

A black and white photograph of grass blades covered in water droplets, serving as the background for the report cover. The top half of the image is obscured by a red banner containing the title.

CHI-X JAPAN MONTHLY REPORT (AUGUST 2019)

Markets operated by Chi-X Japan

PTS Trading

Continuous Matching

Chi-Alpha

Main PTS
8:00-16:00

Chi-Select

Retail & DMM
8:00-16:00

Periodic Matching

Chi-Match

TSE VWAP Crossing
Pre-Market Open

ToSTNeT Reporting

Kai-X

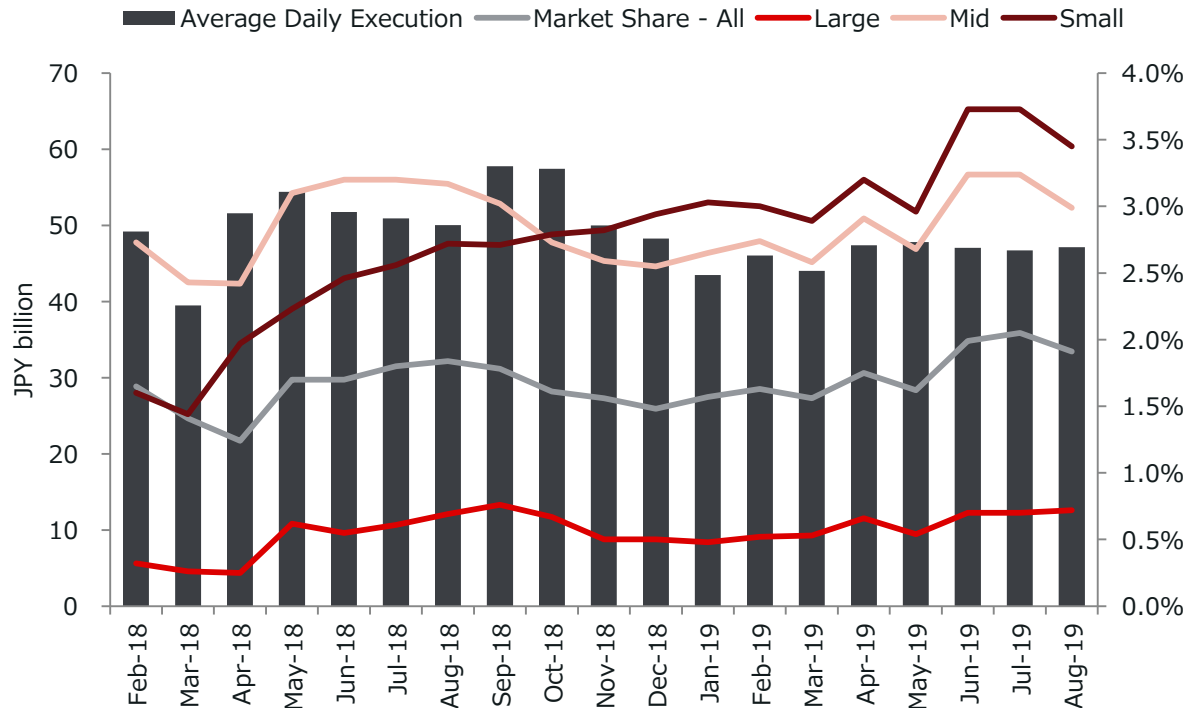
Broker Neutral
Darkpool
9:00-15:00

Chi-Alpha & Select

Overview - Chi-Alpha & Chi-Select

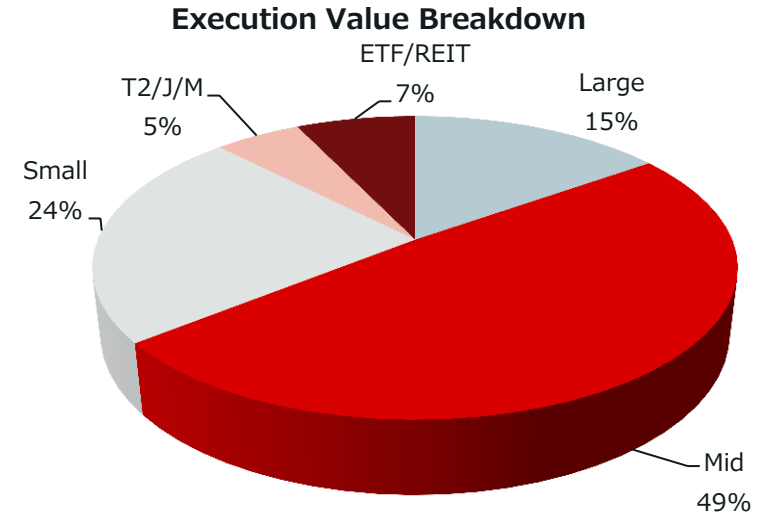
- ◆ Chi-Alpha is the largest and longest operating among venues run by Chi-X Japan
- ◆ Chi-Select is catered to retail focused brokers with features allowing them to provide their clients with better best execution
- ◆ Key Features
 - ✓ Continuous matching between 8am to 4pm for stocks listed on TSE
 - ✓ Various order types – Pegged, Post-only, Iceberg, IOC/FOK
 - ✓ Robust, resilient, stable, low latency platform
- ◆ Values
 - ✓ Price Improvement opportunities, esp. Mid/Small Caps
 - ✓ Market making / Order posting opportunities
 - ✓ Faster / higher execution opportunities

Statistics - Chi-Alpha & Chi-Select



Market share: Chi-X's 2 markets among lit markets (TSE, Chi-Alpha, Chi-Select, JNX-J, JNX-X)

PI (Price Improvement): it compares the trade price vs. TSE's best bid for sell or best offer for buy at each point of trade and is calculated from the perspective of the Taker of the trade. The average calculation includes trades at TSE price.



