

# **Global Algorithmic Capital Markets**

High Frequency Trading, Dark Pools,  
and Regulatory Challenges

Edited by Walter Mattli

**OXFORD**  
UNIVERSITY PRESS

# Contents

<i>List of Figures</i>	vii
<i>List of Tables</i>	ix
<i>Notes on Contributors</i>	xi
 1. Introduction and Overview: A New Capital Market Reality <i>Walter Mattli</i>	 1
 <b>Part 1. High Frequency Trading: Key Topics</b>	
 2. Is Trading Fast Dangerous? <i>Thierry Foucault and Sophie Moinas</i>	 9
 3. A Case Study in Regulatory Arbitrage and Information Asymmetry: High Frequency Trading and the Post Only Intermarket Sweep Order <i>Haim Bodek</i>	  28
 4. The FX Race to Zero: Electronification and Market Structural Issues in Foreign Exchange Trading <i>Dan Marcus and Miles Kellerman</i>	  61
 <b>Part 2. Market Quality and Best Order Execution</b>	
 5. A Comparison of Execution Quality across US Stock Exchanges <i>Elaine Wah, Stan Feldman, Francis Chung, Allison Bishop, and Daniel Aisen</i>	 91
 6. What has Changed in Four Years? Are Retail Broker Routing Decisions in 4Q2016 Consistent with the Pursuit of Best Execution? <i>Robert Battalio</i>	  147
 7. Better 'Best Execution': An Overview and Assessment <i>Christopher Nagy and Tyler Gellasch</i>	 165

## Contents

---

### Part 3. Analytical and Regulatory Frameworks

- 8. Naked Open-Market Manipulation and Its Effects 199  
*Merritt B. Fox, Lawrence R. Glosten, and Gabriel V. Rauterberg*
- 9. Algorithmic Trading and Market Regulation 232  
*Yesha Yadav*
- 10. Legal Liability for Fraud in the Evolving Architecture  
of Securities Markets: From Marketplaces to Traders 260  
*Stanislav Dolgoplov*

### Part 4. Regulatory Agencies and Market Structure Regulation

- 11. Regulating High Frequency Trading and Dark Liquidity  
in Australia 283  
*Greg Medcraft*
- 12. High Frequency Trading and Circuit Breakers in the EU:  
Recent Findings and Regulatory Activities 308  
*Steffen Kern and Giuseppe Loiacono*
- 13. A Framework for Responsive Market Regulation 332  
*Timothy Baikie, Tracey Stern, Susan Greenglass, and  
Maureen Jensen*
- Index* 359