



VIABLEMKTS' ANALYSIS OF CODA BLOCK FINDS MINIMAL LEAKAGE, LITTLE IMPACT AND STRONG LIQUIDITY ACROSS ALL MARKET CAPS

GLENVIEW, IL – May 21, 2018 – [CODA Markets](#), operator of on-demand auction markets for U.S. equities, today announced the release of a ViableMkts research report covering nine months of trading activity on CODA Block, titled "[CODA Block Execution Quality Report](#)." CODA Block, a 30-second on-demand equity auction facility, was launched in February 2017 to help institutional investors discover and aggregate natural liquidity, reduce information leakage and minimize market impact.

For the report, ViableMkts analyzed nine months of CODA Block trade data, a period which included over 96,000 on-demand auctions in over 2,000 symbols, and more than 53 million shares traded.

"Our analysis of CODA Block's trading data confirms that an originating order's size, price or direction cannot be discerned by responding firms, and that traders trying to fill large-sized orders should strongly consider using CODA Block," said David Weisberger, Head of Equities at ViableMkts.

"We find that firms can trade institutional size on CODA Block with little or no downside and potentially large benefits. Traders trying to fill large-sized orders, particularly for less liquid stocks, should strongly consider using CODA Block as a tool for finding latent liquidity."

Among the highlights of ViableMkts' findings:

- Strong hit rates, particularly for small caps – Small-cap stock auctions resulted in completed trades 14 percent of the time in the first quarter of 2018, at trade sizes that were 372 percent of displayed liquidity.
- No discernible leakage – "It is reasonable to conclude that initiating an auction does not leak the direction and size of the order to the market," said Weisberger.
- Little market impact – On average, the market moved only 11 percent of the spread after 60 seconds, despite an average desired trade size that was 4,180 percent of the displayed liquidity.
- Little to no adverse selection – Across large-, mid- and small-cap stocks, initiated orders on CODA Block generally did not create adverse market moves.

"We built CODA Block on the thesis that on-demand auctions are the best way to trade size with minimal leakage and market impact, particularly for illiquid stocks, and ViableMkts' analysis supports that," said Don Ross, CEO of CODA Markets' parent PDQ Enterprises.

When a user initiates a trade on CODA Block, a symbol-only alert is sent out to other market participants, hiding the desired size and price, and whether it is a buy or sell order. During the subsequent 30-second trading window, CODA Block aggregates multilateral liquidity from manned trading desks, algorithmic desks and low-latency trading firms.

For more information, please contact subscriberservices@codamarkets.com.

About CODA Markets

CODA Markets, Inc. is the operator of an innovative on-demand auction-based alternative trading system that optimizes liquidity aggregation for all market participants. CODA Markets, Inc. is a registered broker-dealer, member FINRA and SIPC, and wholly owned by PDQ Enterprises, LLC. www.codamarkets.com

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