BTS®: Request for Quote for LSE

User Manual

June 2017

Version 1.0

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BTS®: Request for Quote User Manual

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1 Revision History

Issue	Date	Description
1.0	June 2017	First release

BTS®: Request for Quote User Manual

June 2017

2 Introduction

The launch of new Request for Quote (RFQ) functionality for LSE market will offer on-exchange benefits and cleared execution for larger size trades, allowing greater flexibility and protection for both institutional customers and responding market makers.

The RFQ platform will run alongside and complement the existing order book structure providing a mechanism whereby traders can privately negotiate and carryout large trades with market makers outside of the normal order book.

Trading participants connected to the order book will be able to access the RFQ platform choosing if they are to remain anonymous or named, registered market makers will be able to respond to quotes via a private RFQ session.

3 Request for Quote BTS® solution – Requestor Side tool

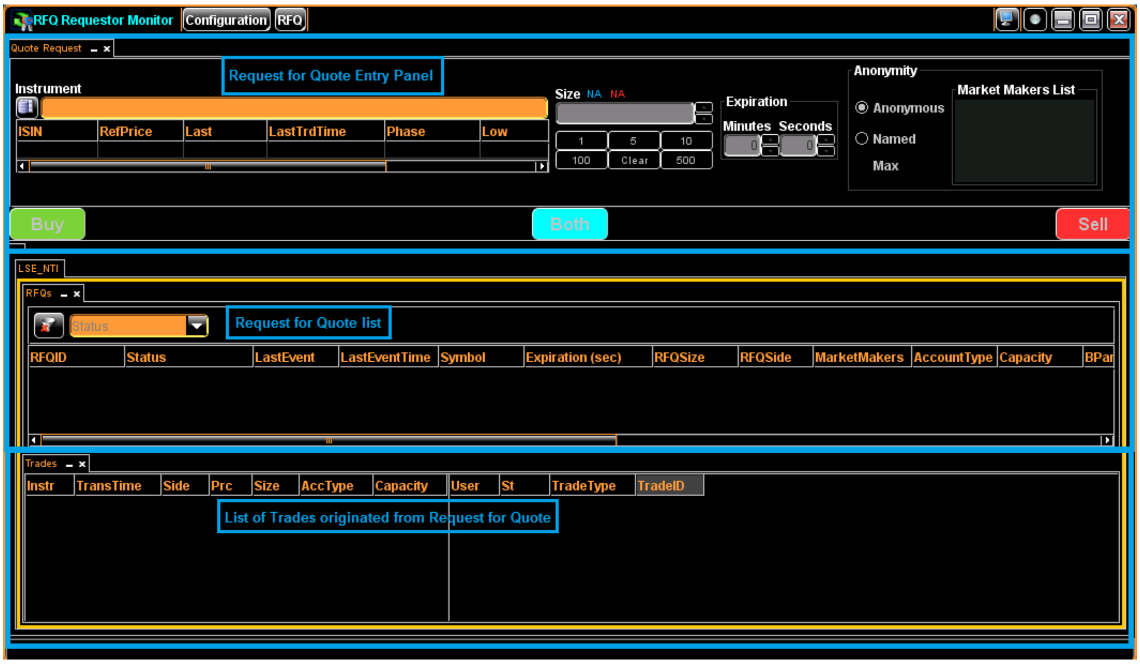
BTS® front-end provides a GUI that allows both Traders to request for a quote for a particular instrument, and Market Makers to receive the RFQ and submit a RFQ Quote.

3.1 RFQ Requestor tool

RFQ Requestor tool is available under BTS® Quoting menu,

By clicking RFQ Requestor Monitor the Requestor window will open.
The Window is composed of three panels, described later on in the document:

- RFQ Entry
- RFQs list
- Trades List



Quote Requestor tool is also available:

1) in Price Info under dedicated menu “RFQ”:

2) by Right clicking on an Instrument row:

3) via shift+F6 keyboard shortcut

3.2 Workflow steps

3.2.1 Submit a RFQ and Trade a received Quote

1) A new **Request for Quote** can be submitted by the *Requestor* from the Quote Request panel through the following steps:

   a) **Select the instrument**: a dropdown menu with all available markets is presented. In the contract selector field, it is possible to select the instrument by:

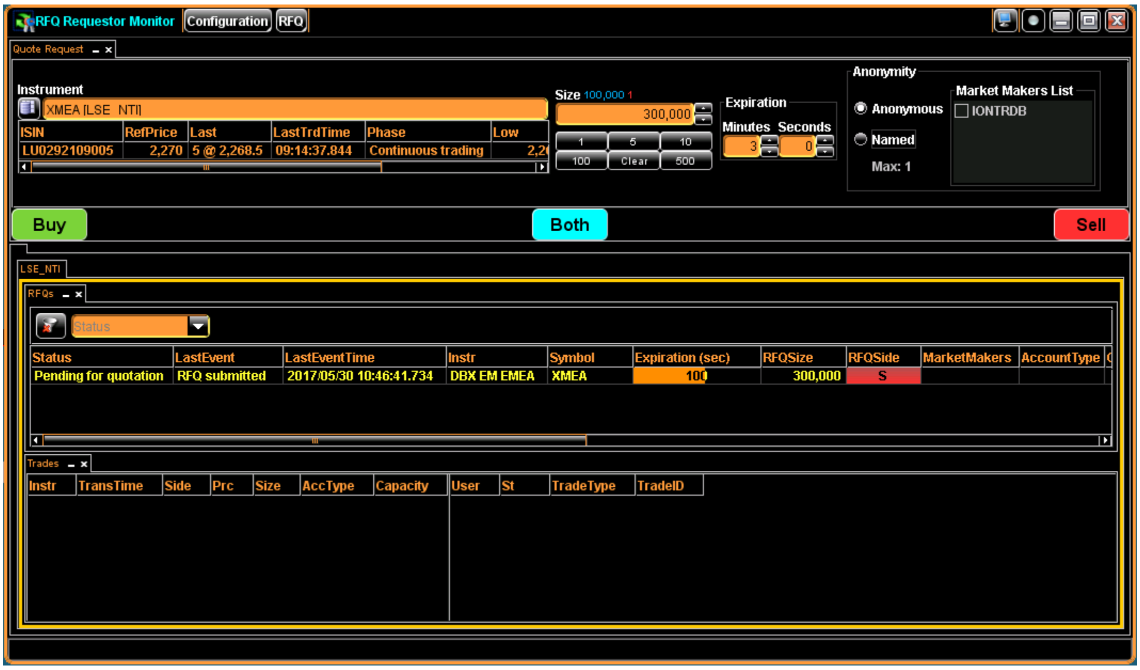
      - opening the Dictionary;
      - dragging and dropping one instrument from another window;
      - typing the instrument itself . Auto-completion logic is the same applied in other BTS® windows.

