

# Nasdaq Level II

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## Nasdaq Level II quotes

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*Right Mouse Click menu  
for tickers*

The *Real-Time Quotes and Custom Barometer* application also displays real-time Nasdaq Level II quotes (snap or dynamic). This feature is available for *myTrack* users with the appropriate account entitlements.

Nasdaq provides several levels of service for OTC stock quotations. Level I displays only the best bid and best ask prices for Nasdaq listed stocks. Level II displays all of the bids and all of the offers and the actual sizes of those bids and offers from every market maker in a particular stock. It was designed for broker/dealer firms that wanted to know what all of the market makers were doing with a particular stock at the exact same time. It, therefore, provides a much more accurate indication of a stock's true market and worth. Only in the past few years has Level II quotes become available to the general public.

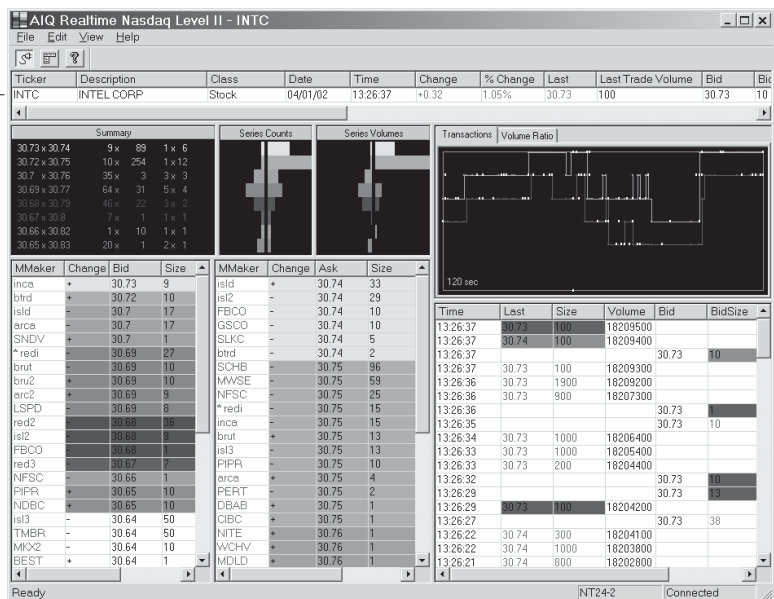
► *To display Nasdaq Level II quotes for a ticker listed in the Quotes and Barometer window:*

1. Click on a ticker with your right mouse button.
2. From the menu that appears, choose **Launch Nasdaq Level II**. The Nasdaq Level II screen will appear and data will be immediately retrieved.

### Note

To be able to use Nasdaq Level II quotes, you must first activate the feature through myTrack software.

Quote Line



Nasdaq Level II screen

— Market Maker Section —

— Transactions Section —

## The Nasdaq Level II screen

The screen is divided into three principal sections:

- **Quote Line:** Data fields, including dynamically updating quotes, are displayed for ticker shown in *Ticker* field.
- **Market Maker section:** The five windows on the left side of the screen display quotes and other real-time Market Maker information.
- **Transactions section:** The two windows on the right side of the screen display dynamically updating transaction data.

The following pages explain in detail the three principal sections of the screen.

## Quote Line

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Displays dynamically updating quotes for ticker shown in *Ticker* field. In addition to bid and ask prices, 21 other data fields can be displayed

### Entering a new ticker in the Quote Line

► *To change the symbol:*

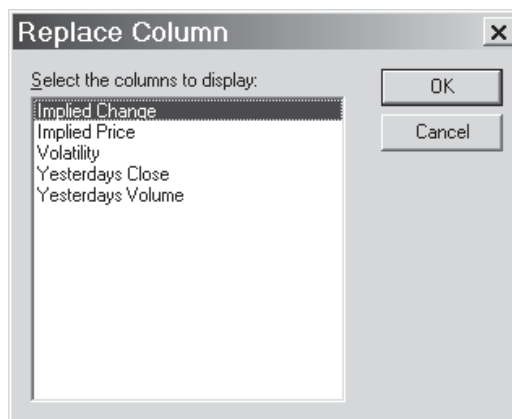
1. Click on the *Ticker* field.
2. With existing symbol highlighted, type in a new symbol.
3. Press **Enter**. Data for the new ticker will be immediately retrieved in the Quote Line and all other windows.

