

CADC 2015

MAKING IT EASY

TRADE SETUP AND RISK MANAGEMENT

October 22, 2015



TRADING TECHNOLOGIES



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TRADING TECHNOLOGIES



Futures vs Futures: YIELD

Spread in basis points

Easy Set-up

Low Maintenance / Part of Configuration

Audit Trail, Risk

SIMULATION				
10:15:07	Λ			
-35.1			-36.2	
Hedge Mgr			-36.1	
<Default>			-36.0	
Desktop			-35.9	
0			-35.8	2
1 5			-35.7	2
10 20			-35.6	4
50 100			-35.5	3
Clear			-35.4	
0			-35.3	
			-35.2	
			-35.1	1
Limit	B 0 W 10		3 -35.0	
Cancel All			3 -34.9	
Cancel			4 -34.8	
Cancel 10			12 -34.7	
			-34.6	
			-34.5	
			-34.4	

SIMULATION				
10:15:07	Λ			
-105		1.6376	129115	1844
712551		1.6395	129110	2436
<Default>		1.6415	129105	2007
		1.6434	129100	2405
108		1.6453	129095	2293
0		1.6473	129090	2273
1 5	S 0 W180	1.6492	129085	2435
10 20		1.6511	129080	2075
50 100		1.6530	129075	2206
Clear		1.6550	129070	1223 3
0		1044	1.6569	129065
		1823	1.6588	129060
		2034	1.6608	129055
<Default>		2029	1.6627	129050
Cancel All		2492	1.6646	129045
Cancel 180		2220	1.6665	129040
Cancel 108	B 0 W105	3212	1.6685	129035
		2045	1.6704	129030
		2478	1.6723	129025

SIMULATION				
10:15:07	Λ			
-0.330		1.2953	142.130	
31911		1.2962	142.120	
<Default>		1.2971	142.110	
		1.2980	142.100	
-165		1.2988	142.090	
0		1.2997	142.080	34
1 5		1.3006	142.070	41
10 20		1.3015	142.060	58
50 100		1.3024	142.050	64
Clear		1.3033	142.040	3 2
0		60	1.3042	142.030
		48	1.3051	142.020
		34	1.3060	142.010
<Default>		40	1.3069	142.000
Cancel All	B 0 W170	203	1.3078	141.990
Cancel			1.3087	141.980
Cancel 170			1.3096	141.970
			1.3105	141.960
			1.3114	141.950



Futures Yield Spreads: Detail

No Programming

Autosreader Configuration

Instrument Name: Leg Color:

Based On: LTP:

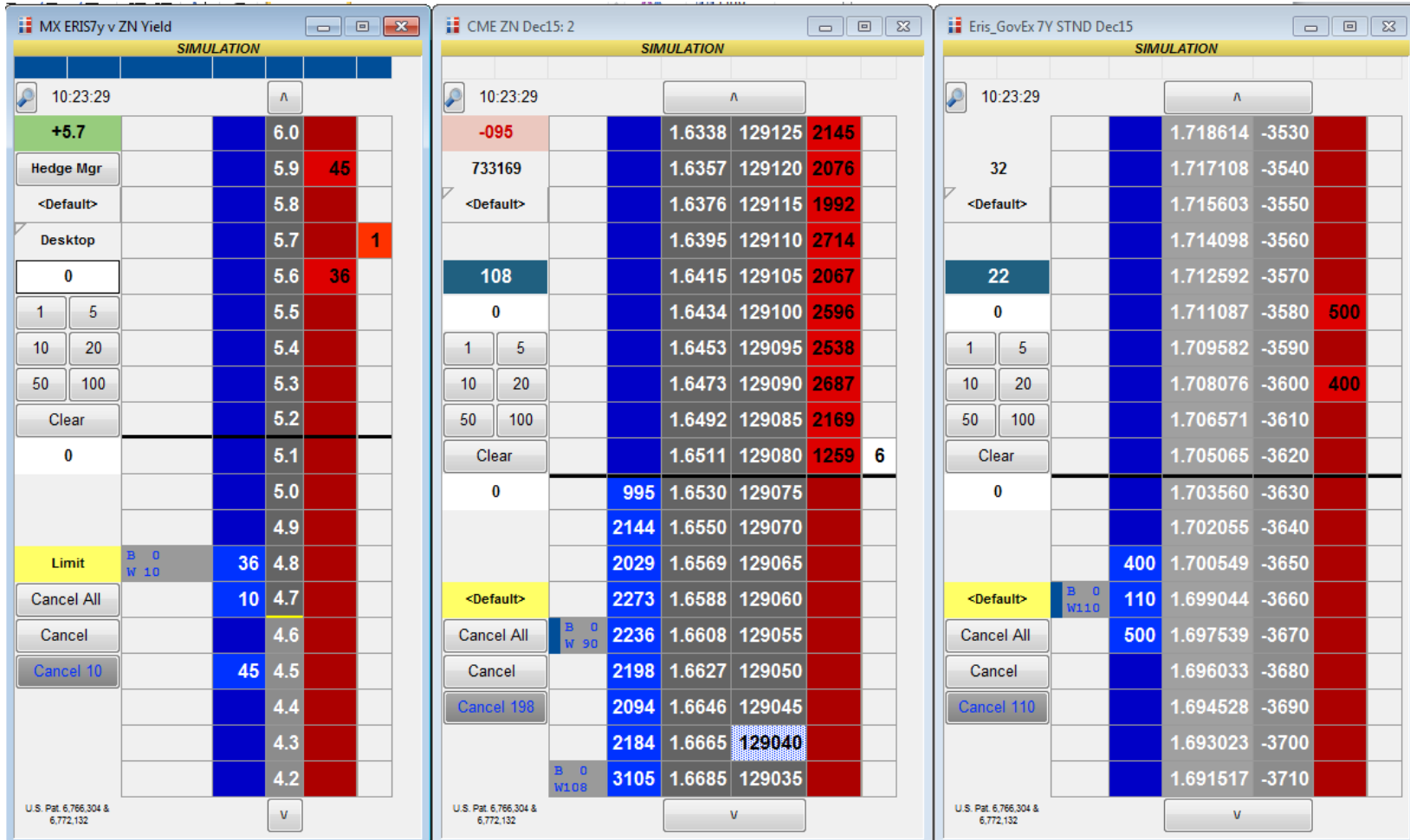
	Leg A	Leg B
Contract	CGB Dec15	ZN Dec15
Customer Account	MX-P <Default>	CME-P <Default>
Spread Ratio	17	-18
Spread Multiplier	10000	-10000
Consider Implieds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Quoting Properties		
Active Quoting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Base Volume Lean	0	0
Offset Volume Multiplier	1	1
Quoting Mode	All or None	All or None
Lean on Indicative	<input type="checkbox"/>	<input type="checkbox"/>
Max Price Move	9999	9999
Max Order Move	9999	9999
Messaging Controls		
Hedging Properties		
Order Properties		
Yield		
Yield Type	Canada FUT Yield	FUT Yield
Custom Config.	Config...	Config...
Convert to 365	<input type="checkbox"/>	
Strip Base	0	
Coupon Frequency	Semi Annual	
Coupon (%)	0.1	
Day Count Type	Actual/Actual	