   b) **Input Size, Expiration, Anonymity**

      - Minimum RFQ quantity is displayed above the Size cell
      - Maximum Expiration is provided by default but can be decreased by the User

- RFQ Anonymity can be Anonymous or Named, in the second case User may choose up to 5 Market Makers FirmID to address the RFQ
- Confirm the RFQ by clicking the side

c) Once **confirmed and accepted by the Market**, the RFQ is listed in the RFQs panel

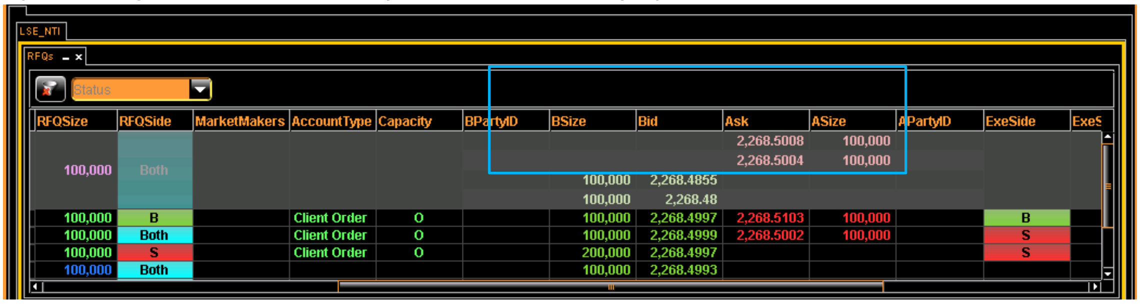


For each (Pending) RFQ the following details are provided:

- Instrument Description
- Status of the RFQ
- Last Event Description
- Last Event Time
- Expiration countdown in seconds
- RFQ Size
- RFQ Side (B, S or Both)
- List of Market Makers the RFQ is addressed, displayed only in case of Named RFQ

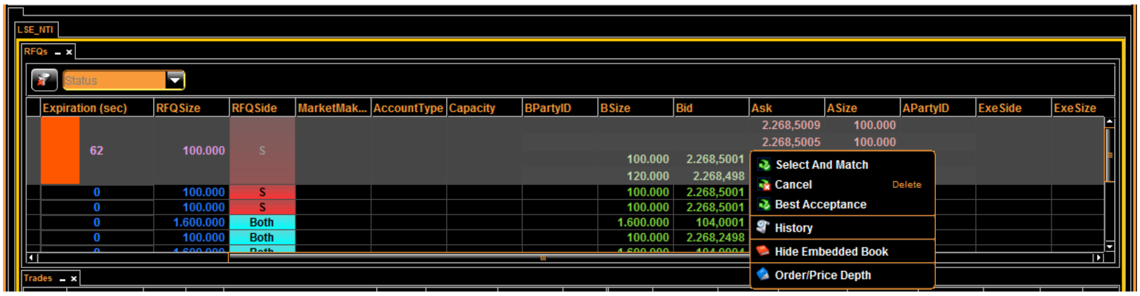
2) **The Best Bid Ask of the Quotes received** by the Market Makers is displayed by default:

By selecting a RFQ row the full quotes levels are displayed in a vertical book



3) Quote Requestor can match against :

- The Best available quote (**Best Execution model**):
  1. Right click on RFQ row and select “Best Acceptance” option
  2. Double click on any cell of RFQ row but the vertical book ones
- Specific Quote (**Select and Match model**)
  1. Double click on a specific Quote in the vertical book
  2. Right click on RFQ row and select “Best Acceptance” option



Select and Match : a pop up window will appear showing all the Quotes for the selected RFQ.

Below the Quotes book, Standard Order Book best bid ask is provided as comparison

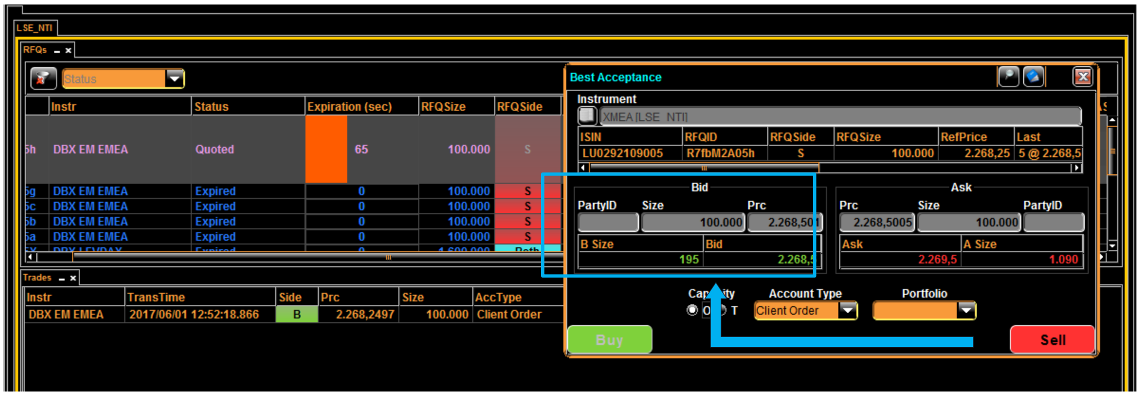
Picking a specific quote will give the possibility to amend the size that will be traded, then as a standard Order Book, by clicking the opposite Side button the requestor will apply the Quote

