

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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History



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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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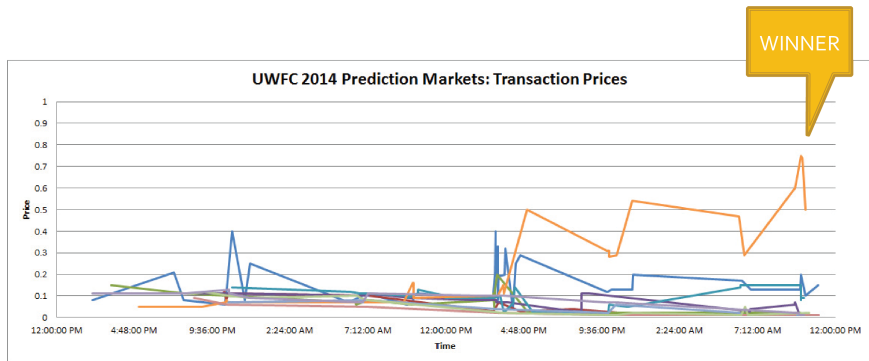
Fun

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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



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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



Step-by-step

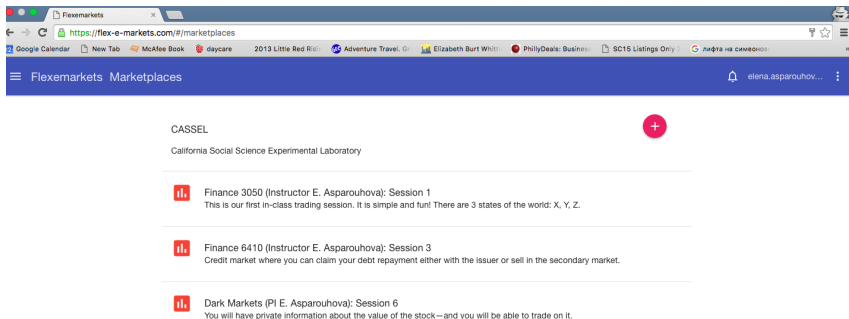
Step 1: Sign In

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

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Step-by-step


Step 3: Create a Marketplace and Invite Traders




The screenshot shows a web browser window with the URL <https://flex-e-markets.com/#/marketplaces>. The page title is "Flexmarkets Marketplaces" and the user is logged in as "elena.asparouhov...". A red plus sign icon is visible in the top right corner of the content area.

CASSEL
California Social Science Experimental Laboratory

 Finance 3050 (Instructor E. Asparouhova): Session 1
This is our first in-class trading session. It is simple and fun! There are 3 states of the world: X, Y, Z.

 Finance 6410 (Instructor E. Asparouhova): Session 3
Credit market where you can claim your debt repayment either with the issuer or sell in the secondary market.

 Dark Markets (PI E. Asparouhova): Session 6
You will have private information about the value of the stock—and you will be able to trade on it.

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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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

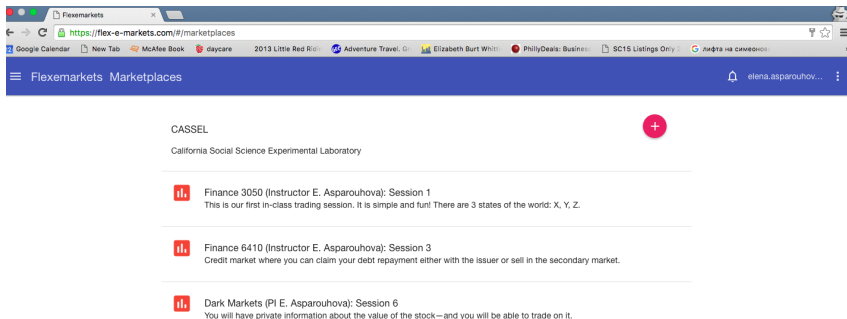
IMPORT NEW TRADERS

SAVE

CANCEL

Step-by-step

Step 4: Run a Marketplace



The screenshot shows a web browser window with the URL <https://flex-e-markets.com/#/marketplaces>. The browser's address bar and tabs are visible at the top. The website's header is blue with the text "Flexmarkets Marketplaces" and a user profile for "elena.asparouhov...". The main content area lists three marketplaces:

- CASSEL** (California Social Science Experimental Laboratory) with a red plus icon.
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Step-by-step

Step 4: Run a Marketplace

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

Finance 6410 (Instructor E. Asparouhova): Sess... elena.asparouhov...

Credit market where you can claim your debt repayment either with the issuer or sell in the secondary market.

Credit Contract (private)
Use this market to demand the face value of your debt from its issuer. (D - 1000 @ 25)

TIME	UNITS	PRICE	UNITS	TIME	TIME	UNITS	PRICE

BUY

Units
50

Price
500

SUBMIT

- Start
- Stop
- Export
- Configure
- Sign Out

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Step-by-step

Step 4: Run a Marketplace

× Finance 3050 (Instructor E. Asparouhova): Sess...

🔔 elena.asparouhov... ⋮

This is our first in-class trading session. It is simple and fun! There are 3 states of the world: X, Y, Z.

Bond (all public markets)
Pays \$50 in X, Y, and Z. (0 - 1000 @ 25)

TIME	UNITS	PRICE	UNITS	TIME	BUY	TIME	UNITS	PRICE
	500	50	18:49:06.579	<input type="checkbox"/>	BUY	18:50:24.713	30	450
	450	50	18:49:19.291	Units				
	450	20	18:49:18.012	80				
18:49:31.007	30	350	Price					
19:08:50.438	80	300	300					

Stock B
Pays \$50 if X, \$50 if Y and \$80 if Z. (0 - 1000 @ 25)

TIME	UNITS	PRICE	UNITS	TIME	BUY	TIME	UNITS	PRICE
					<input type="checkbox"/>	BUY		
			Units					
			50					

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Step-by-step

Step 5: Export your data

Finance 6410 (Instructor E. Asparouhova): Sess...

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TIME	UNITS	PRICE	UNITS	TIME	TIME	UNITS	PRICE
------	-------	-------	-------	------	------	-------	-------

BUY

Units
50

Price
500

SUBMIT

- Start
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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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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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