



Global Technical Committee and Bloomberg Quote Negotiation Extensions

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Document History

Revision	Date	Author	Revision Comments
0.1	December 31, 2016	Dean Kauffman for Bloomberg LLP	<ul style="list-style-type: none">• Initial draft
0.2	January 3, 2017	Dean Kauffman for Bloomberg LLP	<ul style="list-style-type: none">• Added StrikeTime(443) to all messages where QuoteQual(695) appears• Added PaymentGrp component to ExecutionReport(35=8)
0.3	January 12, 2017	Dean Kauffman for Bloomberg LLP	<ul style="list-style-type: none">• Changes based on reviewer feedback• Expanded Business Requirements
0.4	January 26, 2017	Dean Kauffman for Bloomberg LLP	<ul style="list-style-type: none">• Minor adjustments from GTC presentation feedback
	March 3, 2017	GTC Technical Support	Generated ASBUILT and assigned IDs.

1 Introduction

The purpose of this proposal is to elevate in to the FIX standard a few custom FIX features that have been in place for Bloomberg's trading and reporting protocols for a sometime. They include enumeration values for QuoteQualifier(695) and the use of PaymentGrp component in ExecutionReport(35=8).

1.1 Quote Qualifiers

The potential expansion of enumeration values for QuoteQualifier(695) is constrained by its Datatype – char. Since upper-case alphas have been used thus far in the standard, Bloomberg has tried to avoid collisions in its custom extensions by using integers and lower-case alphas. These values have been in use on Bloomberg's Fixed Income trading platforms for many years and are well-known and accepted by the trading community. Since the upper-case set of values is nearly exhausted Bloomberg proposes to formalize its custom values to avoid future collisions.

1.2 PaymentGrp in ExecutionReport(35=8)

In implementing expanded FIX support for OTC Derivatives in several Fixed Income interfaces it has been necessary to add the PaymentGrp component to ExecutionReport(35=8) in line with its use in TradeCaptureReport(35=AE).

1.3 Summary of Proposed Changes

Our proposal includes two items:

- To enhance the description of QuoteQualifier(695) to match its actual use in quote negotiation, to add StrikeTime(443) to all messages where QuotQualGrp appears and to add Bloomberg's custom enumerations for the field to the standard:
 - 1 = The order quantity is negotiable
 - 2 = Dealers are allowed to submit quotes after dealer response time has expired
 - 3 = The requestor is allowed to counter before dealer response time has expired
 - 4 = The trading platform will select the best price on expiration of dealer response time
 - a = The trading platform will propose a benchmark spot immediately; the dealer may counter
 - b = The trading platform will spot the benchmark immediately on hit/lift of the bond without dealer last look
 - d = The trading platform will propose a benchmark spot at a pre-determined future time; the dealer may counter
 - n = The benchmark spot will be negotiated immediately following hit/lift of the bond
- To add the PaymentGrp component to ExecutionReport(35=8) in a position consistent with TradeCaptureReport(35=AE), that is, just following the FinancingDetails component.

2 Business Requirements

2.1 Quote Qualifiers

The description of QuoteQualifier(695) falls short of its actual use in the marketplace. It has long been used not only to qualify a single quote but also to specify in the QuoteRequest(35=R) and other quote negotiation messages how negotiation will proceed. We propose enhancing the description to include this usage.

Among the first set of instructions to the dealer on the initial QuoteRequest(35=R) and subsequent QuoteResponse(35=AJ) messages supported by Bloomberg but not supported in the FIX standard are the following:

- The trade size set by the requestor is negotiable, i.e. the dealer may respond to the request with a reduced size.
- Quote requests always state a dealer response time, sometimes called “curtain time”, by which time all dealer quotes must be returned. In some trading models prices are actually hidden from the requestor until response time has elapsed. Under certain conditions the requestor may allow dealers to break “curtain time” by submitting a price late under risk of losing the negotiation to another dealer before responding.
- When the requestor is allowed to see quoted prices before “curtain time” the requestor may be allowed to hit or lift a price immediately without waiting. Under certain conditions the requestor may also be allowed to counter a quoted price before “curtain time”.
- Based on client configuration the trading platform may be allowed to act on the client’s behalf on “curtain time” by automatically hitting or lifting the best price.