LSE_NTI
Select And Match
Instrument
ISIN
RFQID
RFQSide
RFQSize
Last
LastTrdTime
LU0292109005
R7fbM2A05c
S
100.000
5 @ 2.268,5
15:05:25.843
BPartyID
BSize
Bid
Ask
ASize
APartyID
ExeSide
ExeSize
B Size
A Size
Size
Capacity
Account Type
Client Order
Portfolio
Clear
Buy
Sell
Cust
User
TraderID
TradeID
MktOrdID
PosEffect
OrdRef
Ctpy

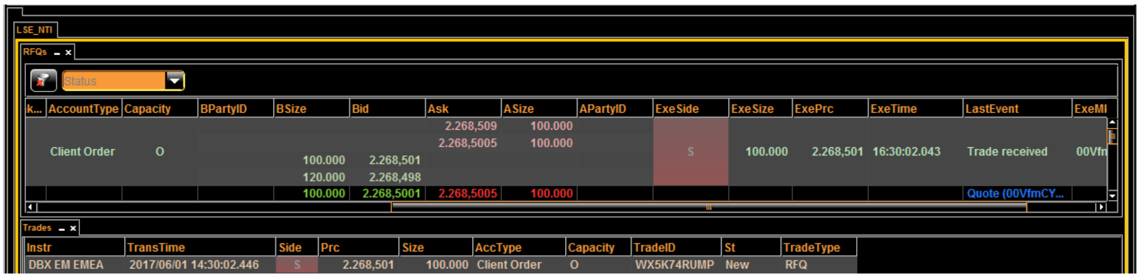
Best Acceptance : a pop up window will appear showing the current best Quotes.

Quote Acceptance window will open, below the BestQuote Prices, Order Book best bid ask is provided as comparison.

As a standard Order Book, by clicking the Side button the requestor will apply the Quote on the opposite side.



4) Once **a Quote is accepted** by Requestor and traded on the market:



The following information will be provided:

- Account Type
- Capacity
- Executed Side (B or S)
- Executed Size
- Executed Price
- Execution Time Stamp

RFQ status will be “Traded” and Last Event Time “RFQ Accepted and Closed”.

The same Trade will also be listed in the Trades panel with Trade Type “RFQ”

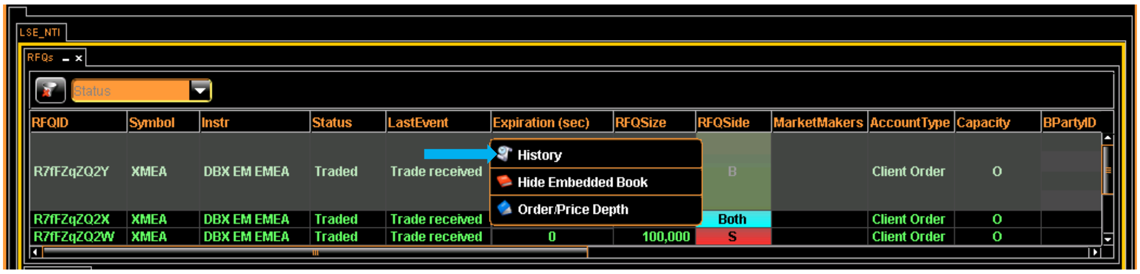
3.2.2 **Cancel an active RFQ**

BTS® users may cancel a submitted and active RFQ by right clicking on the RFQ row and select Cancel:

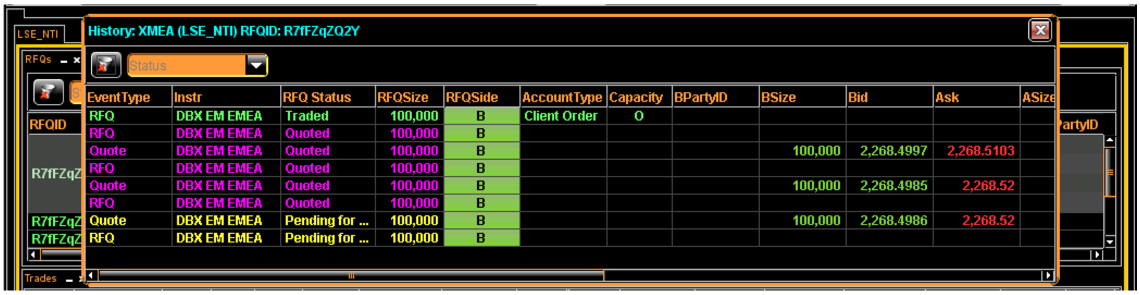
RFQ will be displayed with Status Cancelled:

3.2.3 **RFQ History**

RFQ Requestor has the possibility to consult the history of the events occurred.
By right clicking on the RFQ row and select the History option



RFQ history will be displayed:



