

Spot FX Order Management Factsheet for Wholesale Customers

BNZ's practices in relation to Customer Orders are detailed in the "BNZ FX Sales and Trading Practices in the Wholesale Market" letter which is available from your Markets contact or on our website¹. This Factsheet should be read in conjunction with that letter.

FX Order Execution Types

Seven types of orders are on offer and the operating procedures and risks that are associated with these options are summarised below. Execution of orders is done on a best endeavours basis.

- (i) Benchmark Orders,
- (ii) Stop/Loss Orders – Market
- (iii) Stop/Loss Orders – At Level
- (iv) Take Profit Orders – At Level
- (v) Take Profit Orders – With Discretion
- (vi) Take Profit Orders – No Worse
- (vii) At Market

Additional order execution types, or variations to the documented types, may be accepted with agreement between the customer, sales and the execution desk.

Name	Description	Detail
Benchmark orders	Orders, of any amount, are transacted at a market benchmark (such as the London 4:00pm WMR fix).	For London 4pm WM/Reuters (WMR) fix orders, BNZ endeavours to fill the entire order at a spread to mid, as per the published WMR rate. For other fix orders, BNZ endeavours to fill the entire order at a spread to the published rate. For the avoidance of doubt, any spread applied to the published benchmark levels will be agreed with the client and execution desk prior to transacting. BNZ will adhere to the FSB Benchmark Order Guidelines in execution of all Benchmark Orders. BNZ may at its discretion pass FX Orders to a third party to execute on its behalf at the relevant fix. BNZ considers the charging of a spread in basis points or 'dollars per million', as recommended in the FSB guidelines as applicable for execution of client orders.
Stop/Loss Order - Market	The purpose of this customer order is to manage their downside risk of market losses. Once a price level (level) is triggered, the order is executed at the current market price.	BNZ will not transact any of the order prior to the level being reached by the market. The full amount is transacted after the trigger level on a best endeavours basis. This may result in the execution price being different from the trigger level (slippage). In addition: <ul style="list-style-type: none"> • slippage can be proportionate to the size of the order, and depends on market volatility, and liquidity at that level. • there is no risk of a 'partial fill'.
Stop/Loss - At Level	The purpose of this customer order is to manage their downside risk of market losses. Once a level is triggered, the order is executed at the level indicated.	BNZ endeavours to fill order if level is reached in the market subject to the following: <ul style="list-style-type: none"> • the execution price at the level is not guaranteed, and is done at a best endeavours basis by BNZ. • for significant orders, as the trigger level approaches the execution desk may enter the market to support an enhanced fill for the customer, as well as manage the bank's risk. • the customer will not be filled until the market hits the trigger level. • during volatile market conditions, as determined by BNZ, the order is filled on a best endeavours basis.

Name	Description	Detail
Take Profit Orders – At Level	The purpose of this customer order is to realise the market appreciation of a client position. Once a level is triggered, the order is executed at the level indicated.	BNZ endeavours to fill order if accepted level is reached in the market in amounts relative to the order size. This order is appropriate for clients who are more sensitive to price and understand they may receive partial fills. There is a risk that the full amount of the order will not be transacted (partial fills).
Take Profit Orders – With Discretion	The purpose of this customer order is to realise the market appreciation of a client position.	Where BNZ has discretion in execution, the desk may enter the market for some of the order ahead of the customers' level if the desk believes the customer will not get filled for the full amount at their requested level. In this scenario: <ul style="list-style-type: none"> the execution price may be different to the trigger level, and is on a best endeavours basis in normal market conditions. there is a risk that the full amount of the order will not be transacted, without further instruction from customer or representative. as the trigger level approaches, the execution desk may enter the market to help ensure the customer gets the best possible fill in a particular circumstance, as well as to manage the bank's risk. BNZ reserves the right to determine normal market conditions.
Take Profit Orders – No Worse	The purpose of this customer order is to realise the market appreciation of a client position. This is an immediately executable order at current market price, on a best endeavours basis, but with a fill of no worse than a specified limit level.	The execution desk will endeavour to enter the market at its discretion to manage an order until the order is fully filled, or the market reaches the 'no worse' limit. This execution is transacted on a best endeavours basis. In this scenario: <ul style="list-style-type: none"> there is no risk of partial fills, as the whole order will be priced at the rate given by the trading desk. the execution desk, at its own discretion, will endeavour to enter the market to manage the best possible fill for the customer.
At Market	Orders to trade at market prices which may also have a price limit order.	The customer expects BNZ to execute the order with the price limit requested. BNZ's ability to fill such orders may be limited by prevailing market conditions. Price volatility and low volumes may hamper or prevent BNZ from filling orders. BNZ will take reasonable steps to inform the customer if we cannot execute the order because of market conditions.

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