



Greg Ferrari
Vice President
151 WEST 42ND STREET
NEW YORK, NY 10036

September 8, 2023

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F. Street NE.
Washington, DC 20549

Re: SR-MIAX-2023-22

Dear Ms. Countryman:

The Nasdaq Stock Market LLC, Nasdaq PHLX LLC, Nasdaq BX, Inc., Nasdaq ISE, LLC, Nasdaq GEMX, LLC, and Nasdaq MRX, LLC markets (collectively “Nasdaq”) respectfully submit this comment in response to a recent rule change by Miami International Securities Exchange, LLC (“MIAX”) that seeks to implement a new strike interval program for stocks that are priced less than \$2.50 and have open interest equal to or greater than 1,000 contracts (“Low Priced Stock Strike Price Interval Program” or “Program”). Nasdaq applauds MIAX’s efforts to establish meaningful strikes for certain stocks trading under \$2.50 and believes that this Low Priced Stock Strike Price Interval Program, if approved, would provide more meaningful trading and hedging opportunities for this subset of stocks. If MIAX’s proposal is approved, other options markets may adopt the same Program, therefore, in order to ensure consistency, Nasdaq would request the proposal address: (1) the treatment of initial public offerings or “IPOs”; (2) the interaction of the Program with options listed as part of the Short Term Option Series program with more than twenty-one days to expiration (noted in MIAX’s Interpretations and Policies in .11 to Rule 404) (“Strike Curtailment Program”); and (3) the calculation of open interest.

IPO

MIAX’s proposal should address the treatment of IPOs with respect to eligibility for the Program. Nasdaq suggests that IPOs should not be considered in evaluating open interest for the prior three calendar months. Initial IPO interest is not an accurate indicator of sustained liquidity and market activity.

Strike Curtailment Program

MIAX’s proposal should address potential conflicts with the Strike Curtailment Program. By way of example, if symbol “ABCD” is under \$2 and is listed as a STO with an average daily

volume of less than 5,000 for the applicable calendar quarter, the eligible price interval would be \$1 pursuant to the Strike Curtailment Program and would permit \$0.50 and \$1.50 strikes under the proposed Program, which would conflict with the Strike Curtailment Program.

Open Interest

MIAX should clarify the methodology for calculating open interest. For example, if the Program anticipates the open interest calculation should adjust for corporate actions, Nasdaq requests the rule text be amended to specify the adjustment. It is unclear whether the calculation for the previous three calendar months should utilize The Options Clearing Corporation data despite any corporate actions. This is of particular concern for a symbol change or a reverse split scenario.

Nasdaq supports MIAX's proposal overall and seeks additional information to obtain clarity regarding the implementation of the Program. If you have any additional questions, or if we can be of further assistance in this matter, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Ferrari', with a stylized flourish at the end.

Greg Ferrari
Vice President, U.S. Options

cc: Kathleen Gross, Division of Trading and Markets