On the TDM menu bar, select Create Spread:

| File | Setup | View | Reports | Tools | Research and Ideas | Help |

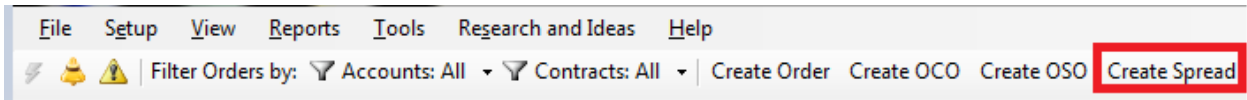Filter Orders by: Accounts: All ▾ Contracts: All ▾ | Create Order Create OCO Create OSO Create Spread

This will open a new order entry screen labeled Futures Spread Order Entry.

Futures Spread Order Entry

Asset: Futures ▾   Type: Complex ▾   Account:

Order Specs

Side   Quantity   Symbol

● Buy ○ Sell   0 ▾

Order Specs

Type: Market ▾   Flag: DAY ▾

Execution Time

Release:

☐ default

Cancel:

☐ default

Template:

▾

Comments: Compound

Save   Delete

New Order F8   Transmit F12   Modify F10   Cancel F9

● Connected   10:21:05 AM
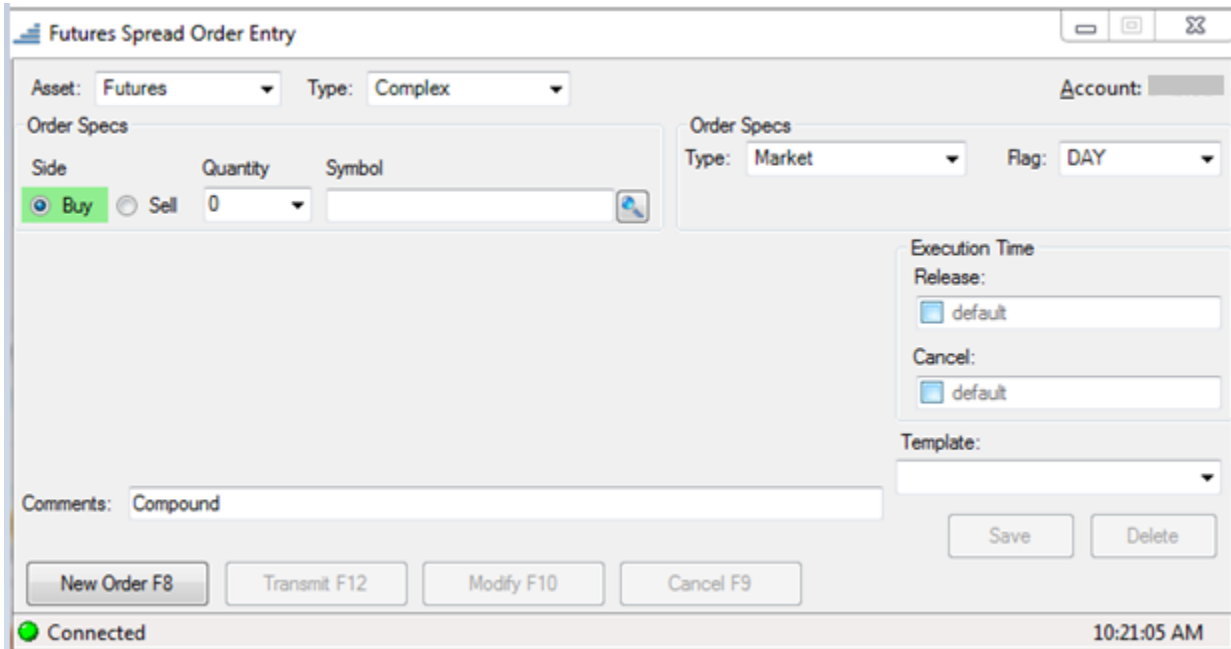
In the field labeled **Type:,** and defaulted to display Complex, click the down arrow to display available exchange defined spreads that are offered on the platform:

Futures Spread Order Entry

Asset: Futures ▾   Type: Complex ▾

Order Specs

Side   Quantity   Symb

● Buy ○ Sell   0 ▾

Complex
Straddle
Strangle
Condor
Iron Butterfly
Iron Condor
Call Vertical
Put Vertical
Call Butterfly
Put Butterfly
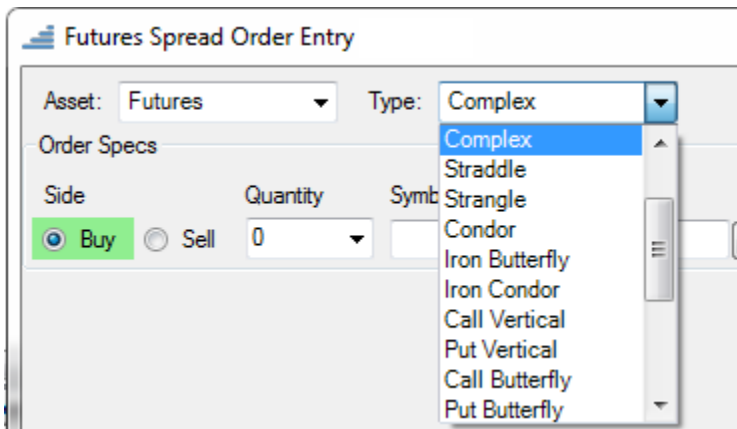
A list of available spreads with definitions can be found in the below appendix

Select the option spread type to be placed

After selecting the option spread type, appropriate fields will open on the on the order ticket where the legs of the option spread can be entered:
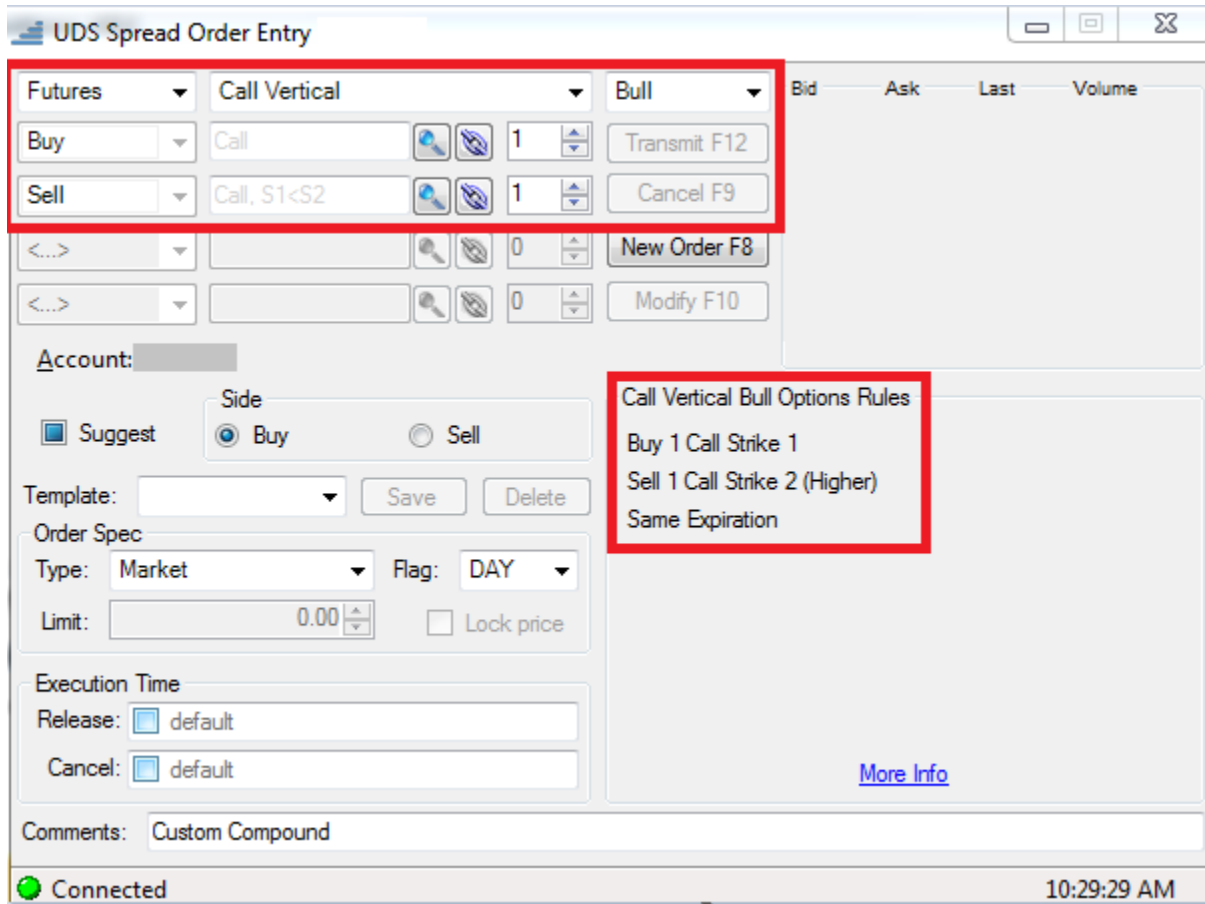
When entering the legs of the spread, the spread must be created as defined by the exchange, which is also in the buyer's perspective. The spread definition/rules for each option spread are displayed, after the spread has been selected, on the Order Entry Ticket.