### Changing data fields in the Quote Line

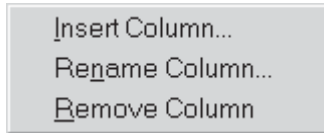
You can remove or replace an existing column or insert a new column in the Quote Line by using commands from a right click menu.

► *To remove or replace an existing column:*

1. Right click on heading of column you want to remove or replace. A menu will appear.
2. To remove, choose **Remove Column** from menu.
3. To replace, choose **Rename Column** from menu.
  - From list in *Replace Column* dialog box, select the column you want to display in place of the selected column.
  - With column name highlighted, click **OK**.



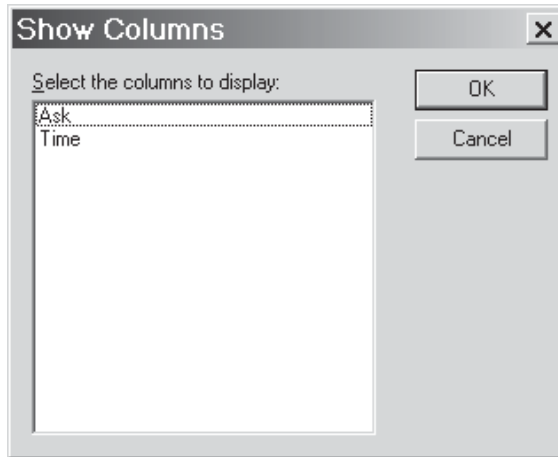
*Replace Column dialog box*



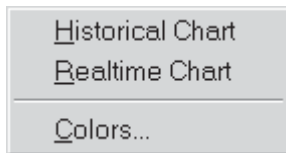
*Quote Line right click menu*

► *To insert a new column:*

1. To locate a new column in a specific place in the Quote Line, right click on the column to the left of location where you want the new column to be inserted.
2. Choose **Insert Column** from menu to display the *Show Columns* dialog box. Select the column you want to insert.
3. With the new column name highlighted, click **OK**.



*Show Columns dialog box*

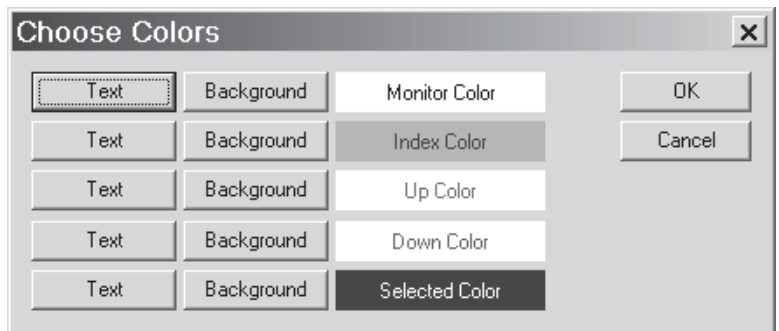


*Quote Line right click menu*

### **Changing Quote Line colors**

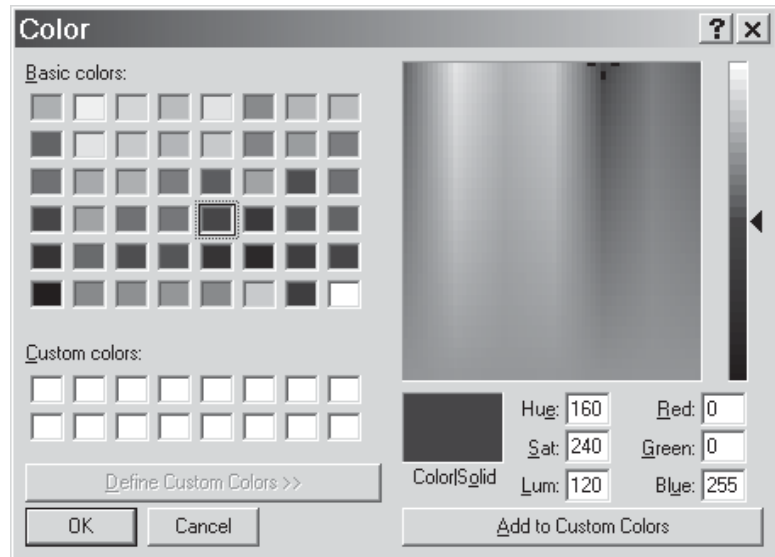
► *To change the colors in the Quote Line:*

1. Right clicking in any of the Quote Line fields displays a menu.
2. Choose **Colors** from this menu to display *Choose Colors* dialog box.



