ICE Tips

Crossing Orders

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Crossing Orders
WebICE participants may engage in pre-execution conversations for ICE Futures U.S. options, in accordance with ICE Futures U.S. Rule 27.22. Once participants have agreed to trade an option or option strategy at a specific price and quantity, the new Crossing Order facility will allow participants to enter a crossing order into the trading system. Submitting a crossing order to the exchange will automatically generate a RFQ for the option or option strategy. The RFQ will display the volume entered on the Crossing Order but will not display the price of the Crossing Order. The RFQ will display to the market:

- ICE Futures U.S. Equity Options display for 5 seconds
- All other ICE Futures U.S. options display for 15 seconds

While Crossing Orders are displayed, they may not be cancelled or modified.

Crossing Order Execution Rules
Crossing Orders will match with existing and/or new orders according to the following conventions:

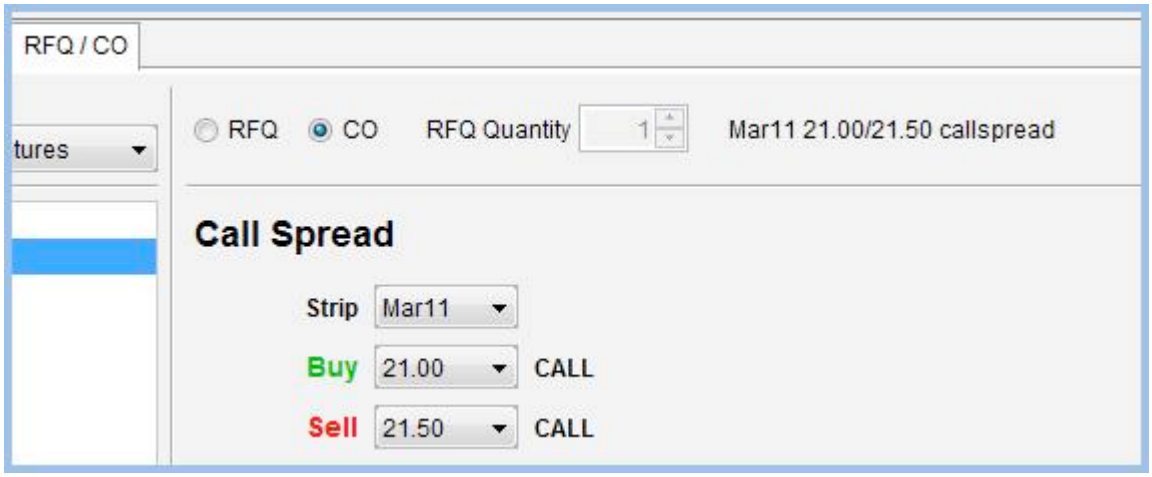
- Orders floated at a better price than a side of the Crossing Order
- Orders resting prior to the Crossing order at the same price
- Crossing Order will match at corresponding price
- Outstanding quantity on unmatched Crossing Order will be cancelled

Click HERE to review the ICE Futures U.S. Exchange Notice relating to crossing orders.

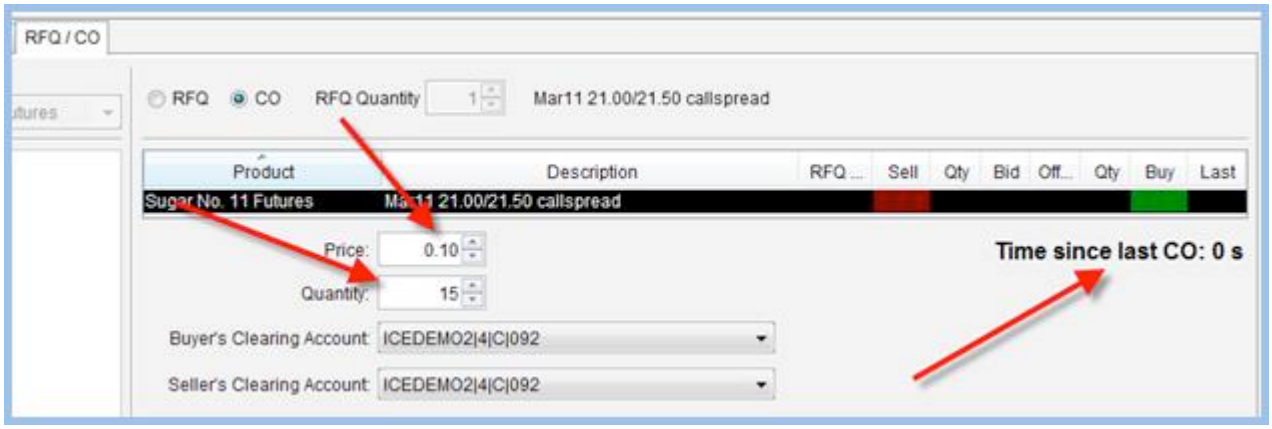
Enter a Crossing Order via WebICE
To enter a Crossing Order via WebICE, select the Crossing Order radio button from the RFQ Option Window.

