

ICE Tips®- WebICE Crossing Order for ICE Futures EU Options

Introduction

On October 14th, Webice Crossing Order facility was made available for all ICE Futures EU Options. This ICE Tip is designed to give a brief overview of the crossing order functionality.

Crossing Functionality

The Crossing facility allows participants to enter a crossing order into the trading system. Submitting a crossing order to the exchange automatically generates an RFQ for the contract. The RFQ displays the volume entered on the crossing order but does not display the price of the crossing order. The RFQ displays to the market for 5 seconds. While Crossing Orders are displayed, they may not be cancelled or modified.

Crossing Order Execution Rules

Crossing Orders 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 Orders match at corresponding price
- Outstanding quantity on unmatched Crossing Order will be cancelled

Crosses may be submitted on Calls, Puts and UDS (User Defined Strategies) if enabled

How to Submit a Crossing Order

The Crossing Order facility can be opened by clicking on the RFQ/CO button in the watch tab.

Orders
Deals
Options
UPS
Portfolio1
Portfolio2



RFQ/CO

...	Updat...	Type	CC	Strip	Description
09:00:07	Trd	T	X12	X12 99.00/101.00/102.50	call fly live
08:59:00	RFQ	T	Z12	Z12 99.50	straddle live

If the Option UDS already exists, the broker can right click on the strategy and click Submit CO.



...	Updat...	Type	CC	Strip	Description	RFQ	Sell
08:59:00		T	Z12	Z12 99.50 straddle live			
09:00:07	Trd	T	X12	X12 99.00/101.00/102.50 c			
12:47:11	RFQ	T	X12	X12 99.00 calls vs 99.33Δ8			
12:47:24	RFQ	T	Z12	Z12 108.00/101.50 putspre			
12:47:38	RFQ	T	X12	X12 101.00/100.00 strangle			
12:47:59	RFQ	T	F13	F13 101.50 straddle live			
12:48:05	RFQ	T	F13	F13 102.50 straddle live			
12:48:25	RFQ	T	X12	X12 101.50/99.00 fence (to			
				99.33Δ9			

For simple call or put Crossing order submissions right click on a specific strike and select Submit Call CO or Submit Put CO.

CALL (0, 0)					Z12	PUT (0, 0)				
Qty	Bid	Theo	Offer	Qty	Strike	Qty	Bid	Theo	Offer	Qty
1	5.06		5.11	10	99.50					
1	4.82		4.87	25	100.00					
10	4.54		4.69	10	100.50					
10	4.31		4.44	5	101.00					
5	4.05		4.34	5	101.50					
					102.00					
					102.50					
					103.00					
1	3.34		3.50	1	103.50					
10	3.17		3.45	1	104.00					
					104.50					
					105.00					
					105.50					

- Add Call Market to Watch
- Add Put Market to Watch
- Submit Call RFQ
- Submit Put RFQ
- Submit Call RFQ with Size
- Submit Put RFQ with Size
- Submit Call CO
- Submit Put CO

Creating the UDS (User Defined Strategy)

If the Option strategy (UDS) does not already exist a broker may create the strategy by clicking on the RFQ/CO button in the watch tab.

Select the Product, then select the strategy from the left side. On the right side of the window select CO (cross) and configure the strategy by selecting a strip (month), and strike for each leg of strategy.

Product
WTI Crude Futures

Select Type
☐ RFQ, Quantity: 1 ☒ CO ☐ Off-Exchange, Trade type: BLOCK

X12 99.00/100.00 callspread live

Call
Put
Hedged Call
Hedged Put
Call Spread
Hedged Call Spread
Put Spread
Hedged Put Spread
Straddle
Strangle
Call Butterfly
Put Butterfly
Fence (to the call)
Fence (to the put)
Hedged Fence (to the call)
Hedged Fence (to the put)
Custom

Call Spread

Strip X12

Buy 99.00 CALL

Sell 100.00 CALL

99.00
99.50
100.00
100.50
101.00
101.50
102.00
102.50

Add Call Add Put Add Hedge

New Strategy * The Created Strategy Reflects the Buyer's Perspective Create Strategy

Finally click Create Strategy.

Submitting the Crossing Order

From the CO screen the current market bid/offer, if any, will appear in the blue area. Set the price and quantity for the crossing order.

Select Type

☐ RFQ, Quantity: ☒ **CO** ☐ Off-Exchange, Trade type:

X12 99.00/100.00 callspread live

...	Up...	Type	Strip	Description	R...	Sell	B Qty	Bid	Theo	Offer	O Qty	Buy	Las
14:04:...		T	X12	X12 99.00/100.00 callspr...									

Price Quantity

Time since last CO: 0 s

Buyer

Participant

Reset

Seller

Participant

Reset

Memo

Next select the Buyer and Seller from the participant dropdown list. A Company (Participant), User and Account must be set for both the Buyer and Seller. Once completed this will enable the Submit Cross button. Click the submit cross button to enter the cross.

