Strategy - What-If

In this section you have the opportunity to check what will happen to its strategy in the market conditions that you assume. Starting from the basic strategy, you can change the date, the price of the underlying and volatility and test up to four possible future moves.

The theoretical prices used in the What-If are calculated with the new Internal Market Maker Iceberg, prices do not move only according to the user's assumptions, but also with the volatility surface to which user wants to refer. Default is always used a flat volatility surface. To use a different volatility surface, it can be loaded as explained below.

The internal Market Maker acts in the same way the real Market Maker acts under the same market conditions

---

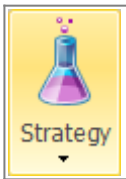
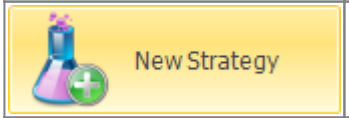
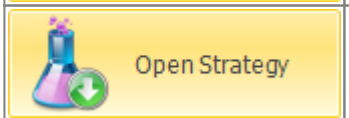
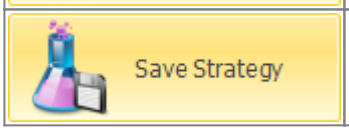
Video Tutorial

	22/04/2016	What-If - Funzionamento ed Utilizzo	16:28	

Click here to watch other Video di Iceberg

The menu

Strategy

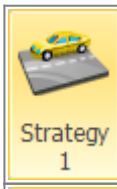
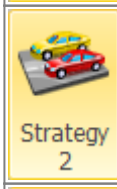
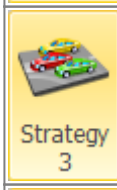
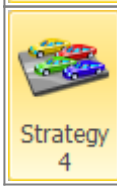
	It open the submenu Strategy
	It create a new Strategy
	It open a previously saved strategy
	It saves the strategy currently in use.

What-If Scenario

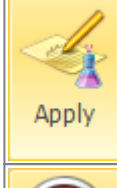
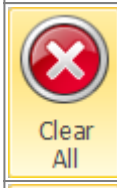
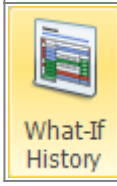
- Underlying Price: field where to set the value of the underlying for the simulation;

- Price Change: field where to set the % variation of the underlying for the simulation;
- Volatility Change: field where to set the % volatility variation for the simulation;
- Analysis Date/Time: field where to choose the date of the simulation;
- Days from Today: field indicating the difference days of the simulation with respect to today's date.

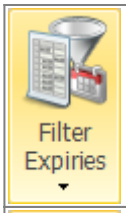
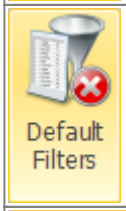
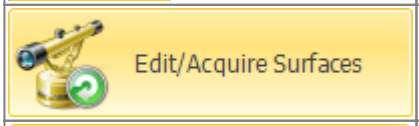
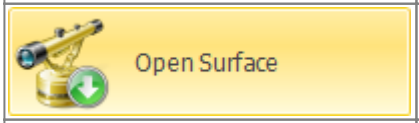
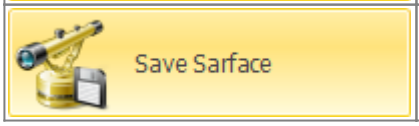
Selection

 Strategy 1	It select the strategy 1, by this time all the operations will be performed on this strategy and on the cyan color payoff
 Strategy 2	It select the strategy 2, by this time all the operations will be performed on this strategy and on the magenta color payoff
 Strategy 3	It select the strategy 3, by this time all the operations will be performed on this strategy and on the yellow color payoff
 Strategy 4	It select the strategy 4, by this time all the operations will be performed on this strategy and on the orange color payoff

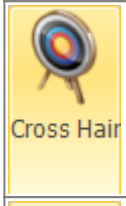
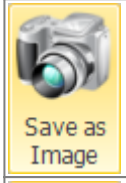
Actions

