Order Slicing Product Features

Overview: -

Order Slicing is an additional feature on the web trading platform that gives an edge to the Active Traders to divide the Large Quantity Order into multiple orders which is known as *Child Orders.* Order Slicing is important because if its not done than One single large quantity order can have direct implication on market liquidity and price discovery in very next moment. If traders execute a large order into a multiple order in the same stock, in the same direction, and on the same day. The one of the reasons is to minimize and have control on Cost of Carry for holding a position. Consistent with this, we find that traders who engage in order Slicing more often are more active and are larger-size traders

Functionality: -

Order Slicing functionality is newly introduced features which have been introduced in HSL Pro-Terminal Web Trading Platform and operates in following conditions: -

- Segment - *Cash*
- Exchange - *NSE & NSE*
- Validity - *Day for NSE | SES for BSE*
- Product – *CASH Only*
- Order Type – *LIMIT* Only
- AMO is not supported
- Transaction Type – *BUY & SELL*
- No. of Slice - *(Min 2) | (Max 25)*

Type of Order Slicing: -

Here, it's a **Manual Order Slicing** mechanism which is being performed upfront dividing into small – small orders based on the input enter by the users on the order form.

- Type - Manual Slicing
- Order Placement - Immediate
- All Orders will be Treated independently
- All Sliced Orders will be placed One - By - One in Loop - One after another (FIFO)

Steps for Order Slicing: -

1. User has to enter a large order quantity in qty. field on the order form.
2. User has to enter a Limit Price in price field on the order form and that too between the day price range.
3. For Order Slicing – a tick has to be checked.
4. The moment tick is done, below panel (Advance Options) on the order form gets expanded for user to define rest of the required inputs.

Attributes of Order Slicing: -

➢ **Quantity Slicing** – is a mandatory field for selection.

- Here, user has to select either of the one option.

✓ No. of Slice
- Input number can't be greater than qty.
- No. of Slice can't be blank or less than 2
- No. of Slice can't be less than 2 or greater than 25

Formulae is (Total Qty / No. of Slice)
- In case of Odd number, remaining qty. gets added to the last row of the slice.

✓ Qty/ Slice
- Qty/Slice can't be blank or less than 1.
- Number of rows for Qty/Slice is exceeding 25

Formulae is (Total Qty./ QtyPer Slice)
- In case of Odd number, remaining qty. gets added to the last row of the slice.

➢ **Price Slicing** – is an optional field which can be used to further take advantages of quoting the different - different order price in a defined gap for each child orders.

- Order Price Slicing can be further sliced based on the price Type which user selects from the one of the given choices:
  a. LTP
  b. BID
  c. ASK
  d. MID
- Once this option is opted, the enter order price on the order form has no relevance.
- No. of Ticks - Continuing to this, User has a choice to enter the "No of Ticks" along with (Add +) or (Minus -) as the calculation equation which is basically to derive the First-row order price.

  Formulae is {Latest Price of Selected Price Type +/– (Tick Size * No. of Ticks)}

- StepUp/Down Factor – This is another factor which gives advantage to the user to set the order price difference between each slice order. It also helps to create a liquidity in exchange order book in form of market depth for counter orders in a different – different price gap.

  Formulae is {Derived Price for the First Order row +/– (Tick Size * Step up/down factor)}
  - This is dependent on the Order price which is derived from first equation for the First-row order price.

5. **Reset** – Reset button will clear the enter data and will set to default.

6. **Slice** - On Click of Slice button, is the action which will chop the orders into multiple child orders and will be displayed in form of rows on below panel of the order form.

