MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the NASDAQ OMX Second Quarter 2010 Results Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session and instructions will be given at that time. [Operator Instructions]

As a reminder, today's conference call is being recorded. I'd now like to turn the conference over to your host, Mr. Vince Palmiere, Vice President of Investor Relations. Please go ahead, sir.

Vincent Palmiere, Investor Relations

Thank you, Operator. Good morning and thank you for joining us today to discuss our second quarter 2010 earning results. Joining me are Bob Greifeld, Chief Executive Officer; Adena Friedman, our Chief Financial Officer; and Ed Knight, our General Counsel. Following our prepared remarks, we'll open up the line for Q&A.

You can access the results press release and presentation on the NASDAQ OMX Investor Relations website at www.nasdaqomx.com. We intend to use our website as a means of disclosing material non-public information and for complying with disclosure obligations under SEC Regulation FD. And these disclosures will be included under the Events & Presentation section of the site.

Before I turn the call over to Bob, I'd like to remind you that certain statements in the prepared presentation and during the subsequent Q&A period may relate to future events and expectations and, as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The actual results may differ materially from those projected in these forward-looking statements. Information containing factors that could cause actual results to differ from forward-looking statements is contained in our press release and in our periodic reports filed with the SEC.

With that, I'll turn the call over to Bob.

Robert Greifeld, Chief Executive Officer

Thank you, Vince and thank you, everyone, for joining us this morning to discuss our second quarter 2010 results. I'll begin by spending a few minutes highlighting the quarter and then update you on the progress of our initiatives. Adena will then walk you through the financials in detail.

This morning, we reported a net income of $96 million or $0.46 per diluted share. On a non-GAAP basis, net income was 108 million, or $0.52 per diluted share, very strong results as this reflects an increase of 21% in EPS when compared to the first quarter of 2010 and matches our previous high of $0.52 achieved during the fourth quarter of 2008.

Also during the quarter, net revenues increased $30 million, or 8%, from the first quarter of 2010, coming in at $390 million. When we spoke last quarter, I discussed how the core fundamentals of our business were strong and our results this quarter clearly demonstrate this to be the case. Volumes were up in nearly all of the products in which we trade. Our market share in U.S. cash equities has remained stable, while it continues to grow in options. Company listings have grown on the strength of new listings and demand for co-location continues to increase, while customer demand for our listed-companies Corporate Services has also grown.

This quarter, just about every aspect of our business improved. Within Transaction Services, U.S. Cash Equity trading revenues were up nearly 70% from the first quarter of 2010 and 26% from the second quarter of 2009. Volume match by NASDAQ and BX totaled 148 billion shares in the quarter, up 17% when compared to the first quarter of 2010 and up 4% from levels realized in the second quarter of 2009. Our market share has remained stable with NASDAQ and BX combined share coming in at nearly 23% in the second quarter of 2010, down slightly from the first quarter -- from 24% in the first quarter, but up from the 21% realized in the second quarter of last year.

By staying in constant contact with our customers, we've been able to deliver continued improvements in our Trading products and services. This quarter, we realized higher revenues through a better mix of business from market participants, yielding more favorable rates for cash equities. We've also seen strong demand for co-location and other Access Services as revenues in the quarter grew 28% from prior year levels. The combined revenues for U.S. Cash Equity Trading and Access services in the second quarter 2010 was $95 million. What's interesting about this figure, it is that it's equal. This figure is equal to combined revenue we generated from these two business areas in the fourth quarter of 2008, a period which is generally viewed as a high watermark for NASDAQ in the Cash Equity business.

We were able to match our fourth quarter 2008 revenues, despite the fact that in second quarter 2010, our match volumes were 25% lower than they were at the height of the financial crisis. We have made a conscious effort over the past year to shift the mix of revenues in the U.S. Cash Equities business to include a balance of transactional and recurring revenues and we feel this quarter truly demonstrates how well we have achieved that balance. Additionally, the performance of the most recent quarter demonstrates that, contrary to the views of some, the Cash Equities business has a strong and stable foundation and compelling growth dynamics.

Now turning to our U.S. Options business, our average capture rate remained relatively stable for the quarter, while we were able to grow market share, with total share coming in at 25.1% in the second quarter, up from 23.8% in the first quarter of this year and 21.3% in the second quarter of last year.

This growth in shares speaks for the continued success of the Maker/Taker model that we implemented at PHLX earlier this year. In the NASDAQ Options Market, NOM, continues to make progress as it now regularly achieves share in excess of 5%. In fact, in the month of July, our total share including PHLX and NOM is approximately 26%.

Within the European Derivatives markets, we had another strong quarter, with volumes improving for the fourth consecutive period. Equity Derivatives volume was up 44% from the prior year levels, driven by strength in index futures and options trading. Fixed Income activity was also up nicely, growing 37% from the prior year. Overall, our Derivatives revenue in Europe grew to 29 million, up more than 50% from the revenues in the second quarter of 2009.

In European Cash Equities, following the introduction of the INET trading platform, volumes continued to improve, with trade volume growing 15% from the first quarter of 2010, while value traded grew 11%. Revenues recognized in local currency, however, were only up slightly, while we experienced FX headwinds and we also had a cap fee structure that we introduced earlier in the year.

The Nordic Cash Equity markets does however continue to involve. The mix of trading clients is less diverse than the U.S., but as trading continues to develop in the Nordic market and as co-location and high-frequency trading continues to increase in popularity, we certainly expect a convergence of trading activity, which certainly over time will accrue to our benefit.

Now turning to Issuer Services, NASDAQ OMX welcomed 65 new listings during the quarter, up from 47 in the first quarter and 21 in the second quarter of last year. Including in new listings were 27 IPOs compared with three in the second quarter of last year. Including in the new listings were 16 NASDAQ listings from the Greater China region, including three IPOs, bringing the total number of listed-companies headquartered in Greater China to 144, more than any other U.S. exchange. NASDAQ continues its dominance in technology IPOs, winning 80% of tech listings this year. We recently welcomed QUIK Technologies, the 15th IPO for the technology sector in 2010.

Other notable listings in the second quarter of 2010 included SMART Technologies, the largest IPO of the year, CBOE Holdings and Tesla Motors, the first IPO for an American automaker in 54 years.

Corporate Services continues to perform well, reporting revenues that increased 12% from the first quarter of 2010. The Global Index group also saw a strong quarter. Seven new ETFs were launched on NASDAQ OMX Indices in the second quarter, bringing the year-to-date number to 13. The Index Product Extension Initiatives, so the first NASDAQ 100 Index Funds launched in China, as well as the launch of the first Sharia-Compliant NASDAQ 100 Index.