4 Request for Quote BTS® solution – Market Maker Side tool

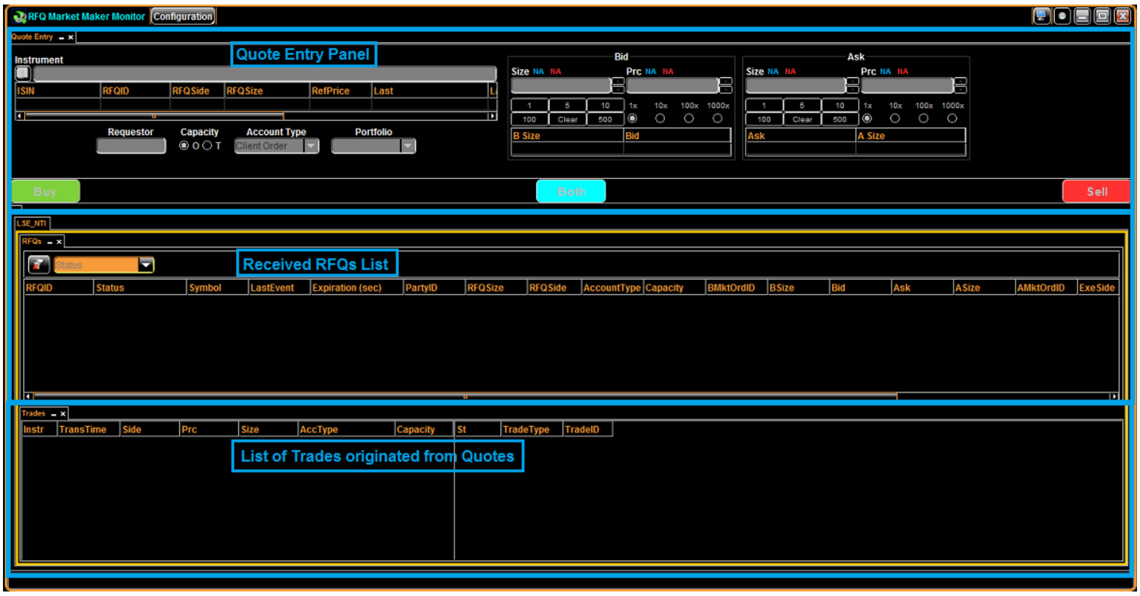
4.1 RFQ Market Maker tool

RFQ Market Maker tool is available under BTS® Quoting menu

By clicking RFQ Market Maker Monitor the Market Maker window will be displayed.

The Window is composed of three panels:

- Quote Entry
- Received RFQs list
- Trades List



4.2 Workflow steps

4.2.1 Submit a Quote in response to a RFQ

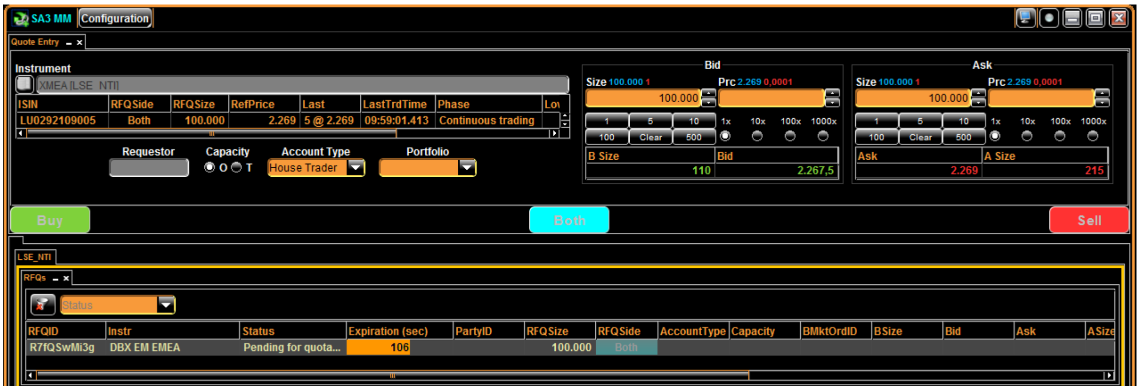
A Quote in response to a RFQ can be submitted by Market Maker user through this steps:

1) In the RFQ panel **all RFQs received for the selected market are listed**.

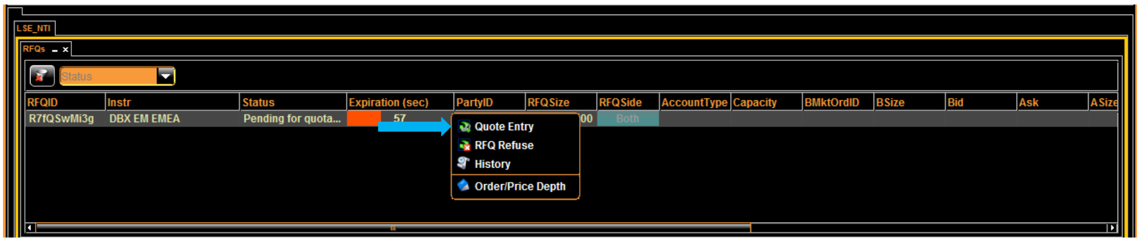
   For each RFQ the following data are provided:

   - Instrument Description
   - Status of the RFQ
   - Requestor PartyID (in case of named RFQ)
   - Last Event Description
   - Last Event Time
   - Expiration countdown in seconds
   - RFQ Size
   - RFQ Side (B, S or Both)

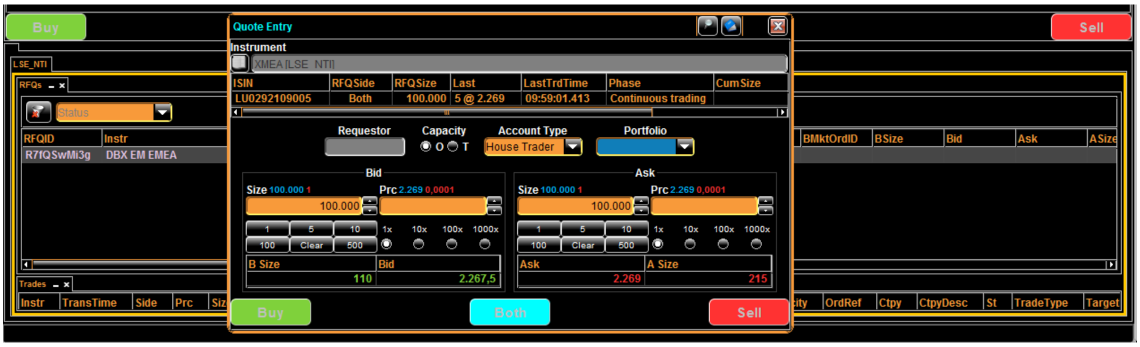
2) **Create the Quote:** Select the RFQ row in the RFQs list and the Quote Entry panel above will be prepopulated.



