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(54) **SYSTEM AND METHOD FOR PHYSICALS COMMODITY TRADING**

(71) Applicant: **Julie A. Lerner**, New York, NY (US)

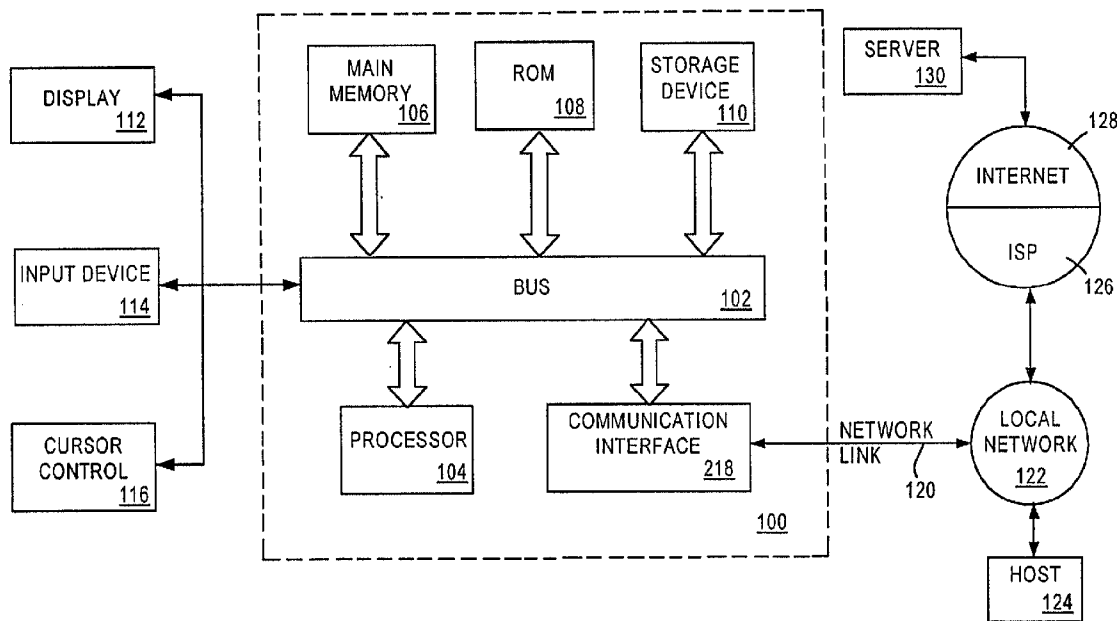(72) Inventor: **Julie A. Lerner**, New York, NY (US)

(21) Appl. No.: **14/725,605**

(22) Filed: **May 29, 2015**

Related U.S. Application Data

(63) Continuation of application No. 14/327,816, filed on Jul. 10, 2014, which is a continuation of application No. 14/033,796, filed on Sep. 23, 2013, now abandoned, which is a continuation of application No. 13/461,308, filed on May 1, 2012, now Pat. No. 8,543, 490, which is a continuation of application No. 09/907, 450, filed on Jul. 18, 2001, now Pat. No. 8,180,698.

(60) Provisional application No. 60/219,023, filed on Jul. 18, 2000.

Publication Classification

(51) **Int. Cl.**
  G06Q 40/04 (2012.01)
(52) **U.S. Cl.**
  CPC ***G06Q 40/04*** (2013.01)

(57) **ABSTRACT**

A method and system for an electronic commodities trading marketplace along with ancillary tools provide an electronic trading center for world market commodity importers, exporters, and the intermediaries and processors between them. This trading center is offered through its website centered around a 24-hour exchange that provides trading markets for commodities such as coffee, sugar, cocoa and cotton. The scalable system provides aggregated third party services linked to both front and back office operations. These services can include items such as live futures quotes and real-time news, futures brokerage, banking and finance links and resources, and a suite of applications tailored to members' specific risk-management and end-to-end contract execution needs. The system also provides access to shipping related services such as freight brokerage, direct booking for liner transport, load and discharge supervision and laboratory testing.
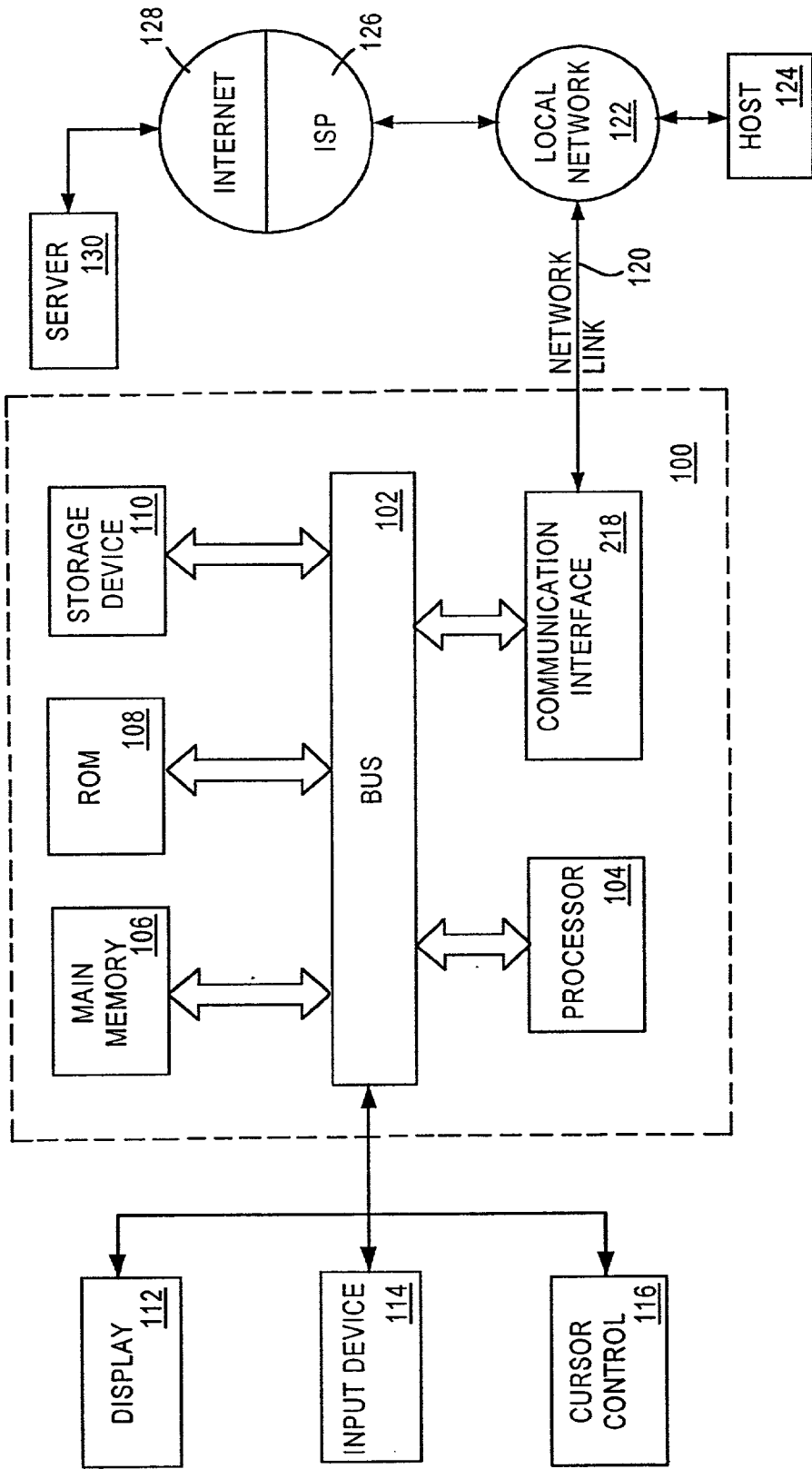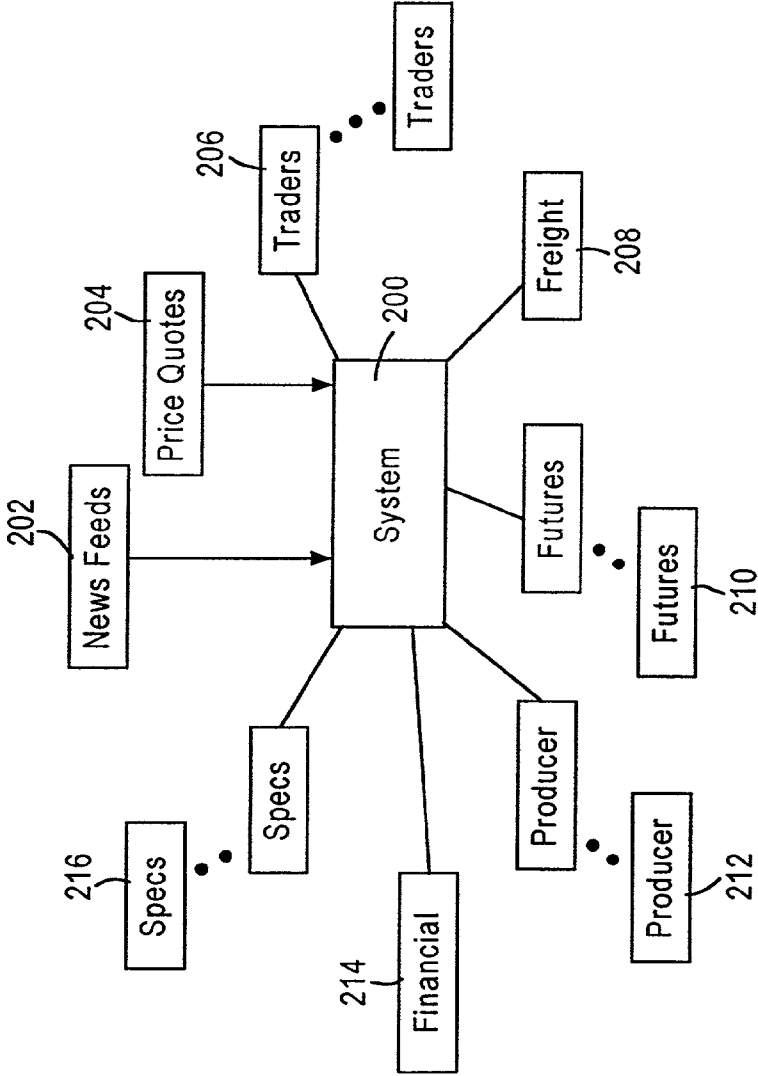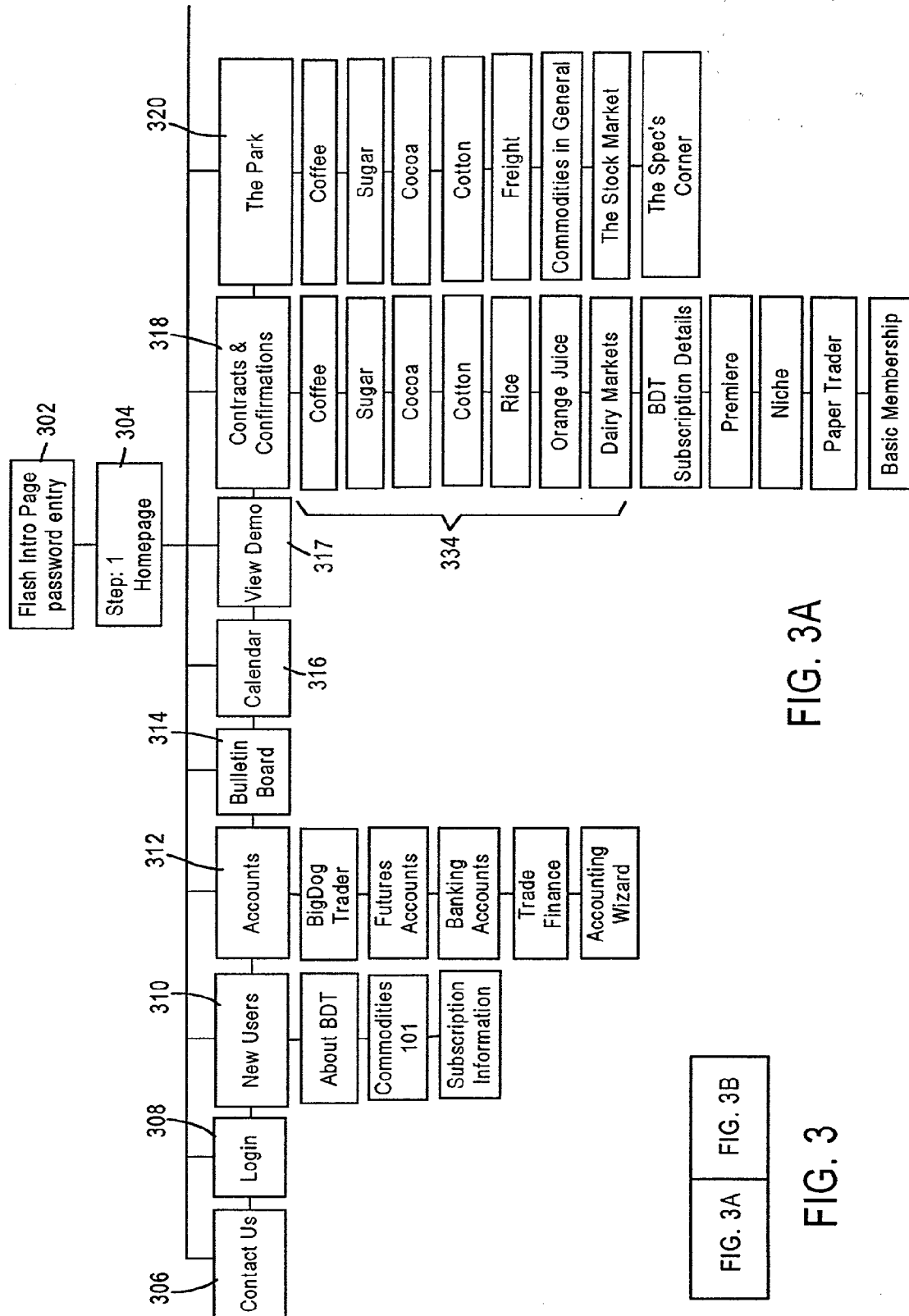
FIG. 1