In Market Technology, despite FX headwinds, our reported revenues were $34 million, consistent with the guidance provided during our call last quarter. Highlighting Q2 was the announcement that NASDAQ OMX will deliver a new trading platform, powered by Genium INET, to the Singapore Exchange. We are very pleased with the performance of our core businesses this quarter, as we are firing on all cylinders and this provides us with a solid foundation from which to grow.

Let me now touch on the status of some of our new initiatives. Financial Reform Regulation recently signed to law establishes mandatory central clearing and transparent trading of over-the-counter Derivatives products. As a global exchange, with extensive customer connectivity and a leader in exchange trading and central clearing technologies, we believe this legislation creates a tremendous opportunity for us. We believe also that the increased transparency in this market will generate confidence, which will in turn result in higher activity levels.

And although the legislation was just signed a few days ago, IDCG continues to move forward with its progress. Recently, it was announced that BNY Mellon Clearing will become a clearing member of IDCG. And Newedge recently cleared their first IRS transactions, making IDCG the first clearinghouse in the U.S. to clear in the interest rate swap contract.

Regarding competition, one key goal of the new statute is to ensure that fair competition exists between clearing and trading solutions, and our belief of it is, as the market evolves, there will be a number of competitors and what we have demonstrated over the years is that NASDAQ OMX thrives in such an environment.

Earlier today, we announced that NASDAQ OMX is acquiring SMARTS Group, the world-leading technology provider of market surveillance solutions to exchanges, regulators and brokers. This acquisition is part of NASDAQ OMX's strategy to diversify its Market Technology business and enter the broker surveillance and compliance market, as well as to increase our focus on the Regulator Client segment. The market surveillance function is becoming an increasingly important function in today's exchange industry and through SMARTS market-leading technology, we're able to expand and diversify our offering and global technology footprint.

Synergies will offer great opportunities with respect to this acquisition. Our main focus here is to grow the Market Technology footprint and continue to lever our technology investments to produce growing revenue streams. This acquisition importantly meets our financial criteria for accreting within one year and the five-year IRR exceeds the expected return from the Share Repurchase program.

Overall SMARTS is a wonderful company that represents an excellent strategic fit for NASDAQ OMX. It will strengthen our position as the leading technology partner to marketplaces worldwide.

On the U.S. Cash Equities front, our plans for a third exchange remain on track, as the proposal filed with the SEC for a price/size market is out for public comment. We expect this market to be operational at the end of the third quarter, subject to obviously to SEC approval.

In the UK Power business, earlier this month, we signed up another important participant, ScottishPower. Now we have all big six utilities on board. A total of 16 companies are actively trading on the exchange. Cleared OTC volume is averaging more than 340 million terawatt hours per week and represents more than 25% of the total cleared OTC give-ups. The Derivatives products are ready to go, once the indexes have been established. We expect to be in full production mode by the end of this year.

We remain confident that the prospects of our core business will provide us with a strong foundation from which to grow, as the diversity of our product offerings within Transaction Services allows us to continue delivering value to our customers. The success from our Listing segments provides a stable, but growing cash flow business, and the strategic value of the Market Technology business continues to create opportunities. Each of these businesses will move forward on tailwinds provided by improving industry fundamentals.

We're also pleased with the pace of our Share Repurchase program and the announcement about expanding the program that we made this morning. Adena will talk more about this in detail in one minute. Finally, we believe that it would also drive additional shareholder value, as our growth prospects gain traction in the quarters to come.

In summary, I would like to repeat some of the numerical highlights from this quarter. U.S. Cash Equity revenues were up nearly 70% from the first quarter. U.S. cash in matched volumes were up 17%. Access Services revenues were up 28%, where the fourth consecutive quarter of growth in European Derivatives business with equity derivatives volumes up 45% from Q2 last year, fixed income up 37%, while revenues were up 50%, 65 new listings this quarter up from 21 in the second quarter of 2009 representing an improvement of 210%.

On these very strong numbers, I will now turn the call over to Adena. Thank you.

Adena T. Friedman, Executive Vice President, Corporate Strategy and Chief Financial Officer

Thank you, Bob. Good morning, everyone. Thanks for joining us today. First, let me start with our announcement this morning about the Share Repurchase program. In March, our board approved a $300 million program and we acted quickly repurchasing $200 million in the first few months. This action has delivered $0.02 of accretion in the second quarter of 2010 and promises to deliver even more as the full impact of our actions are realized in the coming quarters. And we're happy to report that our board has recently approved an incremental $100 million for the program, increasing the total size from the original 300 million to a total of 400 million, furthering our plans to return capital to shareholders.

Now turning to the quarter, our non-GAAP net income for the second quarter of 2010 was $108 million, or $0.52 per diluted share, compared to non-GAAP net income of 92 million, or $0.43 per diluted share, in the first quarter of 2010 and non-GAAP net income of $99 million, or $0.47 per diluted share, for the second quarter of 2009. Reconciliations of GAAP to non-GAAP results can be found in the attachments to our press release and in the presentation that's available on our website at ir.nasdaqomx.com.

As reported on slide nine of our presentation, changes in the exchange rates of foreign currencies and the U.S. dollar had a negative impact of $0.01 to the non-GAAP diluted EPS when compared to the first quarter of 2010 and no impact when compared to the second quarter of 2009.

Consistent with our prior calls, the remainder of my comments will address our non-GAAP results unless I note otherwise. Net exchange revenues were $390 million, an increase of 30 million, or 8%, when compared to the first quarter of 2010 and up $23 million, or 6%, when compared to the prior-year quarter. FX had the impact of reducing revenues in the quarter by $8 million. So on a constant currency basis, revenue would have increased $38 million, or 11%, when compared to the first quarter.

Additionally, although volumes were strong in the second quarter of 2010, it was largely our business efforts that drove our results in the second quarter. Specifically, approximately $23 million, or more than 75% of the growth in revenue when compared to the first quarter, was driven from actions that are within our control, including changes in market share, increased sales of services and adjustments to fees, while the remaining $7 million was from actions and events that are not within our control, such as growth in industry volumes and reductions from foreign currency headwinds.

While we have enjoyed the benefits of higher volumes in the second quarter, we believe that the strength of our results were more influenced by the success of our continuous efforts to improve our fundamental operating drivers.

