ 0.869	27.3	40,016	12.3	\$ 2,929	15.9%	16.3%	12.0%	0.7%
NYSE Arca	\$ 0.241	50.1	112,104	17.3	\$ 3,317	16.4%	16.7%	63.5%	11.1%
OMX PHLX	\$ 0.310	129.0	131,913	34.4	\$ 8,447	23.4%	24.0%	82.3%	36.1%
Industry	\$ 0.310	102.8	227,565	24.6	\$ 8,939	19.9%	20.2%	48.8%	18.7%

Source: TAG/TABB Group

## May 2010 Spread and Execution Quality: Penny Options

									% of time at Best Bid/Offer & Greatest Size
	Average Bid/Ask Spread	Average Bid/Ask Size	Number of Series Traded	Average Trade Size	Average Trade Value	% Executed at		% time at Best Bid/Offer	
						Bid	Offer		
AMEX	\$ 0.216	147.7	27,525	24.9	\$ 4,646	34.3%	35.6%	75.5%	23.1%
BATS	\$ 0.690	21.2	1,948	15.9	\$ 3,238	21.0%	19.9%	1.7%	0.1%
BOX	\$ 0.275	52.9	19,471	16.9	\$ 3,076	18.0%	17.8%	39.9%	3.6%
CBOE	\$ 0.175	146.8	35,670	30.2	\$ 6,187	18.7%	19.2%	86.1%	36.9%
ISE	\$ 0.162	199.9	32,521	34.4	\$ 6,944	18.1%	18.3%	86.8%	49.4%
NSDQ	\$ 0.850	37.8	17,754	13.0	\$ 2,995	17.1%	17.4%	30.2%	2.2%
NYSE Arca	\$ 0.172	71.3	32,512	18.3	\$ 3,454	16.6%	16.8%	81.3%	20.6%
OMX PHLX	\$ 0.178	186.1	29,703	39.4	\$ 9,339	23.4%	24.0%	87.3%	43.2%
Industry	\$ 0.200	132.2	42,861	27.0	\$ 5,590	20.5%	20.9%	61.1%	22.4%

Source: TAG/TABB Group

The Options LiquidityMatrix™ is a monthly analysis of options market activity published jointly by TABB Group and TAG. The report is intended to provide the financial industry with innovative statistics that encapsulate structural shifts in the U.S. equity options industry. The data are compiled using proprietary statistics generated by TAG and data published by the Options Clearing Corporation. For more information please contact Andy Nybo, TABB Group Head of Derivatives at [anybo@tabbgroup.com](mailto:anybo@tabbgroup.com) or Diane Sivertsen, TAG Director of Marketing and Communications at [dsivertsen@tagaudit.com](mailto:dsivertsen@tagaudit.com).

### Methodology:

Securities traded: The number of individual options series traded during the period.

Average Bid/Ask Spread: For all disseminated quotes, its the average of the bid/ask spread width, weighted by the bid and ask size.

Average Bid/Ask Size: For all disseminated quotes, it's the average of the sum of the bid and the ask size.

Average Trade Size: The total number of contracts executed divided by the total number of trades reported.

Average Trade Value: The average dollar value of all reported trades (execution price multiplied by the number of contracts, divided by the total number of trades reported).

% Executed at Bid: Percentage of reported trades executed at the prevailing best bid.

% Executed at Ask: Percentage of reported trades executed at the prevailing best ask.

% time @ Best Bid/Ask: Percentage of time each exchanges quoted price was equal to both the best bid and the best ask for each millisecond of the trading day.

% time @ Best Bid/Ask with Greatest Size: Percentage of time each exchanges quoted price was equal to both the Best Bid and the Best Ask and this exchanges bid and ask size was the largest displayed for each millisecond of the trading day.

\*All statistics are derived from direct OPRA data feeds and include trading activity during normal trading hours.

### About TABB Group:

TABB Group is the financial markets industry's only research and strategic advisory firm focused exclusively on capital markets. Founded in 2003 and based on the proven interview-based research methodology of "first-person knowledge" developed by founder Larry Tabb, TABB Group analyzes and quantifies the investing value chain from the fiduciary, investment manager and broker, to exchange and custodian, helping senior business leaders gain a truer understanding of financial markets issues. For more information, visit [www.tabbgroup.com](http://www.tabbgroup.com).

### About TAG:

As the leader in independent Best Execution analysis throughout the US and Europe, TAG offers comprehensive assessment of the execution quality of trade and market data statistics. We provide business intelligence to gain market share, differentiate from competitors, and validate performance plus the flexibility to tackle any size custom request. For more information, visit [www.tagaudit.com](http://www.tagaudit.com).