 Apply	it confirm transactions with the current settings. When the Apply button is clicked, the system saves the transactions in the window What-If History.For more information on window What-If History, click qui
Clear Selected	It delete all orders of the selected strategy and return to the starting strategy
 Clear All	It delete all orders, practically it start a new What-If session
 What-If History	it open the window What-If History in which are stored all operations realized by What-If

Options Chain

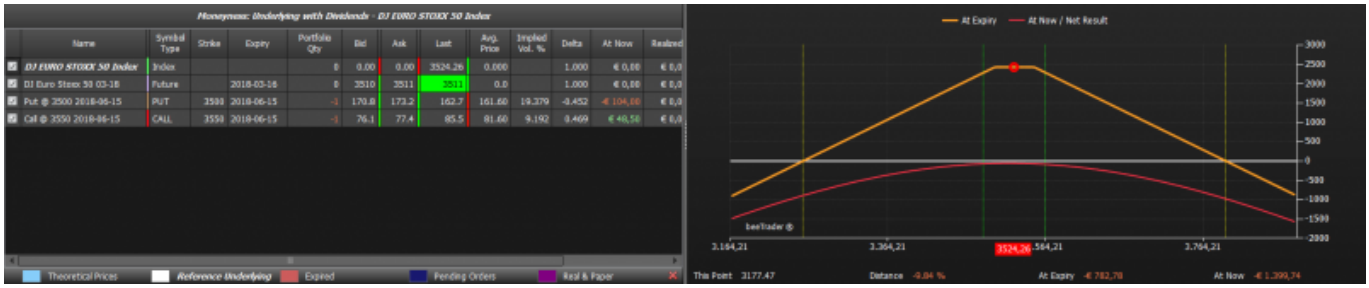
	It allows you to filter the deadlines visible on Chain Opzioni. For more on Chain Opzioni, click qui
	It allows you to filter the strike visible on Chain Opzioni. For more on Chain Opzioni, click qui
	It allows you to delete changes to the expires filters and / or strikes and return to the default display
	It open the submenu Market Maker Surfaces the tool that allows the processing of the volatility surface on which theoretical prices are calculated
	It start the window Market Maker Surfaces for the selected underlying and it acquire the current market volatility surface
	It starts the window Market Maker Surfaces for the selected underlying and it allows to use previously saved strategy
	It save te current surface for future use

Payoff

	it reset the zoom and then return to the original display
	it enable or disable the Crosshair for Payoff
	it allows you to save the Payoff of Strategy currently in use in image format (*.png). The image will be saved to the Pictures folder of beeTrader, in the user's Documents
	It allows you to print the Payoff of Strategy currently in use. Feature available on the PC in use if there is a printer

Example of What-If

1. Suppose we have a strangle on DJ EURO STOXX 50 Index with the underlying at 3529,22, therefore -put 3500 e -call 3500 on expiry 06/2018.



2. Switching on What-If tab we can see that all properties (main strategy and the four possibilities of what-if, are equal).

