# 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.

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

## **Video Tutorial**

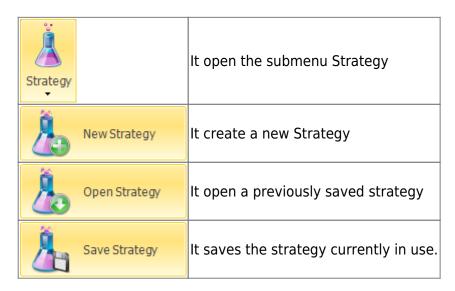


Click here to watch other videos Video di Iceberg

### The menu



## **Strategy**



#### What-If



1

It select the strategy 1, by this time all the operations will be performed on this strategy and on the cyan color payoff



It select the strategy 2, by this time all the operations will be performed on this strategy and on the magenta color payoff



It select the strategy 3, by this time all the operations will be performed on this strategy and on the yellow color payoff



It select the strategy 4, by this time all the operations will be performed on this strategy and on the orange color payoff

#### **Actions**



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



Selected

It delete all orders of the selected strategy and return to the starting strategy



It delete all orders, practically it start a new What-If session



it open the window What-If History in which are stored all operations realized by What-If

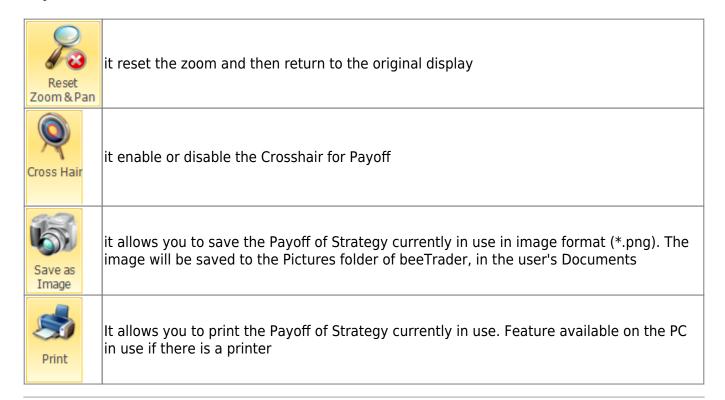
## **Options Chain**



It allows you to filter the deadlines visible on Chain Opzioni. For more on Chain Opzioni, click qui

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

## **Payoff**



## **Example of What-If**

Last update: 2016/08/31 09:26

1. Suppose we have a strangle on FTSE MIB 40 Index with the underlying at 17000, therefore - 1 put  $15000 \, \text{e} - 1 \, \text{call} \, 19000$  on expiry 06/2016



2. Switching on What-If tab we can see that all properties (main strategy and the four possibilities of what-if, are equal). Next to it there is the panel that lets you to set the parameters like future underlying price to see what would happen to the strategy in those conditions



3. For example whether the price going to 19000 on 20/05/2016.



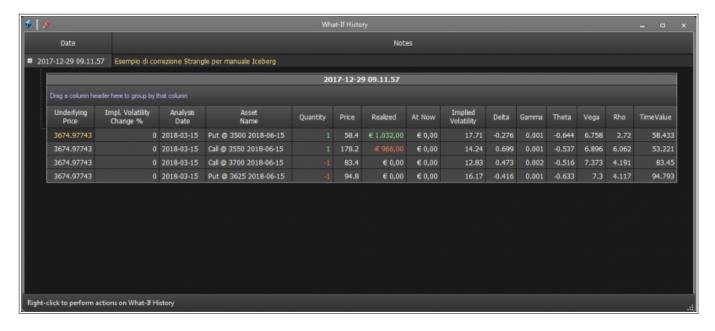
4. The put 15000 gain 762,50 € while the call 19000 loss 770,00€. At this point you can use the four strategies available to study whats you would do



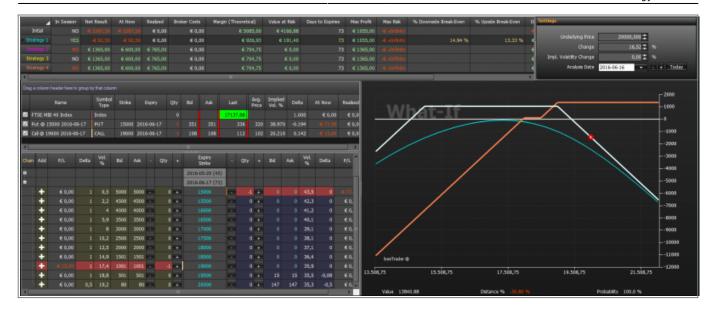
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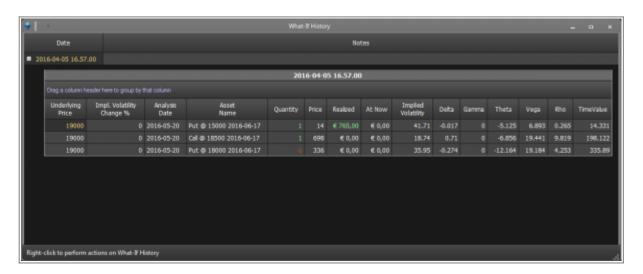
5. In the upper section of the What-If the properties are displayed for all four possible changes. You can view them individually or simultaneously on the payoff simply by toggling the Strategy from the right mouse menu



6. Once you decideded the change of the strategy (we suppose the strategy 3, the yellow 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 in What-If History, dove verrà creata una nuova sezione per ogni nuova sezione di What-If effettuata sulla strategia. \
Andrea che vuol dire?





http://manuals.playoptions.it/Iceberg\_old/ - Iceberg Options Solutions

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