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Bob Prechter Interview

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Trading Technologies
X_Trader 7

TRADING TECHNOLOGIES' X_TRADER 7[®]

NEW ENHANCEMENTS TO TRADING PLATFORM INCLUDE TOP-END CHARTING PACKAGE

Trading Technologies' X_TRADER, the benchmark front end trading platform for derivatives traders, has recently been upgraded with the release in January of X_TRADER[®] 7 and X_STUDY[™]. This entirely new platform enjoys noticeable improvements on its forerunner, X_TRADER 6 including new in-depth charting capabilities and a reflex-fast application with a patented static display of prices and market depth that redefines the way traders are looking at the market.

X_TRADER 7

With X_TRADER 7 (Figure 1), TT has increased the speed that users have relied on to move in and out of the market. The noticeably significant speed enhancements with faster, more granular price updates, help keep the user ahead of the market. Expanded market coverage provides users with more arenas for making money as TT has begun to add asset classes to their derivatives base by connecting with more exchanges. Now traders may take advantage of TT connectivity and X_TRADER 7 functionality to trade cash bonds (Broker Tec) and cash foreign exchange (Hotspot FXi), as well as all futures and options on products at the major derivatives exchanges.

New charting

Included with the release of X_TRAD-

ER 7 is the highly anticipated X_STUDY charting and technical analysis package. X_STUDY (Figure 2) combines exceptional speed with a new Financial Market Data Server (FMDS) database to warehouse historic data. This premium level charting capability comes at no additional cost with X_TRADER 7. Drawing from the same execution price feed, X_STUDY charts give technical traders the advantage of getting their signals faster than ever before. Charting, quoting and ex-

ecution have been combined into one easy-to-use platform. Traders may view the patented MD Trader[®] depth of market display as a grid to the right of the chart or drag a floating MD Trader from X_TRADER to position it anywhere in the chart.

TT customers have been enthusiastic in their response to the new product. "We are committed to providing our traders with the best software available", explains Rob Creamer of Geneva Trading in Chicago. "As such,

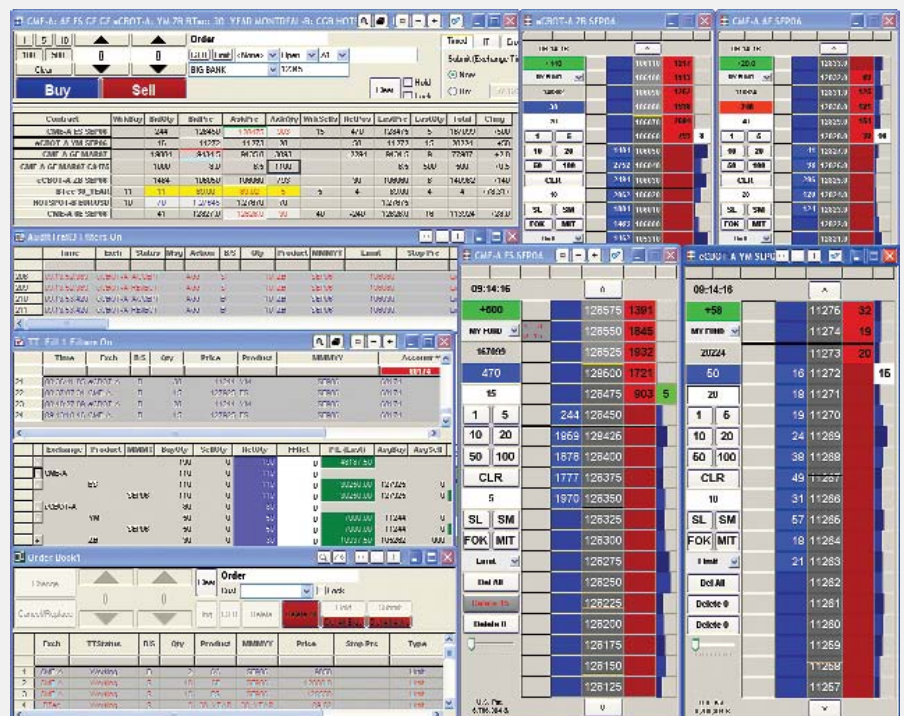


Figure 1. X_TRADER 7 workspace



Figure 2. X_STUDY workspace

we were eager to beta test X_TRADER 7 to better understand its capabilities and we came away very excited about the new performance enhancements. We also believe that X_STUDY, the multitude of new order types supported, and the many other new features in X_TRADER 7 will keep TT at the leading edge of trading software development."

New studies

The robust catalogue of studies and drawing tools available in X_STUDY is expected to enable TT to quickly grab a position of leadership in the professional charting community. X_STUDY offers unique position studies where fills are plotted directly on the chart so traders can visually analyze their trading and adjust their methodology. New spread charting provides a realistic view of spreads previously not available to the market. Spread charts can be constructed using Bid to Bid or Ask to Ask calculations so users can see the actual spread price available, not just the traded market. Another popular aspect is the ability to view charts on the basis of

net change as well as actual price.

Innovative data warehousing sets X_STUDY charting apart and allows for in depth analysis of volume studies (Figure 3). TT captures bids and offers at the time of trade, which enables users to see the state of the market at the time a trade was executed. Six new studies based on volume analysis point to where supply and demand ebb and flow to create swings in the market.

