

Bowers Securities appreciates the opportunity to comment on SR-BatsBZX-2017-34, the proposal to introduce the “Bats Market Close.”

As market practitioners handling customer orders on the floor of the New York Stock Exchange, we see firsthand the daily challenges of today’s market environment. Liquidity is available but fragmented across multiple exchanges, ATSS, and other liquidity centers, and finding large-scale contra-side interest is rare.

Given the dispersion of liquidity and the costly technology required to find it, the closing auction process is a tremendous benefit to our community. The closing auction brings together all buy and sell interest at a single time and in a single location, creating opportunities for large orders to get filled with relatively less price impact. The auction’s centralized and transparent price discovery process allows all market participants to fairly assess supply and demand and react accordingly. The result is a price which reflects both market sentiment and total market participation.

While reviewing the proposal from Bats, we request the Commission to consider the impact to the Floor Broker community. As constituted today the closing auction is a fair, transparent, and highly successful component of modern market structure, and any material change to the auction could impact a large number of market participants. We respectfully request that the Commission disapprove the Bats Market Close as introducing unnecessary fragmentation and complexity.

Regards

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