

OPRA transmitted a record high 2,430,542,269 BBO option quotes on August 3, 2011.

Quote stuffers at the PHLX helped generate these quotes by uselessly updating their 4.80 to 4.90 bid/ask spread on the AOS Oct 35 Calls. At 14:41:42 the PHLX generated 1,164 quotes.

14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.40	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.50	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.30	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.40	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.50	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.30	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.40	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.50	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.30	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.40	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.50	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.30	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.40	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.50	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.30	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.40	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.50	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.30	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.40	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.50	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.30	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.40	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.50	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.30	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.40	10
14:41:42.000	PHIL	3.60	11	National	BBO	PHIL	8.50	10

There were 12,114 attacks on AOS options during the day accounting for 4,590,310 unnecessary quotes.

The PHLX continued to attack SHZ (7,572 attacks totaling 798,592 useless quotes) and IGE (2,030 attacks totaling 1,388,319 useless quotes) options similar to as reported yesterday.

There were 3,047 attacks on OGE Dec 60 Puts resulting in 437,889 useless quotes including these at 11:30:52.

11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.10	24
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.00	14
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	13.90	14
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.00	10
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.10	34
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.00	14
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.00	24
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.00	10
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.10	34
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	13.90	14
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.10	24
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.10	34
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.00	14
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	14.00	24
11:30:52.225	PHIL	9.20	11	National	BBO	PHIL	13.90	14
11:30:52.250	PHIL	9.20	11	National	BBO	PHIL	14.10	24
11:30:52.250	PHIL	9.20	11	National	BBO	PHIL	14.10	34
11:30:52.250	PHIL	9.20	11	National	BBO	PHIL	14.00	14
11:30:52.250	PHIL	9.20	11	National	BBO	PHIL	14.00	24
11:30:52.250	PHIL	9.20	11	National	BBO	PHIL	13.90	14
11:30:52.250	PHIL	9.20	11	National	BBO	PHIL	14.10	24
11:30:52.250	PHIL	9.20	11	National	BBO	PHIL	14.10	34

There were a total of 12,162 attacks on OGE options resulting in 1,675,325 useless quotes. What is the purpose of using valuable data bandwidth to flicker a \$4 plus bid/ask spread on an option chain that the PHLX is the only tradable exchange?

There were 7,272 attacks on DUST options resulting in 1,625,764 useless quotes. Here the PHLX maintains its \$4+ bid/ask spread on DUST Mar 40 Calls by chattering various ask prices between 8.50 and 8.80.

09:44:53.200	PHIL	4.00	50	National	BBO	PHIL	8.80	45
09:44:53.200	PHIL	4.00	35	National	BBO	PHIL	8.50	15
09:44:53.200	PHIL	4.00	25	National	BBO	PHIL	8.50	15
09:44:53.200	PHIL	4.00	40	National	BBO	PHIL	8.70	14
09:44:53.200	PHIL	4.00	40	National	BBO	PHIL	8.70	24
09:44:53.200	PHIL	4.00	40	National	BBO	PHIL	8.60	14
09:44:53.200	PHIL	4.00	40	National	BBO	PHIL	8.70	10
09:44:53.200	PHIL	4.00	40	National	BBO	PHIL	8.80	69
09:44:53.225	PHIL	4.00	40	National	BBO	PHIL	8.80	59
09:44:53.225	PHIL	4.00	40	National	BBO	PHIL	8.70	14
09:44:53.225	PHIL	4.00	40	National	BBO	PHIL	8.70	24
09:44:53.225	PHIL	4.00	50	National	BBO	PHIL	8.70	24
09:44:53.225	PHIL	4.00	35	National	BBO	PHIL	8.50	15
09:44:53.225	PHIL	4.00	25	National	BBO	PHIL	8.50	15
09:44:53.225	PHIL	4.00	40	National	BBO	PHIL	8.70	14
09:44:53.225	PHIL	4.00	40	National	BBO	PHIL	8.70	24
09:44:53.225	PHIL	4.00	40	National	BBO	PHIL	8.60	14

There was a time when an exchange required their members to maintain reasonable bid/ask spreads on the entire option chain they represented. Now \$5 seems to be the ridiculous “reasonable” spread. And to protect this ridiculous spread the PHLX further feels that it is acceptable to allow the market makers to use up valuable resources chattering these near \$5.00 spreads at rates often over 1,000 quotes per second. Quote stuffing in the option market must be stopped!