Strategy - Planning

Iceberg in this section provides the user a simple but powerful system to automate the trading in options. It also allows to non-programmers to create set certain moves which will be executed automatically. For users with more knowledge a scripting system will be available.



Video Tutorial

4	24/03/2016	Planning - L'area di lavoro	6:22	
4	24/03/2016	Planning - Il grafico del futuro!	9:35	
4	24/03/2016	Planning - Esempio di Utilizzo	6:53	

Click here to watch other Video di Iceberg

Il menu



Strategy

Strategy	it opens the submenu Strategy
New Strategy	it creates a new Strategy
Open Strategy	it allows to open a previously saved Strategy
Save Strategy	it allows to save the Strategy currently in use
Settings	it opens the window Strategy Settings for the strategy settings
What-If History	it opens the window What-If History where there are stored all the transactions carried out by the function What-If

Planning



It enable or disable the Planning function, whether the button is highlighted the function is active.

Actions



Edit

Apply Changes	it confirms the changes made to a Plan
Cancel Changes	it cancels the changes made to a Plan

Objects

Start	it allows you to enter the starting point of the Plan
End	it allows you to enter the end point of the Plan
Condition	it allows you to insert a condition in the Plan
Action	it allows you to enter an action in the Plan
Junction	it allows you to place an hub for the links of the Plan

Links

Generic Link	it allows you to insert a link between the starting point of the Plan and the condition, between the action and the end point and between actions. It connect the components of a Plan which are not subject to a decision (Yes or No)
Yes Link	it allows you to insert a link between conditions and actions, in case the condition is verified
No Link	it allows you to insert a link between conditions and actions, in case the condition is not verified

Tools

Delete	it delete the selected object of the Plan
Bring To Front	it allows you to move the selected item to the first level, therefore in foreground
Send To Back	it allows you to move the selected item to the last level
Move Front	it allows you to advance the selected object of a level
Move Back	it allows you to move down the selected object of a level

Zoom



Simulation



Plan Object

A Plan consists of various objects that indicate the logical sequence and then how the sequence will be evaluated and executed. We see below what items make up a Plan and their properties.

Start

http://manuals.playoptions.it/lceberg_old/



By clicking the button start you can enter the Start object

Plan Properties
Name Rolling a Strike
Check Every 1 🗧 minutes
Order Place Mode Suggest Only 🗸
Real-Time Data Filters
Max Bid/Ask Spread % (Options) 🔲 25 😜
Tick is not Zero
Max. Tick Duration (secs.) 🔲 600 🖨
Check Bid/Ask (Underlyings) NOTE: Last always checked
Check Last (Options) NOTE: Bid/Ask always checked
Options presents different prices peculiarities, for example very high bid-ask spreads. You can select how to check for prices correctness.
💡 Quick Start
1. Click on New or Edit plan to edit
2. Europan properties
4. Place other objects on chart as needed
5. Place End object on chart
6. Link objects with Generic, Yes or No links
7. Select the object on chart to edit properties
8. Click Apply to save changes
Do you need more informations ? 🕢

When Start object is selected, as well as the End bject, it appears a sidebar with the general ettings of the Plan.

START

- Name: name of the Plan;
- Check Every: You set how many minutes must elapse between a check of the plan and another ;
- Order Place Mode: Here you choose how Iceberg must manage the delta hedging orders. Suggest Only: In case of a generation of an order Iceberg only show it on the "General" tab and

it must be finalized in Real Market or Paper Trading. Paper Trading (Automatic): in case of a generation of an order it is automatically put in Paper Trading. Real Market (Manual): In case of a generation of an order the corresponding book to trade it in real market will appear. Real Market (Automatic): In this case an order is automatically sent to the broker with the price type previously set;

- Max Bid/Ask Spread % (Options)
- Tick is not Zero
- Max Tick Interval (secs)
- Check Bid/Ask (Underlying)
- Check Last (Options)

You can only enter a Start object into the Plan, which must be concluded with an End object but you can enable more Plans at once.

