Simulation *Market maker - Animation*
Case note for participants

Your objective in the simulation

MARKET MAKER 6. ANIMATION

Your objective in the simulation is **to animate the market for EasyPlane stocks** by being ready to buy and to sell stocks anytime. You will face all the dimensions of market making: using the spread for your remuneration, taking into account competition, managing risk and uncertainty, detecting market trends and the presence of informed traders.

At the beginning of the simulation *Market maker - Animation*, you own an account with **€50,000 of cash** and **5 000 EasyPlane shares** (ticker symbol: EZP).

What you can do during the simulation?

☐ During the first launch of the simulation (duration of 10 minutes), you can **observe the evolution of the stock price of EZP shares, the market conditions (liquidity in the limit order book) and the stream of events**. How can you disentangle complexity in financial markets?

☐ You can observe the impact of your orders on the market and the evolution of your position through the pages « Trading » and « My position » of the trading platform.

☐ You can evaluate your performance by looking at the cash (and the number of shares) of your position at the end of your simulation.

To help you

☐ Define the activity of market making. Explain the different factors impacting the remuneration and the risk of your market making activity.

☐ Questions to answer:
 ➢ What is the complexity of the activity of market making? How to manage this complexity?
 ➢ What points should you consider to manage your market making activity on a practical basis (define your check list with a priority order)?
 ➢ Which trading strategy for your market making activity could you define?

To know more

☐ Take the course *Market making*.

☐ Take the course *Information*.