	Average PI (bps)	Market Share
Large	0.5	0.7%
Mid	2.8	3.0%
Small	4.1	3.5%
T2/J/M	9.4	1.8%
ETF/REIT	4.2	1.4%
Overall	3.8	1.9%

Statistics - Chi-Alpha & Chi-Select

Average Daily Execution	JPY 47,132,269,387
Monthly Total Value	JPY 989,777,657,118
Monthly Total Volume	699,014,361 Shares

Top Symbols by Execution

		JPY	Market Share
1570	NIKKEILV	11,870,656,660	0.5%
9984	SOFTBNKG	8,600,189,070	0.6%
7974	NINTEND	8,040,083,700	0.7%
1357	NKDOUBLE	7,781,856,660	1.1%
9983	FASTRET	7,755,246,400	1.0%
6861	KEYENCE	7,294,393,100	1.5%
7832	BANNAMHD	6,917,988,600	4.2%
4689	YAHOO J	6,662,408,040	5.7%
4755	RAKUTEN	6,238,270,000	2.9%
6857	ADVNTST	6,209,370,700	1.9%

Top Symbols by Market Share

		JPY	Market Share
5967	TONE	16,435,580	13.6%
7167	MEBUKIFG	1,738,225,800	11.0%
5703	NLM HD	1,495,687,310	9.4%
2109	MITUI-SG	355,263,040	9.3%
5918	TAKGAMI	949,000	8.7%
1458	RK 225LV	4,567,120,867	8.5%
3528	PROSPECT	47,556,480	8.4%
3282	COMFORIA	1,052,329,840	7.8%
7476	AS ONE	721,289,300	7.7%
5809	TATSUTA	146,520,640	7.7%

Chi-Alpha & Chi-Select combined

Market share of Chi-X's 2 markets among lit markets (TSE, Chi-Alpha, Chi-Select, JNX-J, JNX-X)

Chi-Match

Overview – Chi-Match

- ◆ Chi-Match allows participants to find counterparties to trade at TSE's VWAP before the market open, hence offload the trading risk in the continuous matching hours.
- ◆ How does it work?

