SYSTEMS AND METHODS FOR TRANSFORMING TRADING PORTFOLIOS

ABSTRACT

Systems and methods for electronic transformation of a portfolio via an electronic exchange server are provided. The electronic exchange server transforms an initial portfolio (e.g., a non-hedged trading portfolio) into a transformed portfolio (e.g., a hedged trading portfolio) by receiving buy or sell orders of an initial portfolio to be transformed, determining an imbalance in the received buy or sell orders, and receiving offsetting buy or sell orders to offset the imbalance. The transformation can be performed, for example, by comparing data from the buy or sell orders with data from the offsetting buy or sell orders, pairing the buy or sell orders with the offsetting buy or sell orders, determining a final auction price, determining an adjustment amount, applying the adjustment amount to the final auction price to determine a final settlement price, and applying the final settlement price to the initial portfolio.

FIG. 1