

# Frequently Asked Questions: eWindow<sup>®</sup> Implied Trading Feature

## 1. What is the Implied trading feature on eWindow<sup>®</sup>?

On Platts eWindow<sup>®</sup>, an Implied order is a system-generated order created using the two best tradable orders live on screen. These system-generated orders will be displayed with '\*IMPLIED' under the BUYER/SELLER column on the screen. Each Implied indication will be available to be traded like any other named indication on the eWindow<sup>®</sup> screen, and will be subject to existing credit settings and restrictions if trading bilaterally, or to regular margin checks if traded cleared through the ICE exchange.

## 2. How are deals from Implied orders published and taken into account in the assessment?

Trades from implied orders will be treated like other trades in the Platts Market on Close assessment process. In the event of a cross between Outright price indications and Inter-month spread indications – either Implied or otherwise – Platts will continue to give precedence to Outright price indications. However, the existence of Implied indications in the eWindow<sup>®</sup> system will make these sorts of crosses less likely.

## 3. Will there be changes to Platts Global Alert (PGA) headlines?

Implied orders will not generate headlines on PGA or on the ICE headline ticker unless they are traded. In the event an implied order trades, several new headlines will be generated both on PGA and the ICE headline ticker with the prefix "IMPLIED TRADE" together with a System ID. Each trade generated from an implied indication will have more than one headline associated with it in order to accurately capture the details of each trade. The System ID allows you to link the related headlines together to create a clear sequence of events. Platts has introduced a new "TOOK" term, which identifies the specific action that triggers a trade through the Implied feature.

## 4. How will Platts publish trade deals and summaries with the Implied Trading Feature?

Platts will include any trades resulting from an Implied Order in its Market on Close recaps and trade summaries along with other indications. However, because these trades will often involve more than two counterparties, Platts will report the trade that initiated the chain as the primary

indication, with the subsequent, secondary indications in parentheses. For example:

~~CASH BFOE: SPREAD: MOC DEAL SUMMARY: Sep17/  
Oct17: Alpha buys -0.20 (b: Sep 55.60 Beta; s: Oct 55.80  
Theta)

## 5. Will orders from same entity generate an Implied order?

More than one order from the same entity on different instruments will typically generate an Implied indication when it is the most competitive. The specific incidence is referred to as a Resultant Order.

This is in accordance with the Platts Methodology, which requires full transparency on all tradable orders

In the event a Resultant Order is traded, then only one leg of the indication will result in a trade, creating a net position on one component for the Entity. This will prevent the possibility of a "self-trade" from a Resultant Order. All non-traded indications attached to the Resultant Order will be removed from the eWindow<sup>®</sup> screen and an "IS REMOVED" headline will be published on both PGA and the ICE headline ticker. The trader will have the ability to repeat the legs of both orders in the event these are removed.

## 6. What does a Pink Trade Confirm Window mean?

A pink Trade Confirm Window results when an indication has been automatically withdrawn from the eWindow<sup>®</sup> system following a Resultant Trade. These withdrawals will be accompanied by a headline on both PGA and the ICE headline ticker stating "IS REMOVED". A trader will have an opportunity to repeat these withdrawn indications, but will be subject to the current order repeat time restrictions.

## 7. Can I unwind a trade from an Implied order if it is traded in error?

Trades resulting from implied orders can be unwound just like any other trade if necessary. Note that unwinding such a trade will require the agreement of up to three separate counterparties.

## 8. Do I need to do anything to enable this Implied feature?

There is no need for any additional work on your end.

Provided you are running Platts Instruments via the Platts Portfolios, the Implied feature will be made automatically available once launched. The Implied Feature is enabled from the back-end of the ICE system, and will be automatically switched on.

#### 9. How will ICE fees work in the Implied feature?

Each trade will result in a single clearing fee from ICE, even if you are trading with two different entities. For example, if you are buy or sell an implied Spread, you will still only be charged for one trade even though you are technically trading from two counterparties.

#### 10. Which eWindow® markets offer the Implied Trading Feature?

The Implied Trading Feature is initially being launched for the Cash BFOE market. Additional markets may be added in the future. Once an instrument has been identified as a possible market for the Platts Implied Trading Feature, the Platts eWindow® team will engage directly with the community in order to determine a market's suitability and to gather any feedback about feasibility of this functionality in different markets.

For any additional questions, please contact the eWindow team at [eWindow@spglobal.com](mailto:eWindow@spglobal.com).

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