Quote Entry Option is also available via context menu by right clicking on the RFQ row:



By double clicking the row of the RFQ the Market Maker wants to accept, the Quote Entry window will appear.



Input fields are:

- Capacity
- Account Type
- Price and Size of the Side(s) to submit

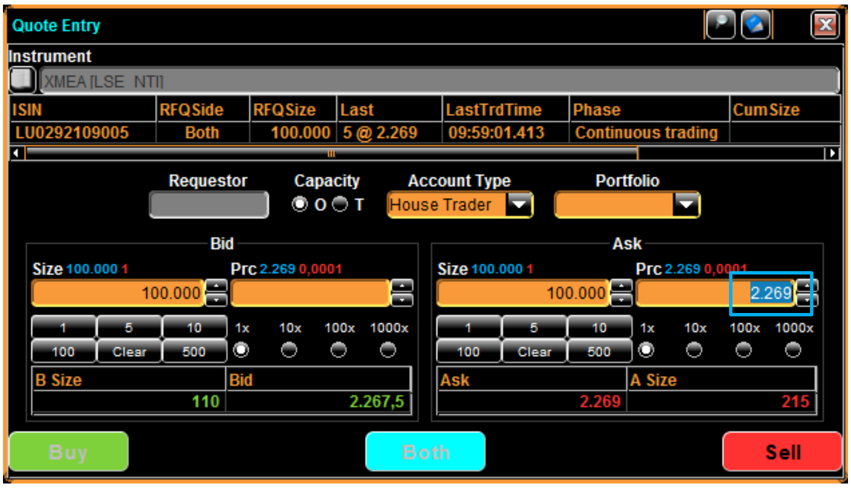
  The size is filled up by default with the RFQ size

The Last Traded Price is provided as Starting Price in the Price Cell, Market Static Price is used in case no contract has been traded yet.

Example given:

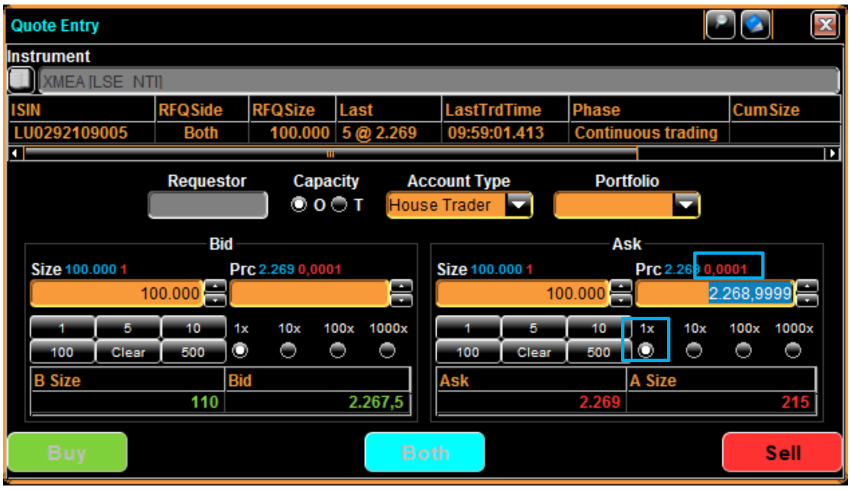
Last price for the Instrument is displayed in the public information box under the Instrument Selector, the same price is shown in the Price Entry cell:

Using the arrows next to the price entry the Last Trade Price will be presented as starting Price:

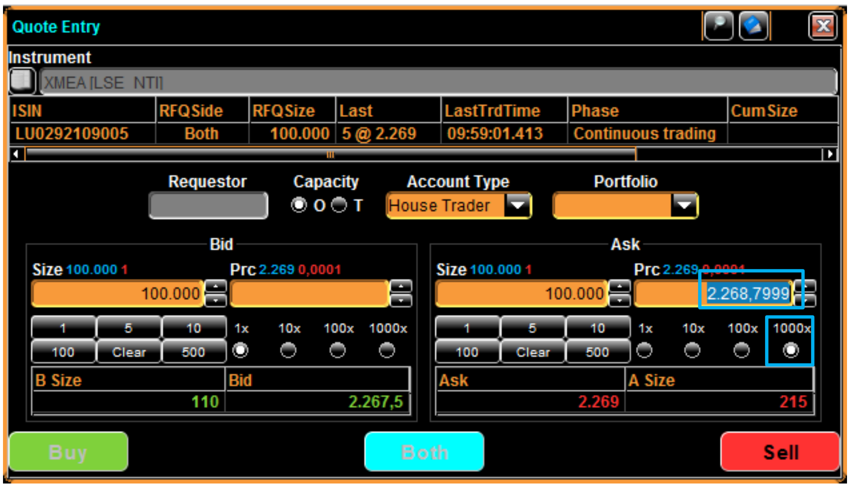


By clicking on the Radio Buttons below the Price cell the user can decide to apply a different Tick to the Quote Price.

