



Global Technical Committee

Bloomberg PriceType Extension

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Table of Contents

Document History	5
1 Introduction	6
2 Business Requirements.....	6
2.1 PriceType	6
3 Issues and Discussion Points.....	6
4 Proposed Message Flow	6
5 FIX Message Tables	6
6 FIX Component Blocks	7
7 Category Changes	7
Appendix A - Data Dictionary.....	8
Appendix B - Glossary Entries	12
Appendix C - Abbreviations.....	12
Appendix D - Usage Examples.....	12

Table of Figures

No table of figures entries found.

Bloomberg PriceType Extension

FIX Protocol Gap Analysis - Bloomberg PriceType Extension v0.3_EP207_ASBUILT

December 21, 2015 - Revision 0.3

Document History

Revision	Date	Author	Revision Comments
0.1	12/7/2015	Dean Kauffman for Bloomberg L.P.	Initial draft based on internal gap analysis.
0.2	Dec. 9, 2015		Pre-submission review edits.
<u>0.3</u>	<u>Dec. 21, 2015</u>	<u>R. Shriver for GTC</u>	<u>Revised proposal as per discussions on GTC call 12/17/2015 on Dec. 17, 2015 – Added field definitions and removed instructions from data dictionary. Revised name and edited initial page and headers to conform to GA standard.</u>
	<u>Dec. 22, 2015</u>	<u>R. Shriver</u>	<u>ASBUILT created.</u>

1 Introduction

The FIX Protocol has become the industry standard for quoting and trading individual securities and strategies. The pricing of individual securities, and the base-level and leg-level pricing of strategies makes use of PriceType(423), QuotePriceType(692) and related fields. As instruments become more and more complex new methods for pricing have come into play and the values of the price type fields are extended to support them.

2 Business Requirements

2.1 PriceType

The PriceType(423) field value 6 (Spread) has been used since FIX 4.2 to specify several spread-based pricing methods – yield spread-to-benchmark for corporates, price spread for TBAs and Commodity rolls, yield spread for rolls, switches and butterflies of various asset classes, spread-of-spreads for IRS/Treasury strategies, "pay up" for specified pools, etc. The growth of trading OTC derivatives, particularly CDS, has identified the need to differentiate these methods in a more precise way as opposed to overloading the existing value 6 (Spread). We propose adding a specific enumeration value for "Price Spread". The enumeration value of 12 was reserved for this purpose sometime in the past but never made it into the FIX standard¹. We propose activating it for this requirement.

We also propose taking this opportunity to enhance QuotePriceType(692) with the new enumeration value and all higher values from PriceType(423) and to bring the descriptions of values 1 (Percentage) and 2 (Per unit) in line. Unfortunately, QuotePriceType(692) values 9 (Yield Spread) and 10 (Yield) are out-of-sync so to ameliorate the problem we propose omitting value 11 so that the new values 12-25 will match with PriceType(423). PriceType(423) values 10 (Fixed cabinet trade price) and 11 (Variable cabinet trade price) apply to trades not quotes so omitting value 11 in QuotePriceType(692) should not be a problem. See Appendix A - Data Dictionary.

3 Issues and Discussion Points

	Issue	Date	Status	Discussion

4 Proposed Message Flow

There are no changes to existing message flows.

5 FIX Message Tables

There are no changes to messages.

¹ The enum value "12" has been in use since the mid-2000s in early FI implementations for trading specified pools price-base spread to a TBA.

6 FIX Component Blocks

There are no changes to components.

7 Category Changes

None.

Appendix A - Data Dictionary

Tag	FieldName	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
423	PriceType	CHANGE	int	<p>Code to represent the price type.</p> <p><i>[Elaboration: For Financing transactions PriceType implies the "repo type" - Fixed or Floating - 9 (Yield) or 6 (Spread) respectively - and Price (44) gives the corresponding "repo rate". See Volume 1 "Glossary" for further value definitions.]</i> <i>Add elaboration to 6 (Spread) and add 12 (Price Spread) using reserved value:</i></p> <p>1 = Percentage (i.e. percent of par) (often called "dollar price" for fixed income) 2 = Per unit (i.e. per share or contract) 3 = Fixed amount (absolute value) 4 = Discount - percentage points below par 5 = Premium - percentage points over par 6 = Spread (basis points spread) <i>[Elaboration: Usually the difference in yield between two switched bonds or a corporate bond traded spread-to-benchmark.]</i> 7 = TED Price 8 = TED Yield 9 = Yield 10 = Fixed cabinet trade price (primarily for listed futures and options)</p>	PxTyp	