Now turning to the business that's in Transaction Services. While industry volumes increased 24%, our U.S. Cash Equities revenues increased 69%, or $22 million, when compared to the first quarter of 2010, due primarily to improvements in our client mix and revised rates, which resulted in improved net capture rates. European Cash Equities Trading revenue declined slightly when compared to the first quarter of 2010. Although trade volume and turnover both increased during the period, revenues declined due to unfavorable impacts from the changes in FX, which negatively impacted revenues by approximately $1 million. Excluding the FX impact, revenues in local currency were up slightly when compared to the first quarter of 2010, as revenue growth was moderated by a cap fee structure introduced earlier this year.

Derivative Trading and Clearing revenue was $69 million in the second quarter versus $61 million in the first quarter of 2010. Driving the increase when compared to the prior quarter were higher volumes and market share in U.S. options. Market share improved to 25.1% across our two options exchanges and contracts executed on our markets increased 23% from the prior quarter, as net Derivatives revenues increased to $40 million in the second quarter, up $7 million, or 21%, when compared to the $33 million we achieved in the first quarter of 2010.

In Europe, Derivatives revenues increased to $29 million, up 1 million when compared to the prior quarter, as the revenue benefit from increased activity levels exceeded the negative impact of FX. On an FX neutral basis, revenues were up $3 million from Q1, 2010. Included in the second quarter of 2010 revenues are: $9.5 million from cleared energy and carbon products, down 1 million from the first quarter of 2010; $13.3 million from trading and clearing of stock and index derivatives, up from 11.9 million in the first quarter; $4.6 million from clearing of fixed income products, up from $4.1 million in the first quarter and approximately $1 million in other revenues and fees consistent with the prior quarter.

And in Access Services, revenues were $41 million for the quarter, up from $39 million in the first quarter, and up $9 million, or 28%, from the second quarter of last year. The strength of our co-location business continues to drive the growth in this area.

Within market data, revenue was $79 million for the second quarter, down $1 million when compared to the first quarter of 2010. While modestly lower, U.S. tape plan revenues were offset by higher U.S. proprietary market data product revenue, the European market data products declined 1 million due to foreign currency impact on the stronger dollar.

In Issuer Services, revenues were $86 million for the quarter, up $2 million when compared to the first quarter result. Higher revenues come from Corporate Services and a listing of additional shared fees more than offset the $1 million of negative impact that FX had on the European listing fees.

And turning to Market Technology, revenue was $34 million for the quarter, consistent with guidance and equal to revenues reported in the first quarter. In fact, excluding the impact of FX, revenues for the quarter were $35 million, slightly ahead of the guidance we provided.

At quarter end, total order value, which represents the cumulative value of all signed orders that have not yet been realized into revenue, was $453 million. In an effort to improve our transparency, slide seven of our earnings presentation contains a table that shows when we expect to recognize the current order value into revenues over the coming years.

For example, our current estimates have $62 million of the total $453 million being recognized into revenues in the second half of 2010 and $116 million being recognized into revenue in 2011. It is important to note, however, that the recognition and timing of these revenues depends on many factors, some of which are not within our control. As such, the table represents our best estimate at this point and is subject to change.

Following on a practice that we began last quarter and because the Market Technology business is difficult to model on a quarter-over-quarter basis, we will again provide quarterly revenue guidance for this specific business unit. For the third quarter of 2010, assuming current FX rates, we expect our Market Technology revenues to be approximately $32 million. Normal seasonality will result in lower Market Technology revenues in the third quarter due to fewer billable development hours recorded over the summer months.

Now turning to expenses, total operating expenses for the second quarter were $207 million, representing an increase of $6 million from 201 million in the first quarter of 2010. Higher compensation, marketing and advertising, professional services, occupancy and general administrative expenses were partially offset by the $5 million favorable impacts that FX had on our expenses.

Now looking forward for the full-year of 2010, we expect total expenses to be in the range of 870 million to 885 million, assuming current FX rates. Included in these figures are approximately $60 million of non-recurring expenses, down from our guidance of 65 million from our last call. Excluding the non-recurring expenses, we continue to anticipate that our operating expenses will be in the range of 810 million to $825 million.

What's not included in this guidance are increased expenses that we expect to incur from the acquisition of SMARTS Group, which is expected to close in the third quarter. Expenses for this will be included in guidance when we update it during our third quarter call.

Results for the quarter yielded operating income of $183 million with operating margins coming in at 47%, up from 44% in the prior quarter. Net interest expense in the second quarter was $24 million, an increase of $1 million from the first quarter of 2010 and reflects the full quarter impact of the refinancing we completed in January.

And finally on the income statement, the effective non-GAAP tax rate for Q2 2010 was 34%, within the range of our normalized tax rate of 32 to 34%.

Now turning briefly to the balance sheet, cash and cash equivalents and financial investments at quarter-end were approximately $972 million. Of this amount, approximately $458 million is reserved for regulatory requirements and other restricted purposes. During the quarter, we used $20 million for capital spending purposes and $154 million was used to buy back shares, bringing the total repurchased to $200 million since the Share Repurchase program was announced on March 2. To date, we've purchased 10 million shares, 7.7 million of which were acquired in the second quarter.

Our total debt obligations at the end of the quarter were $2.1 billion. In the second quarter, we made debt prepayments of $42 million specifically. Although our term loan does not require us to begin paying down the debt until the third quarter of 2010, we made an optional term loan debt repayment of $25 million in the second quarter and additionally we prepaid $17 million of other debt related to the 2008 acquisition of Nord Pool. These actions are consistent with the commitment we made when we announced our Share Repurchase program, which is to pay down an additional $100 million in debt this year above the required payment of 70 million.

We are pleased with the results this quarter, as they demonstrate our scalable business model and reflect the benefits of our efforts to drive top-line growth in our core businesses. Most notably, our U.S. Cash Equities Trading business, European Derivatives and the Corporate Services businesses. The strength of our core business leaves us well prepared to leverage scale as our new initiatives begin to deliver top-line growth in the future.

Our Share Repurchase program is progressing nicely as it delivered $0.02 of accretion to our shareholders this quarter alone and the accretion is expected to grow in the third quarter as the full quarter impact of the 10 million shares that we repurchased is reflected in the third quarter results. And we will continue to operate the business in a disciplined and capital efficient manner.

Thank you and I will now turn it back over to Vince.

Vincent Palmiere, Investor Relations

Thank you, Adena. Operator, we're ready for questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from Celeste Brown of Morgan Stanley. Please go ahead.

<Q – Celeste Mellet Brown>: Hi, good morning.

<A – Robert Greifeld>: How are you doing today, Celeste?

