

Welcome to OneChicago

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The exchange for single stock futures

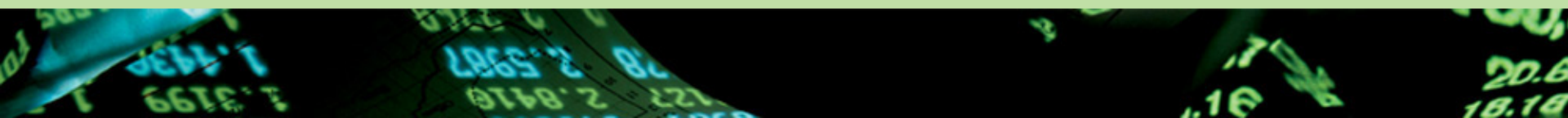
*Single Stock Futures and
Exchange of Future for Physical*



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Exchange for Physical (EFP)

- An Exchange for Physical (EFP) allows the swap of a long or short stock position for a Single Stock Future (SSF) or vice versa.
- SSFs have an interest rate built into their price that is determined competitively by numerous market participants.



The Problem

Trading costs for stocks come in the form of commissions, execution cost, and financing costs.

A great deal of attention is paid to commissions which are explicit, and with the advent of smart routers, more attention is being paid to execution cost.

But despite the fact that most trade cost comes from financing charges or lack of interest paid, little attention is focused on financing rates because they are not transparent.



The Solution - EFP

Long Stock

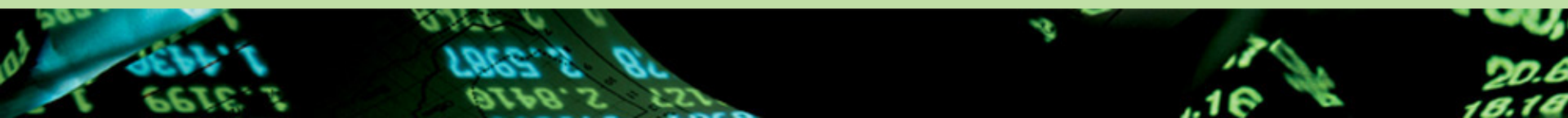
- If you carry a long stock position on margin, the EFP gives you the opportunity to reduce your financing cost because you will likely be able to sell the stock and buy the SSF (forward price) at a premium that is lower than your margin rate.



The Solution - EFP

Short Stock

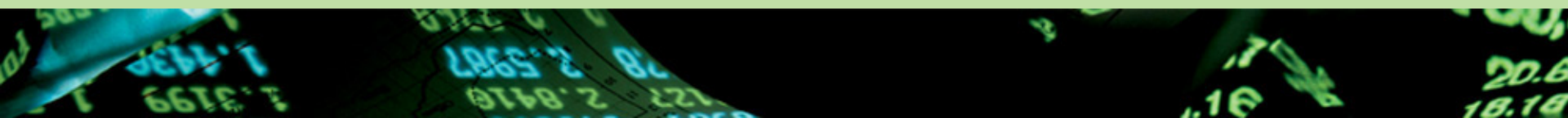
- **If you are short the stock, you receive interest on the credit balance generated by your short sale, but this interest is less than the premium you would receive by selling the SSF and buying back the short stock.**



The Solution - EFP - Excess Cash

Excess Account Balance

- **If you have excess cash in your account and would like to earn a higher return, you could buy stock and sell a SSF (a forward price) at a premium higher than the interest your cash generates.**



High Synthetic Bid Rev Yield/ Low Synthetic Ask Rev Yield Tables

- The tables highlight the highest (investment opportunity) and lowest (borrowing opportunity) synthetic EFP rates available in the market.
- These synthetic rates are computed by taking the price differential between the SSF and the underlying stock, netting dividends, to calculate an annualized synthetic implied interest rate over the period of the SSF.
- All SSFs are settled through the Options Clearing Corporation, an AAA rated entity, making any interest earned through implied interest safer than with many other interest earning alternatives.



OneChicago Calculator

Evaluate the benefits of SSFs vs. margin trading

CLICK TO TRY THE
OneChicago Calculator

- The OneChicago calculator allows the investor to make a comparative analysis between the advantages of using Single Stock Futures versus the underlying equity.
- When using the calculator you can set your own interest rate criteria.
- Choose a stock, along with the expiration date, number of shares, and interest rates for financing the trade. By making the selections allows one to compare the price you pay when buying the stock on margin vs. the price you pay to buy the single stock future. The same can be done for the sell side comparison.
- By placing your mouse over the areas of the calculator you can expand the details of your results and understand how the numbers were derived.

www.onechicagocalculator.com/index.php

For more information click the link below:

www.OneChicago.com

Security futures trading involves the risk of loss, including the possibility of loss greater than your initial investment. Security futures may not be suitable for all investors. Consult your broker or financial advisor before trading.

All investors will be required to review risk disclosure materials and meet suitability requirements established by their brokers.

You should carefully review all disclosure statements and ensure you understand the risks of trading security futures.

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