

August 19, 2013

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: SR-NYSEMKT-2013-59 – Response to Comment Letter (“Response”)

Dear Ms. Murphy:

NYSE Euronext, on behalf of NYSE MKT LLC operating NYSE Amex Options (“NYSE Amex” or the “Exchange”) appreciates the opportunity to respond to the comment letter, dated July 12, 2013, of Darren Story, in connection with the Exchange’s rule filing (File Number SR-NYSEMKT-2013-59) (the “Proposed Rule Change”) for the proposed amendment of Rule 965NY, which governs NDX and RUT combination orders¹(“Combination Orders”).

In his comment letter, Mr. Story noted that the proposed rule change to permit a two-hour “look back” window is not needed because it is possible to “simply adjust” the prices of individual legs of a Combination Order to achieve the net debit or credit specified in the order. The Exchange disagrees with Mr. Story’s view. As noted in the comment letter, dated August 2, 2013, submitted by Casey Securities, LLC (the “Casey Letter”), “the options market is an extremely fast-moving environment where many factors can lead to constant and continual quote and execution changes, including order imbalance pressures, implied volatility, competitive quotes and changes to the underlying instruments,” such that adjustments are not always feasible or desirable.

The Exchange views the two-hour window as an appropriate and narrowly tailored approach to enable completion of Combination Orders with multiple legs in a manner that provides a reasonable degree of execution certainty to the benefit of market participants, including customers, participating in a Combination Order. Further, the Exchange notes that similar practices already exist in the equities market and that the proposed two-hour window is more restrictive than that of market places offering competing products, such as the Intercontinental Exchange and the Chicago Mercantile Exchange, which have no such similar restrictions.

Mr. Story also asserts that the rule as proposed would “EQUATE TO CUSTOMER HARM” [sic] but does not substantiate or explain how that would occur. While it is not clear

¹ Exchange Act Release No. 34-69919 , 78 FR 41168-41173 (July 9, 2013) (SR-NYSEMKT-2013-59)

whether Mr. Story is referring to customer orders on the Exchange book or those participating in the Combination Order, in any event the Exchange strenuously disagrees with his assertion. Both the “adjustment” process the commenter describes and the Proposed Rule Change are designed to facilitate completion of a Combination Order as a clean cross, to the extent consistent with market conditions and applicable priority rules. Neither approach would generally result in orders on the Exchange book participating in the Combination Order, or necessarily provide benefit to the customer side of a Combination Order. As complex negotiated trades, participants to Combination Orders agree on a net debit or credit for the transaction based on current market conditions. The Proposed Rule Change would provide for additional flexibility in achieving desired combinations and hedging strategies and would provide a transparent and overall more efficient process to market participants. Moreover, the Proposed Rule Change will not require that the two-hour “look-back” window be used, and Exchange members may continue to use the “adjustment” approach if consistent with applicable Exchange rules, including those pertaining to trade through and best execution obligations.

In conclusion, the Exchange believes Mr. Story’s comments are inaccurate and insufficient to demonstrate that the Proposed Rule Change is not consistent with the Exchange Act. Further, the Exchange notes that comments to the contrary have been received that support the necessity for this rule change.

The Exchange appreciates the Commission’s consideration and looks forward to approval by the Commission.

Sincerely,

A handwritten signature in blue ink that reads "Janet McHinness".