

## Simulation *Market maker - Trends*

### Case note for participants

#### Your objective in the simulation

#### MARKET MAKER 5. TRENDS



Your objective in the simulation is to **animate the market for EasyPlane stocks** by being ready to buy and to sell stocks anytime. You should pay special attention to downward or upward market trends.

At the beginning of the simulation *Market maker - Trends*, you own an account with **€50,000 of cash** and **5 000 EasyPlane shares** (ticker symbol: EZP).

#### What you can do during the simulation?

- During the first launch of the simulation (duration of 10 minutes), you can **observe the evolution of the stock price of EZP shares and the stream of events**. What is the characteristics of the price evolution during this simulation? How does the price evolution relate to events occurring during the simulation?
- You can observe the impact of your orders on the market and the evolution of your position through the pages « Trading » and « My position » of the trading platform.
- You can evaluate your performance by looking at the cash (and number of shares) of your position at the end of your simulation.

#### To help you

- Define market efficiency.
- Questions to answer:
  - How to identify market trends? Which market indicators to consider?
  - How can you explain trends in financial markets?
  - What are the different types of traders in the market?
  - What is the risk for your market making activity in a market with trends? How to manage this risk?
  - Which trading strategy for your market making activity could you define? Which type of order should you use to make the market in the presence of trends?

#### To know more

- Take the course *Market making*.
- Take the course *Information*.