FIG. 2

302 — Flash Intro Page password entry

304 — Step: 1 Homepage

306 — Contact Us

308 — Login

310 — New Users
- About BDT
- Commodities 101
- Subscription Information

312 — Accounts
- BigDog Trader
- Futures Accounts
- Banking Accounts
- Trade Finance
- Accounting Wizard

314 — Bulletin Board

316 — Calendar

317 — View Demo

334

318 — Contracts & Confirmations
- Coffee
- Sugar
- Cocoa
- Cotton
- Rice
- Orange Juice
- Dairy Markets
- BDT Subscription Details
- Premiere
- Niche
- Paper Trader
- Basic Membership

320 — The Park
- Coffee
- Sugar
- Cocoa
- Cotton
- Freight
- Commodities in General
- The Stock Market
- The Spec's Corner

FIG. 3A

FIG. 3

| FIG. 3A |
| FIG. 3B |

322

Futures

Quick Quote

NYBOT

LIFFE

TOKYO

BRAZIL

NYSE

NASDAQ

324

Physicals

Al Softs

Coffee

Sugar

Cocoa

Cotton

Rice

Orange Juice

Dairy Markets

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Trade Finance

Octagon

Rabobank

ABN Amro

Chase

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Market Information

BDT Daily Reports

BDT Monthly Summaries

BDT Y20 Trade Rowe

BDT Historical Data

Reuters

Bridge

Future Source

CNN

Analyst Reports

Industry Links

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Trading Tools

Wizard Trade

Weather

Charts

332

Freight & Traffic

Liner Markets

Time Charter

Agents

Market Reports

Surveyors & Supervisors

Freight Forwarding Wizard

FIG. 3B

FIG. 4A

BigDogTrader.com -DEFAULT

File   Layout   Edit   View   Ticker   Options   Research   Window   Help

BDT Calculator   TOOLBOX   TRADE!

Contract	last	high	low			Spread	Premium	contract	last	high
Sugar $11-NYBOT					Sugar #5-LIFFE					
SBN0	8.57s	0.08	8.59			-----	46.67	SWQ00	235.6	0.3
SBV0	8.44s	-0.01	8.54			0.13	46.33	SW700	232.4	.1
SBH1	8.22s	0.01	8.3			0.22	51.08	SWV00	232.3	-0.9

WORLD AND US RAW SUGAR

SNAP TENDER OPEN CNP EGYPT FOB

Quantity	Shipment	Delivery Point	Origin	Dest.	Quality	Bid	Offer	Deliverable	Other
10500	F20/G15	N. Brazil	X		BRS	-0.8	-0.4		OMNI Origin
22000	N/V 15	Snatos	X		BRS		.10		Bagged opt

WORLD WHITE SUGAR

FUTURE TENDER OPEN REFINED

Quantity	Shipment	Delivery Point	Origin	Dest.	Quality	Bid
1150MT	Prompt	FMNC	X		RPJ	53.50
14000MT	H/K 15	CIF NY	X		RPJ	2345.0

CHARTS

SBN0

1|2|3|0422.54

8.50
8.00
7.50
7.00
6.50
6.00
5.50

1000.00

500.00

NEWS HEADLINES

June 26, 2000 (times in GMT; All headlines delayed
0019 DJ Dominican Republic Made 400,000 Jobs Ir
June 23, 2000 (times in GMT; All headlines delayed
2216 DJ Bear Stearns's Telsey Eyes Safe Havens V
2031 DJ CSCE World Sugar Futures Settlement Pri
1913 DJ CSCE Futures, Options Trading Volume Ju
1903 DJ CSCE World Sugar Ends -2: Seen Range-
1818 DJ CSCE World Sugar Ends Dn, Off Day's Lows
1816 DJ Liffe Aug Sugar Settles At $235.30 MT;Oc
1809 DJ CSCE SPot Sugar 8.69 C/Lb Volume 1.53
1808 DJ CSCE Weighted Avg Raw Sugar Price 8.4
1747 DJ Liffe Aug Sugar Ends Lower On Light Trade
1731 DJ London Closing Sugar
1659 DJ CORRECT: Kroger Co. Stock Symbol in Kl
1622 DJ CSCE Coffee, Sugar, Cocoa Open Interes
1603 DJ MARKET TALK: CSCE Sugar Down; Little

Daily Polls: Sugar: Should the CSCE move to 24-hour trading? CLick here to vote

My Page | Futures | Physicals | Accounts | Trade Finance | Market Information | Trading Tools | Details & Diversions

172 1/2 +1/2   T 55 3/4 +3/4

410(A,B,C)
412(A,B,C)
414(A,B,C)
400
408
406
426
414
402
404
420
422

Full Trade Screen

BigDogTrader.com-WORLD/RAW SUGAR

File   Layout   Edit   View   Ticker   Options   Research   Window   Help   TOOLBOX   TRADE!   BigDogTrader

Sugar #11-NYBDT   BDT Calculator

contract	last	high	low
SBN0	8.57s	0.08	8.59
SBV0	8.44s	-0.01	8.54
SBH1	8.72s	0.01	8.3

Spread	Premium
-----	46.67
0.13	46.33
0.22	51.08

Sugar #5-LIFFE

contract	last	high	low
SWQ00	235.6	0.3	237
SWZ00	232.4	-1	234.5
SWV00	232.3	-0.9	233.3

back

410(A,B,C)   412(A,B,C)   414(A,B,C)   407

405A

SNAP TENDER: C/AMSA 36MMT BULK RAWS: 12MMT EACH H/K15, KN15, NU15 1PM EST SEALED BIDS
SNAP TENDER: CNF EGYPT 14MMT BRS APRL 1-20 ARRVL OPEN RFP DEADLINE 11AM EST