Bloomberg PriceType Extension

FIX Protocol Gap Analysis - Bloomberg PriceType Extension v0.3_EP207_ASBUILT

December 21, 2015 - Revision 0.3

			<p>11 = Variable cabinet trade price (primarily for listed futures and options)</p> <p>12 = Price spread [Elaboration: Price spread is expressed based on market convention for the asset being priced or traded. For example, the difference between the prices of a multileg switch or strategy expressed in basis points for a CDS or TBA roll; a price value to be added to a reference price, such as a "pay up" for specified pools]</p> <p>13 = Product ticks in halves</p> <p>14 = Product ticks in fourths</p> <p>15 = Product ticks in eights</p> <p>16 = Product ticks in sixteenths</p> <p>17 = Product ticks in thirty-seconds</p> <p>18 = Product ticks in sixty-fourths</p> <p>19 = Product ticks in one-twenty-eights</p> <p>20 = Normal rate representation (e.g. FX rate)</p> <p>21 = Inverse rate representation (e.g. FX rate)</p> <p>22 = Basis points <i>When the price is not spread based.</i></p> <p>23 = Up front points <i>Used specifically for CDS pricing.</i></p> <p>24 = Interest rate <i>When the price is an interest rate. For example, used with benchmark reference rate.</i></p> <p><i>Note - added in EP208</i></p> <p>25 = Percentage of notional</p>		
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Bloomberg PriceType Extension

FIX Protocol Gap Analysis - Bloomberg PriceType Extension v0.3_EP207_ASBUILT

December 21, 2015 - Revision 0.3

692	QuotePriceType	CHANGE	int	<p><u>Code to represent price type requested in Quote.</u> <u>If the Quote Request is for a Swap values 1-8 apply to all legs. Bring descriptions of 1 & 2 in line with PriceType(423), add elaboration to 6 (Spread), and add enums 12 - 25:</u></p> <p>1 = Percentage (i.e. percent of par) (often called "dollar price" for fixed income) 2 = Per Share (e.g. cents per share) unit (i.e. per share or contract) 3 = Fixed amount (absolute value) 4 = Discount - percentage points below par 5 = Premium - percentage points over par 6 = Spread (basis points relative to benchmark) [Elaboration: Usually the difference in yield between two switched bonds or a corporate bond traded spread-to-benchmark.] 7 = TED Price 8 = TED Yield 9 = Yield Spread (swaps) 10 = Yield 12 = Price spread [Elaboration: Price spread is expressed based on market convention for the asset being priced or traded. For example: the difference between the prices of a multileg switch or strategy expressed in basis points for a CDS or TBA</p>	QuotPxTyp	
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Bloomberg PriceType Extension

				<p>roll; a price value to be added to a reference price, such as a "pay up" for specified pools.]</p> <p>13 = Product ticks in halvefs</p> <p>14 = Product ticks in fourths</p> <p>15 = Product ticks in eights</p> <p>16 = Product ticks in sixteenths</p> <p>17 = Product ticks in thirty-seconds</p> <p>18 = Product ticks in sixty-fourths</p> <p>19 = Product ticks in one-twenty-eights</p> <p>20 = Normal rate representation (e.g. FX rate)</p> <p>21 = Inverse rate representation (e.g. FX rate)</p> <p>22 = Basis points</p> <p>[Elaboration: When the price is not spread based.]</p> <p>23 = Up front points</p> <p>[Elaboration: Used specifically for CDS pricing.]</p> <p>24 = Interest rate</p> <p>[Elaboration: When the price is an interest rate. For example, used with benchmark reference rate.]</p> <p>25 = Percentage of notional</p>		
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Appendix B - Glossary Entries

None.

Appendix C - Abbreviations

None.

Appendix D - Usage Examples

None.