End







which must be

By clicking the button <u>End</u> entered to complete a Plan.



Condition





By clicking the button Condition it is possible to insert the object

which

contains the condition that will have to be verified. From a Condition object can exit a "Yes" link, which will be connected to the action to take if the condition is verified, or a "No" link, which will be connected to the action to take if the condition is not verified.

Operand 1		When "Condition" object is selected, a sidebar
Туре	AssetsProperties 🗸	complete the field.
Which	Eni SpA 🗸	
Property	Last	Operand 1: you have to assign the first term of the comparison. It can be a property of an
Preview	13.77	Asset, a property of a Strategy, a property of a Plan or a Custom value setted by the user:
Operator		i fun of a custom value setted by the user,
Туре	<	Operator: You have to choose the mathematical operator;
Operand 2	2	Operand 2: you have to assign the second
Туре	CustomValue	term of the comparison, It can be a property of
Which	•	an Asset, a property of a Strategy, a property of a Plan or a Custom value setted by the user:
Property	12	a han of a custom value setted by the user,
Preview	12	Object Text: in this field you can assign a short note that will be displayed in the Plan within the
Object Tex	ct [Optional]	object Condition;
Last < 12		Preview: it shows shows the preview of the
		selected condition.
_		
Preview		
	Eni SpA.Last (13.77)	
	< 12 (12)	
	Apply Cancel	

Action



By clicking the button Action it is possible to insert the object "Action"

that is the object in which to place the action that will be executed whether the previuos condition is verifcated (Yes Link) or not (No Link)

9/21

Action Type	_	•	When the Action object is selected, in the right sidebar we have a list of all actions that can be
Buy			assigned to it and its settings
De-Activate Plan			For every "Action Type" are available some
Enable/Disable Delta	a Hedging		"Action Settings". In "Action Settings" are
Flat All			collected all settable parameters related to the
Flat single Leg			"Action Type" selected.
Immediate Delta He	dging		
Leg Trailing Stop			
Notification Sound			
Rolling			
Sell			
Strategy Trailing Sto	op	-	
Action Settings			
Properties			
Leg to Flat	Call @ 14 2016-06-17		
Leg to Open	Call @ 15 2016-06-17		
Preserve	Amount	-	
Max Quantity	3	÷	
N° Executions	1	•	
Object Text [Opti	ional]		
NOTE: Orders will	he placed at MARKET o	rice	
NOTE: Orders will		nce	
	Apply	Cancel	

Junction





By clicking **Junction** it is possible to insert the object "Junction" **Home Section** for the "Link". The Junction needs only to improve the look of a Plan in case there are many links with some overlap



The status of a Plan

	Name	Status	Active
	New Workflow 1	Active and Enabled	>
	New Workflow 2	Inactive	
⊳	New Workflow 3	Editing	
	New Workflow 4	Working	V
	New Workflow 5	Active but Disabled	V

A Plan can be: Active but disabled, Active and Enabled, Inactive, in Editing or Working. The status of each plan is shown to the left of the name and it is of immediate identification. When a plan is activated and enabled the system evaluates the set condition and executes related actions while in all other cases it does not take place no verification.

If a Plan is in the process of editing Iceberg is not checking the conditions set. In order to exit from "Editing" you have to press "Apply Changes" if you want save your changes or press "Cancel Changes" to delete them.

When a Plan runs it takes the status of Working.

Creation of a Plan

Now let's see how to proceed to the implementation of a Plan by analyzing all the steps to proceed correctly.

1. The Strategy

Since the Plan will establish the rules / conditions the occurrence of which will be carried out actions (buy or sell futures, stock ok options), **basic requirement** for the proper operation of the Plan is that the section General must contain all asset which will be used in it.