In the screen shot above, a call vertical spread was selected. As defined by the exchange, a call vertical is:

Buy 1 Call, Strike 1
Sell 1 Call, Strike 2 (Higher)
Same Expiration

If we want to build a June 2018 E-Mini S&P 2700/2715 Vertical Call Spread, this spread needs be created in the following format:

Buy the OESM8 C2700 (Low Strike)

Sell the OESM8 C2715 (High Strike)

Vertical Call Spread Definition: Buy the lower strike price and sell the higher strike price
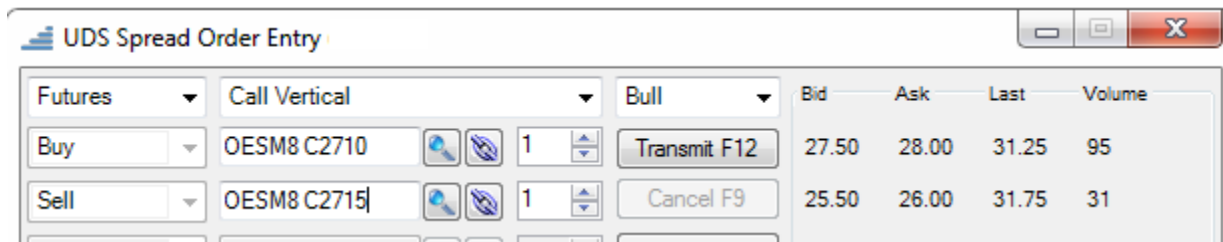
This formatting holds true for all spreads. All spreads must be created as defined by the exchange.

Once the spread is created, the quantity can be changed by either using the up/down arrow on the top quantity box or by clicking in the box and typing the desired quantity.