New volume studies found in X_STUDY include:

- Cumulative Bid/Ask
- Cumulative Bid
- Cumulative Ask
- Volume Delta
- Volume Delta - Histogram
- Cumulative Volume Delta (CVD™)

Traders can quickly build charts based on traditional open/high/low close bars, candlesticks or close only (line charts or dot charts). In all, X_STUDY offers 30 of the most popular technical studies including four different kinds of moving averages (simple, exponential, triangular and weighted), stochastics,

RSI, trend/momentum studies, and Bollinger Bands. Among the available drawing tools are Fibonacci levels, trend lines and adding text directly to the chart.

Trades placed in X_STUDY appear in the X_TRADER 7 Audit Trail and Order Book as well as within MD Trader. These orders are then fully functional outside of X_STUDY and may be adjusted in X_STUDY, MD Trader, Market Grid or the Order Book.

Faster API

Driving the speed enhancements is the API (Application Programming Interface) provided by X_TRADER 7. The API (XTAPI) allows users to merge proprietary software applications with the connectivity and functionality of X_TRADER 7 to incorporate their own resources and build their own trading components. The MD Trader application has been upgraded to link into Excel for quantitative order entry and new "laser lines," which add color-coded lines within the MD Trader grid to draw attention to key levels generated by Excel-based models.

New Quote Board

The inclusion of a Quote Board to go along with the traditional Market Grid is another new addition to X_TRADER 7. As well as the standard open, high, low and last price, the new TT Quote Board includes current volume, most recent bid with size, most recent offer with size, trader P/L for each contract, and trader position for each contract. The color-coded format of Quote Board gives users the ability to quickly access the state of multiple markets with one glance.

One left click on the contract of choice launches an order entry window and a right click on the contract opens a menu to enable formatting or to launch one of several other X_TRADER 7 components. The addition of a "Floating Order Book" to both MD Trader and Market Grid adds appeal to sales desks and brokers, as now multi-

“X_STUDY OFFERS 30 OF THE MOST POPULAR TECHNICAL STUDIES INCLUDING FOUR DIFFERENT KINDS OF MOVING AVERAGES, STOCHASTICS, RSI, TREND/MOMENTUM STUDIES, AND BOLLINGER BANDS.”

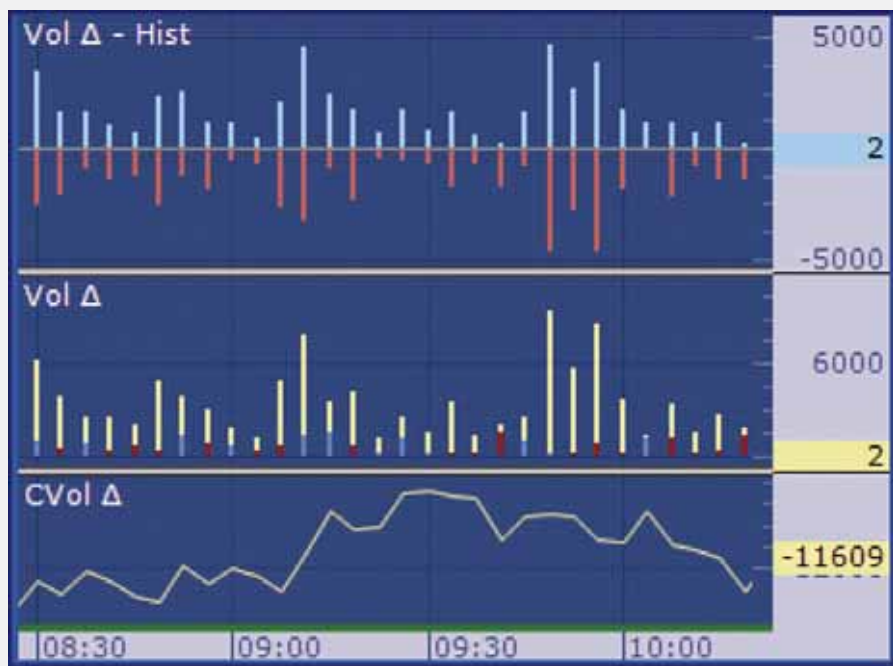


Figure 3: Sample X_STUDY volume studies (from top to bottom): Change in Volume Histogram, Change in Volume and Cumulative Volume Delta (CVD). [Blue = Buys, Red = Sells]

ple orders at the same price may be managed individually with simple mouse clicks to change the price level or quantity.

TT has also made getting started easier by adding to the functionality of Market Explorer. Now users may specify individual contracts within a product. Instead of pulling up all contract months, users may select only the months they wish to view. Market

Explorer now also has the ability to launch individual X_TRADER components including MD Trader, Market Grid, Quote Board, Autospreader®, Autotrader™, Spread Matrix, Time & Sales and Alerts Manager.

Improved automation

Enhancements have been made to the automated applications included in X_TRADER 7 Pro. New to

Autospreader, users may "freeze" a working leg order without losing their spot in the queue. A frozen order may enhance the chance of getting filled in volatile markets as the software will not "chase" the market and continually place orders at the back of the queue. Users may also dynamically change Autospreader pay-up ticks on working orders. Autotrader now allows the user to "clone" rows. This simplifies the process of running the same strategy on multiple contracts as well as running multiple variations of one base strategy. After cloning a row, the new row appears below the original and allows the user to replace the contract or make a simple change to the original formula.

Chris Hehmeyer of Chicago futures brokerage and prop trading house, Goldenberg, Hehmeyer & Co concludes, "X_TRADER 7 has proven to be faster, more intuitive and more functional, and we are ready to deploy it to our global customer base and our internal proprietary traders."

Further details can be found at www.tradingtechnologies.com

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