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# **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**

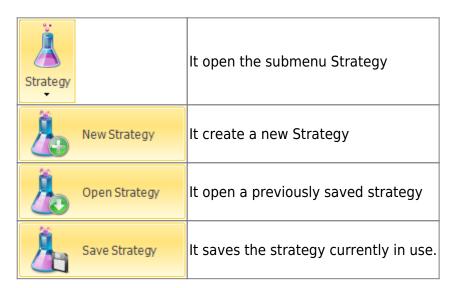


#### Click here to watch other Video di Iceberg

#### The menu



#### Strategy

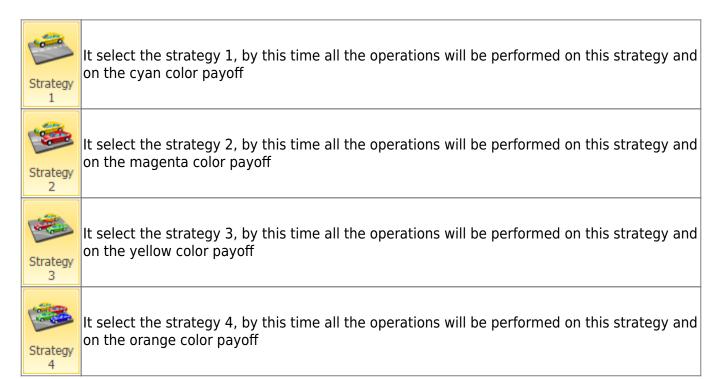


#### **What-If Scenario**

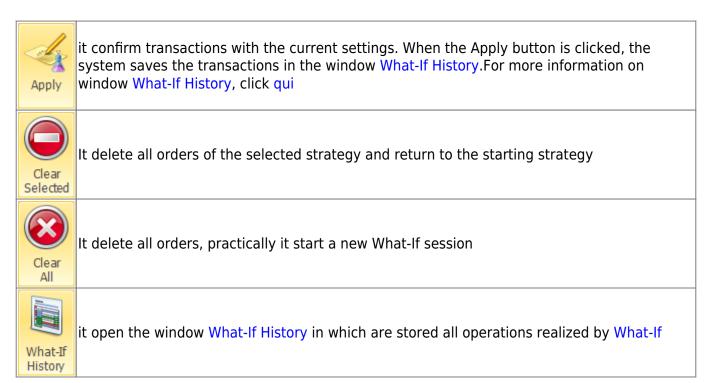
• Underlying Price: field where to set the value of the underlying for the simulation;

- 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



#### **Actions**



#### **Options Chain**

Filter Expiries	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**

Reset Zoom & Pan	it reset the zoom and then return to the original display
Cross Hair	it enable or disable the Crosshair for Payoff
Save as Image	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
Print	It allows you to print the Payoff of Strategy currently in use. Feature available on the PC in use if there is a printer

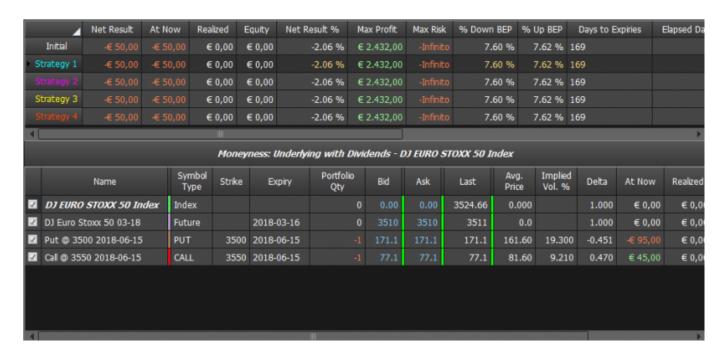
## **Example of What-If**

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.

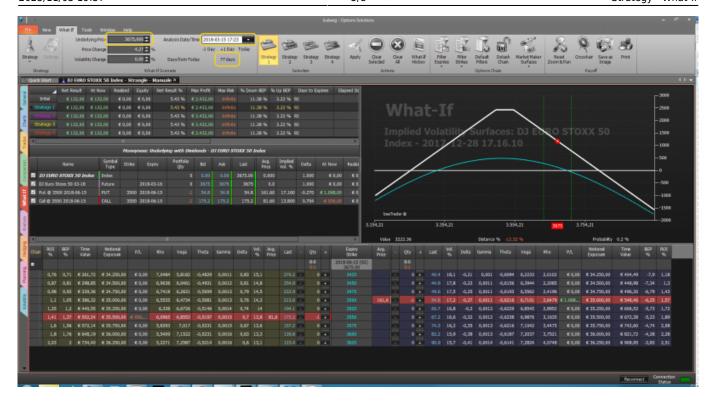


2. Switching on What-If tab we can see that all properties (main strategy and the four possibilities of what-if, are equal).

