

# O-PEG

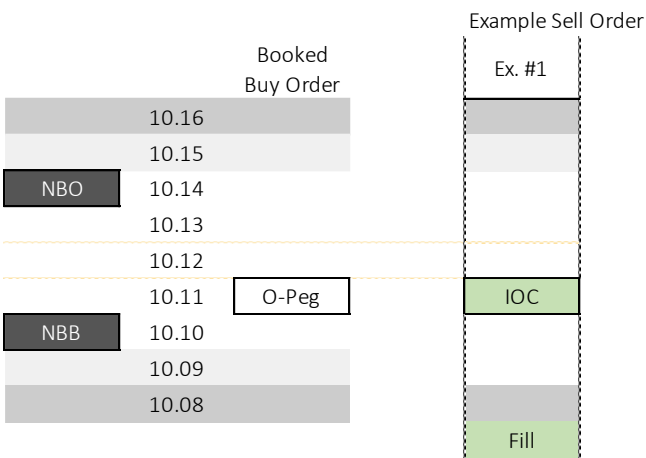
Designed to help traders manage risk when trading inside the spread

## Overview

Offset Peg (O-Peg) is a non-displayed order type that is pegged to the National Best Bid (Offer) for buys (sells) plus a positive or negative offset amount. It is designed to bring the benefits of the IEX Speed Bump to trading inside the spread (non-midpoint), helping traders manage adverse selection risk, particularly in stocks with wider spreads.

## Functionality Examples

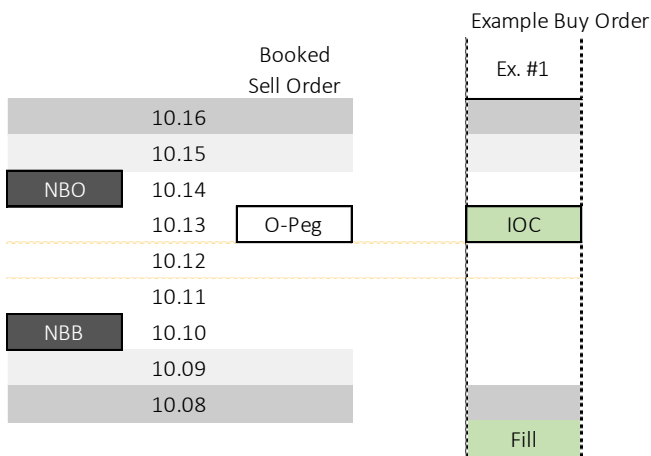
### Scenario 1: Buy Order with Offset



*An O-Peg buy order is booked with a positive \$0.01 offset from the NBB.*

**Ex. 1:** IOC sell order with a 10.11 limit crosses the spread; trade occurs at resting price 10.11

### Scenario 2: Sell Order with Offset



*An O-Peg sell order is booked with a negative \$0.01 offset from the NBO.*

**Ex. 1:** IOC buy order with a 10.13 limit crosses the spread; trade occurs at resting price 10.13

## Technical Details

### Relevant FIX Messages

Tag	Field Name	Required	Details
18	ExecInst	Y	o=Offset Peg (executed on IEX)
40	OrdType	Y	P=Pegged order
110	MinQty	N	Supported for O-Peg orders
211	PegDifference	N	Signed dollar value of up to two (four) decimal places will be accepted for limit prices above (below) a dollar.

### Offset Amount Details

- The offset amount, which can be positive or negative for both buys and sells, is specified using FIX Tag 211 (PegDifference). The PegDifference value will be added to the NBB (NBO) for buys (sells).
- The domain of values for PegDifference are: [-100.00 ... 100.00]. Omission of the PegDifference value for an O-Peg order will be given a default value of 0.
- Signed dollar value of up to two (four) decimal places will be accepted for limit prices above (below) a dollar.
- If the resultant peg calculation creates an impermissible Minimum Price Variant (MPV), the peg calculation will be rounded down for buys and up for sells.
- If the offset amount would result in the O-Peg order being booked at a price that is more aggressive than the Midpoint Price, the offset amount will be reduced so that the order is priced at the Midpoint Price, until such time as the full value of the offset amount will not result in the price of the Offset Peg order being more aggressive than the Midpoint Price.

### More Information

- [IEX Rule Filing SR-IEX-2020-16](#)
- [Launch Trading Alert](#)