Example: the initial strategy is composed by 5 put strike 10, we suppose when the condition xyz happen the plan will close put 10 and it will roll the put on strike 9. **To do this, it is necessary that in the strategy are present put 10 and 9**

ral	In S	ession	Net R	lesult	At Now	Realize	d Brok	er Co	osts	Margir	n (Theoretica	il) V	alue at Ris	k Day	's to Expi	ries	Max Pr	rofit	Max Ris	k A
Bene		YES	€	65,00	€ 65,00	€ 0,	00	€	0,00		€ 694	4,64	€ 691,	.04		91	€ 80)2,50	€ +Infir	ito S
	Drag a	a column h	neader h	iere to groi	up by that c	olumn														У
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	🗹 P	ut @ 9 2	2016-0	6-17	PUT	9	2016-06-	17	0	0,133	5 0,193	0,2		57.803	-0.085	€0),00	€ 0,00		a
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E		Start	•	1	27,9	3,825	3,825	-	0	+	9	-	0	+ 0,1	335	0,193	57,8	-0,09		Stop h
ledgi		Start	+	0,99	27,2	3,331	3,331	-		+	9.5	-	0	+	0	0	0,2	0	+	Start
Ľ.		Start	+	0,98	26,1	2,841	2,841	-	0	+	10	-	-5	+ 0,	253	0,295	52,8	-0,14	+	Stop

mage in the strategy there are the puts sold 10 and the put 9 (with quantity zero).

To add an option with quantity 0 you must click on the "+" button of Options Chain.

2. Basic settings of the Plan



From the section Plan first click

to create a new Plan.

7		Name	Status	Active	Editing: Click Apply to save changes	Plan Properties	Т
ener	Þ	Rolla Put 10 a Strike 🛛 🔶	Editing				
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р					START	Check Every 1 📮 minutes	0
Char						Order Place Mode Suggest Only 👻	C
							n
ades						Real-Time Data Filters	~
É						Max Bid/Ask Spread %	e
						(Options) Tick is not Zero	w
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duo						Max. Tick Duration (secs.)	I
						Check Bid/Ask (Underlyings) always	v
H.						Check Last (Options)	,
What						Options presents different prices peculiarities, for	C
						example very high bid-ask spreads. You can select how to check for prices correctness.	r
ysis							
Anal						Vuick Start	e
						1. Click on New or Edit plan to edit	а
ging						2. Edit plan properties	
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						4. Place other objects on chart as needed	e
Dining					Dalla Dut 10 a l	5. Place End object on chart	
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						7. Select the object on chart to edit properties	Р
tility					Chrika	8. Click Apply to save changes	
Vola							1
					beeTrader ®		а
2							u.

n is under Editing, the first thing to do when you create a Plan is to give it a name because in the case of more plans on a same Strategy, these are listed and sorted by name.

Once assigned the name we have to proceed with the insertion of the object **Start** with the button



3. Settings of Conditions



At this point we insert the object **Condition** with the button Condition

Every object must be connected to each other, with the button Link

want that the Plan will do a thing (which will be speciefied).

In the example there are two conditions equal to show the operation of the "Text" Object [Optional] so, everything is written here is placed on the sketch of the plan in order to make easier the lecture.

In Operand 1 we choose AssetsProperties \rightarrow Eni \rightarrow Last (the Preview shows the current value), in Operator we choose \leftarrow , in Operand 2 we choose AssetsProperties \rightarrow La Put 10 \rightarrow Strike (the Preview

In the Preview, on the low, we can read what we have set, if it is alright we press "Confirm" to save

4. Actions Setup

shows the current value).

the conditions.

After we insert the object **Action** with the button Action





Generic



action that the Plan will run upon the occurrence of the condition set above. In the example we used a



green _____, so the action will be executed whether the condition will be verified. It also possible to



insert a red _____. In this case the action will be executed whether the condition will not be verified.

In order to execute a rolling, we have to set Put 10 in "flat" and Put 9 in Leg to Open. There are other parameters to set, for example "Preserve" which needs to keep the initial premium (however you can set a maximum number of contracts in in "Max Quantity"), or the number of contract. In the exemple the plan Nell'esempio il plan will attempt to sell the same initial premium but with a maximum of 10 contracts respect to the initial 5.

