Flex-E-Markets

Think, Deploy Markets: Whenever and Wherever

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U of Utah, U of Melbourne

Park City, June 20, 2016

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Outline

- Background
- How-To
- Q&A
- Going Forward

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Outline

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History

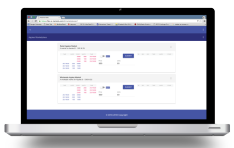
1980's
MUDA

MARKETSCAPE
1990's

2003-4
eTRADELAB

jMARKETS
2005

2008
Flex-E-Markets1



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2016

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Existing Usages

Research

- Lucas in the Lab (*JF*), Asymmetric Reasoning+Asset Pricing (*JPE*), CAPM in the Lab (*Econometrica*), Ambiguity Aversion+Asset Pricing (*RFS*), etc.

Classroom

- From induced Demand-Supply markets over CAPM to dynamic asset pricing
- Market institutions; dark/lit markets, information acquisition and aggregation

Fun

- Utah Winter Finance Conference Prediction Markets

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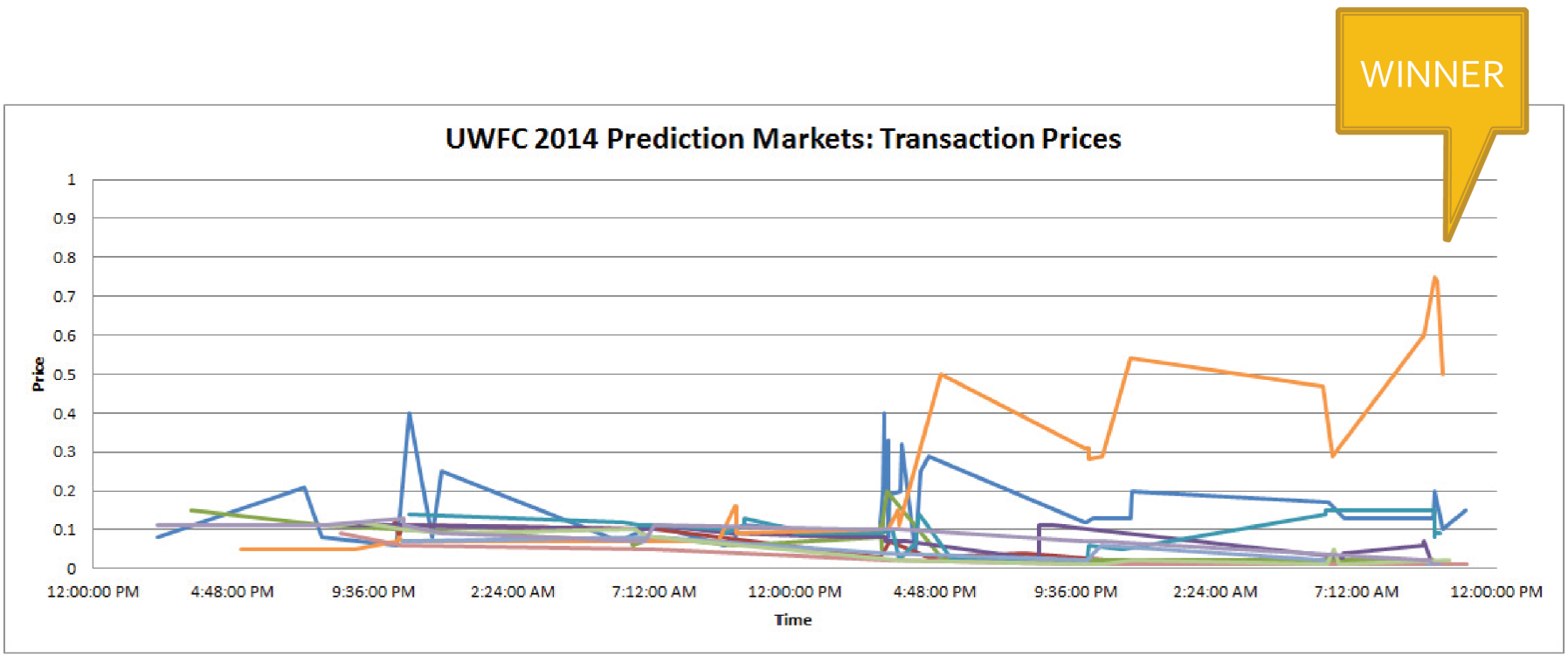
UWFC Prediction Markets:

- 10 A-D securities: \$1 if paper wins \$0 otherwise
- Heterogeneous endowments but no aggregate risk
- Continuous limit order open book market



Outline

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Software as a Service (SaaS)

- No downloading necessary–internet based– Freely available for research and teaching
- Each account can have multiple managers (the experimenters) and users (traders)
- Security privileges granted by account managers
- Users can be from a subject pool (systems like ORSEE or SONA), or classroom rosters, or any email list

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Step-by-step

Step 0: Sign Up (only once)

- Go to https://flex-e-markets.com and sign up
  - Account: CASSEL; CASSEL will have many users, both managers and traders
  - E-mail: Each user will sign in with their email and password
- Once signed up, you can access the software functionality

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Step-by-step

Step 1: Sign In

- Account: CASSEL
- Email: WiMM@wfa.edu
- Password: wimm

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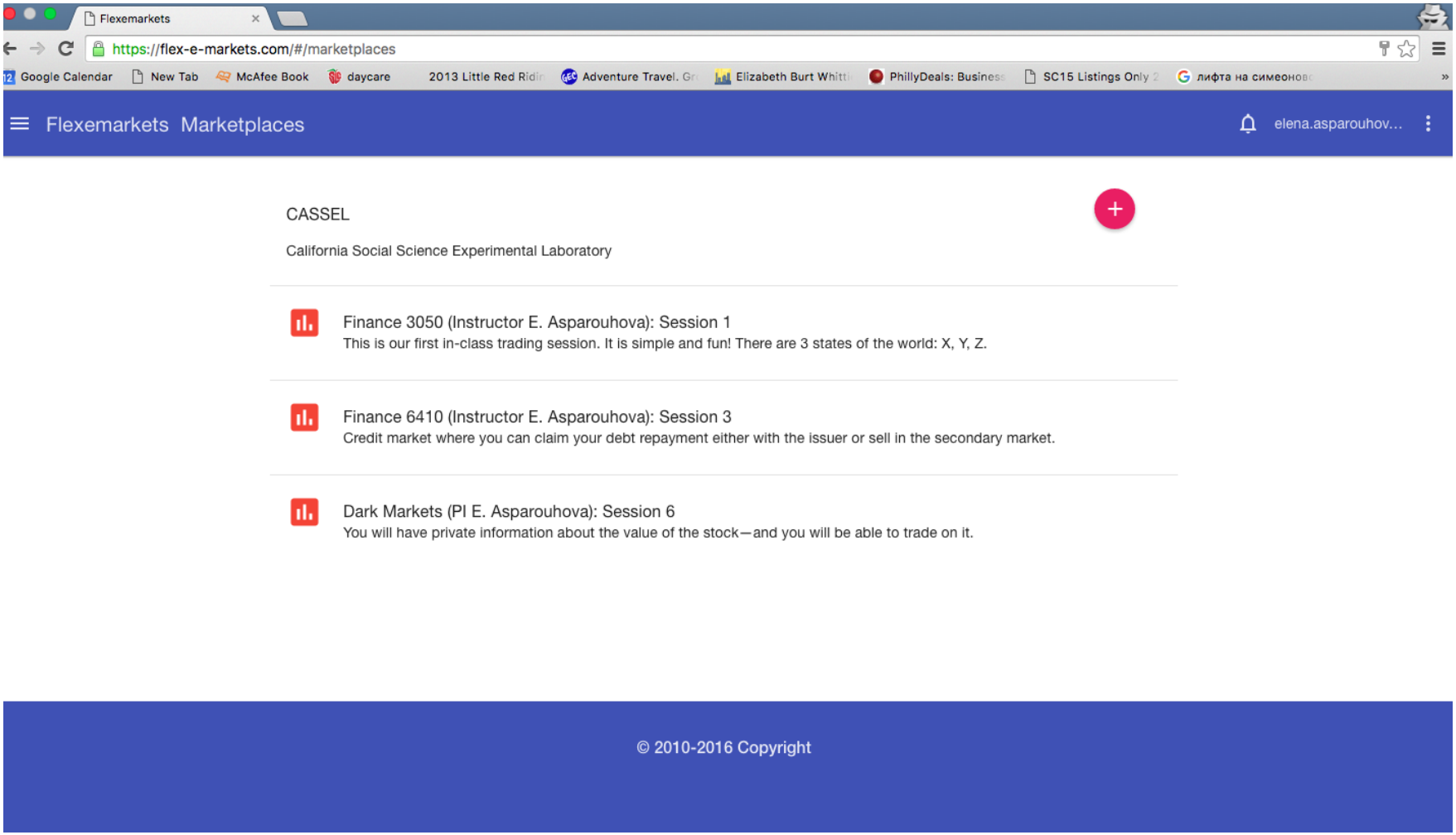
Step 3: Create a Marketplace and Invite Traders