Price Quantity

Time since last CO: 0 s

Buyer

Participant

User

ITM

Account

Account Code:

☐ Save as Favorite

Reset

Seller

Participant

User

ITM

Account

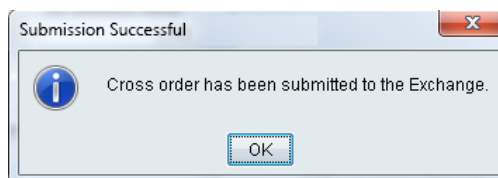
Account Code:

☐ Save as Favorite

Reset

* The Created Strategy Reflects the Buyer's Perspective

A confirmation of cross submission to exchange will appear on the broker's WebICE screen.

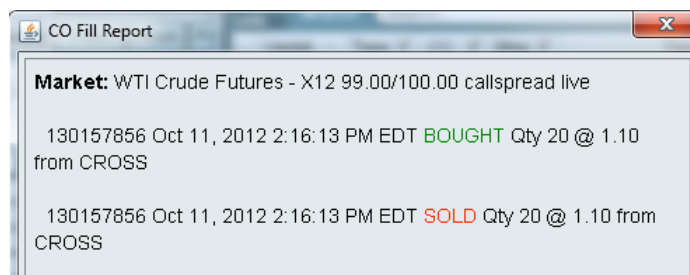


An RFQ will appear in the RFQ column with the quantity on Cross to all market participants and as an alert if users have configured for RFQ alerting.

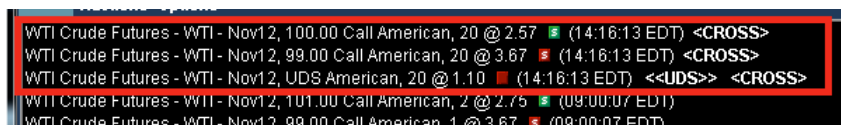


After the allotted time elapses (5 seconds) and the buy and seller orders are submitted to the matching engine and a fill

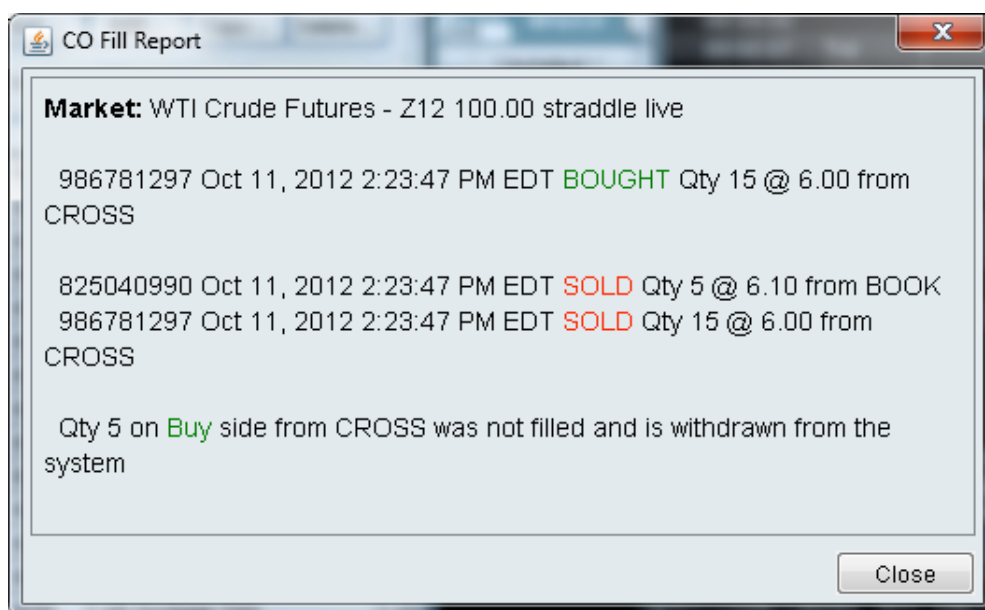
confirmation will be received by broker, buyer and seller of cross. Below is sample of a successful broker confirm. Buyer and Seller will receive the standard deal confirmation.



Successful crosses will appear in the ticker with a <<CROSS>> indicator and market stats updated in screen volume.



Partial fill with book A cross can be partially traded with the book. For example a cross is submitted for 20 lots in WTI Z12 100.00 Straddle @ 6.00. During cross wait time, a better bid is entered at 6.10 for 5 lots. The cross will satisfy the book first at the better price (sold 5 @ 6.10), then the remaining will be crossed at crosses original price (15 @ 6.00). The unfilled portion (buying 5) will be withdrawn.



Additional Resources

- [Option Screen Enhancements Guide](#)

For More Information

Contact the ICE Helpdesk at icehelpdesk@theice.com or +1 770 738 2101 or schedule a personal visit from an ICE Technical Account Manager by clicking [here](#).

You may also submit suggestions via the new 'Ideas' feature on WebICE®. To enable: click the 'Ideas' icon in the upper right hand corner of your WebICE screen. All 'Ideas' are reviewed by ICE staff and considered for inclusion in subsequent releases.