

# Bloomberg

## CDXT <GO> User Guide.

The *fastest* way to ticket CDS trades on Bloomberg.

CDXT is used by CDS Dealers globally to electronically recap Single Name and Index deals to Clients including Standard CDS Contracts. **CDXT also now supports the ticketing of trades that are designated for Clearing to CME via its ClearPort® Clearing Service.**

CDXT supports all trade types: New, Unwinds and Assignments. The ticket supports pricing on Spread and Upfront basis and is fully integrated into Bloomberg's Voice Confirmation platform (VCON).


Dealers are also able to electronically generate a 'drop copy' of CDXT to their internal booking and risk systems eliminating the need for re-keying.

### 1. Counterparty Information (Bilateral Trades).

1) Send Ticket	2) Go to CDSW	3) Send Multiple	CDS Trade Recap
Sender	RAVI SAWHNEY	BLOOMBERG/ LONDON	<input checked="" type="radio"/> Single name
Client	KEIRON LOCAL		<input type="radio"/> Index
	BLOOMBERG/ LONDON		
CC List	ROBERT HUBBARD (BLOOMBERG/ LONDON)	Contract	STEC
Direction	CUSTOMER BOUGHT PROTECTION	Switch BUY/SELL	
Trade Type	Assign	Prime Broker	Morgan Stanley
Orig. Cpty.	Barclays Capital	On Behalf Of	

1. **Client Name:** Enter your Clients name as they appear on Bloomberg, this field can take your SPDL <GO> names and also remembers your top 20 Clients via a Drop Down.
2. **CC List:** Delivers an email recap to your recipient(s) this can be Bloomberg User, Group or even a non-Bloomberg internet email address. The individuals in CC will also get a PDF of the CDSW grab generated by CDXT.
3. **Direction:** Taken from your Clients perspective – just hit the “Switch BUY/SELL” button to change the side.
4. **Trade Type:** New, Unwind or Assign. Depending on this Type other fields (such as Original Counterparty) open on the ticket.
5. **Original Counterparty:** For an “Assign”, specify the Original

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Counterparty for the Deal.

6. **Prime Broker:** Where specified by Client, it is possible to designate the PB via drop-down

## 2. Counterparty Information (Clearable Trades through CME).

1) Send Ticket		2) Go to CDSW		3) Send Multiple		CDS Trade Recap	
Sender	RAVI SAWHNEY	BLOOMBERG/ LONDON				<input type="radio"/> Single name <input checked="" type="radio"/> Index	
Client	KEIRON LOCAL	BLOOMBERG/ LONDON				Central Cpty. CME Contract ID CXIG13	
CC List				Switch BUY/SELL			
Direction	CUSTOMER BOUGHT PROTECTION						
Trade Type	New Trade			Dealer DCM	JP Morgan		
Orig. Cpty.				On Behalf Of			

When a security is loaded that is eligible for clearing through one of the supported clearing venues CDXT recognises this fact and changes the ticket accordingly. Most of the fields are the same with the following exceptions:

1. **Central Cpty:** A drop-down to select the CCP as agreed with your Counterparty. Only CCPs where the security is clearable will be visible.
2. **Contract ID:** Automatically populated with the CCP identifier of the contract being traded.
3. **Dealer DCM (replaces Prime Broker):** Defaults automatically to the Dealer firm generating the ticket but is changeable if Dealer is not self-clearing.

## 3. Security Information.

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Notional	10 MM	Currency	USD	ISIN	US459200GJ41
Ticker	IBM Search	Restructuring	NR	RED Code	49EB20AD7
Ref. Oblig.	International Business Machine			Seniority	SNR
Trade date	12/02/2009	Model	ISDA Std Up	Orig. Effective	--/--/----
Effective	10/03/2009	Pay Freq	Quarterly	Coupon	100
Maturity	12/20/2014 5Y			First Acc Start	09/21/09

1. **Ticker / Ref Entity:** CDXT incorporates a powerful CDS Search Engine which is linked to Markit's RED Database (REDL<GO> on Bloomberg). Simply type in the first few characters of the Reference Obligation Name (e.g. IBM) and hit "Search" to bring up the screen.

Page 1 CDS Reference Entities Search

IBM

Filter Criteria: Debt Type All  has RED Info  has CDS Curve

	Reference Entity	Issuer/ Guarantor	Preferred	RED Pair	Reference Obligation	Ccy	Debt Type
1)	International Business Machi...	Issuer	Yes	49EB20AD7	US459200GJ41	USD	SNR
2)	International Business Machi...	Issuer		49EB20AB1	US459200AZ47	USD	SNR
3)	International Business Machi...	Issuer		49EB20AC9	US459200BA86	USD	SNR

From this you can click and select the corresponding Name/Reference Obligation for the deal being done. CDXT then auto-populates this information on the ticket.