The participant can enter a crossing order in an existing option User Defined Strategy (UDS), create a new option UDS or enter a crossing order in an outright option market.

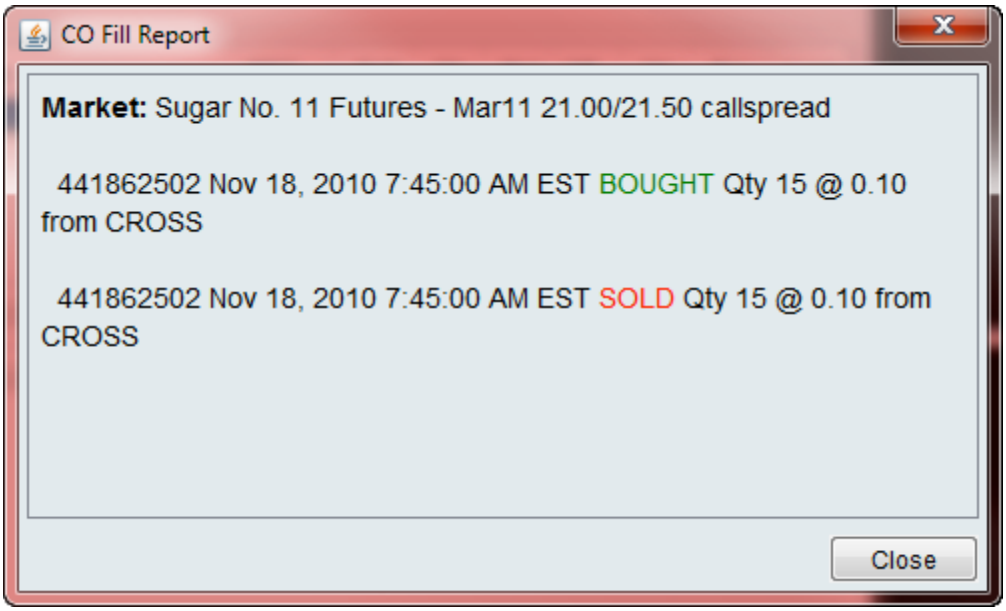
Example: Create a Call Spread and Submit a Crossing Order
The first step of this crossing order is to create a call spread, in this example a Mar11 21.00/21.50 call spread. The participant will press the button “Create Strategy” to create the UDS instrument for the cross.
Please remember, UDS instruments are created from the *Buyer’s perspective*, meaning that a bid in the UDS instrument, if traded, will result in leg positions exactly as the UDS legs are defined.



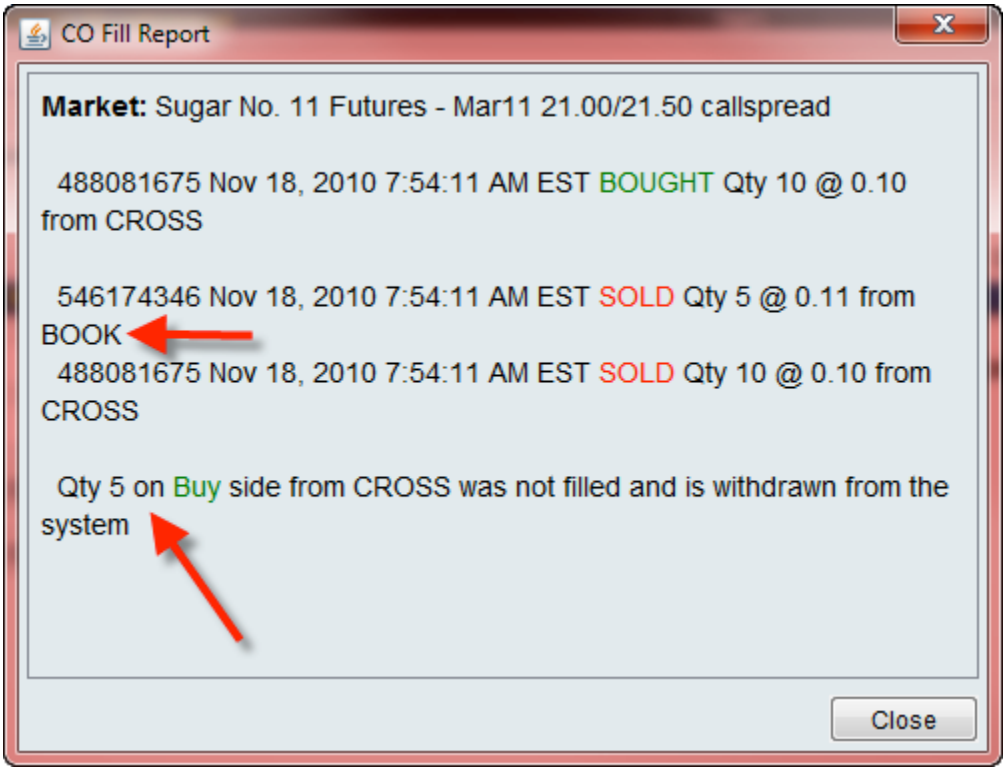
Once the instrument has been created, the screen will update to allow the participant to enter the price and quantity of the crossing order as well the account information on the buy and sell order. Once the price and quantity are entered, the participant will click on the “Submit Cross” button which will submit the cross to the exchange and begin the RFQ display period. WebICE will indicate the time elapsed since the cross was submitted to the exchange.



