

## **SYCOM® Custom Market Facility**

The Custom Market facility is a bulletin board style window where non-defined exchange strategies may be displayed and traded:

- A maximum of six legs may be used for any strategy.
- Any combination of futures and options may be included in the strategy.
- Defined spreads that are offered by the Exchange may not be entered (example: XTYT inter-commodity spread.)
- All strategies are displayed in the lowest common denominator to allow all participants to engage in trading.
- There is no legging risk when trading via the custom market.

The publication of the SYCOM® Custom Market allows greater transparency and, in turn, greater trading activity of the following contracts:

- Inter and intra month option strategy trading for all SFE option products.
- Future/Option trading for all SFE option products.
- Inter and Intra month futures spreads and strategies that are not pre-defined by the Exchange via the SYCOM® trading platform.
- Inter-regional orders and other non-standard orders in the d-cypha SFE Australian Electricity Futures contracts.

### **SYCOM® uses the following algorithm to execute a custom order:**

1. The system will firstly attempt to match a custom order against the book of existing custom orders.
2. If the order is unable to trade in the Custom Market or is partially filled, the system will attempt to trade the order (or partial order) in the outright market(s) as a Fill or Kill (FOK) order, maintaining the correct ratio assignment. If partially filled, the remaining volume will be retained as a standing order in the Custom Market.
3. Every time an order in the custom market is partially hit or modified, the system will attempt to trade the remaining volume in the outright market as a FOK order. Partially filled orders will again be retained as a standing order in the Custom Market.

### **The following option strategies may be traded via the Custom Market:**

F/O's (futures/options or basis trade)	Iron Condors
Call and Put spreads	Conversions
Straddles	Reversals
Strangles	Gut Strangles
Collars	Gut Collars
Call and Put Butterflies	Call and Put Condors
Iron Butterflies	*Ratio spreads
Call and Put Christmas trees	*Calendar spreads
Total premium trades	

### **The following futures strategies may be traded via the Custom Market:**

Strips (up to six legs)  
Butterflies  
Condors  
Packs  
Bundles

\*Ratio Spreads  
 \*Inter-commodity spreads

\*(Where the Exchange does not provide a pre defined spread market on SYCOM®)

## Examples of the Custom Market:

### Example 1

Contract	Size	Price	Ratio	Price	Ratio	Price	Ratio	Price	Ratio
IRZ3-IRH4-IRM4	65	95.50	1	95.46	2	95.32	1		
IRZ3-IRH4-IRM4	65	95.50	1	95.47	2	95.32	1		

Above is a two way market in the December 2003 (Z3), March 2004 (H4), and June 2004 (M4) 90 Day Bank Bill (IR) butterfly, where by:

- The first entry is an order to sell 65 IRZ3 futures @ 95.50, buy 130 IRH4 futures @ 95.46 and sell 65 IRM4 futures @ 95.32, at a total net bid price of 10 points to sell the wings and buy the guts.
- The second entry is an order to buy 65 IRZ3 futures @ 95.50, sell 130 IRH4 futures @ 95.47 and buy 65 IRM4 futures @ 95.32, at a total net offer price of 12 points to buy the wings and sell the guts.

### Example 2

Contract	Size	Price	Ratio	Price	Ratio	Price	Ratio	Price	Ratio
APU3-APU331500C	4	3087.0	8	29.0	25				
APU3-APU331500C	3	3087.0	8	30.5	25				

Above is an example of a two-way market Futures/Options or basis trade in the September 2003 (U3) SPI200™ (AP), where by:

- The first entry is an order to sell 32 APU3 futures @ 3087.0 and buy 100 APU331500C options @ 29.0 points.
- The second entry is an order to buy 24 APU3 futures @ 3087.0 and sell 75 APU331500C options @ 30.5 points.

### Example 3

Contract	Size	Price	Ratio	Price	Ratio	Price	Ratio	Price	Ratio
YTQ395100P-YTQ395200C-YTQ395200P-YTQ395300C	500	0.080	1	0.115	1	0.115	1	0.070	1
YTQ395100P-YTQ395200C-YTQ395200P-YTQ395300C	1200	0.070	1	0.115	1	0.115	1	0.070	1

The above is an example of an iron butterfly options strategy in the August 2003 (Q3) 3 Year Treasury Bond (YT), where by:

- The first entry is an order to sell 500 YTQ395100P options @ 0.080, buy 500 YTQ395200C options @ 0.115, buy 500 YTQ395200P options @ 0.115 and sell 500 YTQ395300C options @ 0.070 points at a total net bid price of 0.080 points to sell the wings and buy the guts.
- The second entry is an order to buy 1200 YTQ395100P options @ 0.070, sell 1200 YTQ395200C options @ 0.115, sell 1200 YTQ395200P options @ 0.115 and buy 1200 YTQ395300C options @ 0.070 at a net offer price of 0.090 points to buy the wings and sell the guts.

## SYCOMâ Message Facility

The Message Facility displays all messages received or sent between the user and either SYCOM® or other users.

The publication of the SYCOM® Message Facility will allow greater transparency of the following market information:

- Expressions of interest on all SFE products.
- Request For Quotes (RFQ's) on all SFE products.
- Registration of all Exchange for Physical trades (EFP's) and Block Trades.
- Daily option settlement volatilities.
- Settlement prices for one session Options (ONO's and IDO's)
- SYCOM® Market Status updates.

### Examples of SYCOM Information Messages

#### Example 1

TIME OF MESSAGE	MESSAGE
2003-07-29 15:19:29	CRFQ -3APZ3 -20APZ328000P

The above is an example of a Request for Quote (RFQ) message. The message is requesting a quote for the APZ3 futures and APZ328000P options basis trade strategy.

#### Example 2

TIME OF MESSAGE	MESSAGE
2003-07-29 09:29:51	Block Trade Regd @ 10:05. 1000 APU3 @ 3097.0. JPM B & S

The above is an example of the notification to the market of a Block Trade registration where by 1000 SPI200™ AP September 2003 futures were bought and sold by JPM @ 3097.0 points.

#### Example 3

TIME OF MESSAGE	MESSAGE
2003-07-29 08:41:52	ONO Settlement XT 94.460 YT 95.05

The above is an example message of the settlement prices for the ONO one session options where by the settlement price for the (XT) 10 Year Bond is 94.460 and the (YT) 3 Year Bond is 95.05.