

Cboe Global Markets: When Is an Overnight Market Ready?

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On 29 May 2026, the SEC approved amended EDGX rules for a 23-hours-per-day, five-days-per-week equity schedule. The approval created a path to overnight trading; it did not itself authorize EDGX to open the new session. Before operation, the Equity Data Plans must establish an equivalent regular-session mechanism for collecting, consolidating, processing and disseminating quotes and trades throughout the overnight session and notify EDGX that the plans are ready. EDGX must then file a further proposed rule change under Exchange Act §19(b), confirming its compliance and the Plans' readiness. EDGX would announce the implementation date by exchange notice after these conditions are met. If EDGX has not filed the readiness proposal within 18 months of approval, it must promptly propose removing the overnight-session rules. [C4, pp. 6-7, 22-23; source register below.]

The proposed overnight session runs from 9 p.m. to 4 a.m. ET on a night before a business day. The schedule has a one-hour 8-9 p.m. pause Monday through Thursday, and no Sunday-evening session before a Monday holiday. The approved session is available to all EDGX Members on equal and nondiscriminatory terms. A selective member or security pilot is not an available shortcut under the reviewed rule. [C4, pp. 5-8, 22-23.]

In March, Cboe had described a different, near-24x5 design and a December 2026 target, subject to approval and industry readiness. That target is not evidence that the later approved rule's operating gates have been met. By the end of July, Nasdaq had SEC approval for a 23/5 schedule. NYSE Arca had filed a different 23/5 proposal that was immediately effective, but its filing was not an SEC approval or evidence that its systems were ready. [C5; C7; C8, pp. 1-5, 9.]

The decision

For this classroom exercise, assume you are a **hypothetical Cboe executive preparing a recommendation for leadership**. No actual internal go/no-go decision, launch mandate, readiness status or launch date is documented in the reviewed public record. As of 31 July, how should Cboe manage the approved EDGX overnight opportunity?

1. **Prepare for a target-window launch, gated by readiness.** Maintain the public December target as a planning objective, but open only after every regulatory, market-data, clearing, broker, surveillance and operational requirement is satisfied. Establish post-launch service-quality thresholds before opening.
2. **Hold the launch date until the system is demonstrably ready.** Use the target as provisional, complete end-to-end rehearsals and obtain evidence of coordinated industry readiness before announcing an implementation date. This protects market quality but may surrender some calendar advantage.

3. **Plan a staged launch-and-scale posture.** Prepare the full approved equal-access session, open only after mandatory gates and operating tests pass, then scale support and commercial effort against measured market quality and incremental customer use. “Staged” here means pre-launch testing and post-launch resource decisions; it does not mean selective access to members or securities.

These are analytical alternatives, not reported Cboe proposals. Recommend a posture, define mandatory gates and decision measures, and state what evidence would make you hold or change course. Do not assume that SEC rule approval means the Equity Data Plans or EDGX are ready.

A platform with several competing priorities

Cboe operates options, North American and European equities, futures, and global foreign exchange businesses, alongside data products. After a 2025 strategic review, management described priorities that include focusing on core markets, optimizing options and equities, expanding Data Vantage and allocating capital rigorously. The company’s third-party dependencies include market information processors, clearing organizations, regulators, network providers and technology/data centers. These connections make overnight readiness an industry coordination problem as well as an exchange decision. [C1, Item 1, pp. 5-9; Item 1A, printed pp. 31-33.]

The latest results give scale and portfolio context, but do not isolate an overnight opportunity. In Q2 2026, Cboe reported \$731.6 million of revenue less cost of revenues (RLCR), up 25% year over year. RLCR is a company-defined measure after cost of revenues; it is not GAAP total revenue, operating profit or cash available for a project. North American Equities segment RLCR was \$114.7 million, up 17%, while U.S. equity exchange market share was 9.4%, down 1.1 percentage points year over year. Cboe reported net capture of \$0.019 per 100 touched shares, up from \$0.012; management attributed the increase to pricing changes made in late Q2-Q3 2025. These consolidated and regular-session measures do not establish overnight volume, capture, costs or returns. [C2, MD&A lines 2235-2237, 2724, 2983-2985; operating metrics lines 2487-2495; segment table lines 1548-1549.]