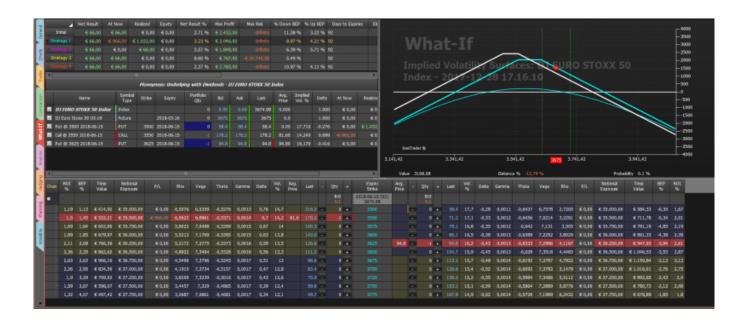
Note: in the transition from the General tab to the What-If tab the option values are not the same, this difference is due to various factors such as the bid / ask spread and volatility. To have more precise values, acquire the volatility surface. In any case, a difference in the order of 20% can be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

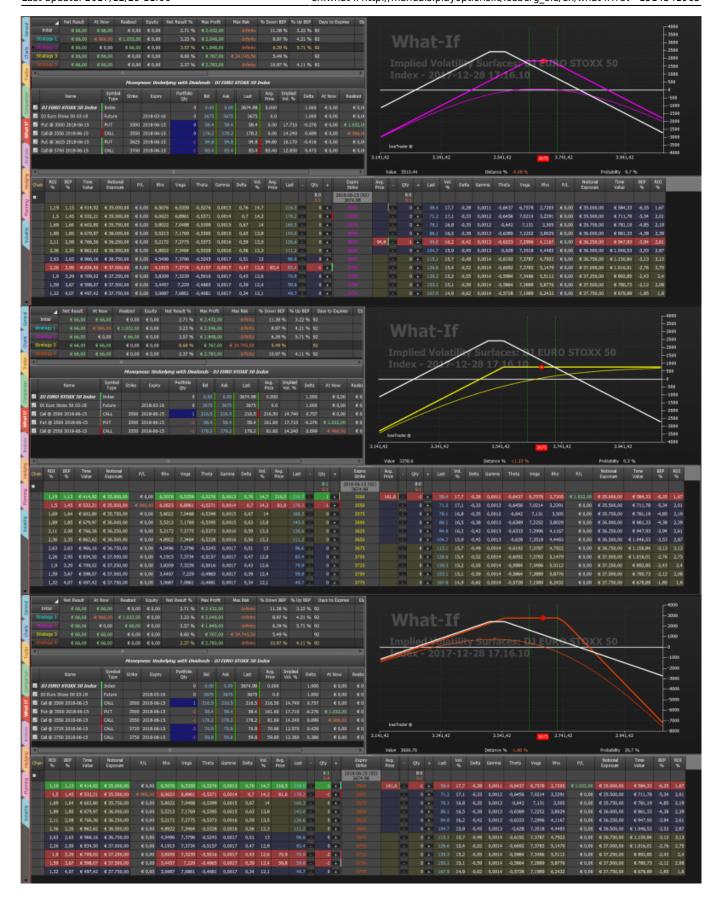


3. For example whether the price going to 3675 on 15/03/2018? With Iceberg you can answer this question simply by setting the desired parameters in the What-If Scenario menu.



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





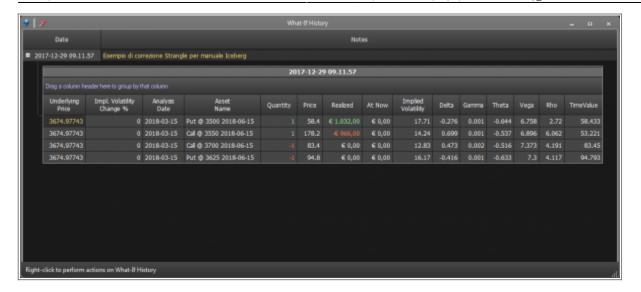
5. In the upper section of the What-If the properties are displayed for all four possible changes. You can view them individually or simultaneously on the payoff simply by toggling the Strategy from the right mouse menu



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 in What-If History, where a new section will be created for each step (Apply) of What-If performed on the strategy.



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