



# Foreign Exchange Execution Strategies

The chart below describes RBC Capital Markets' comprehensive product suite offering for Foreign Exchange Execution algorithms. RBC's powerful, streamlined algorithmic trading suite utilizes consolidated market liquidity and sophisticated order routing with a simple, safe, and easy to use set of orders to help with your execution needs.

	Aggressive			Passive
	SmartTake	Strike	TWAP	Provide
<b>When to Use</b>	<ul style="list-style-type: none"> <li>▪ Suitable for entire liquidity spectrum</li> <li>▪ Immediacy is primary concern</li> <li>▪ Potential market impact based on order size</li> </ul>	<ul style="list-style-type: none"> <li>▪ Suitable for all order sizes</li> <li>▪ Intelligently sourcing liquidity is primary concern</li> <li>▪ Potential market impact</li> </ul>	<ul style="list-style-type: none"> <li>▪ Suitable for Benchmark type orders where execution should represent the average market price for a given period of time</li> <li>▪ Low market impact</li> </ul>	<ul style="list-style-type: none"> <li>▪ Suitable for when market risk can be assumed for the ability to earn spread and minimize execution cost</li> <li>▪ Low market impact</li> </ul>
<b>Description</b>	<ul style="list-style-type: none"> <li>▪ Enhanced smart order routing logic designed to aggressively take liquidity when time is a concern</li> <li>▪ Will attempt to take all the available liquidity across supported market venues, up to the limit price</li> <li>▪ Does not display in the market and any unfilled amounts will be canceled back to the client</li> </ul>	<ul style="list-style-type: none"> <li>▪ A volume-opportunistic algorithm intended to strike a balance between passive and aggressive fills</li> <li>▪ Strives to have lower price slippage vs. using a smart order router, which almost always crosses the spread</li> <li>▪ Works passively to minimize market impact and takes aggressively when it needs to maintain the participation rate in the market</li> </ul>	<ul style="list-style-type: none"> <li>▪ Time Weighted Average Price</li> <li>▪ A trajectory based algorithm working orders over a given time horizon by spreading the trades along a linear distribution</li> <li>▪ Utilizes discretionary bands around the trajectory in order to trade effectively and strike a balance between trying to capture the bid-offer spread and staying on target</li> </ul>	<ul style="list-style-type: none"> <li>▪ A passive, liquidity providing algorithm which posts and re-pegs with the market</li> <li>▪ Will try to execute passively and track activity in the market by targeting a certain fraction of the market volume</li> </ul>
<b>Execution Objectives</b>	<ul style="list-style-type: none"> <li>▪ Offers consolidated market access across specific venues</li> <li>▪ Executes aggressively through a sequence of IOC orders</li> <li>▪ Exhausts liquidity both rapidly and intelligently</li> <li>▪ Cancels back unexecuted portion to the client</li> </ul>	<ul style="list-style-type: none"> <li>▪ Utilize a combination of passive and aggressive fills to complete the order while striving to beat the arrival sweep to fill price</li> <li>▪ Seeks to work the order passively by posting liquidity at the near touch but will send IOC orders to a percentage of observed liquidity on the far touch at certain intervals in order to keep pace of execution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Main goal of the algorithm is to minimize the slippage against interval TWAP</li> <li>▪ Attempts to achieve this by spreading the order evenly over the trading horizon</li> </ul>	<ul style="list-style-type: none"> <li>▪ Executes order passively and will not cross the spread</li> <li>▪ Orders can be pegged to Midpoint, Near touch, or a tick below or above the market</li> <li>▪ Intelligent posting based on quote size and targeted volume</li> </ul>
<b>Parameters and Features</b>	<ul style="list-style-type: none"> <li>▪ Start/End Time</li> <li>▪ Limit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Start/End Time</li> <li>▪ Participation Agression: 1-5 (default 3)</li> <li>▪ Stop-Loss Threshold</li> <li>▪ Limit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Start/End Time</li> <li>▪ Enable Price Sensitivity</li> <li>▪ Price Sensitivity Level: 1-5 (default 3)</li> <li>▪ Min Qty Pct</li> <li>▪ Limit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Start/End Time</li> <li>▪ Participation Agression: 1-5 (default 3)</li> <li>▪ Price Agression: Passive, Neutral, Aggressive</li> <li>▪ Max Display Size</li> <li>▪ Limit</li> </ul>

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