<Q – Celeste Mellet Brown>: Good, probably not as good as you, it sounds like.

<A – Robert Greifeld>: Yeah. We're doing quite well. Thank you.

<Q – Celeste Mellet Brown>: So I guess this question is for either you or Adena. It sounds like you think your U.S. equity capture is sustainably higher. Should it be as high as what we saw in the second quarter and then also if you can just give a little more color on the favorable client mix in the U.S. that you discussed? Thanks.

<A – Robert Greifeld>: Sure. We do believe the capture is sustainable and we certainly expect it to be in range to what we saw in the second quarter. What you're seeing with respect to customer mix is a number of different things. One is with regard to what we'll call sponsored access or naked sponsored access, we saw a number of firms want to have their own BD, their own standing with the regulators and to come into us directly. And as a result of that, they then had to earn their own way in the pricing tier and that helped us in that regard. So I think that trend line will continue.

<Q – Celeste Mellet Brown>: And then on your -- the more recurring base of revenues that you have, non-trading revenues, it sounds like they should also be stay at higher levels, particularly Access Services, we shouldn't see a sequential step down or anything like that?

<A – Robert Greifeld>: No. We expect it to continue to increase actually and as we enter the summer months, that stable revenue obviously is a comfort to us in the transaction business.

<Q – Celeste Mellet Brown>: Okay. Thank you.

Operator: Our next question comes from Dan Fannon of Jefferies. Please go ahead.

<Q – Daniel Fannon>: Good morning.

<A – Robert Greifeld>: How are you doing, Dan?

<Q – Daniel Fannon>: Good, thanks. Building on the net capture quickly here, do you -- you've made some positive pricing changes here over the last six to nine months. Do you anticipate further improvements in pricing in the near-term?

<A – Robert Greifeld>: Well, I think I'll stand by the early comment. We expect the caps rate to be in the range that we saw in the second quarter. That being said, we have to look continuously at our pricing model. We have to be engaged in our customers and I think constant communication and we think about it all the time. So it's hard to predict the future where it might go, but I think I can give you comfort that what we saw in the second quarter will follow through into the third and the fourth.

<Q – Daniel Fannon>: Okay. And then switching over to options, can you talk about your strategy there in terms of maximizing profit share and balancing profitability as you look at pricing within that market?

<A – Robert Greifeld>: Well, options just like equities requires us to understand what the customers need from their market centers. And the management team there has done a remarkable job of anticipating and listening to their customers. So when you look at the product line extensions we made to both Philly and NOM, they were not so much about pricing, but about features and functions that the customers' need. So we think that's going to be the dominant determinant of our success in the quarters to come. It's not so much a pricing game.

Operator: Our next question comes from Howard Chen of Credit Suisse. Please go ahead.

<Q – Howard Chen>: Good morning, Bob. Good morning, Adena.

<A – Adena Friedman>: Good morning.

<A – Robert Greifeld>: How are you doing?

<Q – Howard Chen>: Nice quarter. Bob, as you and the team do the post mortem on the events of May 6, I guess you and others in the industry have proposed a lot of changes. But just specific to the business model, could you discuss how potentially it changes your outlook or the timing or the prioritization of some of the initiatives you're working on, if at all?

<A – Robert Greifeld>: Well, certainly we put the implementation of the circuit breaker as job number one, and we did that in a very short period of time and it's a credit to our technology team. But as we look at what changes might happen as a result of May 6 from what we have in our developing queue it really is a immaterial impact. Clearly, we will take a pretty bigger stand with respect to stub quotes and we're prepared to roll that in in very short order. So May 6 was an important event. It's an important event for us to respond to in a positive way, but is not impacting our overall business plans.

<Q – Howard Chen>: Okay, great. And then, Adena, just a broad question on capital, during the quarter you got a lot of share purchase done. How do we think about that pacing of it going forward and I guess just to wrap something else around that like net to the debt-to-EBITDA is now about two times, is that a good place to be in your minds? Thanks.

<A – Adena Friedman>: Sure. In terms of the pace of the share buyback, I would say that we will continue to be optimistic in the way that we execute the share buyback. And we clearly think that the strength of our business and the growth prospects our business outweigh the current price that we're trading at. So we believe that this is the right time for us to be up sizing the buyback and continue to be active in the marketplace. In terms of specific timing, that's not something we generally discuss.

But in terms of the debt-to-EBITDA ratio, obviously as our EBITDA continues to strengthen and we pay down debt, we'll continue to find ourselves with a lower ratio and I think that we're certainly very comfortable where we are today. I think that our, with the cash flow generation of our business, we have the ability to look at leverage if there is something very strategic and attractive for us to consider. But right now, we are extremely comfortable with right around the 2.2 times that we're going to be looking at.

<Q – Howard Chen>: Okay. Thanks so much.

<A – Adena Friedman>: Uh huh.

Operator: Our next question comes from Daniel Harris of Goldman Sachs. Please go ahead.

<Q – Daniel Harris>: Good morning, guys. Just wanted to touch base on the Nordic Equities business, obviously some good numbers there on the trade count and volume and the revenues were flattish on a local currency basis and that's obviously due to the fee caps you guys put in place. Now how are you or what are you seeing in terms of new clients sign up the pace of activity over there that's coming from clients that weren't involved earlier this year that I know you guys are targeting to help grow that revenue base?

<A – Robert Greifeld>: Great question. We believe in the third and fourth quarter, we will see demonstrable benefit from the efforts we put in over the last two years, where we have an increased number of what would be commonly known as high-frequency trading firms who desire co-location services in advanced stages of testing with us. So we expect third and fourth quarter we'll see an increase in velocity, increase in number of members in the markets and we're obviously looking forward to that.

<Q – Daniel Harris>: Okay. That's really helpful. Just moving on to the interest rate swap clearing transaction that you said actually happened within IDCG, can you put any color around that? What kind of trade was that, how large and are there other trades that -- was that just a test trade or is this going to start being something we see, that we see coming through more often?

<A – Robert Greifeld>: The first thing I will say, it was not a test trade. There will be more trades coming, probably this week we anticipate. And we certainly anticipate the open interest in the clearinghouse to be increasing in the months to come. Further details, I'm going to leave to a later date and some of the participants in the trade will probably publicize the fact that they were involved with these trades.

<Q – Daniel Harris>: Great. Thank you.

Operator: Our next question comes from Rich Repetto of Sandler O'Neill. Please go ahead.

<Q – Richard Repetto>: Hi, Bob. Hi, Adena.

