HSBC FX Liquidity+

Innovative Access to HSBC's Unique Network of FX Liquidity

What Liquidity+ aims to achieve

HSBC FX Liquidity+ is a gateway to HSBC's suite of FX client execution Algorithms. The client is able to choose up to two different Algorithms to operate in different price zones, namely the Core Zone and/or the Target Zone (see chart). The underlying Core and Target Algorithms, their Execution Styles, the Limit and the Target Prices can all be modified during the lifetime of the order. The aggressive Get Done Algorithm can only be activated for Target execution, whilst all other HSBC FX Algorithms can be used in both the Core and Target Zones. HSBC FX Liquidity+ should be used when the ability to dynamically control the execution is required. The unique suite of HSBC FX Algorithms can be used as a building block for a truly bespoke execution experience.

Specify the following parameters to meet your execution requirements

Trade parameters: ◆ Instrument (Spot/Forward)   ◆ Currency Pair   ◆ Execution Currency   ◆ Direction   ◆ Order Size   ◆ Value Date

Algorithm parameters:

| |
|---|
| **Start/End Time** |
| By default, Liquidity+ starts immediately and expires at date roll time of the selected Pair (typically 5 p.m. EST). The client has the option to specify a later Start Time and/or an earlier End Time. In any case, if the order is not completed by the End Time, a partial fill is returned. |
| **Core: Algorithm and Execution Style** |
| You can choose from the suite of HSBC FX Algorithms (excluding Get Done) for Core execution and select Execution Styles ranging from Passive to Aggressive. |
| **Target: Algorithm and Execution Style** |
| You can choose from the suite of HSBC FX Algorithms (including Get Done) for Target execution and select Execution Styles ranging from Passive to Aggressive. |
| **Limit Price** |
| The Limit Price can be specified as an option if the Core Algorithm is selected. The latter will consume liquidity at prices no worse than the Limit Price. |
| **Target Price** |
| The Target Price is required if the Target Algorithm is selected. The Target Price will also act as the Limit Price if no Core Algorithm is specified. |
| **Liquidity Pool** |
| Choose which FX Liquidity Pools (Market and/or HSBC) to interact with, balancing the trade-off between execution cost and information leakage. |
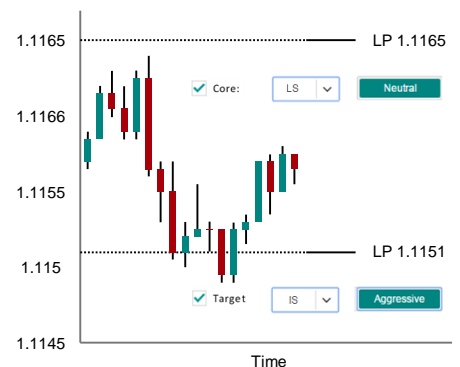
Amendment: during the execution, you are able to amend the Order Size, End Time, Limit Price, Target Price, Liquidity Pool or the underlying Core and Target Execution Algorithms along with their respective Execution Styles should your requirements change. The TCA report will display the running Algorithm and Execution Style for each child fill.

Execution risk

The execution risk associated with the use of Liquidity+ resides with the client, not HSBC. When using Liquidity+ instead of immediate execution via Risk Transfer, the price of the transaction is only known after the execution. The market might move considerably during the execution, which may or may not result in a disadvantageous outcome for the client. Due to uncertainty of legged executions for illiquid currency pairs, there may be market conditions in which HSBC is not able to guarantee the Limit Price on child fills. Execution will ultimately always be liquidity-dependent, e.g. if the market becomes distressed, a Liquidity+ order may fail to achieve full completion before the End Time. HSBC may be active in the market with its own orders at the same time as client orders. Although treated independently, they may interact in the market and compete for the same liquidity.

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HSBC

HSBC FX Liquidity+ on Evolve

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