Pairs CFDs
Technical Guide

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Introduction

26 Degrees Global Markets Pairs contracts are compatible with all existing trading systems; including, but not limited to, oneZero, MT4, and MT5. We use standard FIX messaging for pricing and execution which allows the symbols to be set up like an average FX pair. The 26 Degrees team is available to assist with any questions you have.

This guide considers the case of a oneZero Hub connecting to a Meta Trader 5 trading platform. The configuration detailed is for the purpose of example only and is presented on a best endeavours basis. 26 Degrees recommends consulting with your technology provider before committing any changes.

Bridge Configuration

Pairs Symbols

The Pairs symbols should be added to your system as a new symbol per the symbol specifications available on the 26 Degrees website.

Trading Hours information is also available on the website. 26 Degrees automatically reads the relevant market phases of each exchange and will start and stop pricing as required.

Quote filtering can be applied to the Pairs symbols using the same methodologies you would use for an FX pair. 26 Degrees applies a range of dynamic quote filters on the Pairs symbol as well as the underlying instruments.

Risk Symbols

In addition to the Pairs symbols, you may also need to create an additional set of symbols to be used by your system for risk calculations such as profit/loss, margin utilisation and credit/exposure limits. If you are not using those functions in your bridge then the risk symbols might not be required. We recommend you consult with your technology provider.

The risk symbols will be used by your system to revalue the Pairs instrument exposure (eg. US 100 and Japan 225) back to a standard currency (eg. USD or JPY). They will be non-tradeable, and 26 Degrees will make a price available for all currencies you require.

The number of additional symbols required will be determined by the number of currencies used in your risk calculations. For example, if you have margin accounts with a base currency of USD and JPY, then you will require 4 new risk symbols: NAC/USD, NAC/JPY, JPC/USD and JPC/JPY.

Symbols											
Core Symbol	Instrument Definition	Taker Symbol	Base Currency	Denomination	Symbol Group Path	Price Precision Decimal Places	Volume Precision Decimal Places	Reference Currency		
NAC/JPC					Pairs/Cash-Index	3	1	USD		
NAC/USD					Risk-Symbols	2	0	USD		
NAC/JPY					Risk-Symbols	2	0	USD		
JPC/USD					Risk-Symbols	2	0	USD		
JPC/JPY					Risk-Symbols	2	0	USD		

Platform Configuration

Symbol Setup

The same Pairs and Risk symbols will need to be setup within your front-end client platform.

The Pairs symbols should be created in a new symbol group so they can be controlled and reported as required by the relevant Market Data rules. The Risk symbols should be added to a symbol group that does not allow trading.

Settings such as: decimal places/digits, tick size, tick value, minimum/maximum volume, and step size can be found on the 26 Degrees website.

The Pairs symbols should have the calculation method set to CFD so you can define the currencies for base, profit and margin. The Base currency should be set as the left-hand instrument in the Pairs symbol. The Profit and Margin currency should be set to the right-hand instrument of the Pairs symbols.

The Risk symbols must have the calculation method set to Forex so the system can convert the new currencies of the Pairs symbol back to a standard currency for profit/loss, margin, and swap calculations. The Risk symbols base currency decimal places/digits must be set to the same precision as the Pairs symbol profit and margin currency.

Note: MT5 only requires the USD termed Risk symbols as it can automatically triangulate the other account group currencies.

For example:

• Pairs symbol NACJPC (US 100 vs Japan 225)
   o Calculation method = CFD
   o Base currency = NAC
   o Base currency digits = 2
   o Profit currency = JPC
   o Profit currency digits = 3
   o Margin currency = JPC
   o Margin currency digits = 3

