
Trading Sim for Super Saturday

General idea:

Participants will be split into 10 groups. Each group will act as a market maker for the same asset and will have to provide executable bid and ask prices to the buy side (the facilitators).

Price formation and trading rules:

The final asset price is given by the sum of 14 numbers – each of them between \$1 and \$3. Each group will receive one of the numbers in their packs. Group members should use this number and the known minimum and maximum boundaries (\$14 and \$42 respectively, average \$28) to form an idea about the fair value of the price.

Based on these estimates, each group must provide executable prices to the buy side within a given time limit (fixed trade size: 10 units on each side, maximum bid/offer spread is \$4).

At the end of each round, buy side clients (facilitators) will execute the best bid and best ask quote (or any potential arbitrage opportunity) and notify the affected groups of the execution. Positions will be centrally monitored by the facilitators. After execution, all bid/ask quotes will be published anonymously and the game moves to the next round.

At the beginning of each new round, two additional numbers will be revealed, and the market making teams can adjust their bid/ask quotes – considering newly obtained price information (new numbers, bid/ask quotes of competitors in previous round) and positioning.

The facilitators also provide an exit for unwanted positions. Market makers must notify facilitators of their desire to exit at the beginning of the round and will have to cross the bid/offer spread

(execution prices will be best uncleared bid and ask prices of the previous round (i.e. the best prices at which no trading took place, only existing positions can be traded, there are no additional size restrictions).