



Instinet Introduces BLX Dark Pool

Agency-only broker combines the best of point-in-time and continuous crossing in new, algo-friendly block trading system; Pulse Trading's BlockCross dark pool added as opt-in liquidity provider to BLX.

NEW YORK – October 5, 2009 – Instinet Incorporated, a global leader in electronic trading and agency-only brokerage services, today announced that its U.S. agency-brokerage subsidiary, Instinet, LLC, has launched BLX™, a new algo-friendly dark pool for U.S. equities that “builds” block trades by combining the liquidity aggregation benefits of point-in-time crossing with the flexibility of a continuous market. BLX, which has been operating in a “soft launch” mode, recorded an average trade size of 15,719 shares in September 2009.

With BLX, Instinet aims to restore block-trading in the fragmented U.S. equity market, as the platform aggregates multiple orders from both buy- and sell-side participants and consolidates them into block-size trades. Given its multi-party participation model, BLX is able to promote anonymity and protect trading information more effectively than a peer-to-peer or negotiation trading paradigm. The patent-pending BLX market model was designed specifically to increase trade size by appealing to an array of trading participants, including both passive block traders and those using algorithmic trading strategies. The BLX model also includes several built-in anti-gaming features, such as volume triggers and a mid-point pricing window so that the system cannot be “pinged” by information-seeking traders.

“Given today’s environment, in which the average trade size has fallen below 400 shares*, we believe there is a tremendous opportunity for BLX to help clean up the tape by aggregating orders from multiple parties and then initiating a point-in-time block cross. In addition, we see BLX as a compelling complement to our existing dark liquidity offerings, which include multiple daily crossing matches and the CBX™ continuous dark pool,” said Jonathan Kellner, President, Americas, at Instinet.

Additionally, Instinet announced today that BlockCross, an independent ATS owned by Pulse Trading, has been added as an access provider to BLX, offering BlockCross clients opt-in access to the platform. Institutional clients can also access BLX through Instinet’s Newport® 3 and Instinet Trading Portal® EMS platforms, the Instinet Execution Experts™ algorithms or other third-party brokers that have connected.

“We think that the innovative BLX market model provides a great complement to BlockCross’ peer-to-peer model,” said Christian A. Dubois, managing partner at Pulse Trading, Inc. “We’re pleased to be the first firm to collaborate with Instinet around BLX, and believe that offering customers access to relationships such as these is critical to helping the buy-side achieve best execution in block trading.”

BLX becomes the fifth U.S. dark pool and ninth ATS platform offered globally by Instinet, which, in 1986, introduced the industry’s first securities crossing platform and in 1969 the world’s first significant electronic trading venue. In the U.S., BLX joins CBX™, Instinet’s continuous dark pool that averaged over 47 million shares traded per day in Q2 2009, and the VWAP, Intraday and Overnight crosses that comprise Instinet’s U.S. Crossing offering. Outside of the U.S., Instinet’s ATS platforms include BlockMatch™ in Europe and CBX™ ASIA, KoreaCross™ and JapanCrossing™ in Asia.

* The average U.S. equity trade size was 375 shares in August 2009, according to the TABB Group.



About Instinet

Instinet is an electronic trading pioneer, having established the world's first major electronic trading venue in 1969, one of the first recognized U.S. ECNs in 1997 and the first pan-European MTF in 2007. Through its subsidiaries and affiliates, Instinet operates two distinct business lines: a global network of agency-only brokers that seek to help institutions lower overall trading costs and improve investment performance through the use of innovative electronic trading products, including smart-routing, algorithms, DMA, dark pools and EMS platforms, and also provide sales trading, commission management services and independent research; and the Chi-X[®] trading systems, which aim to improve the efficiency of capital markets globally by providing high-performance, low-cost alternative execution venues. Instinet is a wholly-owned subsidiary of Nomura Holdings, Inc. For more information, please visit www.instinet.com.

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