*Choose Colors dialog box*

3. This box lists five components that can be changed:
  - Monitor
  - Index
  - Up
  - Down
  - Selected
4. Clicking the **Text** or **Background** button next to any component displays the *Color* dialog box.



*Color dialog box*

5. From this box, select the color you want and click **OK** to return to the *Choose Colors* dialog box.
6. When you have completed all your color changes, click **OK**.

### **Charting ticker in Quote Line**

► *To display a chart of the ticker shown in the Quote Line:*

1. Right click in any of the Quote Line fields to display the menu.
2. Depending on the type of chart that you want, choose **Historical Chart** or **Realtime Chart** from the menu.
3. The AIQ *Charts* application will open and display a chart of the ticker.

## Market Maker section

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The five windows on left side of the Nasdaq level II screen display quotes and other real-time Market Maker information. This information is designed to show at a glance the best available prices for the shares you are buying or selling. You can also find the firm or firms offering these prices.

Quotes are grouped by bid or ask price. Each bid/ask price level is called a “series”. A certain number of the series with the best prices are assigned colors. The number of series that are shown in color and the colors for each series can be changed.

Content of each of the five Market Maker windows is described below.

### Summary window

This window summarizes best bid and ask offerings for all Market Makers. Currently quoted best bid and best ask prices are listed with highest bid price and lowest ask price shown at top of list. The number of series that are shown in color can be changed by the user (maximum number is eight). To find the Market Makers that are offering a particular series, you simply look for the corresponding color in the windows below.

The following information is shown for each price level:

- Column 1: Best bid and ask prices (bid price x ask price)
- Column 2: Size (in 100’s of shares) of bid and ask offerings at these prices (bid size x ask size)
- Column 3: Number of Market Makers offering bid price and number offering ask price (number at bid price x number at ask price)

### Series Counts and Series Volumes windows

These two windows provide graphical representations of Market Maker information in various formats. The windows are identical except for the data represented.

**Series Counts:** Number of Market Makers currently offering each series.

**Series Volumes:** Total number of shares currently offered by all Market Makers for each series.

Both windows are divided into two sections. The left section displays bid data and the right displays ask data. The user chooses the type of

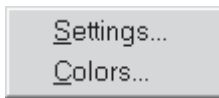
graph that is displayed in each section. Regardless of the graph format selected, different colored bars are used to represent the different series that are being offered.

There are four options for the format of either graph. The four graph formats are:

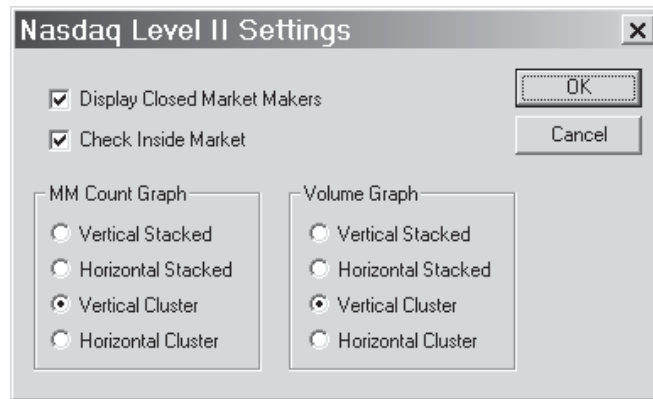
- Vertical Stacked
- Horizontal Stacked
- Vertical Clusters
- Horizontal Clusters

► *To choose the graph format:*

1. Click with your right mouse button anywhere within the Market Maker section of the screen. A small menu will appear.
2. Select **Settings** to display the *Nasdaq Level II Settings* dialog box.



*Market Maker right click menu*



*Nasdaq Level II Settings dialog box*

3. From the two sections *MM Count Graph* and *Volume Graph*, select the graph format that you want to see displayed for each graph.



## Display Closed Market Makers and Check Inside Market

These two options in the *Nasdaq Level II Settings* dialog box allow you to identify that a Market Maker is closed and to delete incorrect bid and ask prices.

► *To activate these options:*

1. Display the pop up menu by right clicking in the Market Maker section and choose **Settings**.
2. Check the box for **Display Closed Market Makers**. When this option is selected, a “C” will appear in the *Time* field to identify that a Market Maker is closed.
3. Check the option box for **Check Inside Market**. With this option selected, incorrect bid and ask prices are removed.