Order acceptance (from 8 to each pre-matching time)

- Order Type: Full-day VWAP / PM VWAP / AM VWAP

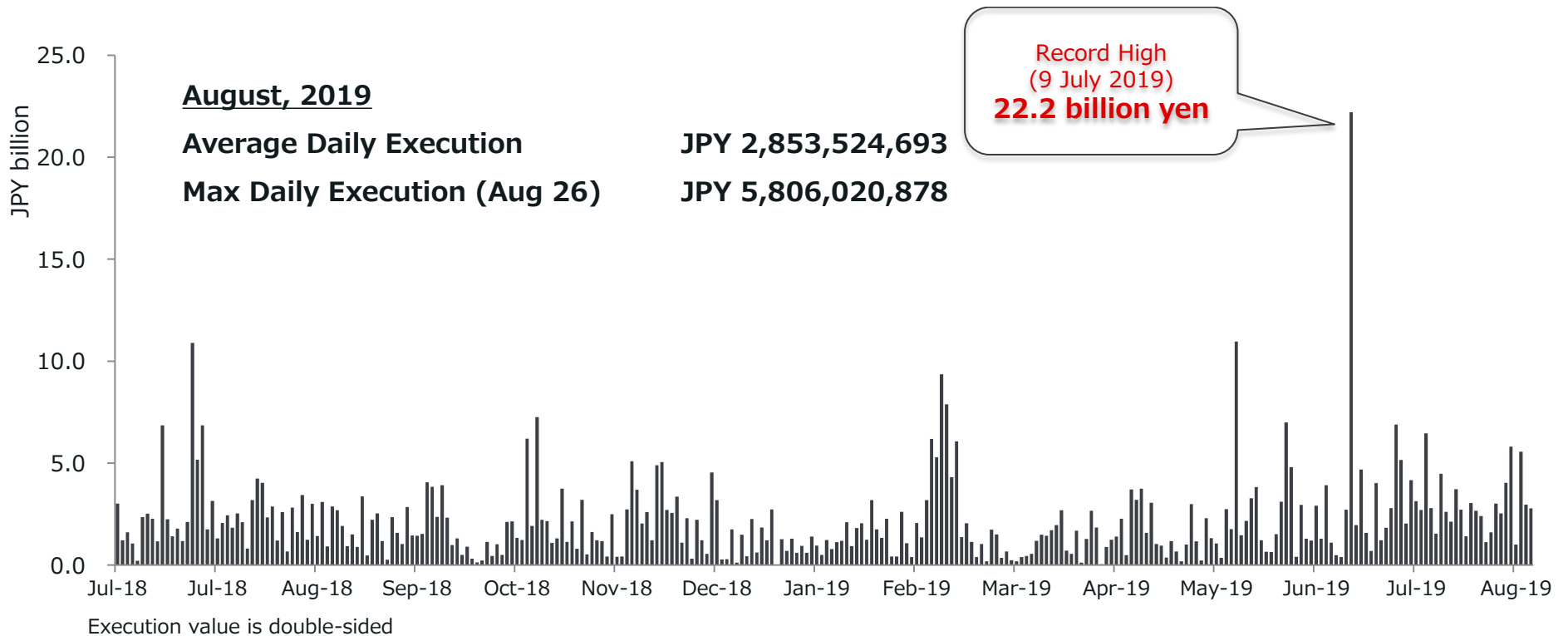
Pre-matching time / Sessions

- Full-day VWAP : 8:33, 8:45, 8:52, 8:56
- PM VWAP : 12:15, 12:25
- AM VWAP : 8:45, 8:52

Trade execution (after market close)

