Bloomberg's Trading Options

October 4th, 2010

EXISTING TRADING OPTIONS ON BLOOMBERG

Bloomberg

	RFQ	ALLQ	Single-Dealer
Name	BBTI<GO>	ALLQ<GO>	IFIT<GO>
Overview	End-users request a price from 3 participating dealers	End-Users can compare & trade live streaming prices from multiple dealers. These are aggregated prices pulled from single dealer pages	End-users see and trade on a live streaming dealer price on a dealers dedicated page.
Protocol	▪ Request-For-Quote (RFQ) ▪ User will select 3 dealers in swaps or 5 in cash ▪ Dealer specify time their price is 'firm'	▪ An end user selects a particular bond ▪ Bloomberg compares all the executable prices that are available for that bond	▪ Dealers stream live prices to their dedicated page ▪ An end user can visit multiple dealer pages and select the level that best suits
Products	Cash and Derivatives	Cash Bonds Only	Cash and Derivatives
Dealers	Dealers: 27 in cash, 13 in Derivatives	Dealers: 100+ in cash, 0 in derivatives	Dealers: 100+ in cash, 22 in Derivatives
Usage	▪ Heavy usage in cash (1000+ users) ▪ Low usage in derivatives (30 users)	▪ Heavy usage in cash (3600 users) ▪ Not available for derivatives	▪ Low usage in cash ▪ Heavy usage in derivatives (300 users)

MARKET UTILIZATION of TRADING OPTIONS

Exchange/CLOB	RFQ	ALLQ	Single Dealer Pages

More Liquid ←——————————————————→ Less Liquid
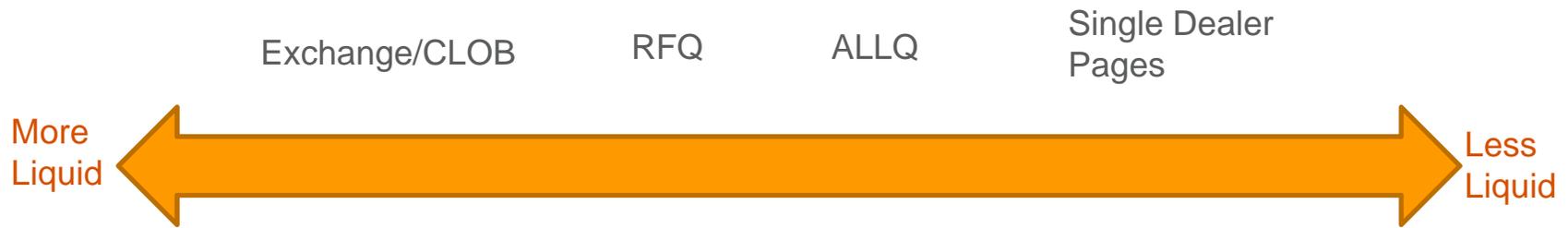
Percentage of Electronic Markets Traded via these Methods

	RFQ	ALLQ	Single Dealer
UST	95%	5%	-
Corporate Bonds	-	100%	-
IRS	10%	-	90%
CDS	-	-	100%