

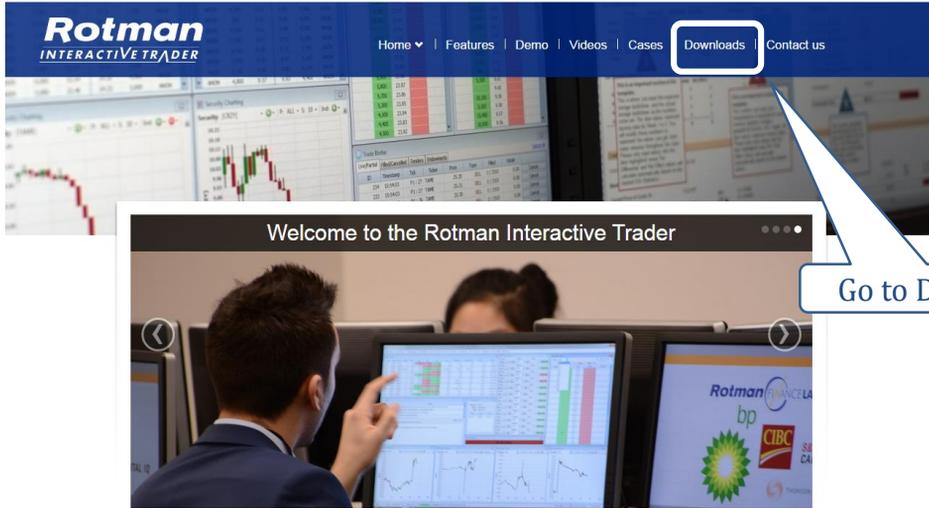
## Introduction to the Rotman Interactive Trader (RIT)

Installation and usage notes

### Requirements

- RIT runs under Microsoft Windows.
  - It does not run under Apple Mac OS's.
  - If you want to run RIT on your Mac, you need to install a copy of Windows and configure the *bootcamp* program to load Windows. This requires a fair degree of technical ability.
- If you don't have a Microsoft Windows machine, you can borrow one from the Stern IT helpdesk.

In your browser, → <http://rit.rotman.utoronto.ca/>



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On the download page ...

#### Download Links:

Please download and install both the RIT Client and the Excel Links (note that Download 2-a is for Excel 32-bit and Download 2-b for Excel 64-bit) file.

#### Rotman Interactive Trader Client

Version 2.00

Build 1.1.1/5

|   |               |             |
|---|---------------|-------------|
| <a href="#">Download 1 (RIT Client)</a>               | Date Updated: | Aug 1, 2012 |
| <a href="#">Download 2-a (Excel 32-bit RTD Links)</a> | Date Updated: | Aug 1, 2012 |
| <a href="#">Download 2-b (Excel 64-bit RTD Links)</a> | Date Updated: | Feb 6, 2013 |

Download and install the RIT client.

The RTD link libraries allow you to make a direct connection between Excel and the RIT client. *Not necessary.*

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## Using the client

- ❑ The RIT package is a screen-based trading system that is visually similar to what a broker might offer to an institutional or sophisticated retail client.
- ❑ Orders can be initiated and monitored from a graphical user interface (GUI)
- ❑ The full client documentation is posted to the web.

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## When you run the client, the first screen is a login page

TraderID: your NYU netID  
 Password: sent to you in an email from me.  
 In addition to your named RIT account, you can also use anonymous guest accounts: pick a traderID between *guest1* and *guest20*, and use password "anon".

Or, you can login to the RIT Demo server: *flserver.rotman.utoronto.ca*

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## On RIT server jhasbrou.stern.nyu.edu

- ❑ A market will usually be running 24/7: a five-minute trading session, followed by a one-minute pause.
- ❑ The traders in the market are you, your classmates, me (sometimes), and many simulated traders.
  - Sometimes you'll simply be trading to get a feel for the market; other times you'll have an assigned role.
  - The simulated traders act just like real traders in making and taking bids and offers.
- ❑ Now we'll go through some of the more standard screens.