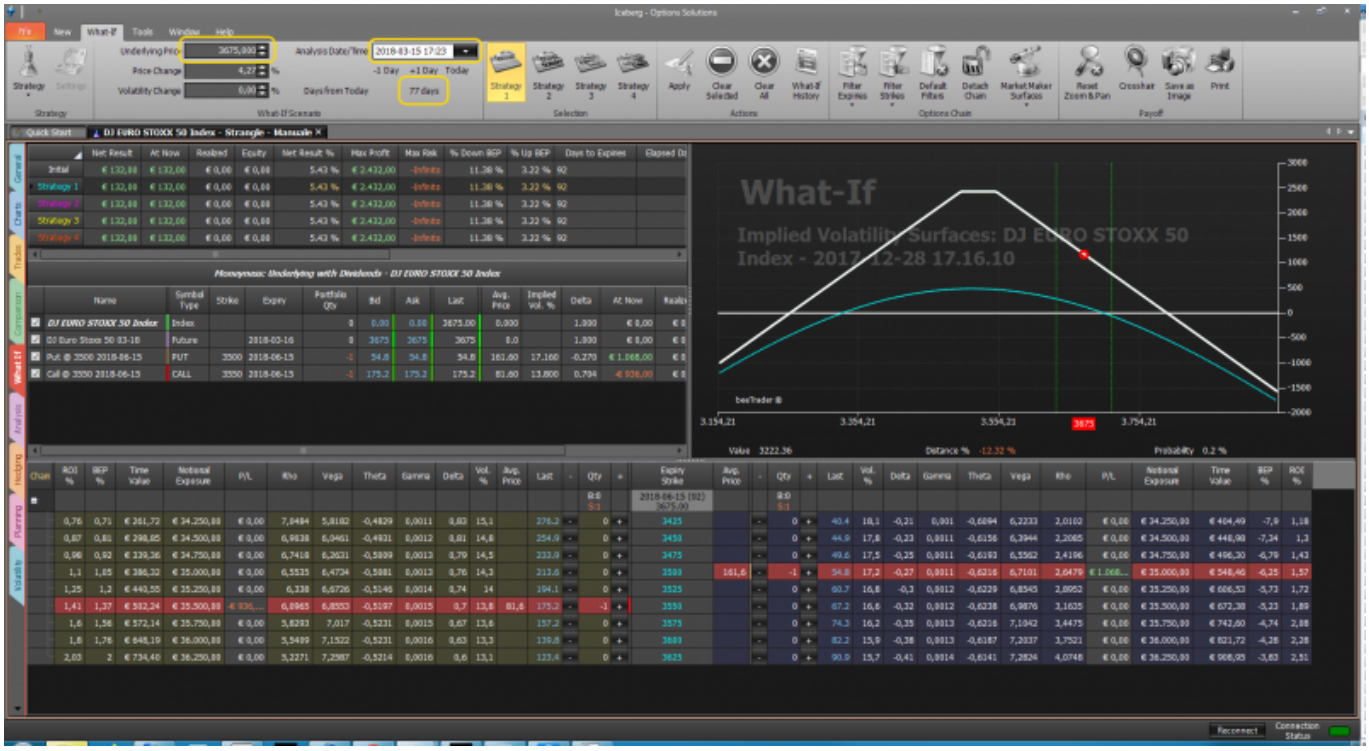
Note: in the transition from the General tab to the What-If tab the option values are not the same, this difference is due to various factors such as the bid / ask spread and volatility. To have more precise values, acquire the volatility surface. In any case, a difference in the order of 20% can be acceptable as it will be produced throughout the simulation.

	Net Result	At Now	Realized	Equity	Net Result %	Max Profit	Max Risk	% Down BEP	% Up BEP	Days to Expiries	Elapsed Da
Initial	-€ 50,00	-€ 50,00	€ 0,00	€ 0,00	-2.06 %	€ 2.432,00	-Infinito	7.60 %	7.62 %	169	
Strategy 1	-€ 50,00	-€ 50,00	€ 0,00	€ 0,00	-2.06 %	€ 2.432,00	-Infinito	7.60 %	7.62 %	169	
Strategy 2	-€ 50,00	-€ 50,00	€ 0,00	€ 0,00	-2.06 %	€ 2.432,00	-Infinito	7.60 %	7.62 %	169	
Strategy 3	-€ 50,00	-€ 50,00	€ 0,00	€ 0,00	-2.06 %	€ 2.432,00	-Infinito	7.60 %	7.62 %	169	
Strategy 4	-€ 50,00	-€ 50,00	€ 0,00	€ 0,00	-2.06 %	€ 2.432,00	-Infinito	7.60 %	7.62 %	169	