Management raised its 2026 organic total net-revenue growth target to the mid-to-high teens and its Data Vantage target to the low teens, while retaining adjusted operating expense guidance of \$838-\$853 million. These are company-wide targets, not an overnight budget or evidence of capacity to absorb a particular launch cost. [C3, Q2 release and presentation; C2, MD&A.]

What the activity figures do-and do not-say

Cboe’s March release reported that average daily volume during the 4-7 a.m. ET session on two of its four U.S. equities exchanges, including EDGX, rose 590% between February 2022 and February 2026. The release did not provide the absolute base, customer cohort, price/volume decomposition or how much activity was new rather than shifted from another session. The SEC’s May order separately cited a 404% increase in ADV across Cboe’s U.S. equities exchanges from January 2022 to February 2026. These figures use different scopes and periods; do not combine or reconcile them. Neither demonstrates overnight scale, durable demand or profitability. [C5, paragraphs 1-8; C4, pp. 6-7.]

Competition is moving, but published rule actions are not liquidity commitments. Nasdaq’s approval and NYSE Arca’s filing may affect customer expectations and the cost of waiting. The reviewed record does not show that either competitor had launched, that the Equity Data Plans

had declared readiness, or that brokers, clearing firms or market makers had committed activity to Cboe’s overnight session by the cutoff. [C7; C8, pp. 1-5, 9.]

The market-quality trade-off

Research on night trading and venue competition offers mechanisms, not a forecast for EDGX. A study of Chinese precious-metal futures found improved aggregate liquidity after night trading began, while night-hour liquidity remained weaker than daytime liquidity. Evidence on Australian exchange entry associates active competition and cross-market liquidity provision with some improvements in spreads or depth. A broader review finds competing forces: more venues can increase choice and competition, while network effects, liquidity concentration and routing complexity can favor fewer venues. These settings differ from overnight U.S. single-stock trading. They suggest what to measure; they do not supply Cboe demand or spread estimates. [A1, methods §§3-4 and results §5, Tables 2-5; A2, pp. 1-30; A3, §§2-5.]

For an overnight venue, quoted activity alone may not translate to reliable execution. Leaders would need to distinguish displayed quotes from executable depth, trades from canceled orders, new activity from session-shifted orders, and short-lived bursts from repeat customer use. They would also need to consider surveillance, price discovery, incident response, corporate actions, clearing and market-wide halts alongside commercial uptake. No session-specific Cboe data for these measures are available in the reviewed public sources as of the cutoff. [C1, Item 1A, pp. 31-33; A1-A4.]

Exhibit 1. The regulatory and operating path

Step	Requirement or planning question	Status in public record at cutoff
Rule framework	SEC approval of EDGX amended 23/5 rules	Approved 29 May 2026; not go-live authorization by itself
Market-wide data	Equity Data Plans establish equivalent full-session quote/trade collection, consolidation, processing and dissemination	Required before operation; readiness notice to EDGX required; actual readiness not established here
Exchange filing	EDGX submits a further §19(b) proposed rule change confirming Act compliance and Plan readiness	Required before operation; no readiness filing is identified in the reviewed sources by cutoff
Implementation notice	EDGX announces the implementation date after the conditions are satisfied	Required process; no go-live date established by the approval alone
Long-stop	If the readiness proposal is not filed within 18 months after approval	EDGX must promptly propose removal of the overnight rules

Source: C4, SEC Release 34-105587, pp. 6-7, 22-23. “Not established here” describes the reviewed record through the cutoff, not a claim about private readiness work.

