

VOLUME DISCOVERY ORDER

Addressing the needs for large-sized orders

Trading large blocks at midpoint...

The Volume Discovery Order (VDO) in Xetra permits users executions at midpoint. The large-in-scale (LiS) order type builds on the functionality of an Iceberg Order, where hidden VDO parts cross at the current mid of the Xetra lit order book.

The Xetra Volume Discovery Order is fully compliant with MiFID II regulations. It trades on-exchange and is cleared by Eurex Clearing. The LiS waiver applies to executions of the hidden VDO part; the OMF waiver to executions of the VDO peak.

...with significant potential

Current usage of Iceberg Orders provide indication on the Volume Discovery Order's potential: In DAX instruments, Iceberg Orders represent €350m average daily executed volume, whereby 43% of executed orders where large-in-scale when entered.

... easy to use

The Volume Discovery Order is supported via the FIX and ETI interface. Minimum size requirements are based on ESMA's LiS Table and found in the 'Xetra All Tradable Instruments' list. VDO trades are reported via T7 EMDI and MDI messages and carry the flag 'VDO Midpoint'.

If you have any further questions, please contact:

Christian Schürlein
Head of Institutional Sales
christian.schuerlein@deutsche-boerse.com

Publisher

Deutsche Börse AG
60485 Frankfurt/Main
www.xetra.com
Follow us on twitter @xetra

September 2021

Volume Discovery Order functionality

- The Volume Discovery Order functionality is activated simply by entering a second limit for the Iceberg Order. That limit will be matched against the midpoint price.
- The hidden quantity of the Iceberg Order is then available for matching at the current midpoint price with other Volume Discovery Orders according to price/time priority, provided that the minimum size requirement (MEQ) is fulfilled. The peak remains in the visible book.
- The limit of the Iceberg order (peak) determines the matching priority for the execution at midpoint price.
- Only Volume Discovery Orders match against each other at the midpoint price. E.g. Limit or Market Orders from the CLOB cannot match at midpoint.
- When the Volume Discovery Order is matched the corresponding size of the hidden part of the Iceberg order is deleted. In case an execution would trigger a volatility interruption, no matching will take place.

