

# AVERAGE PRICE ORDERS



New York Cotton Exchange

The following describes an alternative trading procedure pioneered by the New York Cotton Exchange and available to individuals and institutions trading on the New York Cotton Exchange (NYCE®), the Citrus Associates of the New York Cotton Exchange, Inc., and Finex®, a division of the NYCE®.

**Q. What is an average price order (APO)?**

A. Customers may have their orders filled at the average of all prices recorded on an opening\* for orders on the opening (except for options) or during a close (the final thirty seconds of trading) for orders at the close.

**Q. Which futures and options contracts may be bought or sold as average price orders?**

A. All futures and options contracts traded on the New York Cotton Exchange (including its Finex® division) and on the Citrus Associates of the New York Cotton Exchange, Inc.

Futures and Options	Futures
Cotton No. 2 ●	Treasury Auction
Cotlook World Cotton™ ●	Two Year U.S. Treasury Notes ●
Frozen Concentrated Orange Juice (FCOJ) ●	Treasury Auction
U.S. Dollar Index® ●	Five Year U.S. Treasury Notes
ecu	

Futures and options may be bought or sold at the average price on a close. However, the APO procedure on the opening is available for futures only.

**Q. How is the average price calculated?**

A. The average price on an opening is the sum of all prices recorded during the opening, divided by the number of such prices; the average price at the end of the trading day is always equal to the settlement price.

**Q. How is an average price order executed?**

A. Average price orders are executed competitively by bids and offers made and accepted openly by public outcry across the trading ring.

**Q. How is an APO executed during an opening?**

A. Futures contracts may be executed as APOs on an opening. A floor broker may place an APO during the 15 minute period before the opening by trying to match his order with another trader willing to take the opposite side also using the average price order method. After the opening, an Exchange official calculates and announces the average price. The transaction is executed at the average price on the opening.

**Q. How is an APO executed during a close?**

A. On a close, both futures and options may be executed as APOs. During the last thirty minutes of trading, brokers who have orders to do on the close may try to pair them up by open outcry. The prices recorded during the last thirty seconds of trading determine the average price.

**Q. In what instances would the APO procedure not be used?**

A. If a floor broker is unable to fill his customer's order via the APO procedure, he will attempt to fill the order during the course of trading thereafter. In addition, a customer may, if he wishes, instruct that his order **NOT** be filled via the average price procedure. However, once an APO is matched up, it cannot be cancelled without mutual consent.

**Q. What are the benefits of using the average price order method?**

A. Users of the average price method may have their orders executed at the average price as opposed to the high or the low (if there is indeed a high or low) of the applicable time period.

\* The APO price at the end of the day always equals the settlement price. However, Finex® now has several openings and closes for USDX® and ecu because of extended hours. (See Rule 1.00-B for "opening", "reopening", "closes" and "reference price" trading and Finex® Rules generally for APO applicability or call Finex® for more information at (212) 938-2634).

## General Information

Compliance and Rules	(212) 938-2671
Exchange Margins	(212) 938-2632
Exchange Fees	(212) 938-2654
Finex® Information	(212) 938-2634
Marketing Brochures	(212) 938-2702
Memberships/Seat Quotes	(212) 938-2666
Reportable Limits	(212) 938-7911
Statistics	(212) 938-2668

## Statistical Information

Information on prices, volume and open interest can be obtained 24 hours a day by telephone.

Cotton No. 2 Futures and Options	(212) 432-2821
Cotlook World Cotton™ Futures and Options	(212) 488-7418
FCOJ Futures and Options	(212) 432-7274
Finex® Futures and Options	(212) 839-9083

## Ticker Symbols

Cotton No. 2 Futures	CT
Cotton No. 2 Options	CO
Cotlook World Cotton™ Futures and Options	CI
FCOJ Futures	JO
FCOJ Options	OJ
USDX® Futures	DX
USDX® Options	DO
ecu Futures	EU
ecu Options	EO
Treasury Auction 5 Year U.S. Treasury Note Futures	FY
Treasury Auction 2 Year U.S. Treasury Note Futures	TW

*The information presented in this brochure is for general information purposes only. Although it has been compiled from sources believed to be reliable, the New York Cotton Exchange and the Citrus Associates of the New York Cotton Exchange, Inc. assume no responsibility for errors or omissions. All examples herein are for illustrative purposes only and should not be construed as investment advice or strategy. All matters pertaining to rules and specifications herein are subject to and superseded by official Exchange rules. Current rules should always be consulted. Cotlook World Cotton™ is a registered trademark of Cotlook, Ltd.*



New York Cotton Exchange  
Four World Trade Center  
New York, NY 10048  
(212) 938-2702