

the protection of investors and the public interest by clarifying the Exchange's rules. The Exchange believes that additional clarity and transparency in the Exchange's rules will strengthen investor confidence in the market and facilitate fair competition among market participants. The Exchange notes that other option exchanges that offer similar functionality have similar rules in place.<sup>27</sup>

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes the proposed rule change will not impose any burden on competition as the Exchange is merely providing supplemental information that may be derived by market participants independently. The Exchange's proposal does not substantively modify any Exchange functionality and is not designed to address any competitive issues, but rather to provide additional information in the Route Notification message and add further clarity to the Exchange's rules. Since the Exchange does not propose to substantively modify the operation of exchange functionality, the proposed rule change will not impose any burden on inter-market competition. Additionally, the Exchange does not believe the proposed rule change will impose any burden on intra-market competition as the Rules apply equally to all Exchange Members.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

Written comments were neither solicited nor received.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>28</sup> and Rule 19b-4(f)(6)<sup>29</sup> thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2017-41 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2017-41. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the

the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MIAX-2017-41 and should be submitted on or before October 25, 2017. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>30</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-81748; File No. SR-BatsEDGA-2017-25]

### **Self-Regulatory Organizations; Bats EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 11.7, Opening Process, and Rule 13.4, Usage of Data Feeds, To Reflect the Name Change of NYSE MKT to NYSE American**

September 28, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 25, 2017, Bats EDGA Exchange, Inc. (the "Exchange" or "EDGA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange filed a proposal to amend paragraph (c)(1) of Rule 11.7,

<sup>30</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>27</sup> See *supra* note 21.

<sup>28</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>29</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give

Opening Process, and paragraph (a) of Rule 13.4, Usage of Data Feeds, to reflect the name change of NYSE MKT to NYSE American.

The text of the proposed rule change is available at the Exchange's Web site at [www.bats.com](http://www.bats.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

## II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

### (A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

On March 21, 2017, NYSE MKT LLC filed a proposed rule change to change its name to NYSE American LLC.<sup>5</sup> The Exchange now proposes to replace references to NYSE MKT within its rules with NYSE American. In particular, the Exchange proposes to replace references to NYSE MKT with NYSE American in Rule 11.7(c)(1), Opening Process; and Rule 13.4(a), Usage of Data Feeds. The Exchange does not propose to amend the operation of these rules in any other respect.

#### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>7</sup> in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The non-substantive amendments to Rules 11.7(c)(1) and 13.4(a) are intended solely to reflect the name change from NYSE MKT to NYSE American. The proposed rule change, therefore, removes impediments to and perfects the mechanism of a free and open market and a national market system because it updates the rule to reflect the name change and does not alter the way in which orders in NYSE American listed securities are handled and routed.

### (B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will have any impact on competition as it is not designed to alter the way in which orders in NYSE American listed securities are handled and routed. It is simply intended to reflect the name change from NYSE MKT to NYSE American.

### (C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (A) Significantly affect the protection of investors or the public interest; (B) impose any significant burden on competition; and (C) by its terms, become operative for 30 days from the date on which it was filed or such shorter time as the Commission may designate it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>8</sup> and paragraph (f)(6) of Rule 19b-4 thereunder,<sup>9</sup> the Exchange has designated this rule filing as non-controversial. The Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (1) Necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in

furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BatsEDGA-2017-25 on the subject line.

### Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BatsEDGA-2017-25. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BatsEDGA-2017-25 and should be submitted on or before October 25, 2017.

<sup>5</sup> See Securities Exchange Act Release No. 80283 (March 21, 2017), 82 FR 15244 (March 27, 2017) (SR-NYSEMKT-2017-14).

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81754; File No. SR-Phlx-2017-74]

### Self-Regulatory Organizations; NASDAQ PHLX LLC; Notice of Filing of Proposed Rule Change To Introduce the Intellicator Analytic Tool

September 28, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 20, 2017, NASDAQ PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to introduce the Intellicator Analytic Tool.