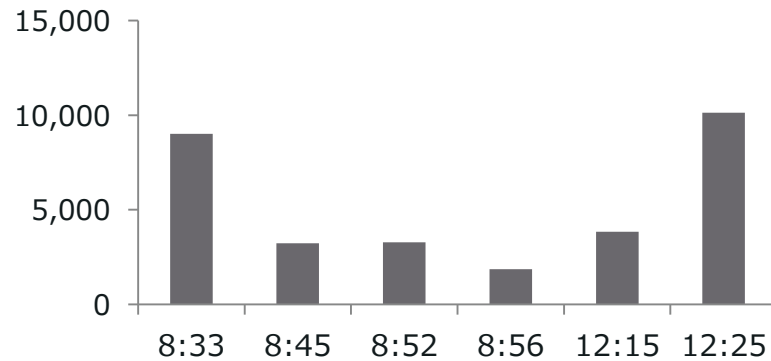
Chi-Match - Execution Value Trend

- ◆ Spikes on major index rebalance days (MSCI, TOPIX, N225) and SQ days

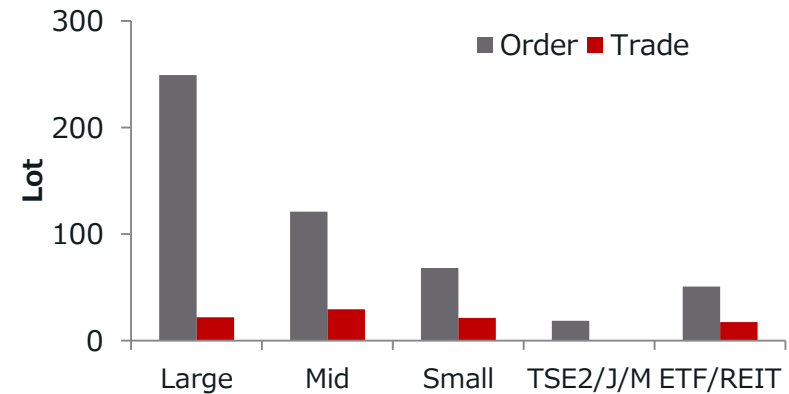


Chi-Match Statistics

Order Lot by Session (Daily Average)

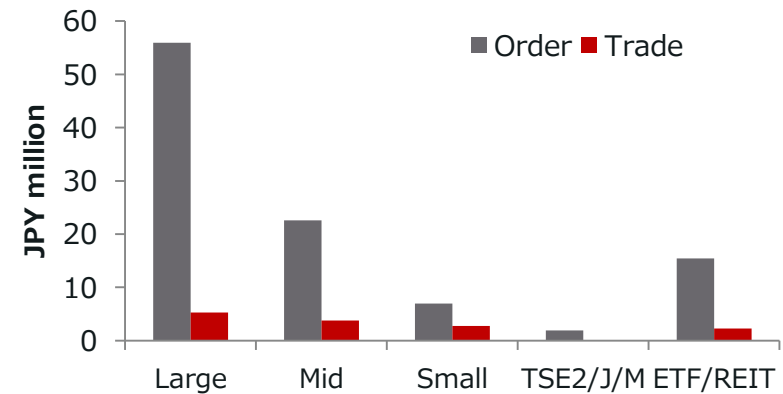


Average Order Size & Trade Size



Execution Ratio (Trade Lot/Order Lot)

By Session		By Market Cap	
8:33	6.0%	Large	8.9%
8:45	8.7%	Mid	15.4%
8:52	6.1%	Small	6.7%
8:56	0.0%	TSE2/J/M	0.0%
12:15	8.2%	ETF/REIT	19.8%
12:25	17.8%		