<A – Robert Greifeld>: I don't know a Rich Reputo. I know a Rich Repetto, but --

<Q – Richard Repetto>: I'm just going to go by Rich R. from now on. I guess my question is on slide seven, the Market Technology table, so is that table just, are we supposed to take that as if nothing changed, that's the revenue you would recognize? For example, are there any, I'm sure there is potential to get higher revenue in 0'11 I would think than 116 million?

<A – Adena Friedman>: Right. So this represents the revenue that's been committed through contracts, but yet has not yet been recognized. And clearly, though, Rich, we have some level of variable revenue that comes into the business from enhancement requests, from Advisory Services and from other services that we offer and provide that can be recognized more immediately. But this is essentially recognizing the fact we have a lot of clients signed into long-term deals, but the revenue recognition will only occur after we've delivered the initial technology and they start to accrue, essentially, we start to amortize the value of the contract. So this is certainly not a full picture of the revenue for the remainder of this year or for next year. It's just a reflection at least of what's already been signed and what we can look forward to. And we'll continue to work on providing increased clarity and transparency around this business going forward, but this is at least a step.

<A – Robert Greifeld>: So Rich, this is the revenue in the bank. We have an entire sales force who will only get paid if they deliver incremental revenue in these numbers.

<Q – Richard Repetto>: Got it. Got it. Okay. That's helpful. And then my follow-up is a bit more on the Flash Crash, Bob. You went through the basic mechanics of the response and I guess, no big change to the model, but the longer term thing I believe is this consolidated tape and being able to provide the SEC with the audit trail to really, I guess, look at where all the trades came from and I guess the question is, I thought that they cashed or some of the expenses would flow through the SROs. Have you taken a look at that? Is there any expense that we could expect or you're looking at having to either -- on how would you handle it if you did, if you have to provide this auditing trail to the SEC?

<A – Robert Greifeld>: Well, the first thing I would say is, Rich, we can certainly connect some dots with respect to May 6 and our interest in SMARTS, and the acquisition that we announced today. So now we have stepped to the forefront on a global basis with respect to surveillance technology. And May 6 certainly has resonated around the planet and we believe there is going to be a strong market demand, an increased market demand. It's already a strong demand for surveillance technology.

And, as we said, SMARTS has been a leader in providing technology for surveillance through exchanges. We think their mandate will dramatically increase where they'll be serving both exchanges, regulators and broker-dealers. So we feel very good about this acquisition and we feel very good that in the post May 6 world, we're ideally positioned to provide some of the data that you're talking about.

<Q – Richard Repetto>: Okay. That's helpful. Thanks.

Operator: Our next question comes from Michael Carrier of Deutsche Bank. Please go ahead.

<Q – Mike Carrier>: Thanks. Just, Adena, one question on the expenses, if we try to mute out the FX benefit that you got in the quarter, you had about a 5% sequential increase since the first quarter.

<A – Adena Friedman>: Uh huh.

<Q – Mike Carrier>: And obviously some of that's just going to be due to the strong volumes across the business, but if you look at the third quarter and maybe the back half of the year, do you have some flexibility in some of those cost buckets, in case volumes I think right now they are down about 20% for the quarter, but if you ended up getting into a soft volume environment, do you have some flexibility there?

<A – Adena Friedman>: Yes. So if we look at where the primary increase came from first quarter to second quarter, it is in compensation and there is a combination of things driving the costs up there. The first thing is that we did do an equity grant in March to all of our employees, instead of the essentially the options expense. Equity expense did go up for the year and we're seeing a full-quarter impact of that. So that's more structural.

We also implemented a merit increase in June and so that also is more structural. But we also increased our accrual for our incentive compensation based on the strength of our second quarter results. So clearly if the results in the second half of the year are not as strong as we anticipate, then that would be some level of variability there.

Additionally in the second quarter, we spent a bit more on marketing and advertising, slightly, and we have some other things that I would say are a little bit more discretionary. And the last thing I would say about third quarter, is we always have a little bit of a benefit from the vacation accruals, where that does bring down our comp expense a bit in the third quarter. So there are certain things that are seasonal, other things that are structural, but I think we have some variability.

<A – Robert Greifeld>: There is no lack of levers we can pull to bring the expenses in.

<A – Adena Friedman>: Right.

<Q – Mike Carrier>: Okay. And then just one follow-up on the U.S. Cash business, you changed pricing and obviously got a big benefit this quarter. If we look at the market share, it looks like it's sliding slightly, not a huge deal there, but if you look with your conversations with the different constituents in the markets, based on what your current pricing has been in some of the competitive moves out there in the market, what's your view in terms of the current structure? And is that give and take in terms of, if market share slides a bit, you're still comfortable with the current pricing that you have implemented?

<A – Robert Greifeld>: Well, the first thing I would say is with respect to market share, we see in July a slight up tick in market share. We're around 24%. So I'm not sure where you see it sliding. So we see it slightly increasing. So I would say with respect to pricing, repeat what I said earlier, I think the capture rate we had in the second quarter, you can reasonably expect to see that in the third and the fourth quarter within range. That being said, we evaluate the pricing and how we can best serve our customers on a continuous basis. So we handle things as they develop.

<Q – Mike Carrier>: Okay. Thanks a lot.

Operator: Our next question comes from Niamh Alexander of KBW. Please go ahead.

<Q – Niamh Alexander>: Hi, thanks for taking my questions and congrats on the quarter.

<A – Robert Greifeld>: Thank you.

<Q – Niamh Alexander>: You're welcome. If I could touch on the SEC and I know, Adena, you and I've spoken about this before, there was something with respect -- in the financial regulatory form, the Wall Street Transparency Act, that I think really benefits your business and maybe your competitors, too, but I'm not clear on exactly when you can start to implement it and this is basically that really takes a big inhibitor off your business. Am I correct in thinking that now you can implement a price change and then let the SEC know and wait for them to get back to within a certain period of time? Before you had to submit a filing, wait for them to get around to looking at it, wait for a comment period, so that really kind of removes an inhibitor. Am I understanding it correctly and if I am, when does this take effect?

<A – Robert Greifeld>: Well, I think you have a good understanding of it. It's internally what we call the Meeks Amendment and we're certainly happy to see it in the FinReg. And to distill it down, it essentially reduces dramatically the SEC's pocket veto. And that is if we put a filing to them, which is proper for form, they need to publish it for comment. And to the extent they do not, then the clock will start ticking based upon when we publish it on our website. So it puts a discipline to the process with the Commission and we can have some deterministic outcomes to a number of filings.