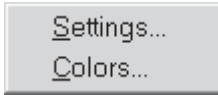
## Market Maker quotes

The two side by side lower windows in the Market Maker section list quotes from individual Market Makers. The window on the left shows the Bids and the window on the right shows the Asks. Both lists are sorted by price with the best Bid and Ask prices at the top. Market Makers offering the same price are sorted by offering size with the largest size at the top.

The Market Maker quotes fields are:

- **MMaker** Name of Market Maker firm
- **Change** (+ or –) symbol indicates direction change from last price
- **Bid/Ask** Bid or Ask price
- **Size** Number of shares offered (100’s)
- **Axe** Number of times this MM has been “inside” the bid or ask price

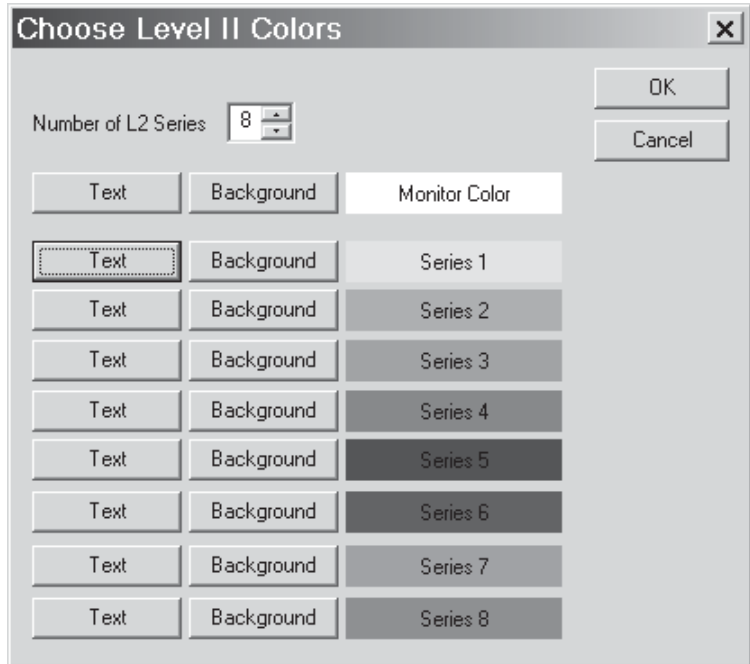
Each series (i.e., bid/ask price level) is assigned a color so that all Market Makers that are offering a particular bid or ask price are shown in the same color. The number of series displayed and the colors for each series can be changed by the user.



Market Maker right click menu

► *To change number of series:*

1. Right click in either of the two Market Maker quotes windows and from the menu that appears choose **Colors**.
2. The *Choose Level II Colors* dialog box will appear.
3. Use the list box for *Number of L2 Series* at the top of the dialog box to change the number.
4. Click **OK**.



Choose Level II Colors dialog box

► *To change series colors:*

1. Right click in either of the two Market Maker quotes windows and select **Colors** from the menu to display the *Choose Level II Colors* dialog box.
2. Click **Text** or **Background** for the series you want to change.
3. In the *Colors* dialog box that appears, change the color and click **OK** to return to the *Choose Level II Colors* dialog box.
4. When you have completed all changes, click **OK**.

## Transactions section

The two windows in this section display a Transaction Log (lower window) and Transactions and Volume Ratios graphs (upper window).

### Transaction Log

The lower window in this section, which is also known as *Time and Sales*, tracks all quotes and trades for the security entered in the Quote Line. Up-to-the-minute trades or quotes, or both, can be displayed. When a new trade or quote occurs, the log is dynamically updated with a new line of information.

Trade and quote lines list the following information:

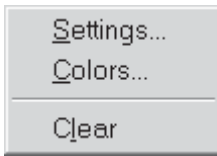
- Trade lines: time, last trade, size, and volume
- Quote lines: time, bid price and bid size, ask price and ask size.

Trade lines can display either Up/Down or Bid/Ask trades. When Bid/Ask trades are displayed, the Bids and Asks can be shown in different colors.

Up and down quotes and new up and down quotes can all be shown in different user selectable identifying colors.