Consummation of a trade priced spread-to-benchmark – particularly fixed-income securities – involves determining the spot price of the benchmark before the final price of the traded security can be established. Spotting the benchmark can occur in different ways and at different times. Bloomberg supports the following:

- The trading platform proposes a spot price to the executing dealer based on a composite price immediately at trade time which the dealer may either accept or counter.
- The trading platform proposes a spot price to the executing dealer based on a composite price struck at a pre-determined future time which the dealer may then either accept or counter.
- The trading platform spots the benchmark based on a composite price immediately at trade time with no last look by the dealer.
- The benchmark spot will be negotiated immediately following hit/lift of the bond with the dealer submitting its current firm price.

These instructions are communicated to the dealer through QuoteQualifier(695). Bloomberg’s custom enumeration values are currently in widespread use and should be retained in the standard.

Finally, one of the proposed enumerations of QuoteQualifier(695) references StrikeTime(443) for the time the benchmark spot is to be taken. Therefore StrikeTime(443) needs to be present in all messages where the QuotQualGrp component appears.

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Our proposal for Quote Qualifier is

- 1) to enhance the description of QuoteQualifier(695) to include its use in the QuoteRequest(35=R) and other quote negotiation messages to qualify how the negotiation will proceed,
- 2) to add Bloomberg's custom enumerations to the standard and
- 3) to add StrikeTime(443) to all messages where the QuotQualGrp component appears.

2.2 PaymentGrp in ExecutionReport(35=8)

In reporting fills of OTC Derivatives in native FIX format we often need to report one or more bullet payments that do not fall within the payment streams, e.g. upfront fee, independent amount, principal exchanges, etc..

We propose adding the PaymentGrp component to ExecutionReport(35=8) in a position consistent with TradeCaptureReport(35=AE), that is, just following the FinancingDetails component.

3 Issues and Discussion Points

	Issue	Date	Status	Discussion
1				

4 Proposed Message Flow

No changes.

5 FIX Message Tables

5.1 FIX Message ExecutionReport

To be completed at the time of the proposal – all information provided will be stored in the repository	
Message Name	ExecutionReport
Message Abbreviated Name (for FIXML)	ExecRpt
Category	SingleGeneralOrderHandling
Action	__New X_Change

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Message Synopsis Required, short, one or two paragraph description of the message.	(no change)
Message Elaboration Optional longer description of the message usage	(no change)
To be finalized by FPL Technical Office	
(MsgType(tag 35) Enumeration	8
Repository Component ID	9

Tag	Field Name	Req'd	ICR	Action	Mappings and Usage Comments	FIX Spec Comments
	Standard Header	Y				MsgType = 8
<ApplicationSequenceControl> component						
37	OrderID	Y				
2422	OrderRequestID	N				
2423	MassOrderRequestID	N				
198	SecondaryOrderID	N				
<...truncated...>						
<Instrument> component		Y				
<FinancingDetails> component		N				
<UndInstrmtGrp> component		N				
<PaymentGrp> component		N		ADD		
54	Side	N				
2102	ShortMarkingExemptIndicator	N				
1688	ShortSaleExemptionReason	N				
<...truncated...>						
	Standard Trailer	Y				

5.2 FIX Message Quote

To be completed at the time of the proposal – all information provided will be stored in the repository	
Message Name	Quote

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Message Abbreviated Name (for FIXML)	Quot
Category	QuotationNegotiation
Action	__New X_Change
Message Synopsis Required, short, one or two paragraph description of the message.	(no change)
Message Elaboration Optional longer description of the message usage	(no change)
To be finalized by FPL Technical Office	
(MsgType(tag 35) Enumeration)	<u>S</u>
Repository Component ID	<u>27</u>