In this example the Price Tick applied to Starting Price is 1x 0,0001 (default Market Tick Price), that is 2.269 – 0,0001:



Then if 1000x is chosen, 0.1 tick is applied.
So, in this case 2 clicks on the down arrow would give a price of 22.268,7999



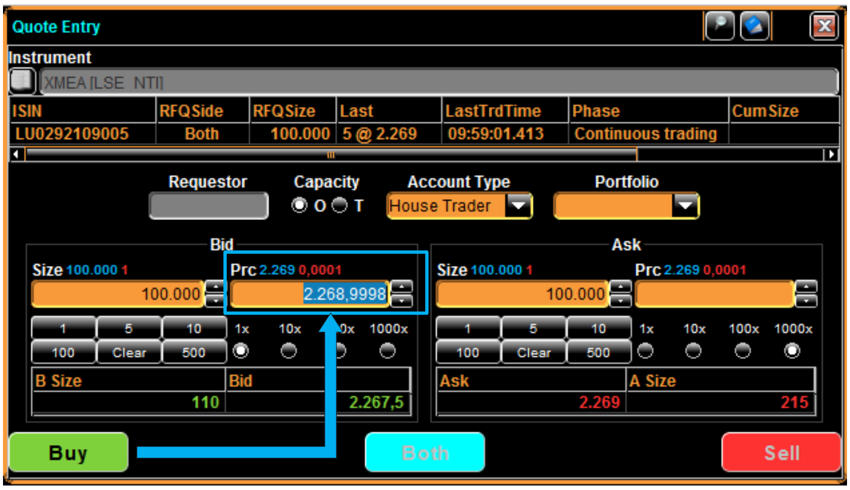
3) By clicking the Side button the **Quote will be submitted**.

The Side Buttons will be activated when the related Price is set, please note that in case the side has not been requested for the quotation, the button will remain greyed out

Examples are given below:

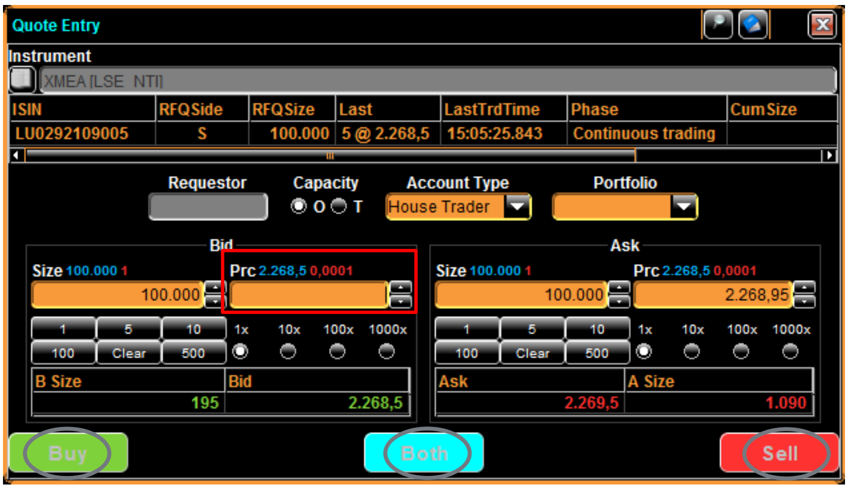
- Received RFQ is double

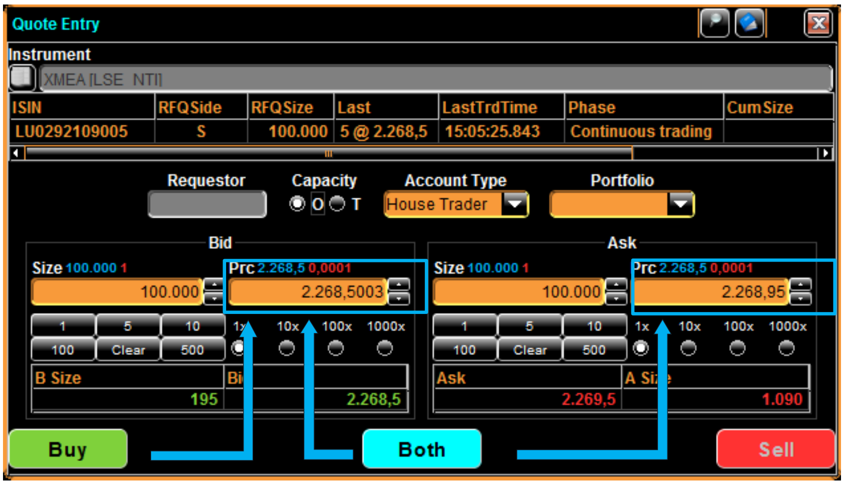
Market Maker may answer with a Single Side Quote or a Double Quote



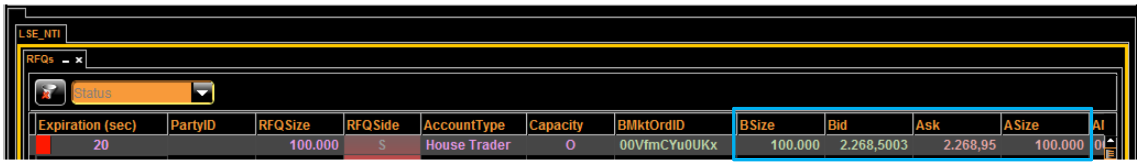
- Received RFQ Side is SELL

Market Maker may answer with a BUY Quote or a Double Quote only





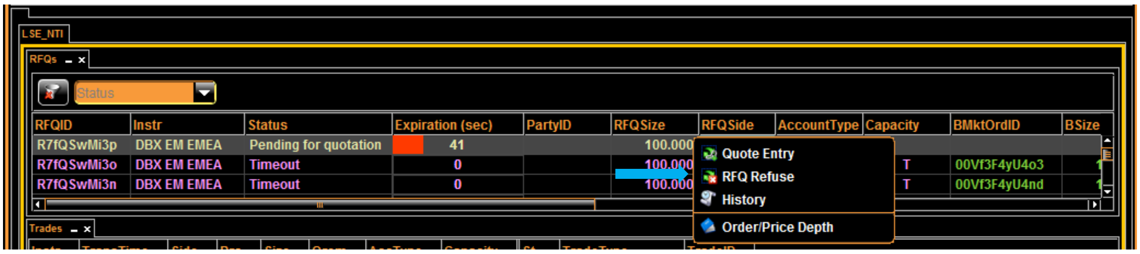
4) Once **confirmed and accepted by the Market**, the Quote is added in the RFQs row.