Depth,Limits and Pivots

	Exchange	Symbol		Qty	OrderType	Price	Product	Validity	OrderValue
☑	NSE	TATAMOTORS-EQ	B	200	Limit	306.50	CASH	Day	61300.00
☑	NSE	TATAMOTORS-EQ	B	200	Limit	306.55	CASH	Day	61310.00
☑	NSE	TATAMOTORS-EQ	B	200	Limit	306.60	CASH	Day	61320.00
☑	NSE	TATAMOTORS-EQ	B	200	Limit	306.65	CASH	Day	61330.00
☑	NSE	TATAMOTORS-EQ	B	200	Limit	306.70	CASH	Day	61340.00

Total Qty : 1000   No of Slice : 5   Total Order Value : 306600.00   Avg. Price : 306.60   Cancel   **Place Order**

➢ **Computation:**

- **Total Qty**.: is the ∑ of Qty. column of all selected rows.
- **No. of Slice** is the count of all selected rows.
- **Order Value:** Multiply Price * Qty. of each row.
- **Total Order Value:** is the ∑ of Order Value column of all selected rows
- **Avg. Price:** is the computation of (Total Order Value / Total Qty)

Pre-RMS:

On immediate after the slicing which is being done at the front-end UI, a Pre-RMS check is done where followings are validated upfront.

- The derive price of each row must be within the day price range of the selected stocks. This is checked as part of the soft validation on submit of "Place Order" button.
- The derive price of each row must be in multiple of tick size of the selected stocks.
- The derive qty. of each row should be in multiple of order qty.

➢ **Check Order Margin:**

On submit of "Place Order" button we will call trading member RMS system "Check Order margin" API end point: -

- Funds are sufficient – Entire Orders will be placed one by one (FIFO).
- Funds are Insufficient – Further Order cannot be placed by the user. Either he has to uncheck the rows and then up to eligible order value, he can retry placing order clicking "Place Order" button.

Hence, based on the selected rows "Estimated Order Value" & "Order Quantity" will be derived and in this case either "ALL Will Go" or "NONE".

- In case of Buy - Estimated Order margin will be validated on basis of "Total Order Value" OR on basis of "Total Qty. & Avg.Price".
- In case of Sell check - Stock Units for "Total Qty."

7. **Confirm Order** - Step 2 - Confirm Screen (Read Only Mode) post click of "Place Order" button. This is just to verify the Pre-order details on the grid table for each slice orders.
- On Click of Confirm button, each selected rows order will be routed to OMS system one after another in loop (FIFO – from top to bottom sequence).

8. Last Stage of the Order form – Post order submission to the OMS system, based on the response against each row user can view the Order Status as Success or Failed along with the Order remarks on tool tip of info icon.

9. View Order Status – On click of View Order status. Order form will be closed, and Order Book will be opened.

FAQs

a. **What is Order Slicing?**

Order Slicing is a method, which will divide your Bulk Order into multiple Orders.

b. **Can I place Slice Order in all segments?**

No, Currently Order Slicing is enabled for only CASH Segment (NSE & BSE).

c. **How Order Slicing works, please explain with example?**

Kindly refer below example to have better understanding of Order slicing:

In ' TATAMOTORS-EQ' Single order quantity restriction from exchange or RMS team have set say 10000 qty or Single Order Value should be less than Rs. 10000000 / - and you want to BUY this stock let say 15000 qty. of worth amount approximately Rs. 50 lacs.

If you place order for 15000 quantity, then system will slice your orders based on your input say "No. of Slice is10":

1. 1st Order of 1500 quantity
2. 2nd Order of 1500 quantity
3. 3rd Order of 1500 quantity
4. 4th Order of 1500 quantity
5. 5th Order of 1500 quantity
6. 6th Order of 1500 quantity
7. 7th Order of 1500 quantity
8. 8th Order of 1500 quantity
9. 9th Order of 1500 quantity
10. 10th Order of 1500 quantity

Here, slicing of order can also be done based on "Qty. Per Slice" and then on a single submission all orders will be submitted for execution.

d. Can I modify Sliced/divided Order?

Yes, you can modify each single sliced/divided Order up to single order maximum quantity if sufficient margin is available.

e. Can I Cancel Sliced Order?

Yes, you can cancel each single sliced Order independently using Cancel Order button or Cancel All Orders - anytime during the day if it is in pending state from order book.

f. Are there any margin changes for Order slicing?

No, there are no extra margin requirement for Orders initiated from Order Slicing screen. Existing margin will be applicable.

--Thank You --