Tag	Field Name	Req'd	ICR	Action	Mappings and Usage Comments	FIX Spec Comments
	Standard Header	Y				MsgType = S
131	QuoteReqID	N				
117	QuoteID	Y				
390	BidID	N				
1867	OfferID	N				
<...truncated...>						
58	Text	N				
354	EncodedTextLen	N				
355	EncodedText	N				
443	StrikeTime	N		ADD		Conditionally required when QuoteQual(695)=d (Deferred spot) is specified.
	Standard Trailer	Y				

5.3 Message QuoteResponse

To be completed at the time of the proposal – all information provided will be stored in the repository

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Message Name		QuoteResponse
Message Abbreviated Name (for FIXML)		QuotRsp
Category		QuotationNegotiation
Action		__New X_Change
Message Synopsis Required, short, one or two paragraph description of the message.	<i>(no change)</i>	
Message Elaboration Optional longer description of the message usage	<i>(no change)</i>	
To be finalized by FPL Technical Office		
(MsgType(tag 35) Enumeration)	AJ	
Repository Component ID	69	

Tag	Field Name	Req'd	ICR	Action	Mappings and Usage Comments	FIX Spec Comments
	<i>Standard Header</i>	Y				MsgType = AJ
693	QuoteRespID	Y				
117	QuotID	N				
1166	QuotMsgID	N				
131	QuotReqID	N				
<...truncated...>						
1917	CoverPrice	N				
<SpreadOrBenchmarkCurveData> component						
<YieldData> component						
443	StrikeTime	N		ADD		Conditionally required when QuoteQual(695)=d (Deferred spot) is specified.
	<i>Standard Trailer</i>	Y				

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5.4 Message QuoteStatusReport

To be completed at the time of the proposal – all information provided will be stored in the repository	
Message Name	QuoteStatusReport
Message Abbreviated Name (for FIXML)	QuotStatRpt
Category	QuotationNegotiation
Action	__New X_Change
Message Synopsis Required, short, one or two paragraph description of the message.	(no change)
Message Elaboration Optional longer description of the message usage	(no change)
To be finalized by FPL Technical Office	
(MsgType(tag 35) Enumeration)	AI
Repository Component ID	68

Tag	Field Name	Req'd	ICR	Action	Mappings and Usage Comments	FIX Spec Comments
	<i>Standard Header</i>	Y				MsgType = AI
649	QuoteStatusReqID	N				
131	QuoteReqID	N				
117	QuotelD	N				
390	BidID	N				
<...truncated...>						
58	Text	N				
354	EncodedTextLen	N				
355	EncodedText	N				
443	StrikeTime	N		ADD		Conditionally required when QuoteQual(695)=d (Deferred spot) is specified.
	<i>Standard Trailer</i>	Y				

6 FIX Component Blocks

6.1 Component QuotReqGrp

To be completed at the time of the proposal – all information provided will be included in the repository	
Component Name	QuotReqGrp
Component Abbreviated Name (for FIXML)	QuotReq
Component Type	<u>X</u> Block Repeating ___ Block
Category	(no change)
Action	__New <u>X</u> Change
Component Synopsis	(no change)
Component Elaboration	(no change)
To be finalized by FPL Technical Office	
Repository Component ID	2045

Component FIXML Abbreviation: <QuotReq>						
Tag	Field Name	Req'd	ICR	Action	Mappings and Usage Comments	Comments
146	NoRelatedSym	Y			Number of related symbols (instruments) in Request	
→	<Instrument> component		Y			
→	<FinancingDetails> component		N			
→	<UndInstrntGrp> component		N			
→	140	PrevClosePx	Y			
<...truncated...>						
→	631	MidPx	N			
→	<YieldData> component		N			
→	<Parties> component		N			

Quote Negotiation Extensions

→	443	StrikeTime	N		ADD		Conditionally required when QuoteQual(695)=d (Deferred spot) is specified.
</QuotReq>							

