

Simulation *Market maker - Competition*

Case note for participants

Your objective in the simulation



Your objective in the simulation is to **animate the market for EasyPlane stocks** by being ready to buy and to sell stocks anytime. You should pay special attention to the competition of other market makers.

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

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 EZZ shares**. What are the characteristics of the price evolution during this simulation? How does it differ from the previous simulation *Market maker – Spread*? How will you adjust your strategy?
- 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

- Recall the definition of market making.
- Questions to answer:
 - How can you see the competition in the market for your market making activity?
 - Which trading strategy for your market making activity could you define at the beginning of the simulation? How does your strategy differ from the one in the previous simulation *Market maker – Spread*?
 - What is the impact of your orders on the market? What is the impact of your market making activity in terms of market liquidity? What is the impact of your competition in terms of market liquidity?

To know more

- Take the course *Orders*.
- Take the course *Market making*.