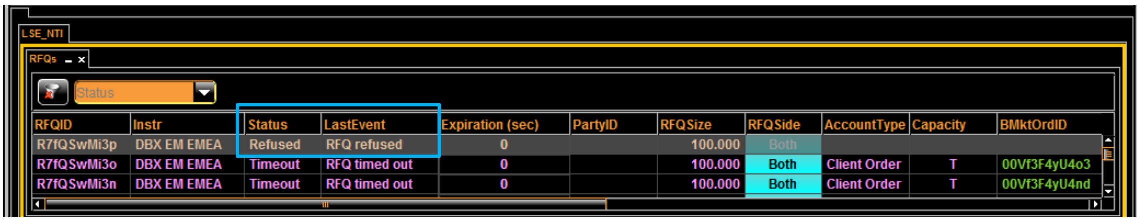
5) **If the Quote is accepted by the Requestor**, a Trade is added in the Trades panel and Execution info are updated (ExeSide, ExeSize, ExePrice, ExeTime):

4.2.2 **Reject a RFQ**

BTS® users may reject a received RFQ by right clicking on the RFQ row and select 'RFQ Refuse':



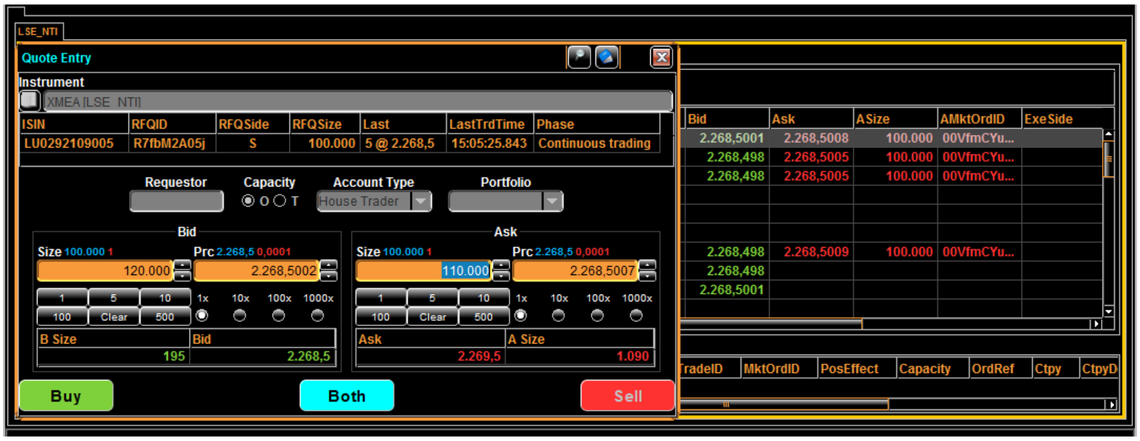
Then RFQ status will change to Refused:



4.2.3 **Modify a submitted Quote**

Market Makers have the possibility to Modify an already submitted Quote by double clicking on the RFQ row or right click and select Quote Entry.

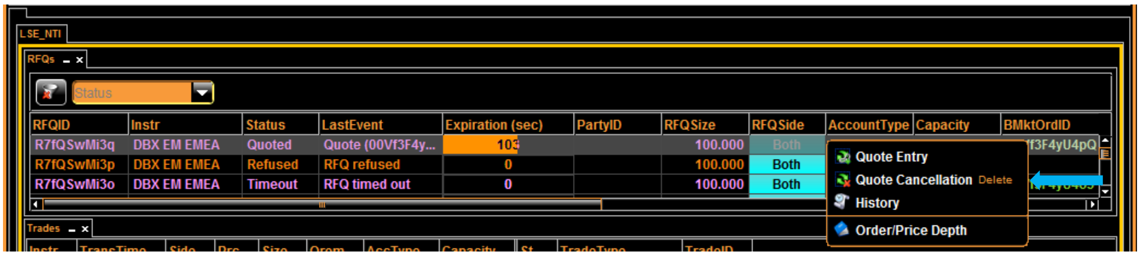
Quote Entry will open, and Price/Size can be modified:



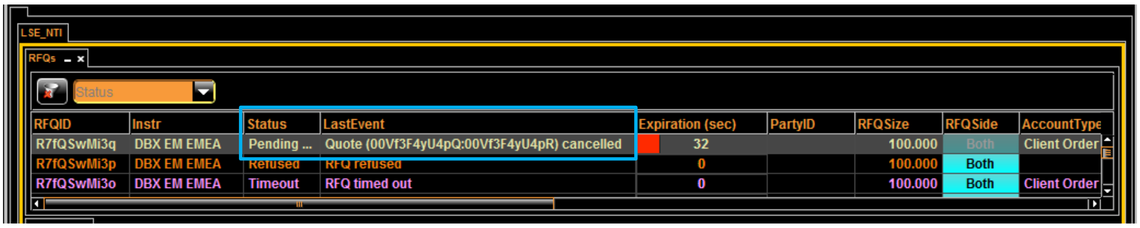
Please note that the modified Quote must have the same Side as the original one.