6.2 Component QuotReqRjctGrp

To be completed at the time of the proposal – all information provided will be included in the repository	
Component Name	QuotReqRjctGrp
Component Abbreviated Name (for FIXML)	QuotReqRej
Component Type	<input checked="" type="checkbox"/> _X_ Block Repeating <input type="checkbox"/> ___ Block
Category	(no change)
Action	<input type="checkbox"/> ___New <input checked="" type="checkbox"/> _X_Change
Component Synopsis	(no change)
Component Elaboration	(no change)
To be finalized by FPL Technical Office	
Repository Component ID	2047

Component FIXML Abbreviation: <QuotReqRej>						
Tag	Field Name	Req'd	ICR	Action	Mappings and Usage Comments	Comments
146	NoRelatedSym	Y			Number of related symbols (instruments) in Request	
→	<Instrument> component		Y			
→	<FinancingDetails> component		N			
→	<UndInstrntGrp> component		N			
→	140	PrevClosePx	Y			
<...truncated...>						

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→	44	Price	N			
→	<YieldData> component		N			
→	<Parties> component		N			
→	443	StrikeTime	N		ADD	Conditionally required when QuoteQual(695) =d (Deferred spot) is specified.
</QuotReqRej>						

7 Category Changes

No changes.

Quote Negotiation Extensions

Appendix A - Data Dictionary

Tag	FieldName	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
443	StrikeTime	CHANGE	UTCTime stamp	The time at which current market prices are used to determine the value of a basket. <u>In negotiation workflows where a spread-to-benchmark price is negotiated, this is the pre-determined time at which the benchmark is to be spotted.</u>	StrkTm	Add to Quote, QuoteResponse, QuoteStatusReport messages and QuotReqGrp and QuotReqRjctGrp components
695	QuoteQualifier	CHANGE	char	Code to qualify Quote use <u>and other aspects of price negotiation.</u> A = All or None (AON) B = Market On Close (MOC) (held to close) C = At the close (around/not held to close) D = VWAP (Volume Weighted Average Price) I = In touch with L = Limit M = More Behind O = At the Open P = Taking a Position Q = At the Market (previously called Current Quote) R = Ready to Trade S = Inventory or Portfolio Shown T = Through the Day	Qual	

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			<p>V = Versus W = Indication - Working Away X = Crossing Opportunity Y = At the Midpoint Z = Pre-open E = Axe F = Axe on bid G = Axe on offer</p> <p><i>To be added:</i></p> <p>1 = Quantity is negotiable <i>[Elaboration: When specified, the dealer may counter with a reduced quantity in its Quotes in response to QuoteRequest(35=R). All-or-none if omitted.]</i></p> <p>2 = Allow late bids <i>[Elaboration: When specified in QuoteRequest(35=R) the dealer may submit quotes after certain time has elapsed.]</i></p> <p>3 = Immediate counter <i>[Elaboration: When specified, the buy-side customer is permitted to counter a firm quote during wiretime.]</i></p> <p>4 = Auto trade <i>[Elaboration: Trade is in an auto-trading mode whereby the best quote that satisfies user criteria as determined by the trading platform will be accepted]</i></p>		
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			<p><i>automatically.]</i></p> <p><i>a = Automatic spot [Elaboration: At completion of price negotiation based on spread the trading platform will propose a benchmark spot price which may be filled immediately by the dealer or countered.]</i></p> <p><i>b = Platform calculated spot [Elaboration: At completion of price negotiation based on spread the trading platform will supply a benchmark spot price and immediately complete the trade reporting fill. There is no dealer last look.]</i></p> <p><i>d = Deferred spot [Elaboration: At a future time after completion of price negotiation based on spread and reported in StrikeTime(443) the trading platform will propose a benchmark spot price which may be filled immediately by the dealer or countered.]</i></p> <p><i>n = Negotiated spot [Elaboration: Once price negotiation based on spread is completed negotiation of the benchmark spot price proceeds immediately.]</i></p>		
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Appendix B - Glossary Entries

No changes.

Appendix C - Abbreviations

No changes.

Appendix D - Usage Examples

None.