And we have certainly had a vast number of filings through the years that kind of go into the ether and this should dramatically change that environment and I think for the betterment of the Commission, for the market and I think for our particular prospects. What's particularly exciting about this is unlike a lot of FinReg, this ruling is effectively immediately. So it is in theory in place today. We're certainly feeling our way with the new ground rules and I think you could say the same for the Commission. But it certainly will be a positive for us.

<Q – Niamh Alexander>: Okay. That's good to know. Thank you. So still you need to get approval before you can put the prices in in effect, but it's just it speeds up that approval process?

<A – Robert Greifeld>: Yes. Pricings can be, a non-data pricing can be deemed immediately effective. So we've got a greater latitude on that, but I would again caution in that we're working with the Commission right now to understand the rules of the road. Ed Knight's here, our General Counsel. Ed, do you want to...?

<A – Edward Knight>: Yeah, one thing that the Congress did is, made it clear that all fee filings by an SRO are eligible for immediate effectiveness. This means not only our member fee filings, but also our non-member fee fillings. So in the past there has been some question about that. Now that question has been resolved clearly by Congress. They want us to compete and that is why they want our fee changes to be immediately effective to heighten the competition. And we think it's good. For our planning, we will now have much more visibility and predictability around our pricing.

<Q – Niamh Alexander>: Okay, that's really helpful. Thanks for that color and then congrats on getting that done. And my second question on Nord Pool, I just want to understand a little bit business a bit better in terms of their revenue pie right now maybe the opportunity, because you just bought in the trading. You already have the clearing, right, or am I getting it wrong? And then you just rolled out in London. So if you could help me understand right now maybe the total pie and then what London could add to that?

<A – Robert Greifeld>: Well, we said this previously, we believe the London market opportunity for power is roughly equivalent size to the Nordic market. The UK market is bigger again with respect to gas. Our first focus, though, is power. Then the earlier part of your question, yeah, we completed the rest of Nord Pool that we did not own. And we had significant amounts of the economic benefit already. The completion is a good thing for us, but it's not material.

<A – Adena Friedman>: I think generally, though, Niamh, we up until for the first and second quarter, we are on track around a $50 million per year revenue for Nord Pool that's the average that we see for that marketplace generally is around 50 million a year.

<Q – Niamh Alexander>: Okay. That's great. Thanks for taking my questions.

<A – Adena Friedman>: Sure.

Operator: Our next question comes from Roger Freeman of Barclays Capital. Please go ahead.

<Q – Roger Freeman>: Hi, good morning.

<A – Robert Greifeld>: How are you doing, Roger?

<Q – Roger Freeman>: Good, Bob, thanks. So I guess first just coming back, Adena, to that slide on the market, I'm sorry, the Market Technology lay out over the next few years, maybe one thing that would be helpful is for you to look at maybe even historical -- last couple of years of revenues. What percentage of the revenues ultimately are near-term, where you get an order and there is a delivery and revenue accrued in the space of say maybe three months or so, where we think about, and what percentage of that does that end up being of total revenue, as opposed to for the long-term contract, because I assume that's what we see here?

<A – Adena Friedman>: In general, and that's something that we're working on, Roger, but I think that what we've been looking at internally is approximately 80% of the revenue is based on prior commitments, contractual commitments that are over the length of the agreement, whereas about 20% of revenue really comes from shorter term deliveries. Now that can vary quarter-over-quarter, so certainly we had a very strong quarter, for instance, in the fourth quarter of last year that was based on some shorter term revenues, but on a general basis, it's 80, 20. And recognize that, of course, this is only the revenue from contracts we've already signed and are in place and agreed to and, as Bob said, we have constant sales efforts to --

<A – Robert Greifeld>: Definitely.

<A – Adena Friedman>: -- improve this contract, change some. For instance, the client might choose to go under a contract for trading and then a year later choose to sign with us for clearing and things like that. So those types of things are obviously not reflected on this table.

<Q – Roger Freeman>: Yeah, absolutely.

<A – Robert Greifeld>: As Roger, as you probably know, under U.S. GAAP, if we sign a big contract, unlike five or ten years ago, it's hard to recognize a significant portion of the revenue. It tends to want to come in over a period of time as we follow the accounting rule. So...

<Q – Roger Freeman>: Yeah. Got it. Okay. And then, great. The -- I guess my second question is around IDCG. Bob, last quarter, you were talking about some of the technology and operational hurdles that were in the way and I guess I'm wondering if you can comment on it at this point, three months later, how much of that has been overcome and also with the legislation having taken place over that time period, did you see clients at all pull back on any -- making any decisions one way or another in anticipation of how that was going to play out?

<A – Robert Greifeld>: Well, a couple of answers here. One, with respect to our efforts for technology integration, they really foresee a pace with a large number of players and what we identified is we had to get some over the line where we were doing production trades. So we are happy to be in that state right now, where we have committed players who are putting real open interest into the clearinghouse. As I said, we've had several trades. We expect several more this week. So that is noticeable progress.

I would say with respect to FinReg, clearly there was a spectator element to it, by us and all others in the industry, and literal spectator during that last night, as it was broadcast on C-SPAN 2, but what's been interesting in the time period, the short period of time since it's been past, our conversations with, what I'll call the traditional players in the space have increased quite dramatically and increased with respect to the different levels of the organization that we're dealing with.

And if I could equate this period of time to anything, it would be back into the ECN days, the early ECN days in the equity world, where everybody felt compelled to talk to everybody else. So we're going through that period of time right now. We're engaged in those discussions, but in the meantime, and most importantly, we continue to focus on executing our plan, because we clearly have a working system with proper regulatory approvals that is positioned to meet customer needs and it's our job to build up transactional and open interest activity in it. And we're in the process of doing that.

<Q – Roger Freeman>: Okay. Great. Thanks.

<A – Adena Friedman>: Bob, I think that some of the background noise you're hearing here is, we're right above where they do the market open this morning. So you're going to hear some happy voices and claps and cheers as we go through the rest of the call.

<A – Robert Greifeld>: I thought they were cheering for my comments.

Operator: Our next question comes from Matthew Heinz of Stifel, Nicolaus. Please go ahead.

<Q – Matthew Heinz>: Hi, good morning.

<A – Robert Greifeld>: How are you doing?

<Q – Matthew Heinz>: Doing well, thanks. Just a question on the U.S. Options business, you guys have clearly been successful in growing market share there without sacrificing a whole lot in the way of revenue capture. And I'd just like to ask you about the C2 platform at CBOE and what impact you think that might have on your business and just the flow of the industry? It seems like some people have been talking about that platform maybe mopping up some of the excess flow that gets pushed away from their floor and I'd just like to know what your thoughts are on that.