Variable	Value
Coupon	2.125
Settlement Date T...	Rolling
Settlement Date	
Maturity Date	6 /30/2022
Futures Conversi...	ZN
Contract Date	12/ 1 /2015
Delivery Date	12/31/2015
Basis Type	Target IRP
Basis Value	.0025



Swap Futures: Price, Yield, NPV

Swap Futures vs Govt Bond Futures: "Spot Spreads" and "Invoice Spreads"



Swap Futures vs Securities

Swap Futures vs US Treasuries

MX ERIS7y v UST7y

10:34:54

+1.5

Hedge Mgr		1.7	25
<Default>		1.6	
Desktop		1.5	11 36
0		1.4	
1	5	1.3	
10	20	1.2	
50	100	1.1	
Clear		1.0	
0	B 0 W 10	0.9	
		0.8	
		0.7	
Limit		0.6	46
Cancel All		0.5	
Cancel		0.4	
Cancel 10		0.3	
		0.2	25
		0.1	
		0.0	

U.S. Pat. 6,766,304 & 6,772,132

BTec 7_YEAR 1_3/4_09/22

10:34:54

-0.09+

7669		1.673513	100.16	
<Default>		1.675896	100.15+	
		1.678278	100.15	
2		1.680662	100.14+	
0		1.683045	100.14	52
1	5	1.685429	100.13+	58
10	20	1.687814	100.13	64
50	100	1.690198	100.12+	88
Clear		1.692584	100.12	11
0		71 1.694969	100.11+	12
		79 1.697355	100.11	
	B 0 W 10	65 1.699742	100.10+	
<Default>		56 1.702129	100.10	
Cancel All		46 1.704516	100.09+	
Cancel		1.706904	100.09	
Cancel 10		1.709292	100.08+	
		1.711680	100.08	
		1.714069	100.07+	

U.S. Pat. 6,766,304 & 6,772,132

Eris_GovEx 7Y STND Dec15: 2

10:34:54

		1.718614	-3530	
32		1.717108	-3540	
<Default>		1.715603	-3550	
		1.714098	-3560	
22		1.712592	-3570	
0		1.711087	-3580	500
1	5	1.709582	-3590	
10	20	1.708076	-3600	400
50	100	1.706571	-3610	
Clear		1.705065	-3620	
0		1.703560	-3630	
		1.702055	-3640	
	B 0 W 10	510 1.700549	-3650	
<Default>		1.699044	-3660	
Cancel All		1.697539	-3670	
Cancel		500 1.696033	-3680	
Cancel 110		1.694528	-3690	
		1.693023	-3700	
		1.691517	-3710	

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Risk: Dv01 by Instrument & Portfolio

Live Risk

Blended Securities, Futures, Swap Futures

Core Portfolios and "On the Fly Portfolios"

