

MSET Spotlight

Morgan Stanley Electronic Trading Ideas & Products Spotlight

August 2024 | Americas Volume

Americas

MS Trajectory Cross Enhancement

MS Trajectory Cross is a dark pool designed to provide matches over time intervals

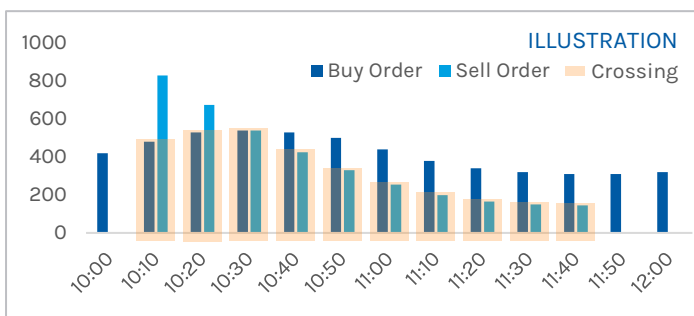
Enhancement aimed to further increase matching efficiency by improving scheduling of crossing rounds

What is it?

MS Trajectory Cross is a dark pool designed to provide matches over time intervals. Matches are determined based on overlapping trajectories of orders, and executions will receive volume weighted average price (“VWAP”) pricing for the relevant time interval.

How Does it Work?

MS Trajectory Cross consists of two multi-lateral matching books (MSTX and MSLC). The MSTX book is designed for shorter-duration orders and can only be accessed indirectly through certain Morgan Stanley algorithms. The MSLC book is designed to support longer-duration orders and can be accessed directly by participants and indirectly through certain Morgan Stanley algorithms.



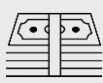
At-a-Glance



Enhanced Scheduling



Benchmark Strategy



For Cash Products



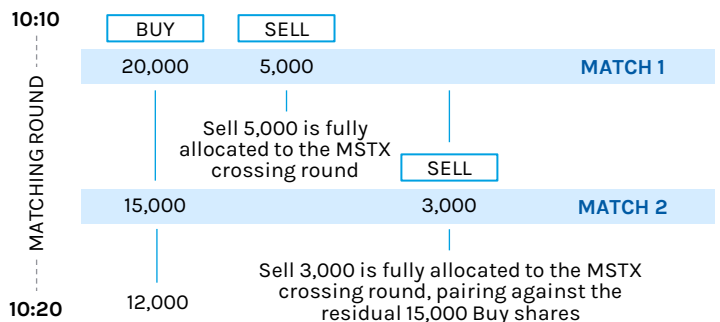
For Global Markets



NEW Crossing Rounds Enhanced Scheduling (MSTX Book)

- An enhancement was made to allow for concurrent crossing rounds in the MSTX book. Before the change, crossing was limited to one round per security at a time. After the change, MSTX may run concurrent crossing rounds per security, increasing the potential crossing opportunity.
- Morgan Stanley algorithms have been updated such that imbalance quantity from a crossing round will continue to be available in MSTX; incremental volume due to new orders, order amends, or changes in market conditions can trigger new matches in real-time.

EXAMPLE



NEW Odd and Mixed Lot Crossing (MSTX & MSLC Books)

- An enhancement was made to MSTX to support crosses in odd and mixed lots.
- Morgan Stanley algorithms will continue to prefer round lots, leveraging odd and mixed lots as appropriate for small orders.

Source: Morgan Stanley Electronic Trading

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