Time	Last	Size	Bid	BidSize	Ask	AskSize	Volume
13:13:48	56.97	200					17013100
13:13:45			56.96	4	56.97	5	
13:13:44			56.96	4	56.97	2	
13:13:44			56.97	2	56.98	10	
13:13:43			56.96	6	56.98	10	
13:13:42	56.97	200					17012900
13:13:42			56.96	4	56.98	10	
13:13:41			56.96	4	56.97	2	
13:13:41	56.97	300					17012700
13:13:41			56.96	4	56.97	5	
13:13:41	56.97	100					17012400
13:13:41			56.97	3	56.97	5	
13:13:41	56.97	100					17012300
13:13:40			56.96	4	56.97	5	
13:13:39			56.96	4	56.98	10	
13:13:39	56.97	200					17012200
13:13:39			56.97	4	56.98	10	

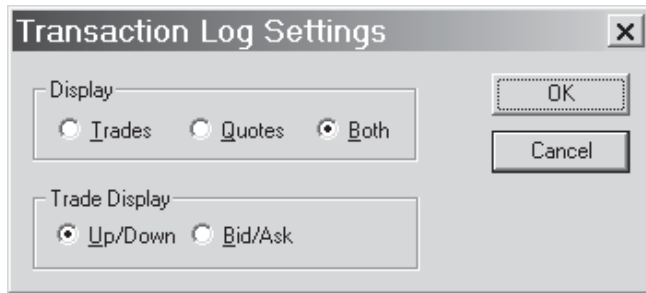
*Transaction Log window*



Transactions right click menu

► *To change the information shown in log:*

1. Right click in the Transaction Log window.
2. Choose **Settings** from menu.



Transaction Log Settings dialog box

3. From the *Display* section of the *Transaction Log Settings* dialog box, choose **Trades**, **Quotes**, or **Both**.
4. To change display of trades, choose one of the following from *Trade Display* section:

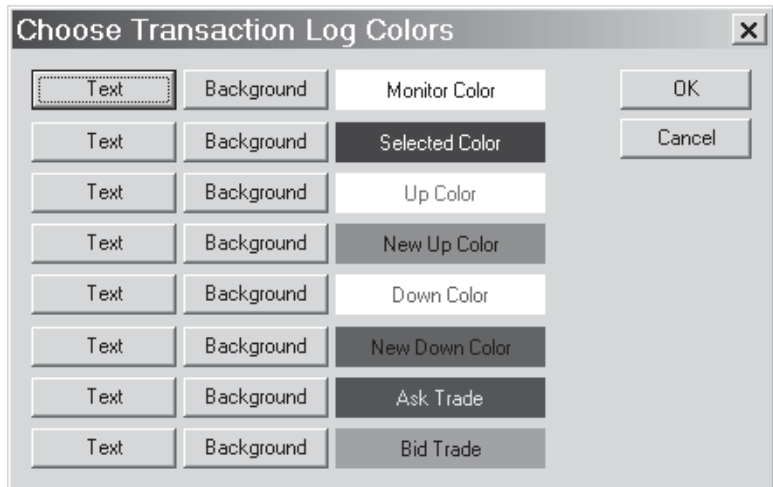
**Up/Down**

**Bid/Ask**

5. Click **OK**.

► *To change the colors for any log component:*

1. Right click in the Transaction Log window.
2. Choose **Colors** from the menu. The *Choose Transaction Log Colors* dialog box will appear.



Choose Transaction Log Colors dialog box

3. To change the Text and Background color for any of the eight log components listed in the dialog box:
  - Click on **Text** for the component you want to change. The *Color* dialog box will appear. Select the Text color you want for this component and click **OK**.
  - Then click on **Background** for this component and the same *Color* dialog box will appear. Select the Background color you want for this component and click **OK**.
4. When you have completed your color changes, click OK to close the *Choose Transaction Log Colors* dialog box.

### **Deleting Transactions**

► *To clear the Transaction Log:*

1. Right click in the Transaction Log window and choose **Clear** from menu.
2. All transactions that have been recorded up to that time will be deleted from the window.