Autotrader SIMULATION

ON OFF Reset 0 Delete Orders Update Orders

Reset Open Position Selected Orders

RowN	Status	Contract	Ma	Aut	TransC	NetPos	OpenPos	LFP	RowPos	mBidQt	mBidPrc	mAskPrc	mAskQ	PosRisk	DesiredRisk	clipRisk
3		MX CGB v ZN Yield	<input type="radio"/>	<input checked="" type="radio"/>						3	-34.7	-35.2	6	0	-2000	500
4		MX ERIS7y v UST7y	<input type="radio"/>	<input checked="" type="radio"/>						36	0.9	1.8	36	0	-10000	500
5		MX UST3y vs ZFZ5 Yield	<input type="radio"/>	<input checked="" type="radio"/>						90	-31.6	-32.1	54	0	7000	250
6		MX CGB Dec15	<input type="radio"/>	<input checked="" type="radio"/>		-165				1	142.090	142.100	103	-14219.7		
7		Eris_GovEx 2Y STND Dec15	<input checked="" type="radio"/>	<input type="radio"/>						1000	-1446	-1430	500	-0		
8		Eris_GovEx 7Y STND Dec15	<input checked="" type="radio"/>	<input type="radio"/>		22				400	-3660	-3610	400	-1461.46		
9		Eris_GovEx 10Y STND Dec15	<input checked="" type="radio"/>	<input type="radio"/>						650	-4600	-4550	400	-0		
10		CME ZT Dec15	<input checked="" type="radio"/>	<input type="radio"/>						2067	109205	109207	6588	0		
11		CME ZF Dec15	<input checked="" type="radio"/>	<input type="radio"/>						268	120270	120272	685	0		
12		CME ZN Dec15	<input checked="" type="radio"/>	<input type="radio"/>		108				1667	129085	129090	682	8748		
13		BTec 3_YEAR 7/8_10/18	<input checked="" type="radio"/>	<input type="radio"/>						90	99.31+	99.316	111	0		
14		BTec 7_YEAR 1_3/4_09/22	<input checked="" type="radio"/>	<input type="radio"/>		2				41	100.12+	100.13	50	1310.4		
15		BTec 10_YEAR 2_08/25	<input checked="" type="radio"/>	<input type="radio"/>						22	99.30	99.30+	80	0		
16		CME 6C Dec15	<input checked="" type="radio"/>	<input type="radio"/>						19	7745	7746	44	-5471.7	-7064.82	



Risk Based Order Entry: Instrument & Portfolio

Grid or Floating MDT
 Spreads, Outrights, Tail Management
 Fully Automated or Warnings

Autotrader SIMULATION

Reset
 Reset Open Position Selected Orders

RowNm	Status	Contract	Ma	Aut	TransC	NetPos	OpenPos	LFP	RowPos	mBidQt	mBidPrc	mAskPrc	mAskQt	wBidQt	wBidPrc	wAskPrc	wAskQt	PosRisk	DesiredRisk	clipRisk
3	ON	MX CGB v ZN Yield	<input type="radio"/>	<input checked="" type="radio"/>	10					3	-34.0	-35.0	1			-34.9	6	0	-2000	500
4	ON	MX ERIS7y v UST7y	<input type="radio"/>	<input checked="" type="radio"/>	11					22	1.0	1.4	8			1.1	8	0	-10000	500
5	ON	MX UST3y vs ZFZ5 Yield	<input type="radio"/>	<input checked="" type="radio"/>	8					126	-31.5	-32.1	50	1	-31.6			0	7000	250
6	ON	MX CGB Dec15	<input type="radio"/>	<input checked="" type="radio"/>		-166												-14213.1		
7	OFF	Eris_GovEx 2Y STND Dec15	<input checked="" type="radio"/>	<input type="radio"/>																
8	OFF	Eris_GovEx 7Y STND Dec15	<input checked="" type="radio"/>	<input type="radio"/>		22														
9	OFF	Eris_GovEx 10Y STND Dec15	<input checked="" type="radio"/>	<input type="radio"/>																
10	OFF	CME ZT Dec15	<input checked="" type="radio"/>	<input type="radio"/>																
11	OFF	CME ZF Dec15	<input checked="" type="radio"/>	<input type="radio"/>																
12	OFF	CME ZN Dec15	<input checked="" type="radio"/>	<input type="radio"/>		108												8748		
13	OFF	BTec 3_YEAR 7/8_10/18	<input checked="" type="radio"/>	<input type="radio"/>																
14	OFF	BTec 7_YEAR 1_3/4_09/22	<input checked="" type="radio"/>	<input type="radio"/>		2												1310.8		
15	OFF	BTec 10_YEAR 2_08/25	<input checked="" type="radio"/>	<input type="radio"/>																
16	OFF	CME 6C Dec15	<input checked="" type="radio"/>	<input type="radio"/>														-5465.1	-7059.94	

MX CGB v ZN Yield SIMULATION

10:55:04

-34.6

Hedge Mgr

<Default>

Desktop

0

1 5

10 20

50 100

Clear

0

Limit

Cancel All

Cancel 6

Cancel

U.S. Pat. 6,786,204 & 6,772,132



Recent Trends in Swap Spreads vs US TED spreads

Return to a Convexity Premium ?

LCH / CME ?