To enter a limit price, select the down arrow on the **Type:** field, which is defaulted to Market, in the **Order Spec** portion of the order ticket. This will open the price field next to Limit:
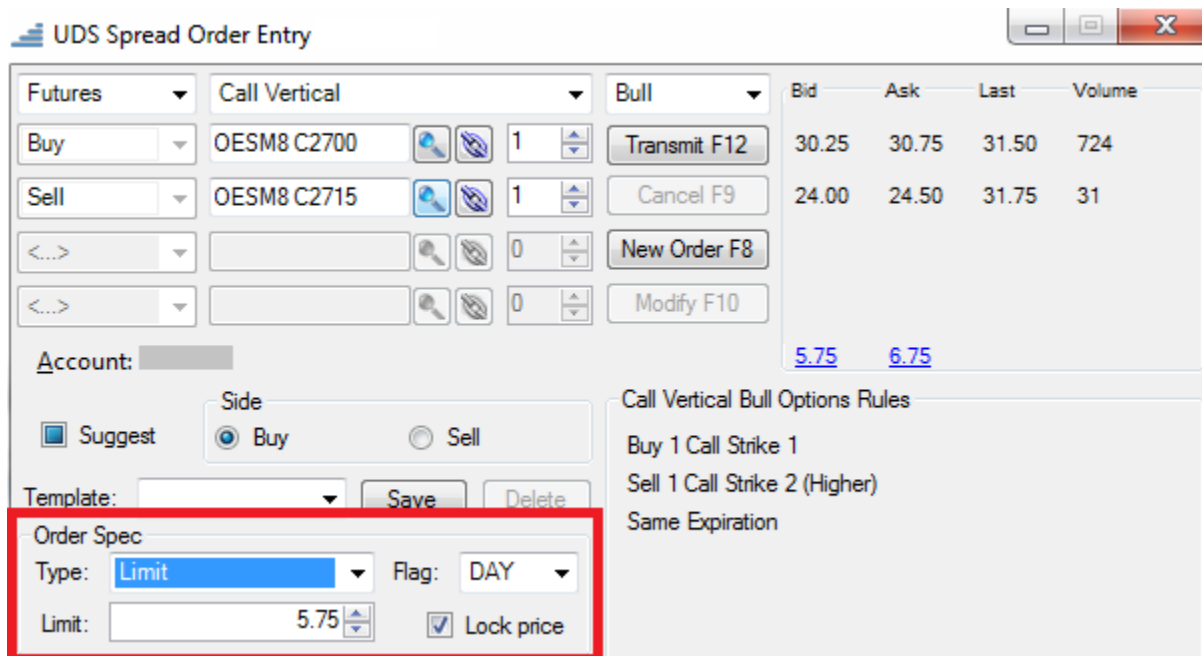
Buying and Selling

Again, when the option spread is being created, it needs to be created as defined by the exchange, which is created in the buyer's perspective. Also, creating the spread is done in the top portion of the ticket where the legs of the spread have been entered. The buying or selling of the spread is dictated by selecting **Buy** or **Sell** in the **Side** portion of the order ticket:

Create the spread. Choose to Buy or Sell the spread.

It is important to note that selecting Buy or Sell, to dictate the buying or selling of the spread, will not change the buy/sell indicators in the above portion of the ticket where the spread was created. This portion of the ticket, where the spread is created, will ALWAYS display the spread as it is defined by the exchange. The order confirmation box, which displays after clicking the Transmit button, will display which option leg is being purchased and which is being sold. To reiterate, the buy/sell indicators, where the spread is created, will not change when Buy or Sell is selected and these cannot be changed manually by trying the use the down arrows next to the Buy and Sell. The buying and selling of the spread is set by selecting Buy or Sell in the Side portion of the order ticket.

After the spread has been created, the order price entered, and Buy or Sell selected, the order can be submitted. To submit the orders, click the **Transmit** button on the order ticket:

After clicking **Transmit**, an **Order Confirmation** box will appear:

As mentioned earlier, the **Order Confirmation** box displays which leg is being purchased and which leg is being sold. The leg that is being sold will have a minus sign (-) in front of it. The buy side will not have an indicator in front, which means that it is the buy leg. (It has been requested that a plus sign (+) be displayed next to the buy leg to match the sell side format)

![GAIN CAPITAL FUTURES]

Buy Order

Sell Order

The Order Confirmation Box also displays the **Net Price** (Order Price) as well as the **Cost of Trade**, or the dollar amount that will be paid (Debit) or received (Credit) for the purchase or sale of the option spread.