Step-by-step

Step 3: Create a Marketplace and Invite Traders

- Each market–private or public
- Each trader–buyer, seller, or both
- Individual endowments
- Algorithmic trading privileges

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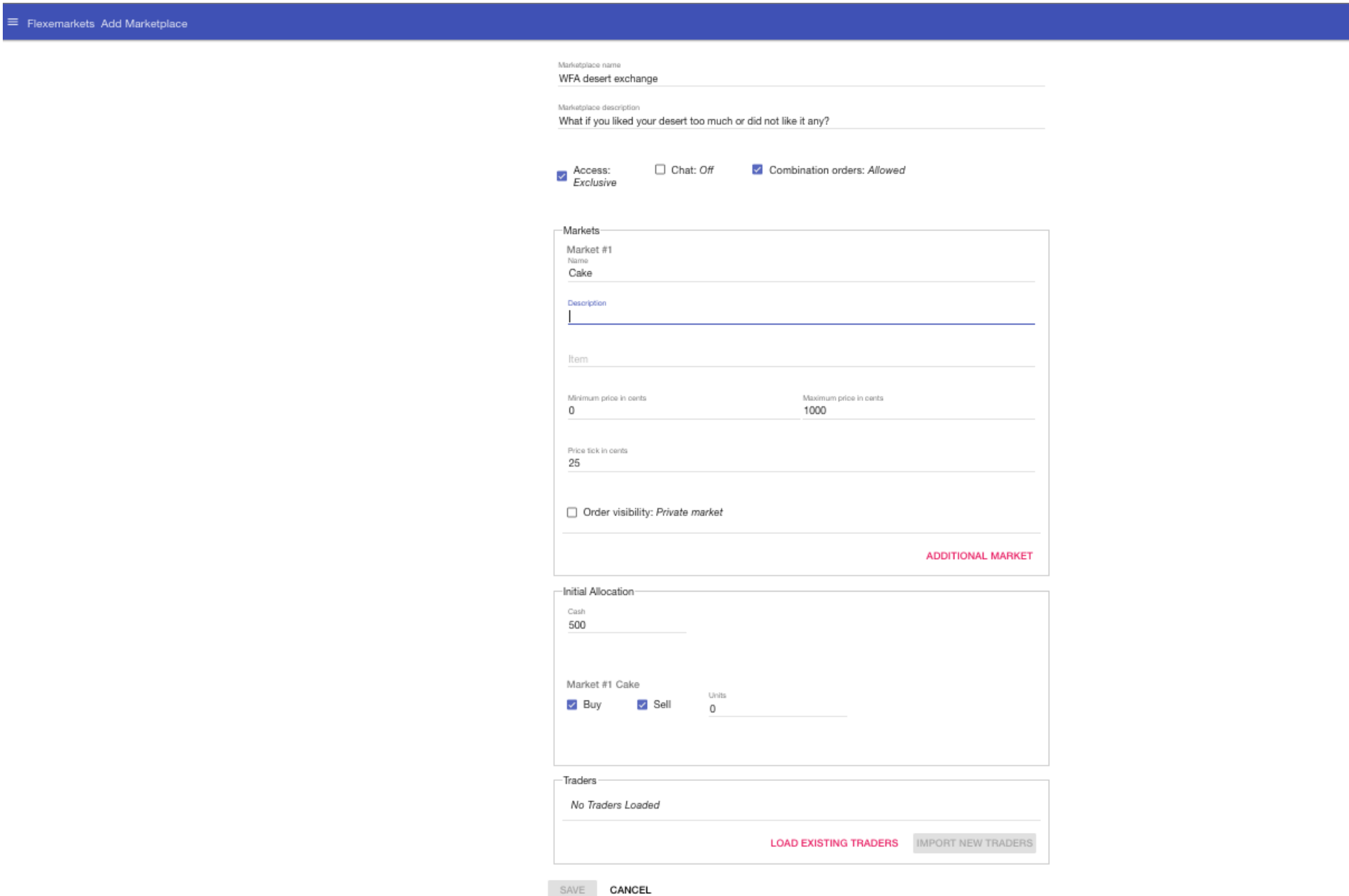
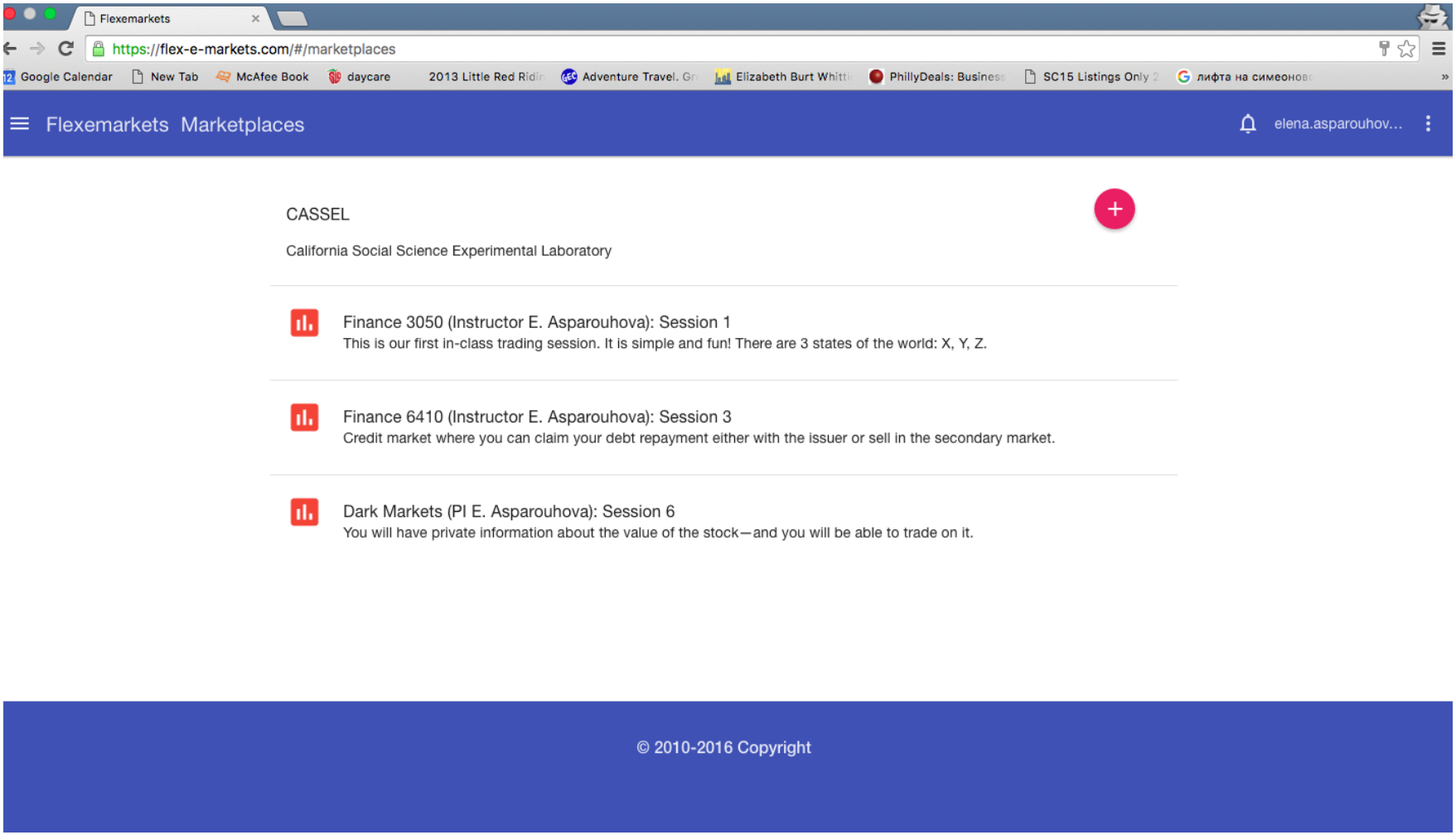