A Quantity	B Shipment	C Delivery Point	D Origin	E Dest.	F Quality	G Bid	H Offer	I Deliverable	J Other	K Last Trade
FOB										
Under 10000MT										
2350mt +/- 10%	Prompt	El Salvador	X		BRS		-.28			Gra1 2500mt+/-1pct.
5M-8.5MMT	Prompt	CIF NY		X	RXP		PAR		Tolling Option	
10,000 to 19,000mt										
10500	F20/G15	N. Brazil	X		BRS	-0.8	-.04			Flex 10mmt-12.5mmt
12000	H/K15	Guatemala	X	X	BRS	+12	+15			12mmt SB-11-08, 12
14500	H/K15	Bangkok/Kos	X	X	BRS	17	+22	SBH1	S.E.O w/50-40buyback	
12000	N/U	South Africa	X	X	BRS	+15	+35	SBH1		21500mt,+27.11.15.0
Over 20,000MT										12mm+32.12.10.00
22000	N/U15	Santos	X		BRS		-.10		98 deg. pct, baged apt.	
CIF/CNF										
14000	H/K15	Korea		X	BRS	+$32/mt				OPTN CNF JPN or KOR
18000+/-10%	H/K15	RBS		X	BRS		+$34/mt		OMNI origin	
22.000+/-10pct	G15/H	Japan		X	BRS					OMNI origin
BAGGED										

430   402

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FIG. 4B

ENTER MARKET ORDER

▨ Netscape:

ENTER MARKET ORDER			Bid ● Offer ○
			_436_
Quality	standard bulk raws ◆		
Quantity	14,000 metric tons	Tolerance	+/-500mt ◆
Shipment	H/K 15 ◆	Flexibility	+/- 2 wks ◆
Price	○ $MT ● 1/100 CTS/LB ○ Fixed ● Float ● Premium ○ Discount SBH1	Tolerance	○ show ● hide +10
		Other	+10 for H/K
Pricing	against actual ◆	Alternative	SEO ◆
Payment	CAD NY ◆	Alternative	Sight LC
Delivery Point	Bangkok/Kosichang ◆ Other _____	Alternative	None ◆
	substitute origin with _____ for increase ◆ in price of _____		
Delivery Terms	● FOB ○ CIF ○ CNF ○ OTHER		
Deliverable	● YES ○ NO Contract SBH1		
Validity	_____ Time ● Good until cancelled (GTC) ○ Good within following market movement: Contract_____ Floor_____ Ceiling_____		ENTER ORDER CANCEL CLEAR

GO TO AUTOTRADE WIZARD

_432_

FIG. 4C

434

Netscape:			
I WISH TO SUBMIT THE FOLLOWING BID INTO THE SYSTEM			
Bid #	BRS123		
Quality	bulk world raws	Variance	None
Quantity	14,000mt	Tolerance	+/- 500mt
Shipment	H/K 15	Flexibility	+/- 2 weeks
Pricing	Against Actual	Alternative	SEO
Payment	CAD NY	Alternative	sight L/C
Delivery	FOB Bangkok/Kosi	Flexibility	None
Deliverable	SBH1	Tolerance	10 points hidden
Price	SBH1+12 points	Flexibility	H/K at 10 point premium
Validity	GTC		

☐ Manual   [SUBMIT] [AMEND] [CANCEL]
442 ⟋ ☒ Autotrade
Check only one box below:
☒ This is a new entry into the system
444 ⟋ ☐ This cancels my existing entry number____(system automatically enters
         closest matching offer where identified, but gives member option of new id #)
☐ Please remove my existing entry only for the duration of the above offer

	OK

440

FIG. 4D

BigDogTrader.com-WORLD RAW SUGAR   BigDogTrader

File   Layout   Edit   View   Ticker   Options   Research   Window   Help   TOOLBOX   TRADE!

Sugar #11-NYBDT	contract	last	high	low
	SBN0	8.57s	0.08	8.59
	SBV0	8.44s	-0.01	8.54
	SBH1	8.22s	0.01	8.3

BDT Calculator

Sugar #5-LIFFE	contract	last	high	low	Spread	Premium
	SWQ00	235.6	0.3	237	-----	46.67
	SWZ00	232.4	-1	234.5	0.13	46.33
	SWV00	232.3	-0.9	233.3	0.22	51.08

back

SNAP TENDER: CIAMSA 36MMT BULK RAWS: 12MMT EACH H/K15, KN15, NU15 1PM EST SEALED BIDS
SNAP TENDER: CNF EGYPT 14MMT BRS APRL 1-20 ARRVL OPEN RFP DEADLINE 11AM EST
FOB
Under 10000MT

Quantity	Shipment	Delivery Point	Origin	Dest.	Quality	Bid	Offer	Deliverable	Last Trade / Other
2350mt +/- 10%	Prompt	El Salvador	X		BRS		-28		Gra1 2500mt+/-1pct.
5M-8.5MMT	Prompt	CIF NY		X	RXP		PAR		Tolling Option
10,000 to 19,00Cmt									
10500	F20/G15	N. Brazil	X		BRS	-0.8	-04		Flex 10mmt-12.5mmt
12000	H/K15	Guatemala	X		BRS	+12	+15	SBH1	S.E.O w/60-40buyback 12mmt SB-11-08. 12
14500	H/K15	Bangkok/Kosi	X		BRS	17	+22	SBH1	
14000	H/K15	Bangkok/Kosi	X		BRS	+12			21500mt,+27.11.15.0
12000	N/U	South Africa	X		BRS	+15	+35	SBH1	Flex Terms
Over 20,000MT									
22000	N/U15	Santos	X		BRS		-10		98 deg. pol, baged apt.
CIF/CNF									
14000	H/K15	Korea		X	BRS	+$32/mt			OPTN CNF JPN or KOR
18000+/-10%	H/K15	RBS		X	BRS		+$34/mt		OMNI origin
22,000+/-10pct	G15/H	Japan		X	BRS				OMNI origin
BAGGED									

454   452

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FIG. 4E

FIG. 4F

MARKET ORDER DETAILS			
Bid #	BRS123		
Quality	bulk world raws	Variance	None
Quantity	14,000mt	Tolerance	+/- 500mt
Shipment	H/K 15	Flexibility	+/- 2 weeks
Pricing	Against Actual	Alternative	SEO
Payment	CAD NY	Alternative	sight L/C
Delivery	FOB Bangkok/Kosi	Flexibility	None
Deliverable	SBH1	Required	No
Price	SBH1+12 points	Flexibility	H/K at 10 point premium
Time Ext.	10:42 am EST 12.12.00		

View Member Profile   EXECUTE   NEGOTIATE   CANCEL

Member Profile lists type of membership, ST Ranking, Office location and when
established , revenue range memberships/credentials.
Buyer chooses to negotiate, which leads to following screen.

OK

— 466

FIG. 4G

Trade Details Screen

BigDogTrader.com-WORLD RAW SUGAR   BigDogTrader

File Layout Edit View Ticker Options Research Window Help TOOLBOX TRADE!

Sugar #1-NYBDT	contract	last	high	low
	SBN0	8.57s	0.08	8.59
	SBV0	8.44s	-0.01	8.54
	SBH1	8.22s	0.01	8.3

BDT Calculator

Sugar #5-LIFFE	Spread	Premium	contract	last	high	low
	-----	46.67	SWQ00	235.6	0.3	237
	0.13	46.33	SWZ00	232.4	-1	234.5
	0.22	51.08	SWV00	232.3	-0.9	233.3

◊ → back

472

BULK RAW SUGAR BID — 474

Field	Value		
Bid #	BRS123		
Quality	bulk world raws	Variance	None
Quantity	14,000mt	Tolerance	+/- 500mt
Shipment	H/K 15	Flexibility	+/- 2 weeks
Printing	Against Actual	Alternative	SEO
Payment	CAD NY	Alternative	sight L/C
Delivery	FOB Bangkok/Kosi	Flexibility	None
Deliverable	SBH1	Required	No
Price	SBH1+12 points	Flexibility	H/K at 10 point premium
Time Ext.	10:42 am EST 12.12.00		

COUNTER PROPOSAL — 470

Field	Value		
Bid #	ORS456		
Quality	bulk world raws	Variance	None
Quantity	14,500mt	Tolerance	None
Shipment	H/K	Flexibility	None
Printing	Against Actual CAD NY	Alternative	None
Payment	CAD NY	Alternative	None
Delivery	FOB Bangkok/Kosi	Flexibility	None
Deliverable	SBH1	Required	N/A
Price	SBH1+30 points		
Validity	20 minutes		

SUBMIT   CLEAR FORM

View Member Profile
Right-hand box fills in fields as listed on left. Bidder over-writes fields he'd like to change. When bidder submits counterproposal, the seller immediately receives a notice flashing across his homepage. Validity is not shown. The above counter-proposal is shown to all members within the same screen as follows: (Any time member clicks submit anywhere on site, system asks to confirm).

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FIG. 4H

□ ▨▨▨▨ Netscape:		▨▨▨▨ ▤
I WISH TO SUBMIT THE FOLLOWING BID INTO THE SYSTEM		

Bid #	ORS456		
Quality	bulk world raws	Variance	None
Quantity	14,500mt	Tolerance	+/- 500mt
Shipment	H/K 15	Flexibility	+/- 2 weeks
Pricing	Against Actual	Alternative	SEO
Payment	CAD NY	Alternative	sight L/C
Delivery	FOB Bangkok/Kosi	Flexibility	None
Deliverable	SBH1		
Price	SBH1+30 points		
Validity	GTC		

☐ Manual
☒ Autotrade   [SUBMIT] [AMEND] [CANCEL]
Check only one box below:
☒ This is a new entry into the system
☐ This cancels my existing entry number____(system automatically enters
   closest matching offer where identified, but gives member option of new id #)
☐ Please remove my existing entry only for the duration of the above offer

	OK

478

FIG. 4I

BigDogTrader.com-WORLD RAW SUGAR   BigDogTrader

File   Layout   Edit   View   Ticker   Options   Research   Window   Help   TOOLBOX   TRADE!

