limit type. As shown, the limit types 800 may include a simple clip limit, simple volume limit, daily volume limit and daily aggregate limit. The resulting graph 820 shows, over time the maximum allowable exposure for that instrument as the upper bound on the bar for each respective time period. Using this stepped graph, a trader can see, for each time period along the x axis, the maximum exposure, or maximum positional limits, he may have as show along the y axis.

[0048] By using the methods and systems described herein, traders and trading entities can take advantage of mis-matches between trading limits and the time units that are used to express the instruments that are the basis for the traded instruments. Moreover, third parties that provide the traders with access to the trade execution venues (credit providers) can use the gateway to impose limits on entities using their accounts to trade in on those venues, thereby proving the brokers with an added layer of security with respect to overall exposure in any market or markets, or for any trader or group of traders.

[0049] The invention can be embodied in other specific forms without departing from the spirit or essential characteristics thereof. The foregoing embodiments are therefore to be considered in all respects illustrative rather than limiting on the invention described herein.

~~[0050] What is claimed is:~~

CLAIMS

1. A method of determining whether a trade order is permitted according to a predefined exposure limitation, the method comprising the steps of:

storing a set of instrument data representing an actual and a maximum permitted number of instrument units per a first unit of time;

receiving a request to execute a trade for one or more strips of financial instruments, the strips including one or more of the instrument units, each of which is associated with a second unit of time;

constructing a stepped graph for the financial instrument based on the stored instrument data wherein one axis of the stepped graph represents a time period covering the strip of contracts and another axis represents a quantity of the units of the financial instrument;

comparing the received request to the stepped graph to determine whether the permitted maximum number of investment units would be violated for one or more of the first units of time should the requested trade execute; and

allowing the trade to execute if no violation is determined, and not allowing the trade to execute if a violation is determined.

2. The method of claim 1 wherein the financial instruments comprise swaps for delivery of electricity.

23. The method of claim 1 wherein the financial instruments comprise long-term power purchase agreements.

34. The method of claim 1 wherein the strip of contracts comprises a non-contiguous block of time.

45. The method of claim 1 wherein the instrument units comprise megawatt delivery hours.

56. The method of claim 1 wherein the second unit of time comprises a plurality of the first unit of time.

67. The method of claim 6 wherein the second unit of time comprises a quarter-year and the first unit of time comprises a month.

78. The method of claim 1 wherein the instrument data representing a maximum number of instrument units permitted per a first unit of time comprises user-specified limits for a current year, current season, current quarter, and current month.

~~8~~9. The method of claim 8 wherein the instrument data representing a maximum number of instrument units permitted per a first unit of time further comprises default limits for non-current time periods.

~~9~~10. The method of claim 1 wherein:

(i) the set of instrument data representing a maximum number of instrument units permitted per a first unit of time comprises limitations on trading positions for a credit provider across a plurality of trading entities; and

(ii) the credit provider provides the trading entities with access to an trade execution venue on which the financial instrument is traded.

~~10~~11. The method of claim 1 wherein the set of instrument data representing a maximum number of instrument units permitted per a first unit of time comprises individual limitations on trading positions for each of a plurality of trading entities for which the credit provider provides access to an trade execution venue on which the financial instrument is traded.

~~11~~12. A system for determining whether a trade order is permitted according to a predefined exposure limitation, the system comprising:

a data storage server for storing a set of instrument data representing an actual and a permitted maximum number of instrument units per a first unit of time;

a communications server for receiving a request to execute a trade for one or more strips of financial instruments, the strips including one or more of the instrument units, each of which is associated with a second unit of time;

memory for storing computer-executable instructions; and

at least one processor for executing the instructions stored in the memory, wherein execution of the instructions implements a trade risk management application for:

constructing a stepped graph for the financial instrument based on the stored instrument data wherein one axis of the stepped graph represents a time period covering the strip of contracts and another axis represents a quantity of the units of the financial instrument;

comparing the received request to the stepped graph to determine whether the permitted maximum number of investment units would be violated for one or more of the first units of time should the requested trade execute; and

allowing the trade to execute if no violation is determined, and not allowing the trade to execute if a violation is determined.

~~12~~13. The system of claim 12 wherein the data storage server, communications server, memory and at least one processor are hosted by a single entity at a central facility servicing a plurality of credit providers, each credit provider providing a plurality of trading entities access to an trade execution venue on which the financial instruments are traded.

~~13~~14. The system of claim 12 wherein the data storage server, communications server, memory and at least one processor are provided to each of a plurality of trading entities.

~~14~~15. The system of claim 12 wherein execution of the instructions further implements a fail-safe monitor for halting all requested trades for the financial instrument should the set of instrument data representing a maximum number of instrument units become unavailable.

~~15~~16. The system of claim 15 wherein execution of the instructions further implements a fail-safe monitor that disallows all requested trades for the financial instrument should the set of instrument data representing a maximum number of instrument units become unavailable.

~~16~~17. An article of manufacture having computer-readable program portions embedded thereon for determining the executability of a proposed trade within a market, the program portions comprising instructions for:

receiving a request to execute a trade for one or more strips of financial instruments, the strips including one or more of the instrument units, each of which is associated with a second unit of time;

constructing a stepped graph for the financial instrument based on stored instrument data wherein one axis of the stepped graph represents a time period covering the strip of contracts and another axis represents a quantity of the units of the financial instrument;

comparing the received request to the stepped graph to determine whether the permitted maximum number of investment units would be violated for one or more of the first units of time should the requested trade execute; and

allowing the trade to execute if no violation is determined, and not allowing the trade to execute if a violation is determined.

~~17~~18. The article of manufacture of claim ~~1716~~17 wherein the program portions further comprise instructions for transmitting the trade to a trade execution system for execution of the trade thereon.

~~18~~19. The article of manufacture of claim 17 wherein program portions further comprise instructions for the storing of the set of instrument data and wherein the instrument data