DYNAMIC PEG ORDERS IN AN ELECTRONIC TRADING SYSTEM

ABSTRACT

In order to protect a trading party from predatory trading strategies employed by some market participants, especially during certain periods when quotes for a particular security are experiencing rapid changes or transitions, embodiments of the present invention facilitate and support a new type of trading orders whose booking and execution behaviors are dynamically varied in response to environmental market conditions. Pursuant to predefined rules for the new type of trading orders, the orders may be allowed to trade at more aggressive price levels if the market is relatively stable, and the orders can only trade at less aggressive price levels when the market is unstable.

FIG. 1A