BDT Calculator

Sugar #11-NYBDT					
contract	last	high	low	Spread	Premium
SBN0	8.57s	0.08	8.59	-----	46.67
SBV0	8.44s	-0.01	8.54	0.13	46.33
SBH1	8.22s	0.01	8.3	0.22	51.08

Sugar #5-LIFFE			
contract	last	high	low
SWQ00	235.6	0.3	237
SWZ00	232.4	-1	234.5
SWV00	232.3	-0.9	233.3

back

SNAP TENDER: CIAMSA 36MMT BULK RAWS: 12MMT EACH H/K15, KN15, NU15 1PM EST SEALED BIDS
SNAP TENDER: CNF EGYPT 14MMT BRS APRL 1-20 ARRVL OPEN RFP DEADLINE 11AM EST

Quantity	Shipment	Delivery Point	Origin	Dest.	Quality	Bid	Offer	Deliverable	Other	Last Trade
FOB Under 10000MT										
2350mt +/- 10%	Prompt	El Salvador	X		BRS		-28		Gra1 2500mt+/-1pct.	
5M-8.5MMT	Prompt	CIF NY		X	RXP		PAR		Tolling Option	
10,000 to 19,000mt										
10500	F20/G15	N. Brazil	X		BRS	-0.8	-04		Flex 10mmt-12.5mmt	12mmt SB-11-08. 12
12000	H/K15	Guatemala	X		BRS	+12	+15	SBH1	S.E.O w/60-40buyback	
14500	H/K15	Bangkok/Kosi	X		BRS	17	+22	SBH1	21500mt,+27.11.15.0	
14000	H/K15	Bangkok/Kosi	X		BRS	+12	+30	SBH1	Flex Terms	
14500	H/K	Bangkok/Kosi	X		BRS			SBH1		
12000	N/U	South Africa	X		BRS	+15	+35			
Over 20,000MT										
22000	N/U15	Santos	X		BRS		-10		98 deg. pol, baged apt.	
CIF/CNF										
14000	H/K15	Korea		X	BRS	+$32/mt			OPTN CNF JPN or KOR	
18000+/-10%	H/K15	RBS		X	BRS		+$34/mt		OMNI origin	
22,000+/-10pct	G15/H	Japan		X	BRS				OMNI origin	

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FIG. 4J

Trade Executed

BigDogTrader

BigDogTrader.com-WORLD RAW SUGAR

File Edit View Ticker Options Research Window Help TOOLBOX TRADE!

BDT Calculator

Sugar #11-NYBDT	contract	last	high	low
	SBN0	8.57s	0.08	8.59
	SBV0	8.44s	-0.01	8.54
	SBH1	8.22s	0.01	8.3

Sugar #5-LIFFE	contract	last	high	low
	SWQ00	235.6	0.3	237
	SWZ00	232.4	-1	234.5
	SWV00	232.3	-0.9	233.3

back

Last Trade

	Spread	Premium
	-----	46.67
	0.13	46.33
	0.22	51.08

Quality Bid Offer Deliverable Other

SNAP TENDER: CIAMSA 36MMT BULK RAWS: 12MMT EACH H/K15, K/N15, N/V15 4PM EST SEALED BIDS
SNAP TENDER: CNF EGYPT 14MMT BRS APRL 1-20 ARRVL OPEN F

Quantity	Shipment	Delivery Point	Origin	Dest.
FOB Under 10000MT				
2350mt +/- 10%	Prompt	El Salvador	X	
5M-8.5MMT	Prompt	CIF NY		X
10,000 to 19,000mt				
10500	F20/G15	N. Brazil	X	
12000	H/K15	Guatemala	X	
14500	H/K15	Bangkok/Kosi	X	
14500 TRADED	H/K	Bangkok/Kosi	X	
14500	H/K15	Bangkok/Kosi	X	
12000	N/U	South Africa	X	
Over 20,000MT				
22000	N/U15	Santos	X	
CIF/CNF				
14000	H/K15	Korea		X
18000+/-10%	H/K15	RBS		X
22,000+/-10pct	G15/H	Japan		X

REFERENCE #RST 789

TRADE EXECUTED

Buyer: EDF Man, Inc. London Office
Trader: Benny Bigcheese 011.44171.553.5555
BB@ediman.com Traffic contact: joe Backoffice

Seller: Copersucar, Sao Palol Office
Trader: Carlos Carnival 0.11.56.555.553
CC@Copersucar.com Traffic contact: joaquim

Commodity: Bulk Raw Sugar
Quantity: 14,500 mt
Shipment: H/K
Delivery: FOB Bangkok/Kosi
Price: SBH1+ 30 points Against Actual
Payment: CAD NY

cancel or amend other physical orders
hedge or price futures

0mt+/-1pct.

3-11-08. 12

+27.11.15.0

32.12.10.00

| | BRS | +$34/mt | | OMNI origin |
| | BRS | | | OMNI origin |

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FIG. 4K

🐾🐾 **BigDogTrader**
Marketplace of the future.

www.bigdogtrader.com

log in

password

Go

Futures | Physicals | Trade Finance | Market Information | Trading Tools | Freight/Traffic

500

Contract	Last
SBVO	1066
CKUO	7860
CCUO	7680
CTVO	6170

New Users

Accounts

Bullentin Board

Calendar

Contact Us

View Demo

Contracts

The Park

Contracts

Financing request for quotes

· Revolving letters of credit
· Red clause letter of credit
· Structured financing quotes
· 30,-180 day letters of credit

PAYMENT DOCUMENTS

514   Extend Payment or
Pre-export finance

· 30,-180 day letters of credit
· Revolving letters of credit
· Red clause letter of credit
· Structured finance- quoted
· New Structured finance biz
· Letter of credit confirmation
· Cash against documents
   authorization

My Page

Sugar **502**

Bulk World Raws (BRS)
Refined Sugar in Poly/
Polyjute Bags (RPI)
Refined Sugar PP Bags.
Opton PI Bags +
S2 /MT (RPO)
Bulk Sugar Re-export (RXP)
Tolling Order: Sell RXP
receive RPI (TOL)
US #14 Quota Raw SugarQ

Coffee **504**

• Robusta FOB: Ivory,
  Coast, Indonesia, other
• Arabica FOB: Columbia,
  Brazil, Central America
• CNF Nola
• CNF Europe:
  Rotterdam/Hamburg/

BigDogTrader

506 Terrier
        Akita
        Boxer
        Ridgeback

Rate Boards **508**

· Cash
premiums
· Freight Grid

Cocoa **508**

• FOB Indonesia
• FOB Ivory Coast
• FOB Other Africa
• CNF Amsterdam
• CNF Main East Coast U.S
  (FDA specs)
• Bulk terms

Cotton **510**

• FOB West Coast US
• FOB East Coast US
• CNF/CIF North Continent
• Delivered Plant
  (Omni-Destination)

Freight **512**

• Coffee CIF Liner
• Time Charter re-ooffer
• Co-freight terms

· Panamax

· Top-off

FIG. 5

FIG. 6(A)-1
FIG. 6(A)-2

FIG. 6(A)

CUSTOM VIEW OF REAL TIME POSITION SHEET

600

VIEW B MTONS
LOTS
DELIVERY PT
TRADER
REGIONAL OFFICE

GO TO: BOGEY CALC
ARB WATCHDOG
OPTIONS PRICER
CASH TRADE DETAILS & STATUS

DETAILS:
POSITION ONLY
ALL DETAILS
REAL-TIME pnl
ARB WATCHDOG

RECALC PNL
UPDATE CASH VALS
MANUAL
BDT DAILLY AVG
VIEW PRINTABLE VERSION

Spreeds	Ranks	Settle	Prior settle	Charge
	H/K			
	K/N			
	N/V			
	V/H9		602	
	Whites			
	H/K	(6)	(5)	(1)
	K/Q	(3)	(1)	(2)
	K/V	(3)	(2)	(1)
	Q/V	3	4	(1)
	ny/liffe			
	H/H	39	38	2
	K/K	46	45	2
	Q/N	56	54	2
	V/V	52	51	1
	45ic/100ic			
Premiu	H/H	15	15	0

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SBV0	10.65s	0.06	10.72	10.3	13:49
SBH1	10.28s	0.12	10.37	10.1	13:43
SBK1	10.03s	-0.03	10.1	9.83	13:43
SBN1	9.62s	0.06	9.68	9.5	13:43
SBV1	9.44s	0.06	9.44	9.33	13:43
SBH2	9.28s	0.07	9.28	9.2	13:43
SEX0	17.55s	-0.11	17.65	17.5	14:23
SEF1	17.60s	-0.1	3		
SWV0	271.40s	3	272	264	13:51
SWZ0	269.50s	28	270	263	13:51
SWH1	267.10s	3.1	267.7	261	13:51
SWK1	262.00s	2.5	262	262	13:51
SWQ1	256.80s	2.8	256.8	253	13:51
SWV1	249.60s	4.4	249.6	250	13:51
SWZ1	249.10s	2.9			

FIG. 6(A)-1

FIG. 6(A)-2

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Pivot Points	FROM LAST COB				
	R2	R1	Pivot	S1	S2
March	12	12	12	12	12
May	12	12	12	12	12

CURRENT CASH VALUES   INPUT NEW CLEAR ALL

LAST   NEW   CHANGE

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RAW	HK FE
	HK WHEMI
	KN FE
	KN WHEMI
	V/Z COLO
WSGR	MAR 4MD
	MAR WHEMI
	MA 4MD
	MAY THAI100
CNF	RBS
	US QTA

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RAW SUGAR

No. 11	Tokyo	Swaps	Far East Cash	W. Hem Cash	Sub Total	YTD ACTUAL	YTD TARGET	NET
				37175	37175			
				(2800)	(2800)			
				5371	5371			
		25400	12000	32000	29166			
(40234)					0			
(38354)					(38354)			
					0			
(610)					(610)			
					0			
					0			
35763				14000	14000			
(104750)	0	25400	12000		35763			
					18396	39296		