Kai-X

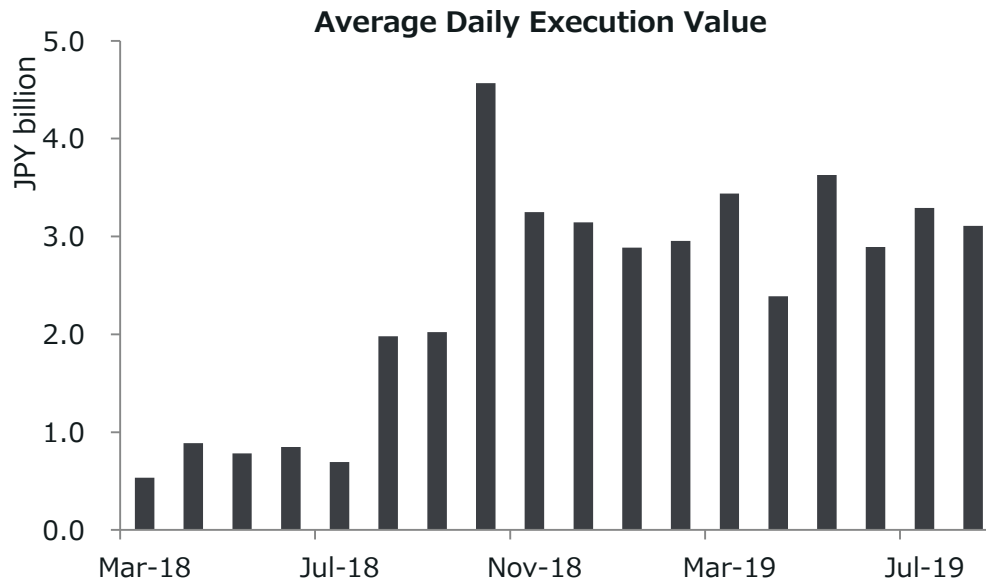
chi-x

Overview - Kai-X

- ◆ Kai-X is a **broker neutral ToSTNet cross system** where participating brokers bring together non-displayed orders and anonymously cross.
- ◆ It enables brokers to source **additional liquidity from others without disclosing their order flows**. It also serves as “outsourcing” of dark pool for brokers who wish to reduce system development and maintenance cost.
- ◆ The same trading hours as that of TSE.
- ◆ Crossing at a better than TSE price (especially **Mid-point of TSE spread**) is pursued.
- ◆ It is designed to **equalize the latency** gap among participants.
- ◆ MEQ (**Minimum Execution Quantity; single counter party**) and **Self-Cross Prevention** (among the same brokers; among the same institutional investors) available.

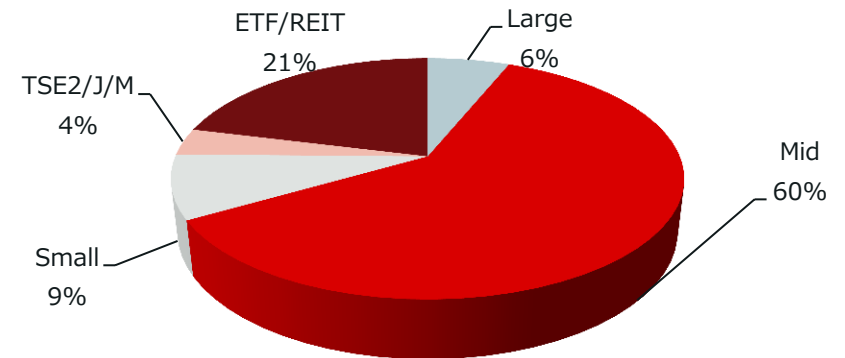
Kai-X Execution Snapshot

Average Daily Execution JPY 3,019,048,264
Average Trade Size 1.6 Lot
% of Mid-point Trade 93.5%