<A – Robert Greifeld>: Well, one, we have a tremendous amount of respect for the management of the CBOE and their capabilities in the marketplace. We're obviously proud to have them be a NASDAQ OMX listed company. But the options world is competitive, has been for the last several years and C2, it will be an interesting new entrant. VAS was a certainly interesting new entrant. But we, as you'd expect, have to focus on the strength of our offerings and how they meet customer needs and we certainly have an active development calendar for our Options platform in the months to come.

We will have a significant upgrade to the NOM platform, with respect to its connectivity into the marketplace in and around the end of the year. So we continue to execute and we certainly like our positioning and we certainly appreciate the results that the management team has delivered to us over the last year.

<Q – Matthew Heinz>: Oh, great. Thanks. And then one quick follow-up just on the market tech business, I appreciate the guidance there for 3Q. Just like to know a little bit about how you're thinking about your strategy there and what type of competition you're seeing out there, other than the usual suspects, NYSE and some of the other exchanges?

<A – Robert Greifeld>: Well, I thought you would certainly bring up SMARTS, because we interpret the strategy in market tech, we kind of revealed a bit of it today, right. So when we look at the technology provision business, we said surveillance and we had this thought, obviously prior to May 6, but coming out of May 6 it popped to the top of the list and there was nothing really number two. So to be a major player in the surveillance was a strategic imperative to us. We were fortunate to enter into an acquisition agreement today with the clear leader, clear global leader in the space. So we think each and every technology deal in the days to come will have a very strong surveillance component to it. So we feel very good about that.

Also, in terms of outside of the acquisition, when you look at the success in the last quarter of Genium INET and the contracts we have entered into, it's quite impressive. And it's quite impressive that major global exchanges are comfortable enough with our technology offering, our support offerings to partner with us on these initiatives. So the positioning in market technology is today stronger than it's ever been. As you can see, the pipeline is remarkably strong and this certainly will be an engine of growth, earnings and revenue growth for us in the years to come.

<Q – Matthew Heinz>: Okay, great. Thank you.

Operator: Our next question comes from Alex Kramm of UBS. Please go ahead.

<Q – Alex Kramm>: Hey, good morning, everyone.

<A – Robert Greifeld>: How are you doing?

<A – Adena Friedman>: Good morning.

<Q – Alex Kramm>: Good. So I just wanted to come back on a couple of things here. First, on the U.S. pricing, but not just beat a dead horse, but you're saying it's going to be roughly stable in range, but if I look at the second quarter, I mean that was obviously a very unique quarter in terms of the volume, the volatility and so forth. So if I look at some of your competitors, it sounds like their pricing certainly went down, given their fears and so forth. So I assume that some of your tiers or more people hit your tiers as well, so with volumes down right now, I mean shouldn't we really be seeing a little bit of an increase here going forward?

<A – Robert Greifeld>: I think that's a fair conclusion if everything was equal, and I did say we expect the capture to be within a range, but clearly the second quarter, we'll have more people hitting volume tiers than you have in the third quarter. So that's a fair enough conclusion.

<Q – Alex Kramm>: All right. Good. And then just second, just coming back to IDCG and FinReg, I mean you just made some comments of the discussion that you are having, but maybe if I have focused specifically on the dealer side, can you give us a little more color on how the discussions have gone there? I mean, last quarter I think you made some comments on how you really are focused on the buy side and then the dealers will actually essentially have to play nice to participate if buy side wanted. But if I look at the competitive landscape out there, I would say one of your competitors that has been a lot more friendly with the dealers recently made some moves that might have created some tension, so I'm just wondering if maybe your discussions with the dealers have changed a little bit, if there is more interest at all?

<A – Robert Greifeld>: Well, first, I would say that you're paraphrasing on my comments from last quarter a little bit generous. But our job one is to make the IDCG product attractive to all entrants into the marketplace and when you think about a clearinghouse and/or an exchange type of trading facility, that's our fundamental role in life. So we are in conversations with all participants. I would definitely say that since FinReg, our conversations with what you would perceive as the traditional dealers in the space have intensified.

They are very direct with us with respect to aspects of the IDCG model that they would like to be -- like to see changed in some way. And we have to respect that input and balance it against the input we get from the buy side. And we're in the process of, I think, coming to what would be seen as a happy medium with respect to the product offering. So we're pleased most by the fact that we are in the process of doing trades. We are production ready and we will have building momentum in terms of what this offering is about.

<Q – Alex Kramm>: All right. Very good, thanks.

<A – Robert Greifeld>: Thank you.

Operator: Our next question comes from Jillian Miller of BMO Capital Markets. Please go ahead.

<Q – Jillian Miller>: Thanks.

<A – Adena Friedman>: Good morning.

<Q – Jillian Miller>: I was hoping to get some more additional detail on the interest rate swap clearing solution that you launched in the Nordics. I was wondering what the potential size of the market is? Maybe what would be helpful is if you could give us an idea for what you'd consider successful annual revenues from the operation at maturity. And then I was also curious what you believe your competitive advantages are, compared to say SwapClear that I think also offers clearing for the karona-denominated swaps ?

<A – Robert Greifeld>: Right. Well, I would say with respect to our Nordic offering, we enjoy broad support from the user community, both buy and sell side and also from the regulatory environment in the Nordics. In addition, we obviously have technology that's integrated into the basic systems in these firms and we have great customer relations in that area. So we feel strongly about it. We did put up the first trade in the Nordics. And it was interesting we did that with the governmental enterprise. So we're very comfortable in our positioning.

With respect to the size of the market, I will give you a broad parameter that it is a eight figure per year market and we really don't know that much more than that. But we certainly expect to have a leading share in the market in the time to come.

<Q – Jillian Miller>: Great. Thanks. And just a quick follow-up on the same general topic, are you using the IDCG technology and like the same methodology for the Nordic clearing or is that something that you've designed specially for the Nordic market?

<A – Robert Greifeld>: I think it's roughly equivalent. There are some differences in the risk management capabilities, but we do expect that to converge over time. But right now, the risk is a little bit different.

<Q – Jillian Miller>: Okay. Thank you.

Operator: Our next question comes from Jonathan Casteleyn of Susquehanna. Please go ahead.