Flexemarkets Add Marketplace
Marketplace name
WFA desert exchange
Marketplace description
What if you liked your desert too much or did not like it any?
Access: Exclusive
Chat: Off
Combination orders: Allowed
Markets
Market #1
Name
Cake
Description
Item
Minimum price in cents
0
Maximum price in cents
1000
Price tick in cents
25
Order visibility: Private market
ADDITIONAL MARKET
Initial Allocation
Cash
500
Market #1 Cake
Buy
Sell
Units
0
Traders
No Traders Loaded
LOAD EXISTING TRADERS
IMPORT NEW TRADERS
SAVE
CANCEL

Step-by-step

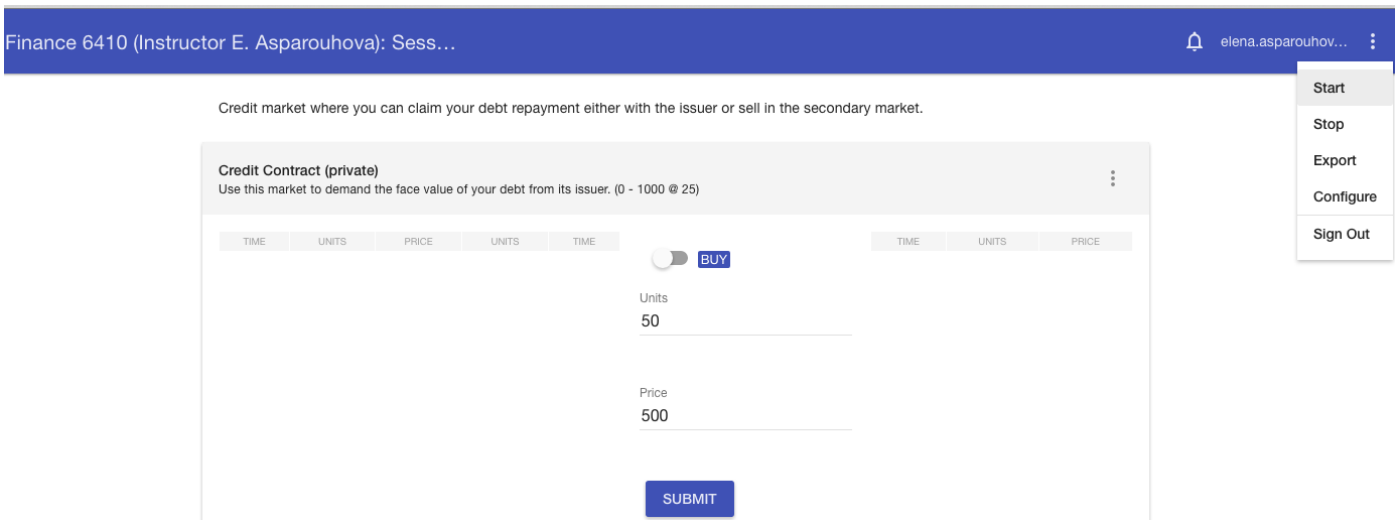
Step 4: Run a Marketplace



Step-by-step

Step 4: Run a Marketplace

- Continuous market
- Call market (incl. intermittent call market)
- Auction



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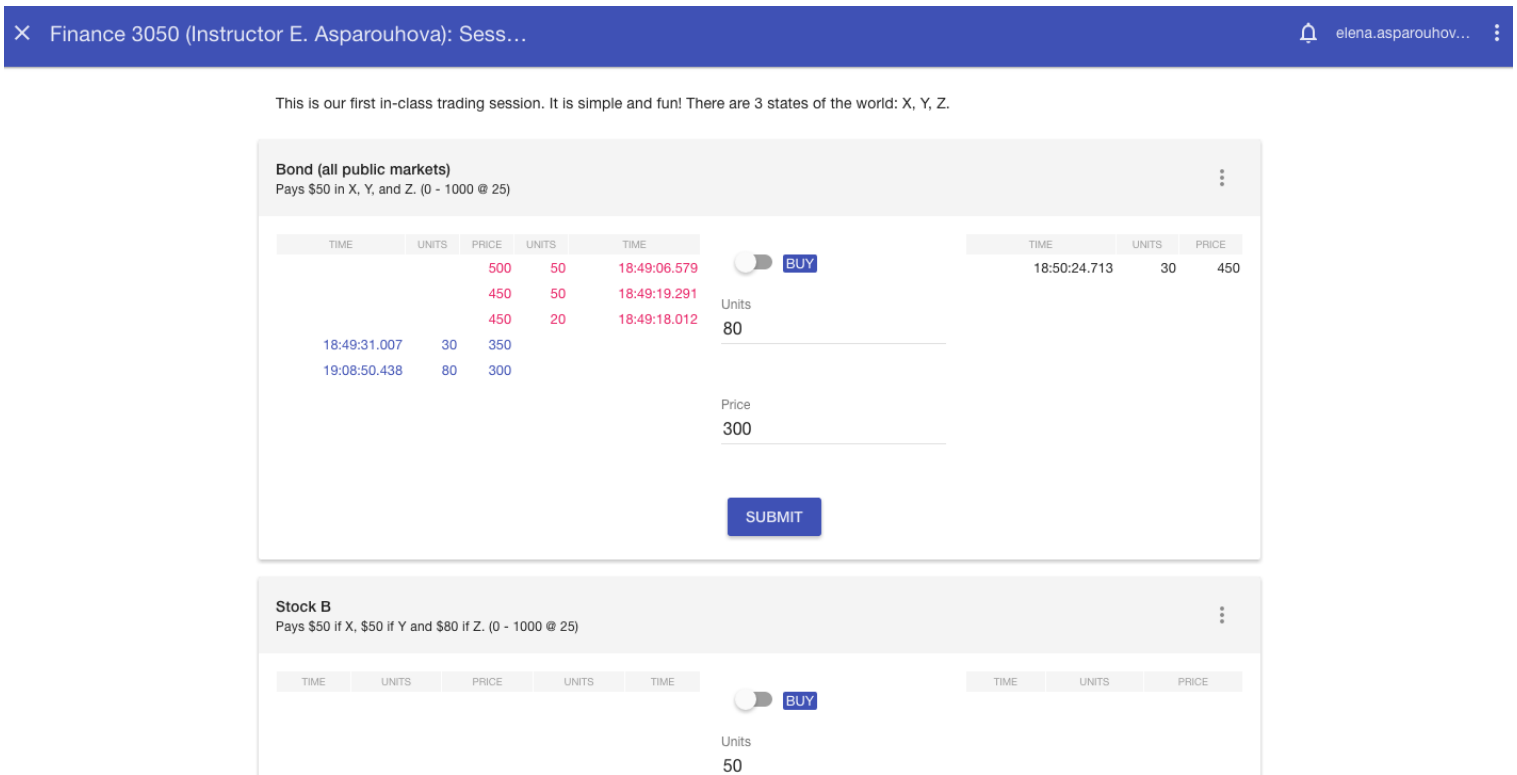