* Execution value is double-sided

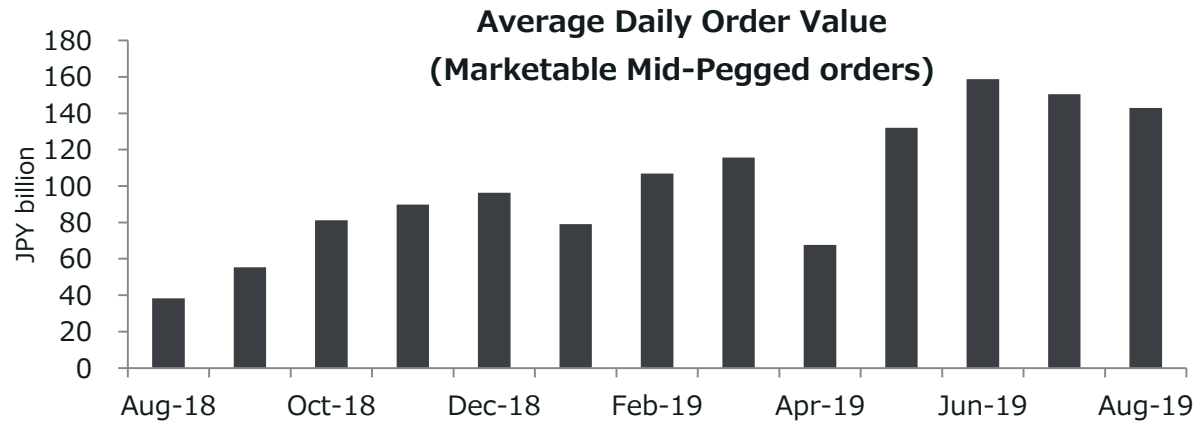
Execution Value Breakdown



	Avg PI (bps)	Avg PI (spread)	Avg Order Resting Time (s)
Large	167	44.9%	132
Mid	5.0	50.2%	64
Small	9.1	49.5%	124
TSE 2/J/M	13.6	47.6%	176
ETF/REIT	4.1	49.5%	99
Overall	5.6	49.6%	89

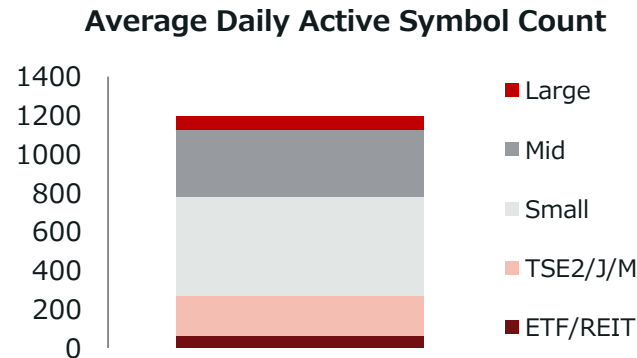
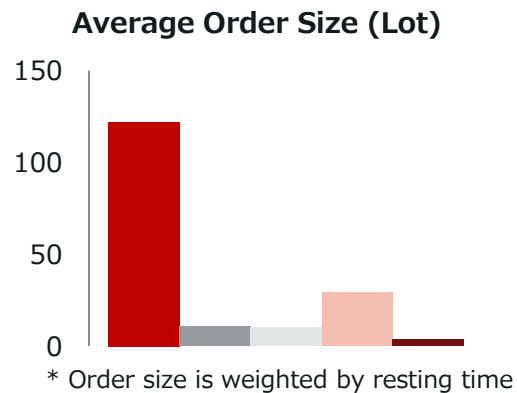
PI compares the trade price vs. TSE's best bid for sell or best offer for buy at each point of trade and is calculated from the perspective of the Taker of the trade. The average calculation includes trades at TSE price.

Kai-X Order Snapshot



Top Symbols by Avg Order Lot Size (Large)

2502	ASAHIGHD	338
8308	RESONA	306
8601	DAIWASG	269
8750	1-LIFEHD	191
8591	ORIX	170
4503	ASTELLAS	130
5411	JFE HD	119
7201	NISSAN	101
9437	DOCOMO	97
6098	RECRUIT	93



Top Symbols by Avg Order Lot Size (Mid)

7732	TOPCON	136
6925	USHIO	100
8136	SANRIO	95
4732	USS	78
4676	FUJI HD	78
1883	MAEDARD	66
9404	NTV HD	62
4091	TAIYSANS	59
4151	KYOWAKRN	39
4716	ORACLEJ	38

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