WHITE SUGAR

CASH AND FUTURES

Month	No.5	100-180 Icumsa	Swaps	Far Eas Cash	W. He Cash	Sub Total	EALTIM PNL	PREV COB	Change
Dec					0	0			
Jan					0	0			
Feb					0	0			
Mar	55900	21750	####		0	52650			
Apr					0	0			
May	####	7500			0	####			
June					0	0			
July					0	0			
Aug	61600				0	61600			
Sep					0	0			
Oct	####				0	####			
Dec	####			1400	1400	0			
Mar	0				0	0			
Total					1400	20900			

OPTIONS

	LIFFE							NYBOT					
	Type	Month	Strike	Lots	Delta	Tonnage		Type	Month	Strike	Lots	Delta	Tonnage
CALLS	OTC	March	300	300	1	9000		NYBOT	Feb		120	0	732
	OTC	March	330	(200)	0	(100)		OTC	H/K		(280)	0	0
	OTC	March	340	200	0	0		NYBOT	March		323	0	7712
	LCE	Aug	330	275	0	3025		NYBOT	March		450	0	5715
	OTC	Q/V	10	280	0	0		NYBOT	May		(20)	0	(30)
	OTC	Q/N W	60	200	0	0		NYBOT	May		100	0	1524
								NYBOT	July		(100)	0	(406)
		Subtotal				11925			Subtotal		593		15247
						0							
PUTS						0		NYBOT	March		(100)		0
				612		0		NYBOT	March		(225)		0
						0		NYBOT	March		(350)		1778
						0		NYBOT	March		(200)		2845
								NYBOT	May		(75)		305
								NYBOT	May		(25)		229
								NYBOT	Jul		(75)		1143
								NYBOT	Jul		(90)		2012
								NYBOT	Oct		(50)		787
		Subtotal							Subtotal		(1190)		9099
TOTAL						11925							21196

CLEARING

WHITE SUGAR   VIEW BLOTS

	No. 5	100 lcu	Schedu Far Eas	Schedu Whemi	Far Eas AA	W.Hem AA	Total
Mar	1118	435					(531)
May	(1456)	150					(280)
Aug	1247						683
Oct	(531)						0
Dec	0			(280)			0
Total	378	585	0	(280)	0	0	0

RAW SUGAR CLEARING

	No. 11	Tokyo	chedu Far Eas	chedul Whemi	Far Eas AA	W.Hem AA	Total
Mar	799			(2510)	(236)	1155	(792)
May	(755)						(755)
Aug	(12)						(12)
Oct	(1207)						(1207)
Dec	980			(276)			704
Total	(195)	0	0	(2786)	0	0	(2062)

CLEARING
VIEW B BROKER

Sugar#11	MAR	MAY	JUL	OCT	MAR2
Fimat	0				0
Phibro	799	-755	-12	-1207	980
Total	799	-755	-12	-1207	980

Sugar #5	MAR	MAY	AUG	OCT
Fimat	1165	-1275	1058	-442
Refco	0		141	-65
PFL	-47	-181	48	-24
Total	1118	-1456	1247	-531

Sugar #14	MAR	MAY	JULY
LCL5	0	-20	
PFL			
Refco	0	-10	-15
Total	0	-30	-15

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FIG. 6B

Key
DP DELIVERY POINT OR FOB/CIF
PM PRICING MECHANISM
SP SHIPMENT PERIOD
QL QUALITY
QT QUANTITY/SERIES
TS TIME STAMP
PY PAYMENT

SAMPLE FIELDS
AS TRADED IN THE 2nd HAND Mkt.
LIST TO BE REVISED ON CONTINUAL BASIS
BY DEFAULT, FIELDS ON INITIAL ORDER
SET FOR NO VARIANCE/TOLERENCE
SEE DEMO PAGES FOR ILLUSTRATION

DROP-DOWN MENUE FOR STANDARD WORLD SUGAR ORDER;
ENTER MARKET ORDER option for fast order or detailed as follows:

Quality
BRS   WORLD BULK RAWS
RPH   REFINED SUGAR IN POLY / POLYJUTE BAGS
RPO   REFINED SUGAR PP BAGS, OPTION PJ BAGS + $2/MT
RXP   BULK SUGAR FOR RE-EXPORT
TOL   TOLLING ORDER: SELL RXP RECEIVE RPJ
QTA   US #14 QUOTA RAW SUGAR
100 IC   STANDARD SPECIFICATIONS FOR WHITE SUGAR FROM 45-100 ICUMSA
150 IC   STANDARD SPECIFICATIONS FOR WHITE SUGAR FROM 100-150 ICUMSA
180-200 IC STANDARD SPECIFICATIONS FOR WHITE SUGAR FROM 180-200 ICUMSA
SLF   SULFITADA: 250 ICUMSA
OTHER:

Quantity: TOPOFF ____ ENTER TONNAGE   TOLERANCE: +/- 5%
          5000 MT ____   +/- 10%
          10000 MT ____   +/- 500 MT
          12000 MT ____   NONE
          14000 MT ____   NEGOTIABLE
          18000 MT ____
          22000 MT ____
          OTHER ____

700

LT SCHEDULE   TTL QUANTITY
SHIPMENT ____ OF ____ (AUTOTRADE INSERTS COUNTER AS EACH ORDER ENTERED)
____ TRADE AS ONE ORDER   ____ ONE AVERAGE PRICE
____ NEGOTIATE AND TRADE AS ONE ORDER
____ NEGOTIATE AND TRADE SEGMENTS
____ SAME PRICE   ____ % PREMIUM FOR EACH SEGM   ____ LIST SEPARATELY

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SHIPMENT PERIOD:
PROMPT
March/May 1501
May/July 1501
July/Sept 15
Oct/Dec
Jan/Mar
March/May 1502
May/July 1502
Other:____
SERIES

FIG. 7A

FIG. 7B

DELIVERY POINT
Bangkok?Kosichang
Santos
FMD (4 main European ports and dutch)
Immingham
Australia
India
Guatemala
Colombia'US NIOLA/East Coast
S. Africa
Morocco
Red/Black Sea
Mediterranean
S. China/Korea
Japan

TOLERANCE:
_____ SAME PRICE
_____ LINKED TO PRICE
_____ ORIGIN/DESITNATION RESTRICTIONS: _____

Delivery Terms:
_____ FOB _____ CIF _____ CNF _____ OTHER
_____ convert to cnf/fob using listed price +/-$ _____ per Metric Ton

PRICE _____ $/MT OR cts/LB
FIXED _____
FIXED PRICE _____ FUTURES CONTRAC _____ CTS/LB _____ $/MT check one
FIXED AGAINST FUTURES _____ BASIS _____ CTS/LB _____ $/MT check one
_____ FUTURES CONTRAC _____ PREMIUM _____ DISCOUNT

FLOATING PRICE: _____ FUTURES CONTRACT
_____ BASIS _____ CTS/LB _____ $/MT check one
_____ PREMIUM _____ DISCOUNT

PRICING MECHANISM
_____ Against Actuals
_____ Buyer Executable O _____ 60/40 repricing option
_____ Seller Executable Or _____ 60/40 repricing option
_____ Any of the above per fixed against futures value   check one

Payment: _____ CAD NY   Financed Transaction   Revolving L/C   _____ SUBMIT THIS ORDER FOR
_____ Sight Letter of Credit   90day L/C   STRUCTURED FINANCE
                                                              Pre-Financing   (PRE-TRADE/OFF-BOOK FINANCING)
                                                              90 credit

Performance Bond? _____ yes _____ no _____ negotiable
Performance Bond? _____ yes _____ no _____ negotiable

DP DELIVERY POINT OR FOB/CIF

PM PRICING MECHANISM
SP SHIPMENT PERIOD
QL QUALITY
QT QUANTITY/SERIES

TOLERANCE: _____ CTS/LB _____ $/MT check one

VARIABLE: _____   DESCRIBE:
          DP _____ IF _____ THEN _____
                   IF _____ THEN _____
          PM _____ IF _____ THEN _____
                   IF _____ THEN _____
          SP _____ IF _____ THEN _____
                   IF _____ THEN _____
          QL _____ IF _____ THEN _____
                   IF _____ THEN _____
                   _____ SHOW _____ HIDE

704   ADD PRICE VARIABLE

704

Validity: ____ time
                 ____ Good until cancelled
                 ____ Good for day (COB)
                 ____ Good within following market movement

Authorized access: ____ Contract   ____ Floor   ____ Ceiling

____ Default settings   Include in list Substitute
To alter order: Colleague name: BDT Account number   ___   ___

Notify if traded :   ___   ___
____ Enable wireless acces   ____ Disable wireless access   ___   ___
____ Notify me by pager for all activity   ____ notify me only if trades

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ADDITIONAL PRICE/VALIDITY PARAMETERS: (FUNCTIONALITY OVERLAPS WITH ARBITRAGE WATCHDOG)
* customer selection

                        FIXED
<u>SCALE PRICE LEVEL</u>   <u>ACTION</u>   <u>INCREMENT</u> <u>PCTGE</u>   <u>THEN:</u>
Begin: <u>After 1 Hour*</u>   Scale u   ___   ___   Ceiling   ____ Hold
                          Scale d   ___   ___   Floor   ____ Remove

<u>AMEND BASED ON BDT ACTIVITY</u>   <u>INSTIGATING ACTION</u>
Begin: <u>Immediately</u>   ____ SIMILAR MARKET TRADE
                               ____ RANK SIMILARITY IN ORDER: ___ QL ___ SP ___ DP
                               ____ BIDS BELOW MY CURRENT OFFER BUT ABOVE ____
                               ____ OFFERS ABOVE MY CURRENT OFFER BUT BELOW ____

<u>AMEND BASED ON FUTURES ACTIVITY</u>
Begin: <u>On market close</u>   <u>CONTRACT:</u>   <u>OUTRIGHT</u>   <u>SPREAD</u>   <u>OPTION:</u>

