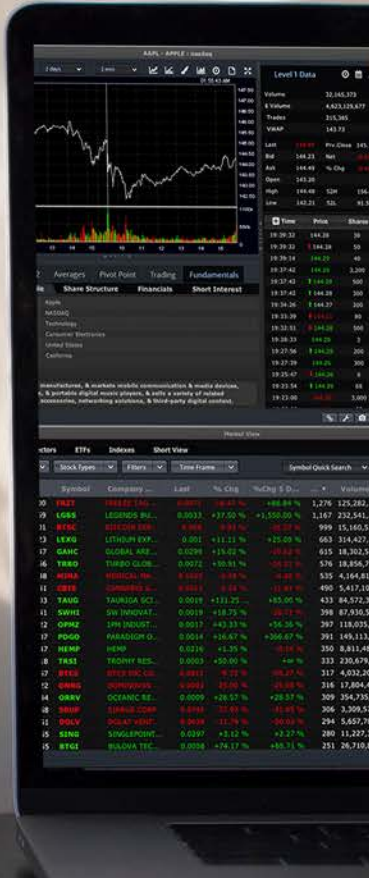


# LEVEL 2 CHEAT SHEET



MMID	PRICE	SIZE	TIME
NGEX	151.85	1000	14:02:38
PACF	151.85	700	14:02:38
PHIL	151.85	300	14:02:38
BATS	151.85	300	14:02:38
EDGX	151.85	500	14:02:38
EDGE	151.84	300	14:02:38
BATY	151.84	400	14:02:38
BOST	151.84	300	14:02:38
VIRT	151.40	200	13:41:28
GSCO	151.40	700	13:39:07
SUFI	144.60	100	10:35:29
ETMM	144.60	100	10:35:29
NITE	144.60	100	14:02:26
SSUS	144.57	100	10:35:29
IMCC	144.55	100	11:41:10
XGWD	143.22	100	09:29:49
CDRG	142.66	100	13:26:04

## MMID

The market maker or ECN responsible for fulfilling an order

## PRICE

The price a buyer is willing to pay or a seller is willing to sell at

## SIZE

The number of shares available to buy/sell

## TIME

The time an order was placed and added to the level 2 screen

## TERMINOLOGY

### BID

The price a buyer is willing to pay for a security

### ASK

The price a seller is willing to sell a security at.

### MARKET MAKER

A securities dealer who manages order flow

### SPREAD

The difference between the high bid and low ask

### ECN

An automated system that matches buy and sell orders

### BLOCK TRADE

A significantly large trade

### ADDING LIQUIDITY

Placing a non-marketable order

### ROUTE

The path an order takes on the way to the market

### FILL

An order execution

## Supply and Demand

Level 2 screens provide traders with access to real-time supply and demand levels. Like any market, when supply exceeds demand, price decreases. When demand exceeds supply, price increases. These everchanging supply/demand levels are responsible for stock price movement and volatility.

## Market Makers vs. ECN's

When an order is placed through a traditional broker, it is sent to a middle man before being fulfilled. Most often, this "middle man" is either a market maker or ECN. Market makers are responsible for providing liquidity and fulfilling orders. ECN's are electronic systems that automatically match buy and sell orders.

## Dilution & Hidden Size

While level 2 screens are a great real-time analysis tool, they do not always show the full picture. Market makers and traders have the ability to hide their full order size, making it difficult for other traders to gauge supply and demand. This may be done to unload larger orders without disturbing the market.

## Market Maker Games

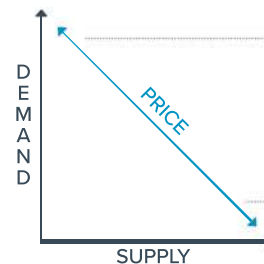
The supply and demand levels represented on level 2 screens can be open to manipulation. Traders and market makers can place "fake" orders intended to influence the market. Market makers may show large buy/sell orders if they want to influence the market to move in the opposite direction.

## DEMAND

MMID	BID	SIZE	TIME
NGEX	151.85	1000	14:02:38
PACF	151.85	700	14:02:38
PHIL	151.85	300	14:02:38
BATS	151.85	300	14:02:38
EDGX	151.85	500	14:02:38

## SUPPLY

MMID	ASK	SIZE	TIME
NGEX	151.95	1000	14:02:38
PACF	151.95	700	14:02:38
PHIL	151.95	300	14:02:38
BATS	151.95	300	14:02:38
EDGX	151.95	500	14:02:38



Common Market Makers			Common ECN's		
ADTF	CTDL	PERT	ARCA	DATA	FLOW
CANT	ETRF	VFIN	BATY	EDGA	NSDQ
CDEL	NITE	VNDM	BLTR	EDGX	TRAC

## Direct Market Access

When you place an order with a traditional broker, the broker will automatically route the order for you. Direct market access brokers allow you to cut out the middle man and send your order to a specific market maker or ECN. This can result in faster executions and better fill prices.