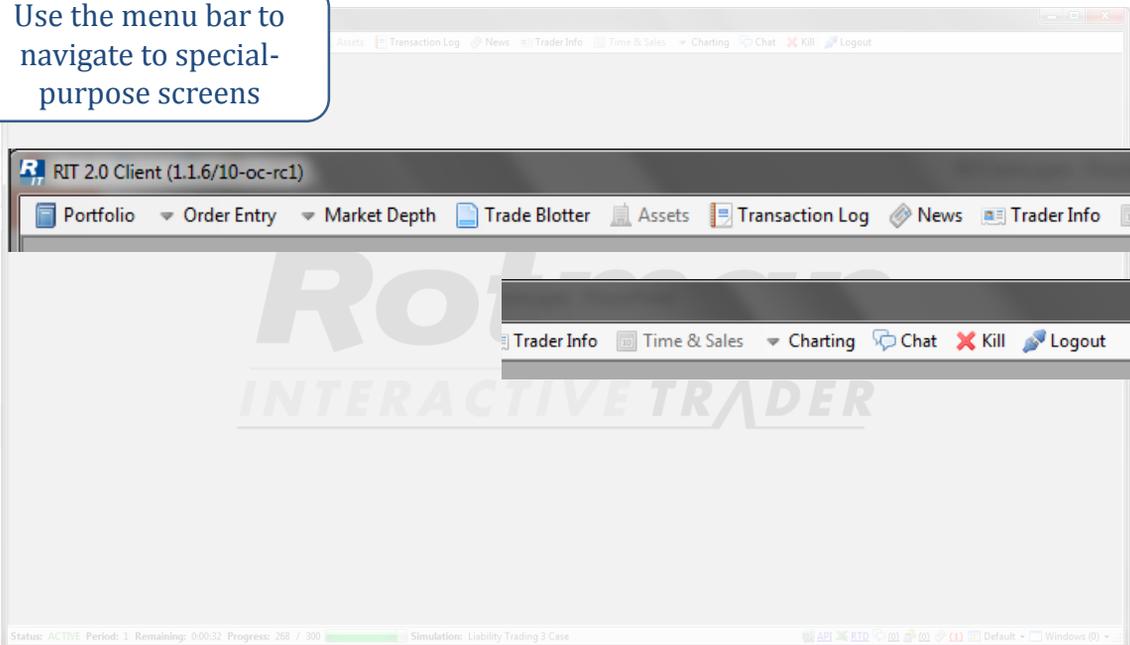
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Initial screen



Use the menu bar to navigate to special-purpose screens



## The Portfolio Screen

3. What do I currently own? How much did it cost?

4. How much have I made or lost?  
NLV: net liquidation value; realized (cash) and unrealized (imputed, mark to market)

| Ticker | Type  | Con...  | Posi... | Cost | Last  | Bid   | Ask   | NLV  | Real... | Unr... | VWAP  | Volume  |
|--------|-------|---------|---------|------|-------|-------|-------|------|---------|--------|-------|---------|
| CRZY   | STOCK | 1 Sh... | 0       | 0.00 | 10.96 | 10.96 | 11.05 | 0.00 | 0.00    | 0.00   | 10.35 | 238,... |
| TAME   | STOCK | 1 Sh... | 0       | 0.00 | 23.66 | 23.66 | 23.71 | 0.00 | 0.00    | 0.00   | 24.45 | 297,... |

1. What's traded?

2. What are the current market conditions?

## Available limit orders: the book trader screen

| Trader | Volume | Price | Price | Volume | Trader |
|--------|--------|-------|-------|--------|--------|
| ANON   | 4,800  | 24.53 | 24.56 | 3,900  | ANON   |
| ANON   | 5,000  | 24.50 | 24.59 | 4,400  | ANON   |
| ANON   | 5,100  | 24.42 | 24.61 | 5,300  | ANON   |
| ANON   | 4,700  | 24.40 | 24.62 | 4,300  | ANON   |
| ANON   | 5,000  | 24.32 | 24.65 | 4,100  | ANON   |

The bid side of the book  
(buy limit orders)

The ask (offer) side of the  
book (sell limit orders)

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## Available limit orders: the ladder trader screen

- There is a single price axis.
- If there are orders at a price, the total amount is displayed.
- If no orders, the quantity is blank

| Bid Qty | Bid Size | Price | Ask Size | Ask Qty |
|---------|----------|-------|----------|---------|
|         |          | 10.21 | 13,700   |         |
|         |          | 10.20 | 10,200   |         |
|         |          | 10.19 | 6,700    |         |
|         |          | 10.18 | 8,200    |         |
|         |          | 10.17 |          |         |
|         |          | 10.16 |          |         |
|         |          | 10.15 | 4,500    |         |
|         |          | 10.14 | 5,600    |         |
|         |          | 10.13 | 1,600    |         |
|         |          | 10.12 |          |         |
|         |          | 10.11 |          |         |
|         |          | 10.10 |          |         |
|         |          | 10.09 |          |         |
|         |          | 10.08 |          |         |
|         |          | 10.07 |          |         |
|         |          | 10.06 |          |         |
|         | 10,800   | 10.05 |          |         |
|         | 24,400   | 10.04 |          |         |
|         | 5,900    | 10.03 |          |         |
|         |          | 10.02 |          |         |
|         | 14,600   | 10.01 |          |         |
|         |          | 10.00 |          |         |

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## Order entry

- Market and limit orders can be entered on the order panel.