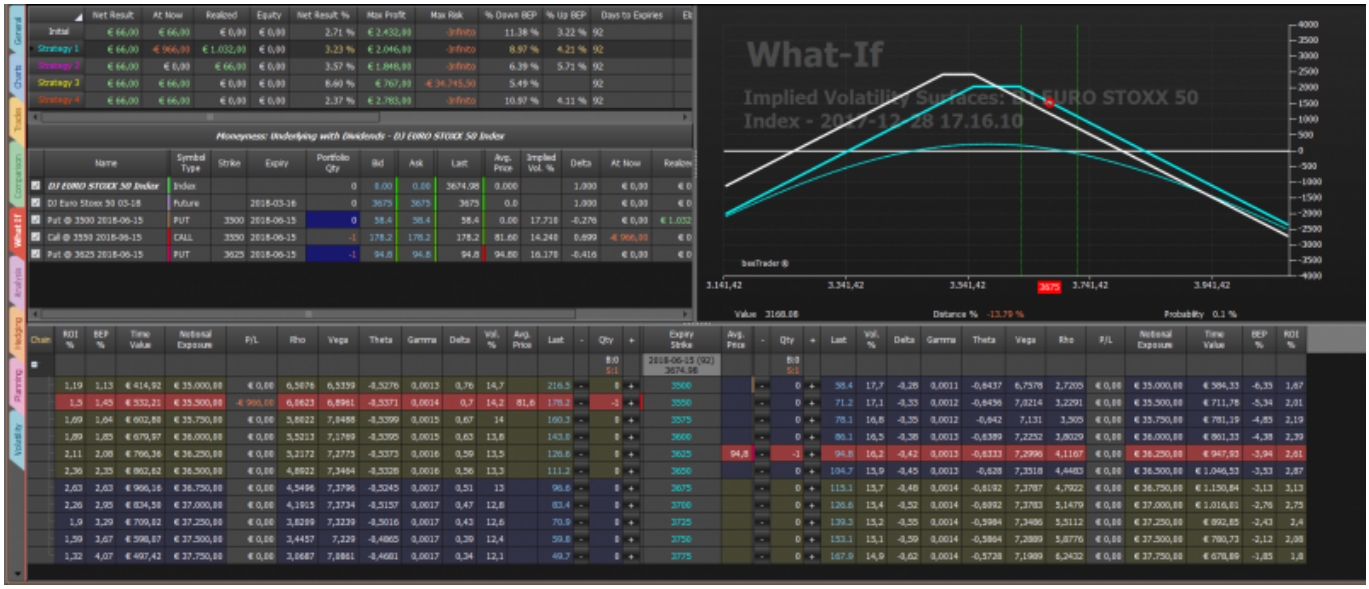
Moneyness: Underlying with Dividends - DJ EURO STOXX 50 Index

Name	Symbol Type	Strike	Expiry	Portfolio Qty	Bid	Ask	Last	Avg. Price	Implied Vol. %	Delta	At Now	Realized
DJ EURO STOXX 50 Index	Index			0	0.00	0.00	3524.66	0.000		1.000	€ 0,00	€ 0,0
DJ Euro Stoxx 50 03-18	Future		2018-03-16	0	3510	3510	3511	0.0		1.000	€ 0,00	€ 0,0
Put @ 3500 2018-06-15	PUT	3500	2018-06-15	-1	171.1	171.1	171.1	161.60	19.300	-0.451	-€ 95,00	€ 0,0
Call @ 3550 2018-06-15	CALL	3550	2018-06-15	-1	77.1	77.1	77.1	81.60	9.210	0.470	€ 45,00	€ 0,0