The text of the proposed rule change is available on the Exchange’s Web site at <http://nasdaqphlx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

#### II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

#### A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The purpose of the proposed rule change is to introduce the Intellicator Analytic Tool, a new, optional market data product available for a corresponding fee<sup>3</sup> that is designed to analyze options market transactions and synthesize that analysis to assist investors in assessing the equities underlying those transactions.<sup>4</sup>

Options market transactions can be complex; the purpose of the Intellicator Analytic Tool is to distill options data into a form that will help investors understand options market movements and provide them with actionable insight in changing market conditions. The Intellicator Analytic Tool will offer three increasingly sophisticated levels of analysis. The first level, the Single-Factor Analytic Bundle, calculates fundamental measures, or “factors,” of options market activity—Put/Call Ratio, Moneyness Ratio, Volume-Weighted Average Delta, and Weighted Average Strike Price—and applies those factors to certain segments of activity on the Exchange. The second level, the Single-Factor Intellicator, uses machine learning—an analytical technique that employs algorithms that iteratively “learn” from data to find hidden insights without explicit programming—to summarize in a single numeral the information contained within a Single-Factor Analytic Bundle. The third level, the Multi-Factor Intellicator, uses machine learning to summarize in a single numeral all of the information contained within all of the five [sic] Single-Factor Analytic Bundles offered with this product.

The Exchange will propose, in a forthcoming fee filing, separate fees for the Single-Factor Analytic Bundle, the Single-Factor Intellicator, and the Multi-Factor Intellicator, as well as special rates for the purchase of any combination of these, to allow investors to choose the tool that best fits their needs. The Single-Factor Analytic Bundles are designed to be used by sophisticated investors to supplement, test and inform their own analytic models. The Single- and Multi-Factor Intellicators are designed for the use of investors who seek to understand

market sentiment without undertaking complex calculations. Although tailored for different audiences, the Analytic Bundles and Single- and Multi-Factor Intellicators are all designed to increase visibility into options transactions and democratize information to provide the benefits of sophisticated analytical techniques to firms without the technology, staff or wherewithal to conduct a comparable analysis on their own.

The Analytic Bundles and Single- and Multi-Factor Intellicators are described in further detail below.

##### Single-Factor Analytic Bundle

A Single-Factor Analytic Bundle is a set of calculations of “factors,” or standard measures of options market activity, often used as indicia of market sentiment. The Intellicator Analytic Tool will calculate four factors—Put/Call Ratio, Moneyness Ratio, Volume-Weighted Average Delta, and Weighted Average Stock Price—defined as follows:<sup>5</sup>

(i) *Put/Call Ratio*: The total number of put contracts traded divided by the total number of put and call contracts traded within the prior 60 seconds for each underlying symbol.

(ii) *Moneyness Ratio*: The natural log of the ratio of the price of the underlying equity to the strike price of the options contract traded within the prior 60 seconds.<sup>6</sup>

(iii) *Volume-Weighted Average Delta*: A calculation of the projected change to an option price given a \$1 change in the equity price, weighted by the number of contracts traded within the prior 60 seconds.

(iv) *Weighted Average Strike Price*: A calculation of the strike price of the options contracts traded within the prior 60 seconds, weighted by the number of days to expiration.<sup>7</sup>

Each of these Single-Factor Analytic Bundles will provide separate calculations of a specific factor for between five and fifty different segments, or subsets, of the options market.<sup>8</sup> Segments may be simple or complex. A simple segment may be all transactions with a certain range of expiration dates. Examples of complex

<sup>5</sup> The Exchange may introduce new factors that are found to have value in assessing market sentiment, but will submit a new filing for approval if other factors are added.

<sup>6</sup> The ratios for calls are multiplied by 1, while ratios for puts are multiplied by -1.

<sup>7</sup> A higher weighting is given to contracts near expiration.

<sup>8</sup> Factor calculations for specific segments of the market will not be sold by the Exchange separately from the Analytic Bundles.

<sup>10</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> A separate filing will address the pricing for the Intellicator Analytic Tool, which will also be implemented on October 27, 2017, if approved by the Commission.

<sup>4</sup> The Exchange initially filed the proposed changes on August 2, 2017 (SR-Phlx 2017-62). On August 11, 2017, the Exchange withdrew that filing.