2. **Restructuring:** Specify restructuring type using ISDA recognized values. CDXT will automatically set EUR names to MMR and US names to MR.
3. **Trade Date:** Today (default).
4. **Effective Date:** Displays the legal effective date in the case of a Standard CDS trade i.e. T-60.
5. **Maturity Date:** Use the term drop-down e.g. "5Y" to toggle the desired maturity date for the deal in question. Non-IMM dates accepted.
6. **Coupon:** This field is presented as a drop-down for Standard CDS deals showing relevant levels depending on the Standard contract type i.e. 100,500 for SNAC. In the case of a novation of unwind for non-Standard deals any bps value is acceptable.
7. **First Acc Start:** Date from which Accrual begins on the trade.

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- Model:** Defaults to the standard ISDA model used by the industry but alternatives such as “Bloomberg Fair Value” are available.
- Orig Effective:** For Unwinds and Assigns, specify the Original Effective date of the deal.

## 4. Calculations.

Calculations		Calculation Mode: 1		Input Spread	Upfront + 500
Price	99.07910135	Spread	120.000	Recovery Rate	0.4000
Principal	-92,090	Upfront (%)	0.000000	Collateral (%)	0
Accrued	20,278	Customer Pays		Zero Cashflow	
Cash Amt.	-71,812			Order ID	SW123994
Notes					

**Note:** CDXT uses CDSW<GO> to value the Deal. Benchmark curve settings are taking from users CDSD<GO> settings. A CDSW frozen-view is generated behind the scenes when using CDXT. This frozen-view is sent to the Client in the MSG and is available via VCON.

- Calculation Mode:** CDXT supports pricing on Spread and also an Upfront basis. By toggling the Calculation Mode to [2], you can specify and Upfront% along with a running spread to generate the Market Value.
- Spread:** Par Spread for the deal.
- Upfront%:** e.g. 10% to specify that 10% of notional is required Upfront.
- Upfront+500 Button:** Clicking on this button instantly converts the deal (taking the inputted spread) to an Upfront% with 500bps running.
- Recovery Rate:** Defaults to 40% (i.e. 0.4) but can be overridden.
- Collateral%:** Optional field, populated where collateral requirements are part of the deal.
- Notes:** Space to provide any comments you wish your Client to receive.
- Order ID:** A custom identifier that the Dealer can optionally provide which is fed into the Trade blotter and is available electronically via ‘drop copy’.

## 5. Example – Client Buys 10MM CDX IG 13

# Bloomberg

designated for Clearing through CME.

1) Send Ticket		2) Go to CDSW		3) Send Multiple		CDS Trade Recap	
Sender	RAVI SAWHNEY	BLOOMBERG/ LONDON				<input type="radio"/> Single name <input checked="" type="radio"/> Index	
Client	KEIRON LOCAL	BLOOMBERG/ LONDON				Central Cpty. CME Contract ID CXIG13	
CC List				Switch BUY/SELL			
Direction	CUSTOMER BOUGHT PROTECTION						
Trade Type	New Trade			Dealer DCM	JP Morgan		
Orig. Cpty.				On Behalf Of			
Notional	10 MM	Currency	USD	ISIN	N.A.		
Ticker	CDX13 Search	Restructuring	NR	RED Code	2I65BYBX2		
Ref. Oblig.	MARKIT CDX.IG.13 CME TEST			Seniority	N.A.		
Trade date	12/02/2009	Model	ISDA Std Upf	Orig. Effective	09/21/2009		
Effective	12/03/2009	Pay Freq	Quarterly	Orig. Spread	100.000		
Maturity	12/20/2014 5Y			Factor	1.00		
Calculations	Calculation Mode: 1		Input Spread	Upfront + 500			
Price	99.91794167	Spread	101.750	Recovery Rate	0.4000		
Principal	-8,206	Upfront (%)	0.000000	Collateral (%)	0		
Accrued	20,278						
Cash Amt.	12,072	Customer Receives		<input type="checkbox"/> Zero Cashflow			
Notes				Order ID	SW12399		

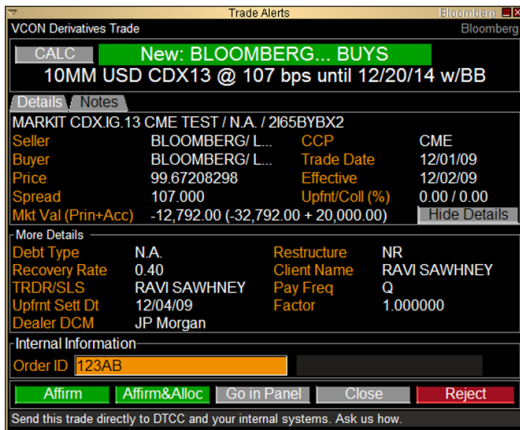
1. Load up the CDX IG 13 Ticker (i.e. CDXIG513 Corp <GO>).
2. Type CDXT <GO>.
3. Type in the Client name (as it exists on your SPDL).
4. Select CME as the Central Cpty (the Contract ID will automatically be displayed below).
5. The Dealer DCM will default to your legal firm entity but you can change this if applicable.
6. The rest of the security information is automatically populated (i.e. Maturity, Orig.Effective Date, Coupon).
7. Type in the agreed Spread and CDXT will calculate the upfront payment (Cash Amnt) via CDSW.
8. If relevant you can also provide an Order ID.
9. Hit 1 <GO> to Send the Ticket to your Client.
10. If for some reason you need to withdraw the recap and it has not been affirmed or matched in VCON you can Cancel it from within the VCON function.