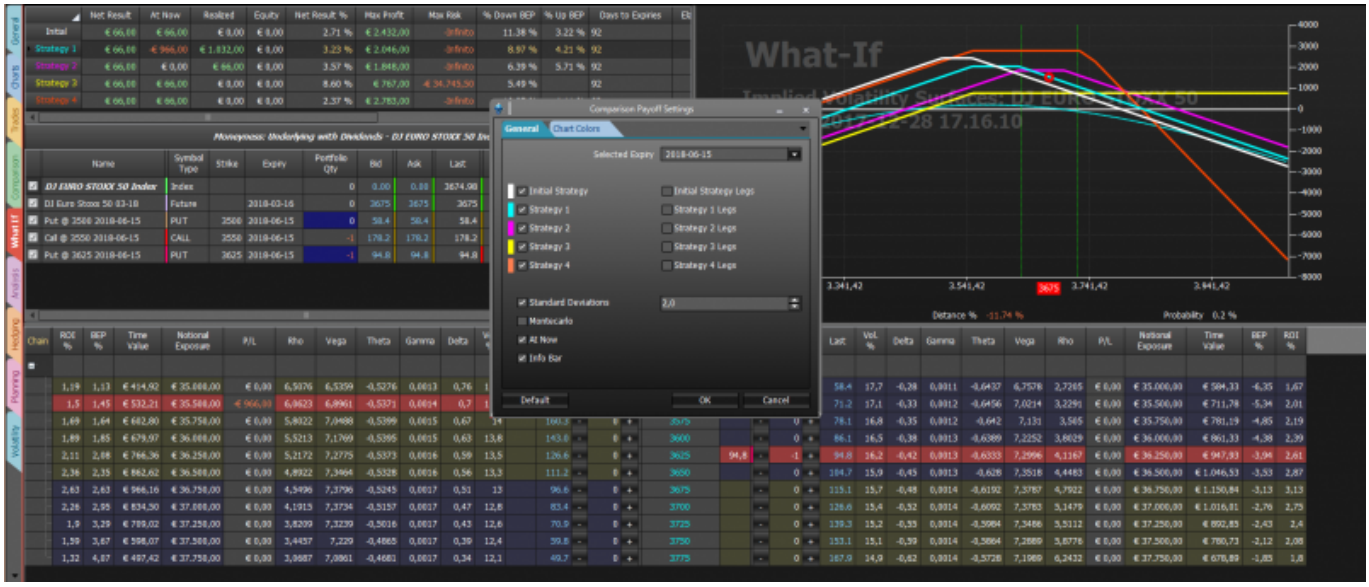
3. For example whether the price going to 3675 on 15/03/2018? With Iceberg you can answer this question simply by setting the desired parameters in the What-If Scenario menu.



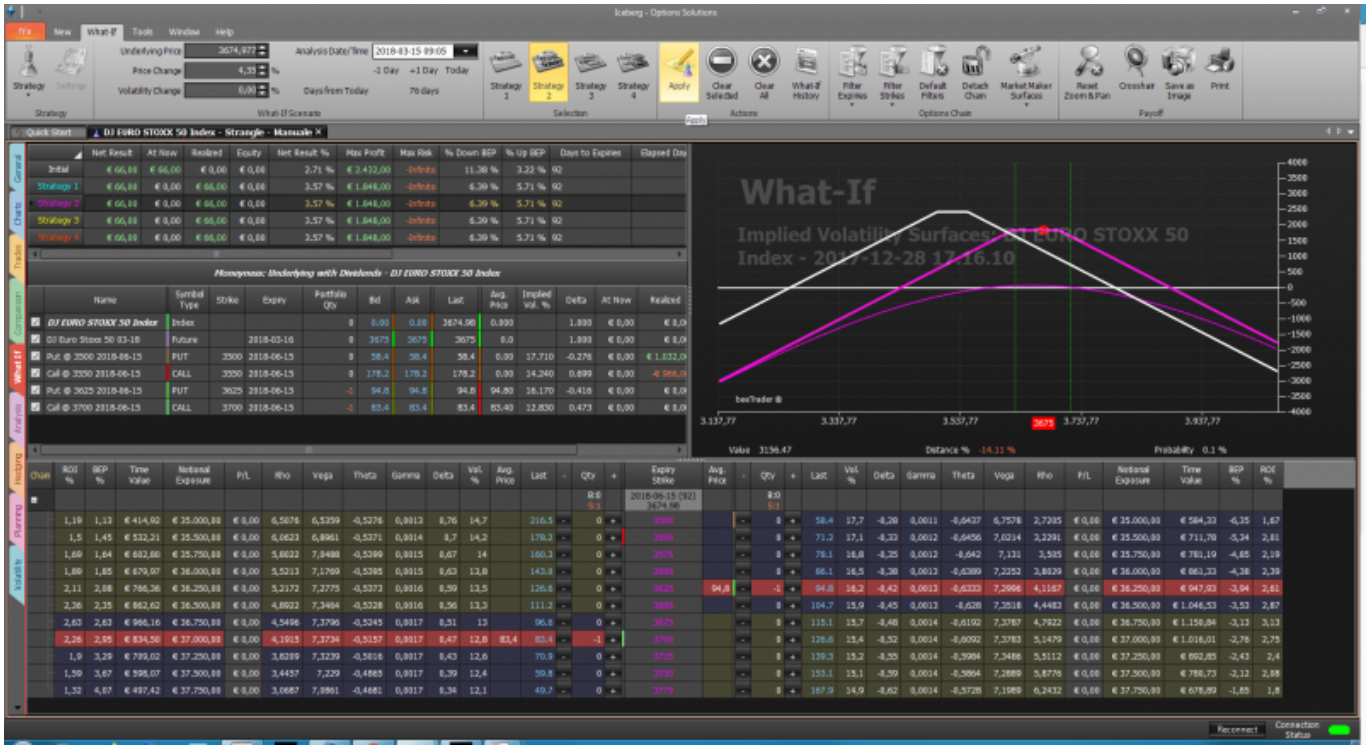
4. The put 3500 gains 1032,00€ while the call 3500 losses 966,00€. At this point you can use the four strategies available to study whats you would do