Exhibit 2. Selected Q2 2026 context

Measure	Q2 2026	Comparison	What it can support
Company RLCR	\$731.6m	+25% year over year	Company-level operating context; not project profit or cash
North American Equities RLCR	\$114.7m	+17% year over year	Segment context; not overnight economics
U.S. equity exchange market share	9.4%	10.5% a year earlier	Competitive context; no overnight share inference
Net capture per 100 touched shares	\$0.019	\$0.012 a year earlier	Company-reported capture; management cites pricing changes
2026 organic total net-revenue growth target	Mid-to-high teens	Raised in Q2	Management target; not overnight demand
Adjusted operating expense guidance	\$838-\$853m	Unchanged in Q2	Company guidance; not a project budget

RLCR and guidance are company-defined/non-GAAP measures as applicable. Source: C2 and C3. Rounded figures and definitions follow the cited filings and release.

Exhibit 3. Two distinct early-hours ADV claims

Source and interval	Scope	Reported increase	Limitation
Cboe March 2026 release; Feb 2022-Feb 2026	4-7 a.m. ET on two of four Cboe U.S. equities exchanges, including EDGX	590%	No absolute base, cohort, incrementality or decomposition in release
SEC May 2026 approval order; Jan 2022-Feb 2026	Cboe U.S. equities exchanges	404%	Different scope and interval; not comparable without underlying data

Sources: C5, paragraphs 1-8; C4, pp. 6-7. Do not average, add or treat as an overnight forecast.

Your assignment

Prepare a concise recommendation for the hypothetical leadership discussion. Address:

- Which launch posture do you recommend, and what findings would cause you to hold, proceed or change the plan?
- Which conditions are mandatory regulatory or market-wide gates, and which are management's proposed operating thresholds?
- What evidence would show that the session delivers reliable execution and incremental customer value rather than merely more clock-hours or shifted orders?
- How should Cboe weigh customer access, competitive timing, market quality, operational risk and its other strategic priorities?

- What internal data would you request before committing additional resources?

You may propose qualitative thresholds or explicitly hypothetical test levels. Mark any invented readiness scenario, cost, demand estimate, market-maker interest, customer commitment or timing assumption as hypothetical. Do not imply selective member/security access is permitted. Do not infer absolute scale or profitability from the ADV growth figures or company-wide results. More than one recommendation can be defensible if its gates and trade-offs are clear.

Sources and conventions

All facts are bounded by 31 July 2026, 5:00 p.m. ET. The dossier's source register records versions, direct links, exact locators and actual reading depth. The evidence extraction records source classifications, derivations and limits.

- **C1.** Cboe, FY2025 Form 10-K, filed 20 Feb 2026, Items 1 and 1A; SEC links and locators in source register.
- **C2.** Cboe, Q2 2026 Form 10-Q, filed 31 Jul 2026, Item 2 MD&A and segment/operating statistics; SEC links and locators in source register.
- **C3.** Cboe, Q2 2026 results release and presentation, 31 Jul 2026; IR links in source register.
- **C4.** SEC Release 34-105587, EDGX SR-CboeEDGX-2026-019 approval, 29 May 2026, pp. 5-8, 22-23.
- **C5.** Cboe, near-24x5 equities proposal announcement, 16 Mar 2026; issuer release link in source register.
- **C7.** SEC order for Nasdaq SR-NASDAQ-2025-109, 10 Apr 2026.
- **C8.** SEC Release 34-105532, NYSE Arca SR-NYSEARCA-2026-53, pp. 1-5, 9.
- **A1.** Jiang, Kellard and Liu (2020), *Journal of Futures Markets* 40(10):1486-1507, methods §§3-4, results §5, Tables 2-5.
- **A2.** Aitken, Chen and Foley (2017), *Journal of Empirical Finance* 41:140-160; author working-paper version reviewed, pp. 1-30.
- **A3.** Gomber et al. (2017), *Journal of Economic Surveys* 31(3):792-814, review §§2-5.
- **A4.** Pagnotta and Philippon (2018), *Econometrica* 86(3):1067-1115; theoretical model and welfare analysis. This case does not infer a Cboe-specific effect from it.