SUMMARY

[0009] Various embodiments that are described herein include systems and methods for trading a spread trading strategy in an electronic trading environment. According to an example embodiment, a spread is defined at a computing device to send a spread order to an electronic exchange. The defined spread includes a desired spread quantity, a desired spread price, a quantity modifier, and a price modifier, among other parameters. Two or more disclosed spread orders may be determined using the quantity modifier and the price modifier. More specifically, the quantity modifier may be used to divide the desired spread quantity into a plurality of disclosed spread quantities. Once the disclosed quantities are determined, a plurality of disclosed spread orders having the disclosed quantities are sequentially submitted to the market until the full desired spread order quantity is executed or until a predefined condition is detected. The price modifier is used to determine a price level for each disclosed spread quantity, such that each disclosed spread order may be submitted at a different price level.

[0009a] According to a first aspect of the present invention, there is provided a method comprising: dividing a spread order having a desired spread price and a desired spread quantity into a plurality of disclosed spread orders based on a price modifier and a quantity modifier, wherein a disclosed quantity of each of the plurality of disclosed spread orders includes a portion of the desired spread quantity; initiating a first disclosed spread order of the plurality of disclosed spread orders, wherein a second disclosed spread order of the plurality of disclosed spread orders is not initiated with the second disclosed spread order; determining a first risk position for a first leg of the first disclosed spread order based on a quoted quantity of an order in the first leg of the first disclosed spread order, wherein the quoted quantity of the order is based on a first disclosed spread quantity of the first disclosed spread order; determining a position reserve quantity for the first leg of the first disclosed spread order based on a remaining quantity to be quoted in the first leg and a hedge order quantity to be entered in the first leg based on a quoted quantity in a second leg of the first disclosed spread order, wherein the quoted quantity in the second leg is based on the first disclosed spread quantity, and wherein the remaining quantity to be quoted in the first leg is based on disclosed spread quantities to be entered for remaining disclosed spread orders of

the plurality of disclosed spread orders; and determining a total risk position for the first leg of the spread order based on the first risk position and the position reserve quantity.

[0009b] According to a second aspect of the present invention, there is provided a system comprising: a computing device, wherein the computing device is configured to divide a spread order having a desired spread price and a desired spread quantity into a plurality of disclosed spread orders based on a price modifier and a quantity modifier, wherein a disclosed quantity of each of the plurality of disclosed spread orders includes a portion of the desired spread quantity; wherein the computing device is configured to initiate a first disclosed spread order of the plurality of disclosed spread orders, wherein a second disclosed spread order of the plurality of disclosed spread orders is not initiated with the second disclosed spread order; wherein the computing device is configured to determine a first risk position for a first leg of the first disclosed spread order based on a quoted quantity of an order in the first leg of the first disclosed spread order, wherein the quoted quantity of the order is based on a first disclosed spread quantity of the first disclosed spread order; wherein the computing device is configured to determine a position reserve quantity for the first leg of the first disclosed spread order based on a remaining quantity to be quoted in the first leg and a hedge order quantity to be entered in the first leg based on a quoted quantity in a second leg of the first disclosed spread order, wherein the quoted quantity in the second leg is based on the first disclosed spread quantity, and wherein the remaining quantity to be quoted in the first leg is based on disclosed spread quantities to be entered for remaining disclosed spread orders of the plurality of disclosed spread orders; and wherein the computing device is configured to determine a total risk position for the first leg of the spread order based on the first risk position and the position reserve quantity.