            LEVEL 1   ___   ___   ___
            LEVEL 2   ___   ___   ___

<u>OTHER:</u>
POSITION   <u>ACTION</u>   <u>TOTAL</u> <u>Px'd only</u>
          IF <u>GROUP'S WORLD RAWS POSITION EXEEDS</u> ___   ___   ___
          IF <u>My total position reaches</u> ___   ___   ___
          Other: ___   ___

<u>THEN:</u>
____ REMOVE ORDER
____ CHANGE SHIPMENT TO
____ CHANGE ORIGIN TO:
____ CHANGE PRICE TO:
____ AMEND TO REFLECT HIDDEN PARAMETERS
____ BEGIN SCALE PRICING AS DEFINED ABOVE
____ REPLACE ORDER WITH TICKETY NUMBER ____
____ REMOVE/FREEZE ALL

<u>THEN:</u>
____ REMOVE ORDER
____ BEGIN SCALE PRICING AS DEFINED ABOVE
____ REPLACE ORDER WITH TICKETY NUMBER ____
____ REMOVE/FREEZE ALL
____ AMEND TO REFLECT HIDDEN PARAMETERS
____ CHANGE PRICE TO:

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FIG. 7C

ARBITRAGE WATCHDOG

runs in conjunction with quote feed and (eventual) synchronization w/position sheet. Possible slight delay on latter)

VIEWPOINT: ____ BULL ____ BEAR ____ BAIL

GOAL SEEK BY: ____ MARKET MOVEMENT ____ CASH POSITION ____ BO ____ TECH INDICATORS

5/50 MOVING AVERAGES CROSS
RELATIVE STRENGTH INDEX
CANDLESTICK SIGNAL
BREAK THROUGH PIVOT POINT
BREAK SUPPORT
BREAK RESISTANCE
OTHER MOMENTUM

GOAL:

ROLL HEDGE-
ONE MARKET
TWO MARKETS

MARKET MOVEMENT:
EVALUATE/IMPLEMENT STOP-LOSS
MONITOR POSITION LIMIT
TOTAL
BY GEOGRAPHY
BY QUALITY
BY DELIVERY
BY TRADER
BY OTHER SUB-SECTOR

example:
from front month to next
low quality white sugar can be hedged as premium to SB contract or discount to LIFFE

re-evaluate position, orders, etc based on dramatic change in mkt movement

using fixed price only or hypothetical with fully priced trades
can be regional office -- ny or london-- or by trading regions

restricted access based on account type

SPREADS
ARBITRAGE
OPTIONS
FUTURE BULL/BEAR OUTRIGHT

initiate positions or unwind existing
between 2 mkts;initiate positions or unwind existing

SPREADS
DELTA DISPARITY
OFFSET/LIQUIDATE/UNWIND WEAK OUTRIGHT POSITION

bull/bear spreads, rainbow, straddle/strangle, butterfly other

CASH   NO-COST COLLAR PROPOSALS
ATTRACTIVE FLOORS & CEILINGS
ACCOUNT MAINTENANCE
MANAGE CLEARING POSITIONS - ALERT WHEN DISPROPORTIONATE
JUSTIFY BEFORE MARKET BECOMES ILLIQUID CLOSE TO EXIRY

CUSTOMER MAINTENANCE
PRICING OPPORTUNITIES (especially fast markets)
REMIND ME:
EVERY ____ DAYS
IF CONTRACT ____ TRADES AT ____
ON ____ (date) ____ COB ____ OR SPECIFIC TIME

NEW BIZ OPPORTUNITIES
EXECUTE CASH OPTION

FIG. 8

example using new (unsaved) transaction type.
after trade confirmation alert, member asked if want to set up bogey calc.
if member chooses yes, following screen appears, with some fields automatically inputted based on trade details

COUNTERPARTY
       TRADER   ADDRESS:
       BACKOFFICE
       EMAIL   *FIELDS IN BLUE ITALIC ARE FOR FRIEGHT FORWARDING*
       PHONE
       FAX
QUANTITY
QUALITY
SHIPMENT POSITION   *NOMINATE VELLES BY.*
DELIVERY   ESTABLISH ARB WIZARD TO SET PRICING REMINDERS AND LIMITS (CLICK HERE)
PRICE   *SETTLEMENT DATE:*
PAYMENT
COSTS & DETAILS
       ——FREIGHT   OBTAIN BY:
       ——SUPERVISION   ___STANDARD ___OTHE *x$/MT* SGS *x$/MT* ABC___OTHER
       ——HEDGING/PRICING: ___NONE/PASS THRU__STANDARD PER R.T.__+15PCT FOR REPRICING OPTION
       ——VESSEL AGENT   ___STANDARD __OTHER
       ——SHRINK   ___STANDARD BULK __STANDARD BAG __OTHER
       ——LAB TESTING   ___STANDARD ___OTHER
       ——DOCUMENT HANDLING   *DOCUMENT TRACKING DETAILS*(Click here)
       ——PAYMENT

BANK		COST		OPEN/RECEIVE DOCS BY:
——	NOT YET SELECTED	——	STANDARD L/C	——
——	ANY NEW YORK	——	STANDARD CAD	——
——	CHASE	——	OTHER	——
——	ABN AMRO	——	REDCLAUSE L/C	——
——	RABOBANK	___	CONFIRMATION	- ——
——	*DATA TO REMIND ME TO*	——	PERFORMANCE BOND	——

—— INTEREST ——INTEREST RATE
       STANDARD FOB OMNI
       STANDARD FOB THAI
       STANDARD FOB BRAZIL
       STANDARD CNF OMNI (45 DAYS)
       STANDARD CNF RBS
       30DAY FINANCING
       90 DAY FINANCING
       OTHER FINANCING
—— POLITICAL RISK INSURANCE
—— BDT COMMISSION   ___N/A *open policy by*____ *documents received:* *close policy:* *claims outstanding:*
——— OTHER   *request authorization to pay*

       TOTAL   RECALC NOW   ADD CONTACT INFO TO MY   SAVE BOGEY AS:
                         ——PALM   CLOSE AND SAVE
                         ——OUTLOOK
                         ——CUSTOM FIELD
                         ——MAILING LIST

YTD BUDGETED		
ACTUAL	CHANGE	

COUNTERPARTY
QUANTITY
QUALITY
SHIPMENT POSITION
DELIVERY
PRICE
PAYMENT
COSTS & DETAILS

		FILE DETAILS WHEN
FREIGHT	PAYMENT	OPENED AT LATER
SUPERVISION	NTEREST	DATE APPEAR AS
HEDGING/PRICING	POLITICAL RISK INSURANCE	SHOWN ON LEFT
VESSEL AGENT	BDT COMMISSION	
LAB TESTING	DEMURRAGE	
DOCUMENT HANDILING	DESPATCH	
	OTHER	

STATUS: CLOSED AND SETTLED
         PENDING
         UN-SHIPPED
         REMIND ME TO CHECK ON____

FIG. 9

"SCHEDULER"

COMPONENTS OF EXPORT WIZARD	TOTAL DOMESTIC QUALITY	TOTAL EXPORT QUALITY GRADE 1	TOTAL EXPORT QUALITY GRADE 2	TOTAL EXPORT QUALITY GRADE 3	\<collapsible fields for delivery positions which correlate to futures market – h,k,n,v,etc.

POTENTIA YTD
PROFIT   ACTUAL

TOTAL PRODUCTION
      CURRENT OBLIGATIONS IN TONS:
           AVERAGE PRICE
           AVERAGE CASH PREMIUM
        MAX CROP YEAR OBLIGATIONS
        MINIMUM CROP YEAR OBLIGATIONS
           MINIMUM PRICE
           MIN CASH PREMIUM
           EXPECTED CASH PREMIUM
        US QUOTA
        MINIMUM LEVEL STOCKS
        MAXIMUM LEVEL STOCKS
FIRST FULL DAY MILL OPERATIONS
DAILY GRINDING CAPACITY
WAREHOUSING CAPACITY
WAREHOUSING COSTS (DOUBLE-HANDLING, SHRINK, ETC)
INTEREST RATES
OVERTIME COSTS

COST PER TON
COST TO CONVERT TO EXPORT QUALITY   GRADE 1
                                         GRADE 2
                                         GRADE 3
NUMBER OF DAYS TO CONVERT QUALITY

      CALCULATE NOW   — USE BDT CASH AND FUTURES INPUT
                        — EDIT BDT, USE OWN VALUES
                        —CALC USING SENSITIVITY ANALYSIS AT___ %
                             ABOVE AND BELOW ESTABLISHED CASH & FUTS VALUES
      COMPARE WITH WIZWORKSHEET #(OPENS SAVES VERSIONS)

      PRINT

      SAVE AND CLOSE

FIG. 10

Calendar

www.bigdogtrader.com

log in

password

Go

:::: Futures | Physicals | Trade Finance | Market Information | Trading Tools | Freight/Traffic

BigDogTrader
Marketplace of the future.