In "Reps" we sets the number of times the action have to be performed. Finally we click "Confirm". On the figures of the actions are present red circles on which are reported the number of repetition still to be executed.

5. Plan Conclusion



At this point we have to conclude the plan with the object End



Strike

5. Place End object on chart 6. Link objects with Generic, Yes or No links 7. Select the object on chart to edit properties

8. Click Apply to save changes

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nects the object End. Now the Plan is complete but it is still in Editing. In order to enable it we have to

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confirm the changes with the button

Test of a Plan

Charts

Once we have create a plan we can test it.

In Iceberg, just for this purpose, there is the Simulation function. The user can create a graph of the underlying in order to check how the plan perform in every market condition that he think it can happen. The options are priced with Market Maker an exclusive of Iceberg.



The menu

Add Segment	it allows to add a graphic segment, The dates and the prices of begin and end are to be set
Remove Segment	it allows to remove a previously-added segment of the chart
Re-Generate	it allows to generate a new graph with the same parameters of the segments that compose it
Expiries	it allows to choose which expires highlight on the underlying graph
Reset Zoom & Pan	it allows you to restore the original zoom on the underlying chart

Save as Image		it saves the underlying chart in image format (*.png)												
Print		it allows to print the graph of the underlying. Feature available on the PC in use if th a printer												
Reset Zoom & Pa	an	it restore the original zoom of the payoff												
Cross Hair	it enable or disable the crosshair for the payoff													
Save as Image	it allows to save the payoff in image format (*.png)													
Print		it allows to print the payoff. Feature available on the PC in use if there is a printer												
Goto Start	itı	remove a previously-added segment of the chart												
Previous Point	it allows you to place the simulation on the previous step of the underlying chart													
Next Point	it allows you to place the simulation on the next step of the underlying chart													
Play	it a	allows you to enable scrolling point by point of the underlying graph												
Stop	it a	allows you to disable the scrolling point by point of the underlying graph												



it opens the online manual page on the default Internet browser

Chart Builder



an set the different segments that will make up the underlying graph. For each segment, you can set start and end date, start and end price.

In while you create the segments, the graph is composed randomly, assuming the trend of the underlying between the dates and the prices set by the user.

The fields Start Date, End Date, Start Price e End Price are editable, others fields are calculated and gives an indication of the deviation of prices set.

Plan Preview



I you can zoom the plan.

Simulation Results

In this section the user can check for each point of the underlying chart the parameters of its strategy, and possible actions of wotkflow.

Simulation R	esults	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	
Net Result	At Now	Realized	Broker	Costs Da	ys to Exp	ries	Max Profit	Max	Risk	% Downside Break-Even % U			6 Upsid	e Break-Even	Delta	Gamma	Theta	Vega	Rho	Delta 1%	Vega 1%		
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In the two images we see the difference between the initial strategy and after the execution of the simulation. At first the strategy was composed of 5 short put with strike 10 and with underlying at 12,8. Proceeding with the simulation the underlying went to 9.84 (therefore less of the put strike) so, as set in the plan, put 10 were bought and put 9 were sold sono state ricomprate le put 10 e vendute le put 9, maintaining the initial premium. The payoff has been kept selling 8 contracts.

Simulation Res	015																																						
Net Result	At Now	Realized	Broker	Costs Da	ys to Ex	pities	Max Profit	Hax	Risk	% Downside Break-Even %		% Downside Break-Even %		Break-Even %		Break-Even %		Downside Break-Even 96		% Downside Break-Even %		% Downside Break-Even %		6 Downside Break-Even %		Downside Break-Even %		Break-Even %		le Break-Even	Deita	Gamma	Theta	Vega	Rho	Delta 1%	Vega 1%		
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Tips

1. How to perform two actions upon the occurrence of a Condition



2. How to perform an action only when the previous is already performed



3. How to set two conditions with their actions



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