4.2.4 **Cancel a submitted Quote**

Once a Quote has been sent to the Market - but not yet accepted - Market Makers may Cancel the submitted Quote:

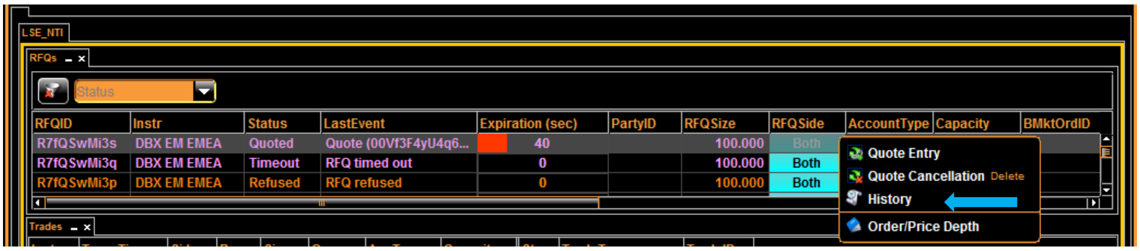


RFQ Status will change back to Pending, while LastEvent will inform about the Cancelled Quote:

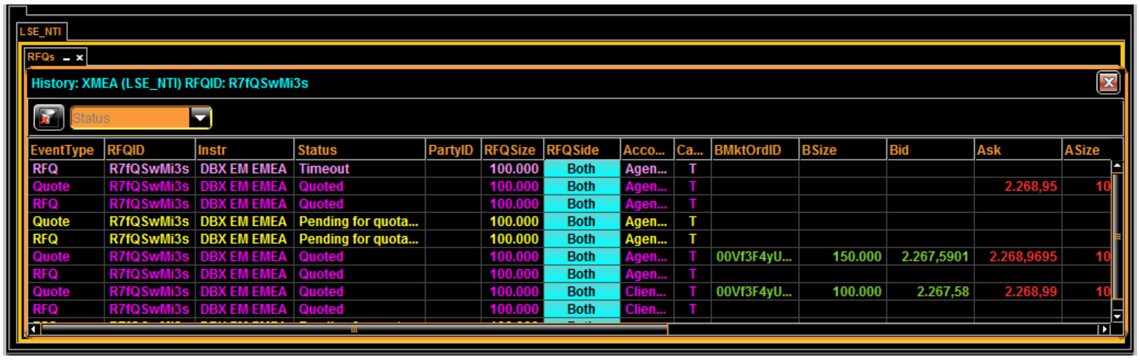


4.2.5 **RFQ History**

Market Makers have the possibility to consult the history of the events occurred by right clicking on the RFQ row and selecting the History option.



Quote history will be displayed:



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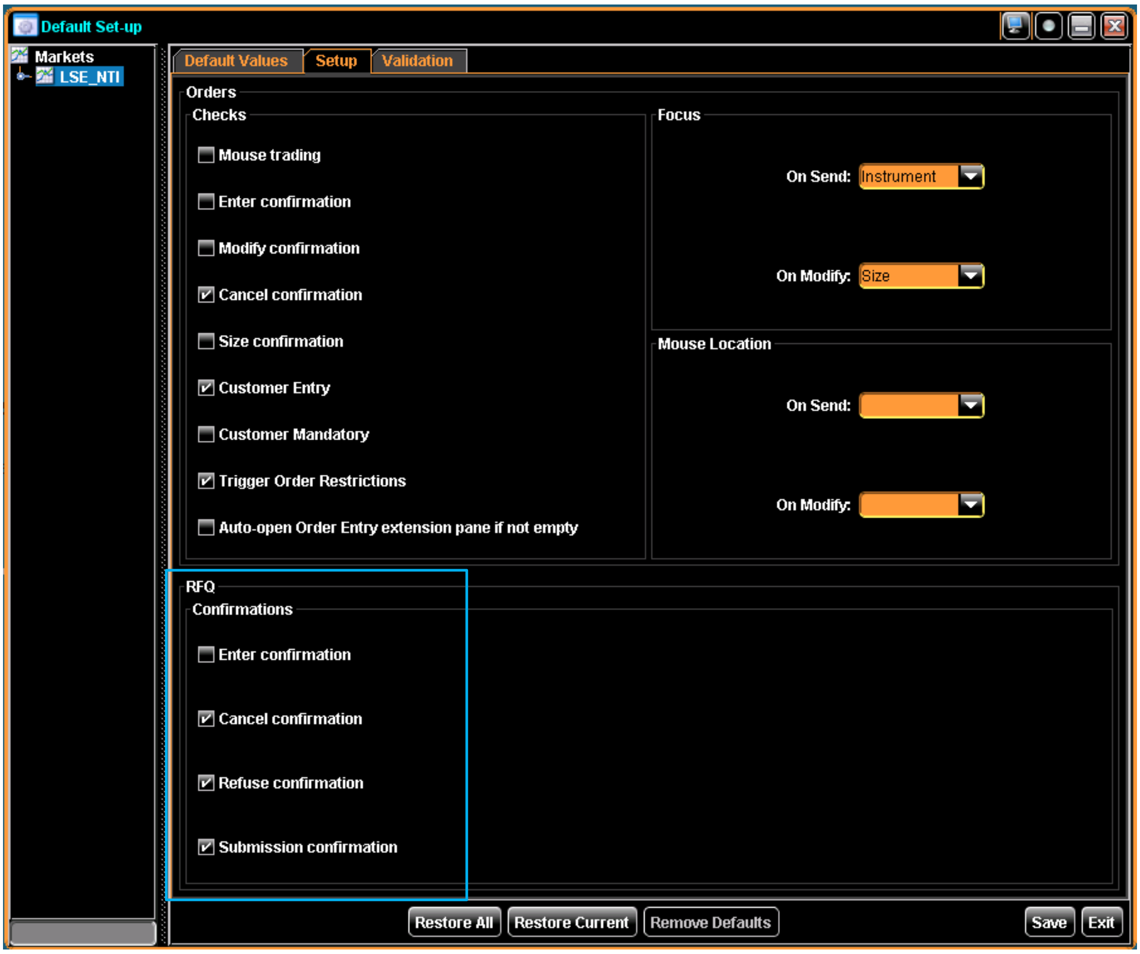
5 Request for Quote BTS® solution – User Setup

5.1 Default Values

Form the “Default Setup” window that can be found under the “General Settings” menu both Requestor and Market Maker users are able to set a default Account Type and Capacity value for the RFQ and submitted Quotes. Please note that in order to be applied the chosen value must be the same on both the sides.

The Setup tab allows the user to decide to disable the confirmation pop ups that open following each action of Request for Quote / Quoting work flow.



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