

New York Stock Exchange LLC

## New York Stock Exchange tests views on round-the-clock trading

Poll comes as US regulators review Steve Cohen-backed proposal for a 24/7 exchange



The discussion has in part been prompted by round-the-clock trading of crypto and the rise in retail investor activity first spurred by pandemic lockdowns © Brendan McDermid/Reuters

Jennifer Hughes in New York YESTERDAY

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The New York Stock Exchange is polling market participants on the merits of trading stocks around the clock as regulators scrutinise an application for the first 24/7 bourse.

The survey by the [NYSE](#), part of Intercontinental Exchange, was put out by its data analytics team rather than its management, but it highlights the growing interest in trading the likes of Nvidia or Apple overnight between 8pm and 4am Eastern time.

The issue has become a hot topic in recent years, prompted in part by the 24/7 operation of cryptocurrency trading and the rise in retail investor activity first spurred by coronavirus pandemic lockdowns.

Stock exchanges have become something of a laggard in a world where other big markets, including US Treasuries, major currencies and leading stock index futures, can be traded around the clock from Monday to Friday.

Several retail brokers, including Robinhood and Interactive Brokers, now offer [24-hour weekday access to US stocks](#) with trades either matched with their internal holdings, or conducted via a “dark pool” trading venue such as Blue Ocean, where shares are often traded with Asian retail investors in their daytime.

An overnight exchange, however, would be a step-change in how late trading is perceived because of its heavy regulatory oversight compared with dark pools. Exchanges are directly supervised by the Securities and Exchange Commission and tested for their stability and security as well as needing approval to alter any rules.

Trades on exchanges also form part of the consolidated “tape” — the official record — of trading prices, meaning night-time activity would be more likely to set the early tone for regular hours trading.

NYSE’s survey asked respondents whether they thought round-the-clock trading should take place at weekends as well as through a five-day week, how investors should be protected from price swings, and how respondents would staff any overnight session.

It also asked whether people agreed that “time spent thinking about overnight trading would be better spent on regular market hour trading”.

The survey comes as start-up 24 Exchange, backed by Steve Cohen’s Point72 Ventures fund, is seeking SEC approval to launch the first round-the-clock exchange. The filing is the second attempt for 24X, which withdrew a proposal last year over operational and technical issues.

As of Friday, there were no letters raising issues with 24X’s latest proposal. The SEC has several months to scrutinise the plans.

“I have no idea how much volume they’re going to be doing in the middle of the night. But it’s really not up to the SEC to decide whether it’s commercially viable or not,” said James Angel, a finance professor at Georgetown University, who filed a letter supporting 24X’s plan.

“I’m in favour of letting the market decide. If it succeeds, we’re all better off and if it doesn’t, well, the exchange’s investors lost.”

The committee that oversees the consolidated tape has begun meeting, according to two sources, to examine the issues involved in shifting to 24-hour trading — including who should bear the costs. Clearing houses, which help settle trades, also operate within set hours.

Institutional interest in overnight trading has been muted because of the relatively poor liquidity on offer and concerns around settlement risk, among other issues.

Current night owl offerings only allow retail traders to put in “limit” orders where they state the price at which they would buy or sell. If that is not met, the order expires, unfilled, the next morning.

“There’s demand for 24-hour trading, but it's not necessarily from the entire marketplace,” said one institutional broker, who warned that basic staffing could prove another thorny issue.

“Things already happen outside regular hours and you need to keep on top of that to some degree — but that’s very different to something happening to, say, Apple at 2am or even 4pm on a Saturday. What do you do then?”

*This article has been amended to clarify that Steve Cohen’s Point72 Ventures fund has invested in 24 Exchange*