<Q – Jonathan Casteleyn>: Yeah, good morning, wondering if you can give us some more details about your build-out in European trading, cash and derivatives. I know there was a technology change there a couple of quarters ago, also you've been adding some clearing members, any way to scale the future growth? I know at one point, you looked at it as a percentage of GDP, the trading value that you expected. Is there any new assumption or forecast there?

<A – Robert Greifeld>: Well, it's really some of the same, what we've been articulating is the fact that we wanted to get the INET technology into that marketplace. One, it was more capable than the prior technology, but two, it had wide global appeal. So that has been completed and I think I said earlier in the call, we expect to see some of the fruits of that effort in the third and the fourth quarter, as some of the global players are now able to interface with our Nordic marketplace in somewhat a seamless way. And the other major building block we had to put in place was to get to central counter-party clearing. So we did that, so the building blocks are in place. We expect it to deliver returns to the participants in the marketplace and to shareholders going into the third and the fourth quarter.

<Q – Jonathan Casteleyn>: I see. So to pin you down to a number, say above or below long-term economic growth, hard to do, I guess?

<A – Robert Greifeld>: That it is.

<Q – Jonathan Casteleyn>: Okay. And then can you just talk about net listings in the quarter. I know you talked about your new account wins or new listing wins, obviously a very good thing, but I was just wondering, didn't net listings for the exchange improve quarter-over-quarter?

<A – Robert Greifeld>: I think actually we did, right?

<A – Adena Friedman>: I think that --

<A – Vincent Palmiere>: Yeah. Our total number of listings actually increased for the quarter.

<A – Adena Friedman>: Uh huh.

<Q – Jonathan Casteleyn>: Net listings have increased?

<A – Robert Greifeld>: Right.

<A – Adena Friedman>: Yes.

<A – Robert Greifeld>: And that was a good reversal of a trend line.

<A – Adena Friedman>: Right.

<A – Vincent Palmiere>: Exactly.

<Q – Jonathan Casteleyn>: Okay, great. Thank you very much.

Operator: Our next question comes from Justin Schack of Rosenblatt Securities. Please go ahead.

<Q – Justin Schack>: Good morning.

<A – Robert Greifeld>: How are you doing, Justin?

<Q – Justin Schack>: Most of my questions have been answered, but I am wondering actually if you can comment at all on your outlook on volumes. I think on the last call, you had made some comments that suggested that the increases in volumes we were seeing at that time were sustainable and part of maybe a trend where you would see that continue through the next several quarters as the economy improved. Since then volumes have down quite a bit. So I wonder if you could review your opinion has changed at all there?

<A – Robert Greifeld>: Well, Justin, I would say in terms of how we look at volumes, we try to look at it on a yearly basis and we certainly look at the prior-year. And we also go into a given year with the expectation that there'll be one or two months of higher volatility that will result in higher volumes. We don't ever really know which months they'll be. But if you look back year-on-year, that tends to be fairly accurate and then you tend to have a couple of months where volumes are quite light. But in all this, Justin, we are clearly humble enough to realize it's more art than science.

<Q – Justin Schack>: Sure. Thanks. And I guess just one quick follow-up on the Nordic Cash business. You mentioned all of the steps that you've taken there with central counter-part clearing, getting the item matching engine there and that certainly should, and it sounds like it is, attracting more high-frequency players. Typically what we see, and you guys know this better than I do, in a situation like that, is that there tends to be a greater impetus for fragmentation.

You do have competitors there now. I would imagine that those platforms will also start to look attractive to some of the participants that you're bringing to the marketplace and so you see maybe some more pressure on market share and pricing. Could you comment on whether you think those pressures are going to increase going forward and to what extent have you taken some of the pain upfront with the pricing hit earlier this year or do you foresee any further action on that front?

<A – Robert Greifeld>: Well, Justin, we think there is wisdom to the pricing action that we've taken, in that we essentially put a fee cap in for the existing players and they were the beneficiaries of their fee cap during the second quarter. And it's our belief that they're appreciative beneficiaries of the fee cap. And that will seek to have the center hold and I think we see that. So while we're obviously aware of competition, we think we are the place of liquidity for the Nordic market and we think through the first half of this year, we strengthened our hand in that regard through, as you referenced, the technology in central clearing, but also through the pricing actions that we put in place.

<Q – Justin Schack>: Thank you.

<A – Robert Greifeld>: Thank you.

Operator: [Operator Instructions] Our next question comes from Michael Wong of Morningstar. Please go ahead.

<Q – Michael Wong>: Good morning.

<A – Adena Friedman>: Good morning.

<Q – Michael Wong>: You have really been building competency in power, energy and carbon by acquiring trading and clearing assets in Europe and the U.S. Can you talk a little bit more about your vision for your presence into Europe and the U.S. in that market? Is your vision regulation-dependant and are you expecting expense and revenue synergies with these acquisitions, let's say for infrastructure spend and revenue synergies with your current client base?

<A – Robert Greifeld>: Well, I would say with respect to UK Power, it is clearly not regulation-dependent. And what was interesting to us, we were invited into that market in a real sense and the invitation came from well, call the natural players in the market, the utilities. And what was interesting also, strong support from the intermediaries in the market. So we saw that as a broad-based approach to the market. As we looked at our Power efforts in the U.S. it's similar. It's driven first and foremost by the naturals in the marketplace. So they're not so much regulation-dependent. That being said, I think the move for over-the-counter products to go to clearing and to some sort of transparent trading is a positive driver of customer activity.

<Q – Michael Wong>: Okay. Thank you. And going to your Nordic Cash Equities business, about how much of your volume do you believe is affected by the fee cap? And for the future growth of your European Cash Equities revenue, do you see it more driven by new customers, higher volume from current players that haven't hit the fee cap, the same amount of shares traded, but general appreciation in the value traded from just their appreciation in that stock market or tech events such as high-frequency trading and co-lo?

<A – Robert Greifeld>: Number one.

<Q – Michael Wong>: Number one.

<A – Robert Greifeld>: Yeah, we see -- certainly see more participants in the marketplace as the primary driver.

<Q – Michael Wong>: Okay. Well, thank you so much and congratulations on a good quarter.

<A – Robert Greifeld>: Thank you. Appreciate that.

Vincent Palmiere, Investor Relations

All right, Operator, that's -- I think that concludes our call for this morning. I'd like to thank everyone for joining us.

Adena T. Friedman, Executive Vice President, Corporate Strategy and Chief Financial Officer

Thank you.

Robert Greifeld, Chief Executive Officer

Thank you. Talk to you next quarter.

Operator: Ladies and gentlemen, that does conclude today's conference. You may all disconnect and have a wonderful day.