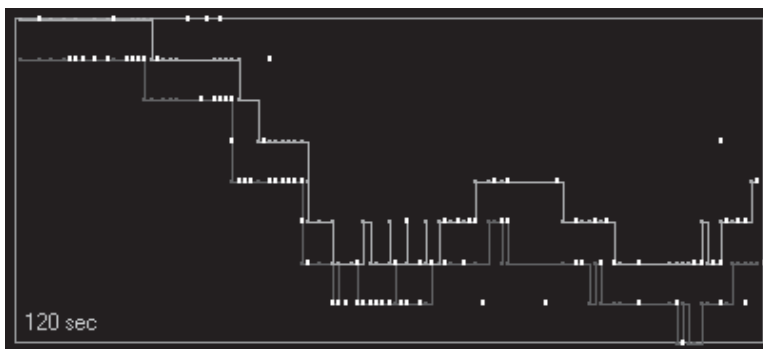
## Transaction/Volume Ratio graphs

Two different types of graphs can be displayed in the upper window of the Transactions section, a Transaction Graph or a Volume Ratio Graph. Click one of the tabs at the top of the window to display the graph of your choice.

### Transaction graph

This graph shows recent bid/ask quotes and trades plotted vs. time. The components of the graph are as follows:

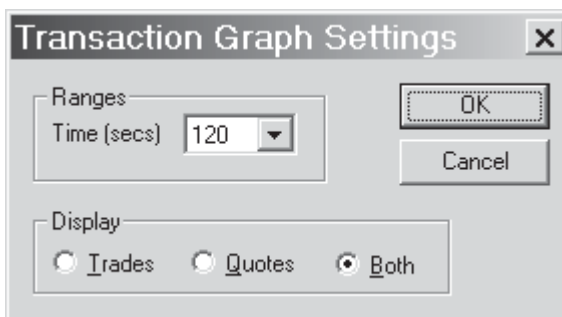
- Green line: Ask quotes
- Red line: Bid quotes
- White dots: Trades



*Transaction Graph*

► To change the time range (horizontal scale) on Transaction Graph:

1. Right click on the Transaction graph.
2. Choose **Settings** from the menu that appears to display the *Transaction Graph Settings* dialog box.



*Transaction Graph Settings*

3. Click the arrow on the list box in the *Ranges* section to view a list of time ranges (secs.), then choose the range you prefer to see displayed.
4. Click **OK**. The selected time range appears at the lower left corner of the graph.

► *To choose the kind of transactions that are displayed on the graph:*

1. Right click on the Transaction Graph and choose **Settings** from the menu to display the *Transaction Graph Settings* dialog box.
2. From the *Display* section, select one of the following options:
  - Trades
  - Quotes
  - Both
3. Click **OK**.

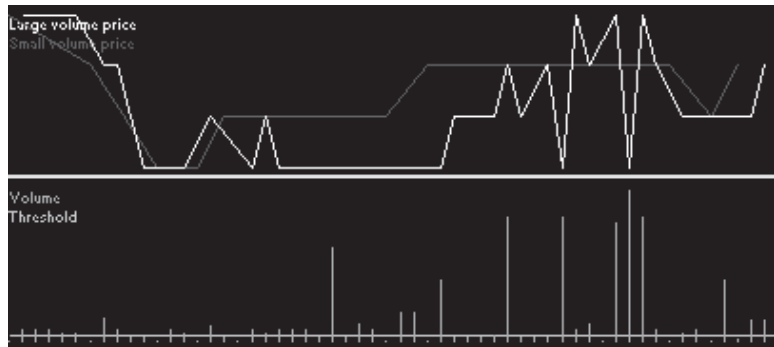
## Volume Ratio graph

This graph displays price and volume figures from recent trades. What is interesting about this graph is that trade prices are split into two categories, large volume trades and small volume trades. The split is based on a volume size that you specify called the *threshold* value.

The horizontal axis of this graph does not represent time. Trades are simply entered sequentially as they occur and are equally spaced regardless of time.

The price from a trade above the threshold volume is called the *large volume price* and the price from a trade below the threshold volume is called the *small volume price*. On the graph, large volume prices are shown in white and small volume prices are shown in red.

The lower half of the Volume Ratio Graph displays the volume of each trade (green bars). The threshold volume is shown as a white horizontal line on the graph.



*Volume Ratio Graph*

## Changing the threshold volume

► *To change the Small trade/Big trade threshold:*

1. Right click on the Volume Ratio Graph to display the *Small trade/Big trade threshold* dialog box.

The dialog box is titled 'Small trade/Big trade threshold'. It features a text input field containing the number '500', followed by the label 'Shares'. To the right of the input field are two buttons: 'OK' and 'Cancel'.

*Small trade/Big trade threshold dialog box*

2. In the *Shares* box, enter the number of shares that you would like to use for the threshold value and then click **OK**.