## 6. What the Client gets.

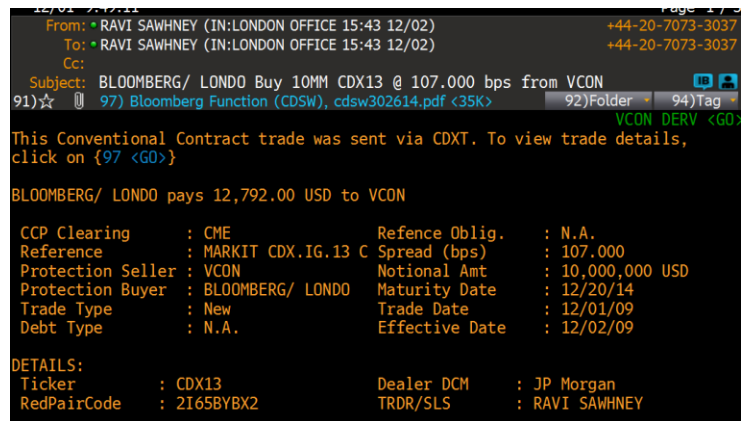
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VCON Recap



MSG with CDSW Attached

1. **CDXT is fully integrated into VCON** – Bloomberg’s widely adopted Voice Confirmation network. By sending a CDXT, the Client will get a pop-up on their Bloomberg clearly showing the economics of the transaction. Clients can click on **[CALC]** button on the pop-up to view the underlying CDSW for the Deal and if OK hit **[Affirm]** to positively acknowledge the transaction. Alternatively VCON could be used in a matching capacity if the Client is using Bloomberg AIM or has integrated their own OMS into VCON.
2. **CDXT automatically generates and sends a Bloomberg email recap to the Client.** Email also includes a CDSW grab of the Deal.

## 7. Monitoring the Clearing Workflow

Both the Dealer and Client can monitor the status of the Trade Recaps in VCON. When the Trade is matched it will move into the “Matched/Affirm Trades” Panel.

In the scenario above the trade has been designated for Clearing through CME’s ClearPort® Clearing Service. The Client will allocate the trade specifying its Clearing Member(s) and VCON will route to CME leveraging its connectivity to ClearPort®.

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Clearing status is monitor-able on VCON to both sides of the Trade at the Allocation level with a Block summary status provided in the main VCON blotter as shown below.

Last 5 Days		1) Markets		2) Workflow		3) Setup		4) Actions		KANG-WEI TANG (BLO	
View Alert		Trade Details		Client Affirm		Confirm		Reject/Cancel		Allocate/Nov	
TKT	CALC	MSG	CCP	Dealer	DCM	Clearing Status		Sender/Receiver		Tk	Cpty
+ Trades My Firm Submitted											
+ Trades My Firm Received											
- Matched/Affirmed Trades											
14.	TKT	CALC	MSG	CME	Goldman,Sachs & Co.	Cleared		KANG-WEI TANGCDX13		BB	
15.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	
16.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	
17.	TKT	CALC	MSG	CME	Goldman,Sachs & Co.	Rejected		KANG-WEI TANGCDX13		BB	
18.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	
19.	TKT	CALC	MSG	CME	JP Morgan	Partially Rejected		KANG-WEI TANGCDX13		BB	
20.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	
21.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	
22.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	
23.	TKT	CALC	MSG	CME	JP Morgan	Cleared		TOM BARNWELL/CDX13		BB	
24.	TKT	CALC	MSG	CME	Goldman,Sachs & Co.	Cleared		KANG-WEI TANGCDX13		BB	
25.	TKT	CALC	MSG	CME	Goldman,Sachs & Co.	Cleared		KANG-WEI TANGCDX13		BB	
26.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	
27.	TKT	CALC	MSG	CME	JP Morgan	Rejected		KANG-WEI TANGCDX13		BB	
28.	TKT	CALC	MSG	CME	JP Morgan	Rejected		KANG-WEI TANGCDX13		BB	
29.	TKT	CALC	MSG	CME	JP Morgan	Rejected		KANG-WEI TANGCDX13		BB	
30.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	
31.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	
32.	TKT	CALC	MSG	CME	JP Morgan	Cleared		KANG-WEI TANGCDX13		BB	

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