- Risk symbol JPCUSD (Japan 225 vs USD)
  - o Calculation method = Forex
  - o Base currency = JPC
  - o Base currency digits = 3
  - o Profit currency = USD
  - o Profit currency digits = 2
  - o Margin currency = USD
  - o Profit currency digits = 2
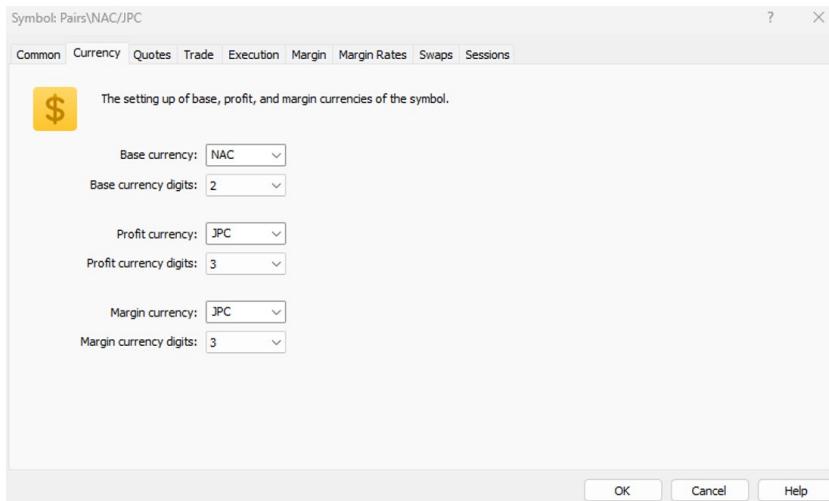
The execution methodology should set to Market unless you offer an *Instant* execution service to your clients.

Trade mode can be set to Full Access on the Pairs symbols as 26 Degrees allows both long and short trading. The Risk symbols should have the trade mode set to *Disabled*.

The swaps type should be set to *in money*, *using profit currency* with a 1-day multiplier applied for Monday to Friday with no swaps charged on Saturday or Sunday. The financing rate supplied by 26 Degrees will factor in the days required, based on the underlying instruments. The *long rate*, *short rate* and *days in year* will be provided on the daily financing file sent via email and sFTP. Brokers should input the *Long/Short Financing Per Contract (Terms Instrument)* rate from the daily file.
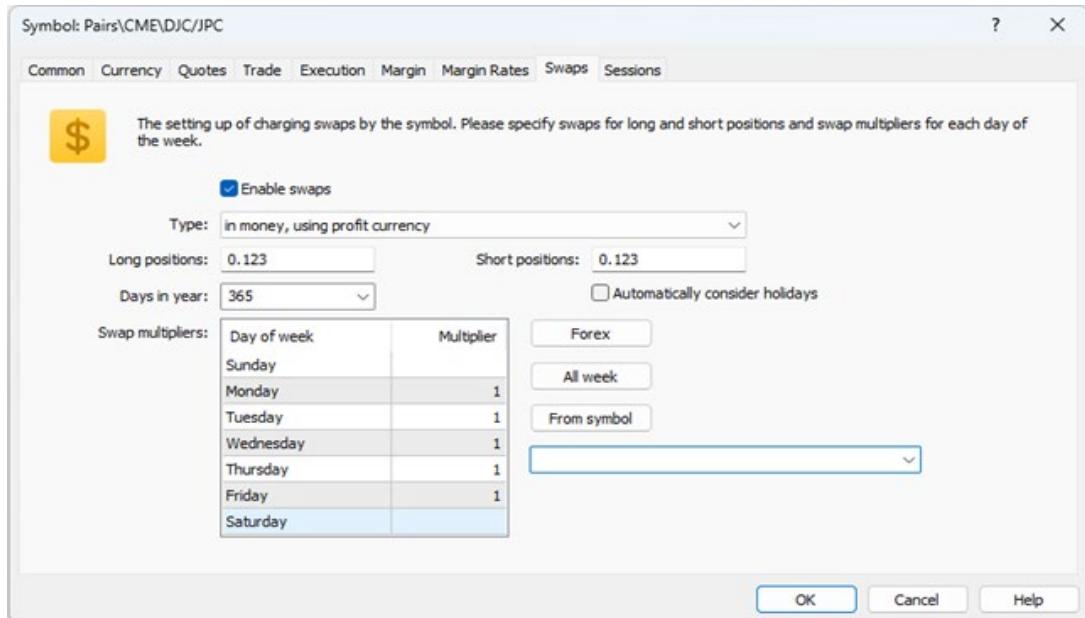
Other settings such as: quote filters, trade/gateway routing and order handling can be set in line with your normal FX parameters.

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