Contract	Last
KCNO	8710
CCNO	852
SBNO	863
Jul'00	56.64

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JUNE 2000

Monday	Tuesday	Wednesday	Thursday	Friday
			1 NY SUGAR #14 First Trading Day SEX1 / NY SUGAR #11 First Trading Day SBQ0 OPTIONS / NY COCOA: NY first Trading Day CCO2	2 USDA Sugar Crop Report issued / ICCO Cocoa Meeting / LIFFE / NY COCOA: Last trading Day CON0
5 CMAA board meeting / •Last Trading Day July '00 Cocoa Options / BDT Streamline Committee Meeting: deadline to Submit alternatives & new applications for 6.22.00	6 NYBOT Commitment of Traders released	7 •Live forum 2 pm EST G.Nygaard, Octagon Finance "How to Leverage Risk Through Structured Finance"	8 NY SUGAR #14 Last Trading Day SENO ˙	9 •WASDE releases new estimates / *NY ROBUSTA: LTD KON0 / *NY SUGAR #14: LTD SON0
12 *NY ROBUSTA: First Trading Day KON1 / *NY SUGAR: First Trading Day SOV1 / CRB Feb '01 First Trading Day	13 •ACPC meeting Costa Rica	14	15 *Live forum 2pm Bob Banker VP Bankonline, Inc. "How to cut costs and stream-line operations through online transactions" / GCA Warehouse stocks released	16
19 *NY ROBUSTA:KON1	20 *NY ROBUSTA:KON1	21 *NY ROBUSTA:KON0 EXPIRES	22 *NY ROBUSTA: First Notice Day KON0	23

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FIG. 11

SYSTEM AND METHOD FOR PHYSICALS COMMODITY TRADING

RELATED APPLICATIONS

[0001] This application is a continuation of U.S. application Ser. No. 14/327,816 filed Jul. 10, 2014; which is a continuation of U.S. application Ser. No. 14/033,796 filed Sep. 23, 2013, now abandoned; which is a continuation of U.S. application Ser. No. 13/461,308 filed May 1, 2012, issued as U.S. Pat. No. 8,543,490; which is a continuation of U.S. application Ser. No. 09/907,450 filed Jul. 18, 2001, issued as U.S. Pat. No. 8,180,698; which claims priority to U.S. Application No. 60/219,023 filed Jul. 18, 2000, all of which are incorporated herein by reference in their entirety for all purposes.

FIELD OF THE INVENTION

[0002] The present invention relates to trading physicals commodities and more particularly to an electronic market place for trading physicals commodities.

BACKGROUND OF THE INVENTION

[0003] The following definitions and descriptions help explain the commodities trading industry and some of the misconceptions that exist regarding it. A more complete list of definitions is included as an appendix herein.

[0004] Markets:

[0005] Cash (physicals): Refers to the physical exchange of commodities, either directly with importers, exporters, and processors or between two intermediaries. Jane is a cash trader.

[0006] Paper: A regulated exchange to trade futures and options contracts. Futures represent a specific quality, quantity, and standard delivery and performance terms. Options are contracts which offer the right to buy or sell the underlying futures contract. Paper traders take ownership of the physical product, but will always liquidate their position in contract before it expires, thereby avoiding taking possession of the underlying commodity. Dick is a paper trader.

[0007] Key Terms:

[0008] FOB (Free on Board): Seller relinquishes title to goods at origin once it crosses the rail of the loading vessel.

[0009] CNF (Cost and Freight): Seller transfers title to the buyer at the destination port.

[0010] CIF (Cost, Insurance & Freight): Seller pays for all shipping costs and cargo insurance.

[0011] Liquidity: Volume of bids and offers in both cash and futures markets. Higher liquidity yields more trading opportunity and less risk associated with completing (or reversing) a position—Critical for traders without the ability to store and ship the physical commodity.

[0012] Transparency: The amount of information readily available to accurately reflect current market prices.

[0013] Clearing: Intermediary's performance guarantee to buyer and seller. The intermediary is responsible for all replacement costs if either counterpart defaults.

[0014] Clearinghouse: Guarantor of customers' performance, daily reconciliation of each futures and options contract traded on behalf of clients, and net affect on subsequent margin positions (percentage gain or loss versus settlement price required as deposit.

[0015] Cash Market Players:

[0016] The trade: International conglomerates who intermediate between commodity exporters and importers. The brochure for the trade house Jane works states that they facilitate the flow of worldwide commodities by assuming and managing distribution risks. It's not that glamorous.

[0017] Cash Broker: Matches buyers and sellers of physical commodities. A cash broker does not take title to the goods and often acts as an over-the-counter futures broker as well. Mostly focuses on the active second-hand market between trade houses, who juggle "inventory" around the globe, trying to purchase and deliver the cargo from the least expensive source.

[0018] Paper Markets Players:

[0019] Locals: A clearing member (or its employee) of the futures exchange who executes customer orders (open-outcry market) and usually trade for their own account.

[0020] Paper traders: Institutions, individuals and hedge fund managers who seek profits by trading futures with no intention of holding contracts until expiration, thereby avoiding the physical receipt or delivery of the physical product. Many are on Wall Street, but Dick works in Midtown.

[0021] Many people assume that the physicals ("cash") are to futures markets ("paper") what stock brokers are to NYSE, yet futures were created to hedge the delivery price of commodities in which they anticipated buying or selling at a future date (the end of the harvest). Although investment activity comprises the majority of futures volume today, exchange traded contracts are the root of all world market prices and still the primary source of price protection for world trade participants. The following scenario help differentiate between the two and describes a particular situation that can benefit from the present invention.

[0022] Jane is a cash trader; Dick is a paper trader. Jane buys sugar from the farmer today at a fixed price. Since she won't receive it until later, she sells futures for the same quantity to guarantee a minimum price. Dick sold futures to Jane and others since he thinks prices are going down.

[0023] Commodity trading is risky—for dick and jane—users of the present inventive systems and methods. These systems and methods can, but do not necessarily, provide clearing services as the custom of the trade does not require such for cash transactions.

[0024] One day, Jane buys a cargo of Brazilian sugar with no particular destination in mind. She immediately sells futures for price protection (hedging) even though she's feeling lucky and bullish.

[0025] Jane is very happy. Only a week after buying the sugar, she sells it with a big, fat premium. She liquidates her hedge and loses money buying the futures back, but still has the big, fat, premium leftover. If she had been wrong about the market, she would have held the futures until expiry and delivered the sugar to a buyer on the exchange. In this worse case scenario, she limits her losses to the cash premium she paid to the Brazilian mill.

[0026] Jane loves her job, especially when she's right. Dick thinks it's a silly waste of time. He couldn't be bothered to charter a vessel, worry whether the boat would sink or if the customer on the other half of the globe decides not to pay. Instead, he just takes twice as much of his bank's money, sits in front of a screen with two phones and his charts, and makes just as much profit as Jane.

[0027] In paper trading, the trader must formulate and implement strategies in futures and options markets to com-

pliment hedging and management of physical positions. This involves short and long term analysis of fundamental, technical, political and economic factors. To perform the risk management and operations responsibilities, position limits, margins, profitability, risk/reward of physicals and futures options, counter party risk, country risk, all must be monitored. While in cash trading, the trader must tailor short and log term contracts to meet price risk, payment and scheduling concerns of the counter party within a trade house's profitability objectives. This requires intensive travel to maintain an in-depth knowledge of customers, political and cultural climates, vertical growth opportunities, and risk management issues.

[0028] In the past, on-line or electronic exchanges have been developed for specific environments. However, these exchanges are limited to the interaction and involvement between two parties and in may cases have been nothing more than matching software to determine the coincidence of different bids and offers. Until now, such exchanges have not provided a comprehensive marketplace open to multiple types of parties, each having different needs and purposes for being there, nor have they provided an aggregation of services, software, participants and information necessary to change the way trading is performed.

[0029] One area in commodities that has seen some experimentation into on-line exchanges is that of energy. However, in addition to the differences stated above, energy differs from soft commodities and the agri-market for a number of fundamental reasons such as the number, size and influence of market participants, the rigidity of standard contracts, profit margins, volatility and the measure and practice of risk management.

SUMMARY OF INVENTION

[0030] The present inventive system and methods provides a real-time electronic marketplace for physical soft commodities, such as coffee, sugar, cotton, cocoa, rice, etc. Unlike other online trading commodity sites which emulate current offline business practices, the present invention capitalizes on web-enabled technology to provide end-to-end market players with tools to increase profitability and operating efficiencies. to accomplish this, the system facilitates and streamlines the hedging and trade execution process—thereby increasing liquidity in these commodity markets, attracting new market players, and creating new opportunities for all participants. The present invention is not limited the specific global, tight-knot trading communities previously mentioned, but is expandable both horizontally into new markets and vertically into ancillary product offerings such.

[0031] Physical soft commodity trading practices have evolved little since World War II, mostly affected by telecommunication advancements and global trend towards privatization. However, by utilizing the Internet's unique ability to break down the barriers of access to information, transparency, geography and time the present systems and methods can minimize the current inefficiencies in commodities trading. By streamlining front-to back-office, operating costs are significantly cut all players in the market. For example, for many producers and end-users in a high-margin niche market such as sugar, the present systems and methods provide, for the first time, an opportunity to bypass middlemen and receive real-time market information. Moreover, by aggregat-

ing the marketplaces and ancillary services, the system offers end-to-end transactions at prices substantially lower than present rates.

[0032] In one embodiment, the present inventive system is located at a web site that provides a 24-hour marketplace for physical soft commodities supported by a staff of seasoned traders. The present system can but does not necessarily, provide clearing services, as current market customs do not require physical brokers to do so. The system obtains two main sources of revenue: subscription fees for marketplace participants and commissions earned on trades facilitated by bigdogtrader.com.

[0033] In a preferred embodiment, the present system employs web site with appropriate design to allow the trading dynamics to be similar to present electronic marketplaces for chemicals and other commodities, yet incorporates additional features that optimize the transparency, anonymity, and liquidity offered by electronic marketplaces. For example, the system permits real-time posting of counterproposals viewable by all market players, thus eliminating closed negotiations and allowing any other eligible member to execute the original order or its counterproposal. Further, the system cultivates twenty-four hour activity by incorporating intelligent default technology to enhance automatic trade execution. These user-friendly parameters will allow customers' to define their flexibility to accept counter-proposals with different prices, quality, and/or delivery period, etc. Finally, a suite of software applications are tailored for all types of users ranging from exporter and processor pricing and scheduling tools, to an Arbitrage Watchdog™ that notifies traders of real-time options or spread opportunities based on pre-defined goals. On operation, many of these applications cull real-time positions in both futures and physicals stored on the system.

[0034] As described more fully below, the present inventive systems and methods provide at least the following features:

[0035] A twenty-four hour commodity marketplace providing physical trading and essential trading tools: live quote and data feeds, futures brokerage, banking services, and other features for end-to-end trading such as financing and freight.