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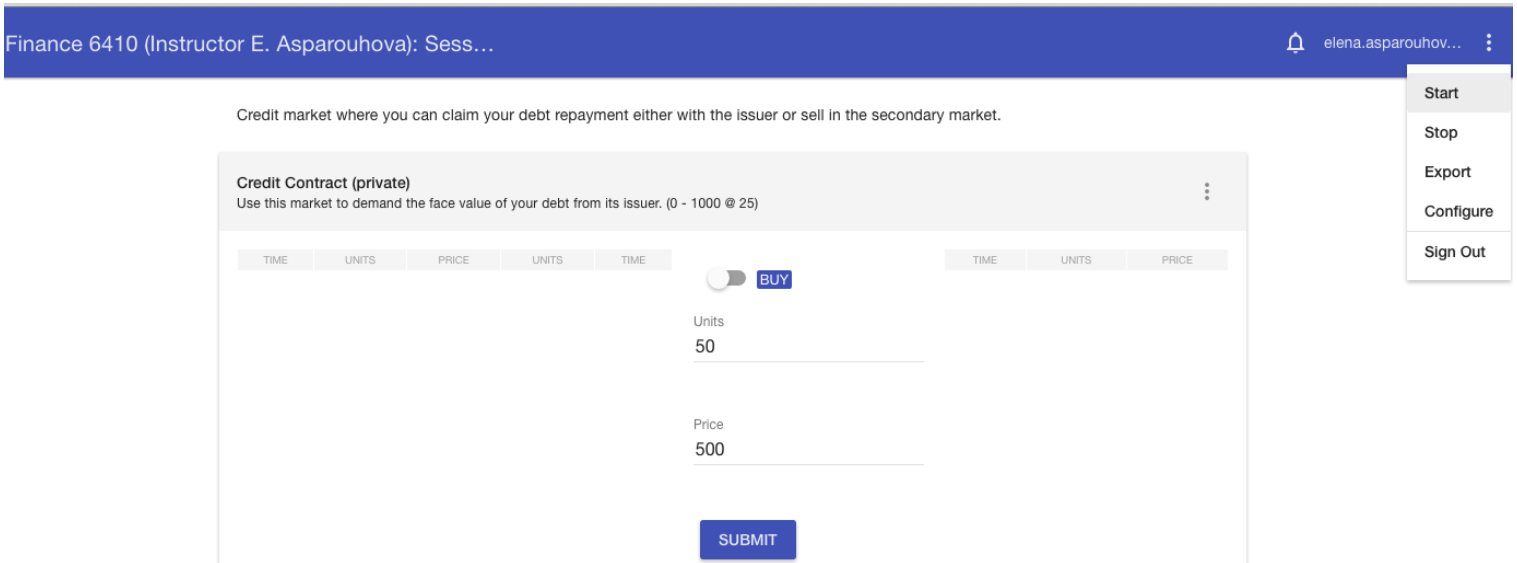
Step 5: Export your data



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Step-by-step

Test Trader Accounts

- Account: CASSEL
- Email: test1@test.com; test2@test.com, etc.
- Password: password

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Outline

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Next Steps

- Move from closed Alpha to open Beta version
- Encourage more users–research and teaching–it is free for academics

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Thank you

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