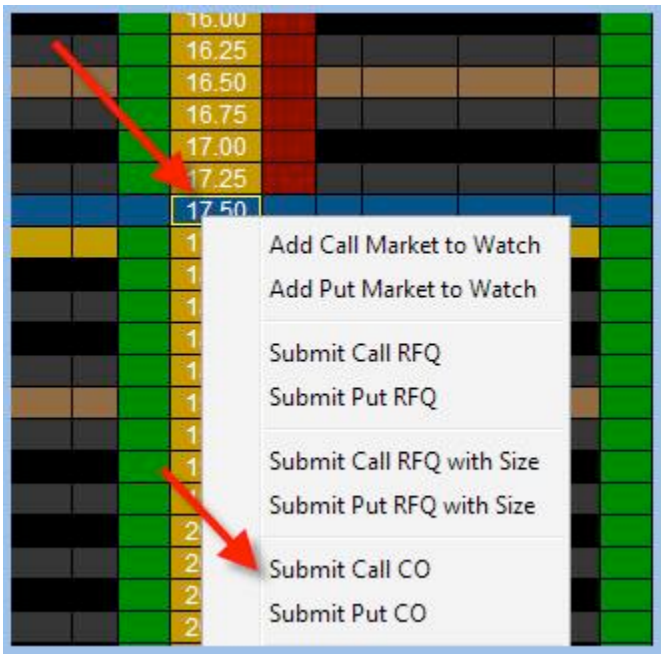
Once the display period has ended, the order will execute with either better prices in the book, or the opposite side of the order. A WebICE CO Fill Report screen will appear to indicate the fill and whether the fill was done with the cross, or potentially with the order book. Additionally, the Deal Tab will provide details on the crossing order trade. In this example, the crossing order executed with itself, indicated by the message BOUGHT/SOLD with CROSS.

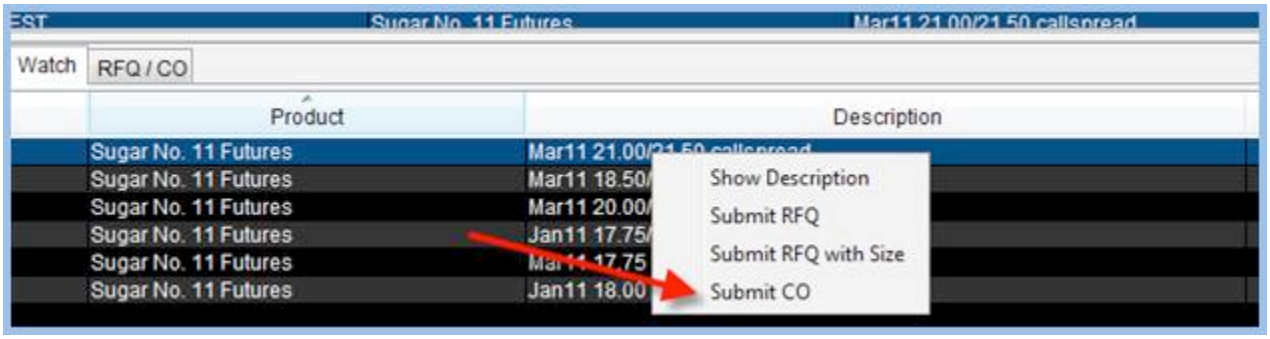


Example 2 – Crossing Order that fills partially from a better price in the order book
Using the same example from above, assume that an order is resting in the UDS instrument to buy for 0.11 for 5. This resting order is a better price for the SELL side of the crossing order. The exchange will fill the SELL side against the better bid, and then fill the remainder against the cross order. The remaining BUY on the cross is automatically cancelled.



WebICE Crossing Order Shortcuts
WebICE users can get to the crossing order screen from the Option Market Display window by right-clicking on the Strike column and also from right clicking the description of a UDS or outright instrument on the Option Watch Tab.





**The new Crossing Order facility in WebICE is also available via FIX interface.