

U-Market Information

Based on our analysis of the current market micro-structure, we have revised the U-Market tick size range for the “U-Market”. This analysis revealed with greater precision that the optimal tick size range is between 2.5 to 5 bps.

Rather than being based on arbitrary price boundaries and tick sizes, our approach is to systematically examine the market micro-structure and formulate a tick table based on the spread ranges which provide an optimal trading environment for participants.

A uniform optimal tick size across the trading universe allows DLPs (Designated Liquidity Providers) to maintain dense liquidity at BBO levels.

Description

Participation	Qualified DLP and IA (Index Arbitrage) only
Trading universe	Nikkei 225 constituent stocks
Market Hours	08:20 – 16:00 JST
Matching	Continuous with price/time priority and no cross action among DLPs
Order Types	Limit, DAY (DLPs), IOC (IAs)
Order Entry Protocol	OUCH, FIX
Market Data	Direct feed (ITCH), Market Data Vendor feed, JSDA PTS Information Network
Commission	DLPs: 0.4 bps IAs: Free

Price Tick Size

Price (JPY)		Tick Size (JPY)	Min Spread (bps)	Max Spread (bps)
Above	Up to			
	400	0.1	2.5	
400	800	0.2	2.5	5.0
800	1,600	0.4	2.5	5.0
1,600	3,200	0.8	2.5	5.0
3,200	6,400	1.6	2.5	5.0
6,400	12,800	3.2	2.5	5.0
12,800	25,600	6.4	2.5	5.0
25,600	51,200	12.8	2.5	5.0
51,200		25.6		5.0