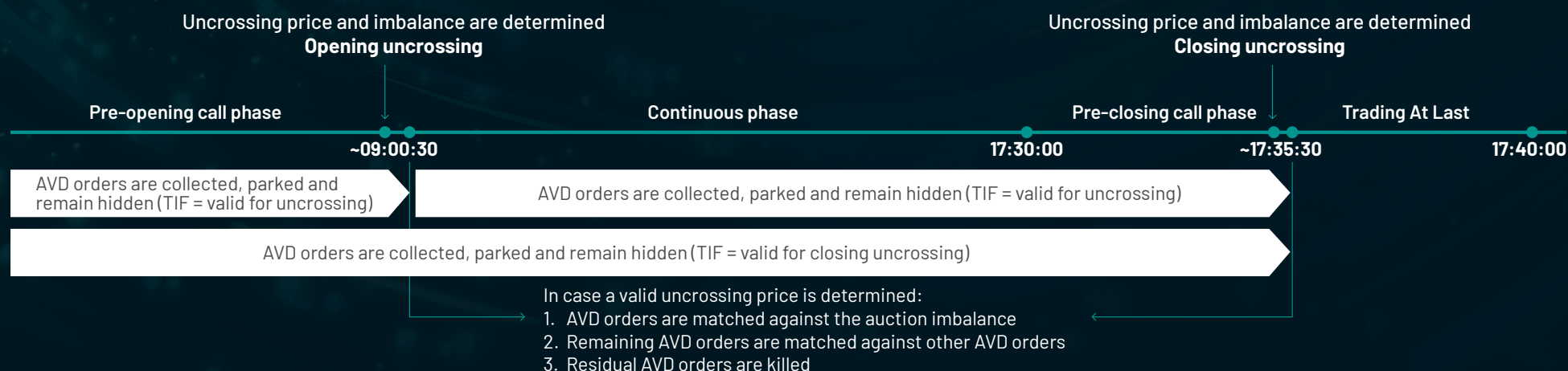## Euronext AVD orders in a nutshell

- Send a non-displayed order during the day, and trade at the opening auction or closing auction price
- Capture the auction imbalance after the regular auction process occurred
- By trading against other AVD orders without price impact, participants benefit from greater opportunities for block trading
- Price determination process at auction remains unchanged
- Access untapped auction imbalance, not available via MTFs, considering that Euronext auction imbalance accounts for 6% of auction volumes, equivalent to over €200 million daily untapped liquidity (average daily auction imbalance in 2024)
- Avoid information leakage thanks to non-transparent order

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Euronext Auction Volume Discovery (AVD)
Expanding Auction Liquidity Access

In response to the increasing demand for liquidity at auctions, Euronext introduces the Auction Volume Discovery (AVD) order type for equities, to help market participants easily source additional liquidity currently untapped during auction periods.

How does it work?

Uncrossing price and imbalance are determined
Opening uncrossing

Uncrossing price and imbalance are determined
Closing uncrossing

Pre-opening call phase | Continuous phase | Pre-closing call phase | Trading At Last

~09:00:30   17:30:00   ~17:35:30   17:40:00

AVD orders are collected, parked and remain hidden (TIF = valid for uncrossing)

AVD orders are collected, parked and remain hidden (TIF = valid for uncrossing)

AVD orders are collected, parked and remain hidden (TIF = valid for closing uncrossing)

In case a valid uncrossing price is determined:
1. AVD orders are matched against the auction imbalance
2. Remaining AVD orders are matched against other AVD orders
3. Residual AVD orders are killed

Key features of Euronext AVD order type

- New order type ("AVD order")
- Time in force: "valid for uncrossing" (VFU) or "valid for closing uncrossing" only (VFCU)
- No possibility to match during intraday auctions (only during opening and closing)
- Market or limit order, with limit price representing a cap/floor for execution
- Availability of MAQ (minimum acceptable quantity for execution, against one or more orders)[1]
- Valid for the current trading day only
- AVD orders will not be moved into Trading At Last
- Operated without a pre-trade transparency waiver, due to the characteristics of the execution workflow
- No AVD imbalance is revealed, during or after the AVD execution

[1] MES and self-trade prevention functionalities will be available at a later stage

[2] Original size-counterpart-time for participants to the IMS

TWO LIQUIDITY EVENTS

STEP 1

Execution vs. auction imbalance

- Imbalance remains sorted by price-time
- AVD orders sorted by original size-time[2]
- AVD orders will aggress the imbalance
- Unexecuted imbalance moved into continuous (if not valid for the auction only)

STEP 2

Execution AVD vs. AVD

- Unexecuted AVD Orders sorted by original size-time[2] (on each side of the book)
- The larger order by original size is picked
- This order will aggress the opposite side
- Iterated till no matching is possible
- Unexecuted AVD orders are killed

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More information and technical documentation:

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