Once the order details are confirmed to be correct, select the **Submit** button to send the order to the exchange.
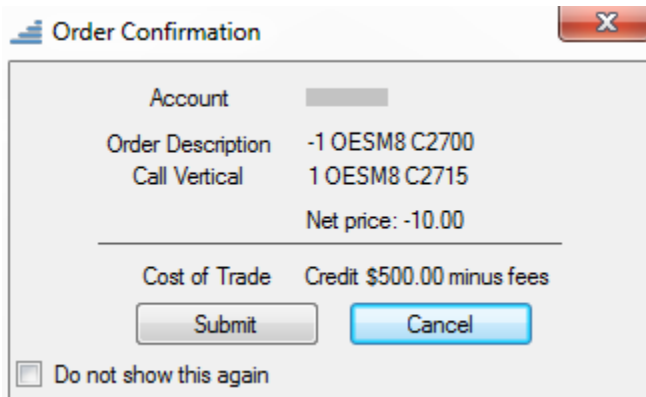
Once submitted and working at the exchange, the order will display on the platform as all other orders do.

Option Spread Pricing

The UDS Spread Order Entry ticket provides pricing on option spreads, however, the prices displayed are derived from the bid and offers of the individual option legs and are not the actual price of the option spread. The prices displayed are meant to give an indication of where the spread is trading, based off the individual legs, but orders are not guaranteed to be filled at indicated prices.

Option Spreads

Vertical Call Spread
Buy 1 Call, Strike 1
Sell 1 Call, Strike 2 (Higher)
Same Expiration

Horizontal Call Spread
Sell 1 Call, Near Expiration
Buy 1 Call, Far Expiration
Same Strike

Diagonal Call Spread
Sell 1 Call, Near Expiration
Buy 1 Call, Far Expiration
Different Strikes

Vertical Put Spread
Buy 1 Put, Strike 2
Sell 1 Put, Strike 1 (Lower)
Same Expiration

Horizontal Put Spread
Sell 1 Put, Near Expiration
Buy 1 Put, Far Expiration
Same Strike

Diagonal Put Spread
Sell 1 Put, Near Expiration
Buy 1 Put, Far Expiration
Different Strikes

Straddle
Buy 1 Call
Buy 1 Put
Same Strike
Same Expiration

Strangle
Buy 1 Put, Strike 1
Buy 1 Call, Strike 2 (Higher)
Same Expiration

Call Butterfly
Buy 1 Call, Strike 1
Sell 2 Calls, Strike 2 (Higher)
Buy 1 Call, Strike 3 (Highest)
Symmetrical Strikes
Same Expiration

Put Butterfly
Buy 1 Put, Strike 1
Sell 2 Puts, Strike 2 (Lower)
Buy 1 Put, Strike 3 (Lowest)
Symmetrical Strikes
Same Expiration

Iron Butterfly
Sell 1 Put, Strike 1
Buy 1 Put, Strike 2 (Higher)
Buy 1 Call, Strike 2 (Same)
Sell 1 Call, Strike 3 (Highest)
Same Expiration

Call Condor
Buy 1 Call, Strike 1
Sell 1 Call, Strike 2 (Higher)
Sell 1 Call, Strike 3 (Higher)
Buy 1 Call, Strike 4 (Highest)
Same Expiration
Symmetrical Strikes

Put Condor
Buy 1 Put, Strike 1 (Lowest)
Sell 1 Put, Strike 3 (Lower)
Sell 1 Put, Strike 2 (Lower)
Buy 1 Put, Strike 4
Same Expiration
Symmetrical Strikes

Iron Condor
Sell 1 Put, Strike 1
Buy 1 Put, Strike 2 (Higher)
Buy 1 Call, Strike 3 (Higher)
Sell 1 Call, Strike 4 (Highest)