Buy/Sell Entry

Ticker: CRZY Volume: 0 Price: MKT

BUY Submit BUY

- Market and limit orders can also be entered directly on the book trader screen.
- Limit orders can also be entered on the ladder trader screen.

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## Entering one-click orders on the Book Trader screen

- One-click orders are disabled by default. To enable them:
  - Toggle the lightning bolt.
  - Set a quantity, "V" (in shares)
  - Set an offset, "O" (in cents)

Book Trader

Ticker: TRN

⚡ : OFF V: 100 O: 1

Last: 23.85 Position: 0 Cost: 0.00

| Trader | Volume | Price | Price | Volume | Trader |
|--------|--------|-------|-------|--------|--------|
| ANON   | 500    | 23.95 | 24.02 | 100    | ANON   |
| ANON   | 500    | 23.75 | 24.09 | 500    | ANON   |
| ANON   | 600    | 23.73 | 24.11 | 600    | ANON   |
| ANON   | 500    | 23.72 | 24.18 | 500    | ANON   |
| ANON   | 500    | 23.64 | 24.39 | 500    | ANON   |
| ANON   | 500    | 23.52 | 24.45 | 500    | ANON   |
| ANON   | 500    | 23.50 | 24.74 | 600    | ANON   |
| ANON   | 500    | 23.49 | 25.15 | 600    | ANON   |
| ANON   | 600    | 23.02 |       |        |        |
| ANON   | 600    | 22.78 |       |        |        |
| ANON   | 400    | 22.52 |       |        |        |

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With  $V=100$  and  $O=1$ , a left-click in this region will submit a limit order to buy 100 shares priced at  $23.92 + 0.01 = 23.93$ .

Right clicking in this region will generate a market *sell* order for 100 shares.

| Trader | Volume | Price | Price | Volume | Trader |
|--------|--------|-------|-------|--------|--------|
| ANON   | 400    | 24.16 | 24.20 | 400    | ANON   |
| ANON   | 600    | 24.11 | 24.20 | 600    | ANON   |
| ANON   | 500    | 24.07 | 24.33 | 500    | ANON   |
| ANON   | 300    | 23.92 | 24.39 | 500    | ANON   |
| ANON   | 400    | 23.90 | 24.40 | 500    | ANON   |
| ANON   | 600    | 23.88 | 24.41 | 200    | ANON   |
| ANON   | 600    | 23.84 | 24.41 | 500    | ANON   |

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## Canceling an order.

Alt-left click on the order to cancel.

| Trader   | Volume | Price | Price | Volume | Trader |
|----------|--------|-------|-------|--------|--------|
| ANON     | 500    | 23.86 | 24.01 | 600    | ANON   |
| ANON     | 600    | 23.86 | 24.01 | 500    | ANON   |
| ANON     | 500    | 23.74 | 24.03 | 500    | ANON   |
| jhasbrou | 100    | 23.44 | 24.17 | 500    | ANON   |
| ANON     | 400    | 23.43 | 24.70 | 500    | ANON   |
| ANON     | 500    | 22.97 | 24.71 | 500    | ANON   |
| ANON     | 500    | 21.66 | 25.14 | 500    | ANON   |
| ANON     | 500    | 21.58 | 25.29 | 500    | ANON   |
|          |        |       | 26.02 | 500    | ANON   |
|          |        |       | 26.95 | 500    | ANON   |

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## Trading ticker symbol TRN

- ❑ TRN is an active stock (high volume, volatile)
- ❑ There is a lot of retail order flow; the retail traders mostly use market orders.
- ❑ You are a dealer. You'll set bid and ask quotes (using limit orders) to capture profits from retail order flow.
- ❑ Retail traders will hit your bid and lift your ask. On each pair of buyers and sellers, you'll make the spread.
- ❑ You can freely borrow cash (at zero interest) to finance a long position.
- ❑ You can freely borrow shares (at zero interest) to set up a short position.
  - You don't need to do anything special to sell short. If your share balance becomes negative, you're short.

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## Position management

- ❑ Buyers and sellers don't always come by in matched pairs.
- ❑ Sometimes the order flow is one sided, and you'll be long or short.
- ❑ This is risky. You lose if you're long and the price drops, or if you're short and the price rises.
- ❑ You need to control your position either by setting your bid and offer asymmetrically or by using market orders to quickly eliminate a position.
- ❑ You have a position limit of  $\pm 500$  shares

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## TRN

- ❑ The TRN simulation will be running 24/7 (a five-minute trading session, followed by a one-minute break).
- ❑ Try to make as much money as you can. You're scored on your single most profitable session.
- ❑ As a dealer, you're competing against anonymous traders and anyone else (like your classmates) who are putting in bids and offers.