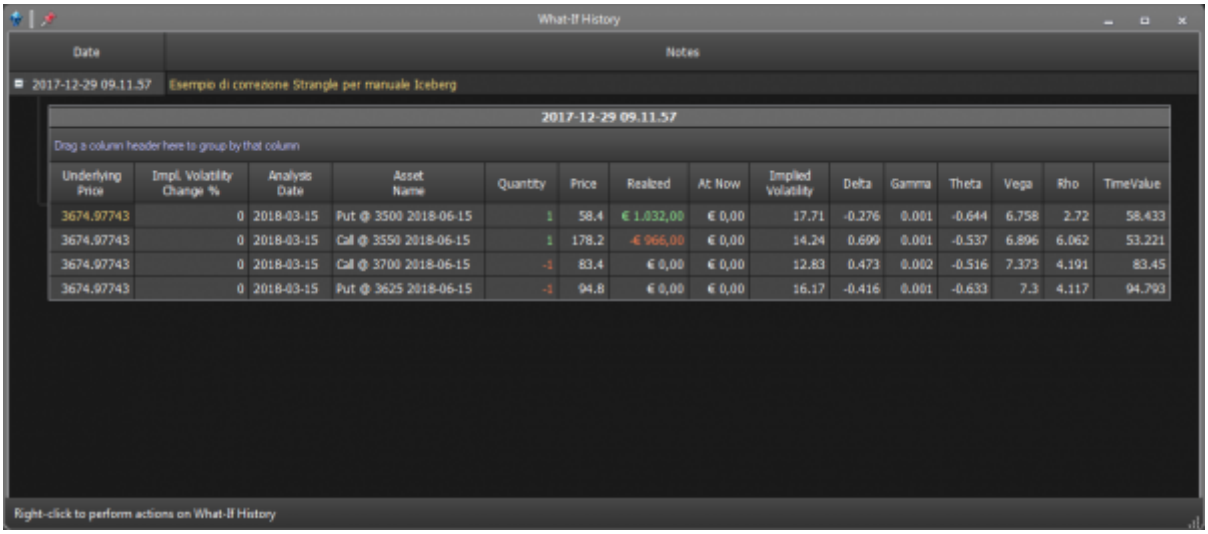
5. In the upper section of the What-If the properties are displayed for all four possible changes. You can view them individually or simultaneously on the payoff simply by toggling the Strategy from the right mouse menu



6. Once you decideded the change of the strategy (we suppose the strategy 2, the magenta one) you have to click on “Apply” button, Now the change is saved and you can procede with a new simulation step.



All changes made to the starting strategy are saved inWhat-If History, where a new section will be created for each step (Apply) of What-If performed on the strategy.



From:
http://manuals.playoptions.it/Iceberg_old/ - **Iceberg Options Solutions**

Permanent link:
http://manuals.playoptions.it/Iceberg_old/en/what-if

Last update: **2017/12/29 11:06**