[0036] An industry-wide approach toward development that appeals to all types of market participants rather than today's largest players. Competitive pricing, open access for known and established participants and a user-friendly interface to attract direct business from source and sink customers.

[0037] Capitalize on the technological advantages of electronic trading to enhance market efficiency and increase transparency.

[0038] Market open to all players who meet credit standards.

[0039] Anonymous interaction.

[0040] Open and posted negotiations, hidden validity of orders to promote higher trade turnover.

[0041] On-line services compound customers' operating efficiency given increased transparency of online marketplaces: facilitate, expedite, and increase financing alternatives for all players, either on or off-book through the company's banking alliance or structured finance (capital markets) alliance. Similar alliances and opportunities are provide with respect to ocean freight.

[0042] User-friendly technology to allow customers to define their flexibility of market orders and encourage around-the-clock, fully automated trading (compared with most online sites today which still require manual/oral inter-

action to confirm a trade.) For example, the system allows orders that offer a specific delivery period and price, yet accept a bid with a wider delivery period if price is at least a certain level.

[0043] Aggregated ancillary services allowing members to streamline front-to-back-office procedures with unparalleled savings opportunities.

[0044] Standard trade documentation, procedures and development of industries' XML codes.

[0045] Unique ability to provide speculators and capital market/structured finance players with real-time fundamental news.

[0046] Increased access for all industry participants to increase liquidity of futures markets which in turn propels physical trade volume.

[0047] Scalability to expand the system to adapt to almost all physical commodity markets, including present "franchise" strategy for regional markets and increasing supplementary services.

[0048] Additional objects, advantages, and novel features of the present invention will be set forth in the description that follows, and in part, will become apparent upon examination or may be learned by practice of the invention. The objects and advantages of the invention may be realized and obtained by means of the instrumentalities and combinations particularly pointed out in the appended claims.

BRIEF DESCRIPTION OF THE DRAWINGS

[0049] The present invention is illustrated by way of example, and not by way of limitation, in the figures of the accompanying drawings and in which like reference numerals refer to similar elements and in which:

[0050] FIG. 1 illustrates an exemplary hardware environment on which the present system can be implemented.

[0051] FIG. 2 illustrates an exemplary environment for the system.

[0052] FIGS. 3A-3B illustrates a schematic view of exemplary software components used to construct an embodiment of the present invention.

[0053] FIGS. 4A-4K illustrate a series of screen shots depicting a exemplary trade execution.

[0054] FIG. 5 illustrates a Forms Wizard in accordance with an embodiment of the present invention.

[0055] FIGS. 6A-1, 6A-2 and 6B illustrate a Profit and Loss (PNL) Wizard in accordance with an embodiment of the present invention.

[0056] FIGS. 7A, 7B and 7C illustrate an AutoTrade Wizard in accordance with an embodiment of the present invention.

[0057] FIG. 8 illustrates an Arbitrage Watchdog in accordance with an embodiment of the present invention.

[0058] FIG. 9 illustrates an

[0059] FIG. 10 illustrates an

[0060] FIG. 11 illustrates a Calendar in accordance with an embodiment of the present invention.

DESCRIPTION OF THE PREFERRED EMBODIMENT

[0061] A method and system for an electronic commodities trading marketplace along with ancillary tools are described herein. In the following description, for purposes of explanation, numerous specific details are set forth in order to provide a thorough understanding of the present invention. It will be apparent, however, to one of ordinary skill in the art that the present invention may be practiced without these specific details. In other instances, well-known structures and devices are shown in block diagram form in order to avoid unnecessarily obscuring the present invention.

[0062] The present systems and methods provide an electronic trading center for world market commodity importers, exporters, and the intermediaries and processors between them. This trading center is offered through its website centered around a 24-hour exchange that provides trading markets for commodities such as coffee, sugar, cocoa and cotton. The scalable system provides aggregated third party services linked to both front and back office operations. These services can include items such as live futures quotes and real-time news, futures brokerage, banking and finance links and resources, and a suite of applications tailored to members' specific risk-management and end-to-end contract execution needs. The system also provides access to shipping related services such as freight brokerage, direct booking for liner transport, load and discharge supervision and laboratory testing.

[0063] One alternative implementation includes providing the inventive systems and methods in an Application Service Provider (ASP) model to allow stand-alone entities to establish specific trading markets.

Hardware Overview

[0064] FIG. 1 is a block diagram that illustrates a computer system 100 upon which an embodiment of the invention may be implemented. Computer system 100 includes a bus 102 or other communication mechanism for communicating information, and a processor 104 coupled with bus 102 for processing information. Computer system 100 also includes a main memory 106, such as a random access memory (RAM) or other dynamic storage device, coupled to bus 102 for storing information and instructions to be executed by processor 104. Main memory 106 also may be used for storing temporary variables or other intermediate information during execution of instructions to be executed by processor 104. Computer system 100 further includes a read only memory (ROM) 108 or other static storage device coupled to bus 102 for storing static information and instructions for processor 104. A storage device 110, such as a magnetic disk or optical disk, is provided and coupled to bus 102 for storing information and instructions.

[0065] Computer system 100 may be coupled via bus 102 to a display 112, such as a cathode ray tube (CRT), for displaying information to a computer user. An input device 114, including alphanumeric and other keys, is coupled to bus 102 for communicating information and command selections to processor 104. Another type of user input device is cursor control 116, such as a mouse, a trackball, or cursor direction keys for communicating direction information and command selections to processor 104 and for controlling cursor movement on display 112. This input device typically has two degrees of freedom in two axes, a first axis (e.g., x) and a second axis (e.g., y), that allows the device to specify positions in a plane.

[0066] The invention is related to the use of computer system 100 for the present inventive system. According to one embodiment of the invention, the system is provided by computer system 100 in response to processor 104 executing one or more sequences of one or more instructions contained in main memory 106. Such instructions may be read into main memory 106 from another computer-readable medium, such

as storage device **110**. Execution of the sequences of instructions contained in main memory **106** causes processor **104** to perform the process steps described herein. One or more processors in a multi-processing arrangement may also be employed to execute the sequences of instructions contained in main memory **106**. In alternative embodiments, hard-wired circuitry may be used in place of or in combination with software instructions to implement the invention. Thus, embodiments of the invention are not limited to any specific combination of hardware circuitry and software.

[0067] The term "computer-readable medium" as used herein refers to any medium that participates in providing instructions to processor **104** for execution. Such a medium may take many forms, including but not limited to, non-volatile media, volatile media, and transmission media. Non-volatile media include, for example, optical or magnetic disks, such as storage device **110**. Volatile media include dynamic memory, such as main memory **106**. Transmission media include coaxial cables, copper wire and fiber optics, including the wires that comprise bus **102**. Transmission media can also take the form of acoustic or light waves, such as those generated during radio frequency (RF) and infrared (IR) data communications. Common forms of computer-readable media include, for example, a floppy disk, a flexible disk, hard disk, magnetic tape, any other magnetic medium, a CD-ROM, DVD, any other optical medium, punch cards, paper tape, any other physical medium with patterns of holes, a RAM, a PROM, and EPROM, a FLASH-EPROM, any other memory chip or cartridge, a carrier wave as described hereinafter, or any other medium from which a computer can read.

[0068] Various forms of computer readable media may be involved in carrying one or more sequences of one or more instructions to processor **104** for execution. For example, the instructions may initially be borne on a magnetic disk of a remote computer. The remote computer can load the instructions into its dynamic memory and send the instructions over a telephone line using a modem. A modem local to computer system **100** can receive the data on the telephone line and use an infrared transmitter to convert the data to an infrared signal. An infrared detector coupled to bus **102** can receive the data carried in the infrared signal and place the data on bus **102**. Bus **102** carries the data to main memory **106**, from which processor **104** retrieves and executes the instructions. The instructions received by main memory **106** may optionally be stored on storage device **110** either before or after execution by processor **104**.

[0069] Computer system **100** also includes a communication interface **118** coupled to bus **102**. Communication interface **118** provides a two-way data communication coupling to a network link **120** that is connected to a local network **122**. For example, communication interface **118** may be an integrated services digital network (ISDN) card or a modem to provide a data communication connection to a corresponding type of telephone line. As another example, communication interface **118** may be a local area network (LAN) card to provide a data communication connection to a compatible LAN. Wireless links may also be implemented. In any such implementation, communication interface **118** sends and receives electrical, electromagnetic or optical signals that carry digital data streams representing various types of information.

[0070] Network link **120** typically provides data communication through one or more networks to other data devices. For example, network link **120** may provide a connection through local network **122** to a host computer **124** or to data equipment operated by an Internet Service Provider (ISP) **126**. ISP **126** in turn provides data communication services through the worldwide packet data communication network, now commonly referred to as the "Internet" **128**. Local network **122** and Internet **128** both use electrical, electromagnetic or optical signals that carry digital data streams. The signals through the various networks and the signals on network link **120** and through communication interface **118**, which carry the digital data to and from computer system **100**, are exemplary forms of carrier waves transporting the information.

[0071] Computer system **100** can send messages and receive data, including program code, through the network(s), network link **120**, and communication interface **118**. In the Internet example, a server **130** might transmit a requested code for an application program through Internet **128**, ISP **126**, local network **122** and communication interface **118**. In accordance with the invention, one such downloaded application provides for the system as described herein. The received code may be executed by processor **104** as it is received, and/or stored in storage device **110**, or other non-volatile storage for later execution. In this manner, computer system **100** may obtain application code in the form of a carrier wave.

Philosophy Applied

[0072] Aggregating entire commodity markets with the common, integral services of all customers creates unrivaled profitability and cost-efficiency opportunities. Just as important, however, are the features of the system's cash trading software, and the parameters (trading rules) to welcome the new technological tools as a long-overdue opportunity to enhance market liquidity. Specific examples include:

[0073] Procedures for addressing counter-party risk (most common customer concern) are ironically similar to today's market practices. Each member submits and maintains their selection of acceptable counter-parties from system's master member list. Market orders appear on each trader's screen in one of two colors, depending on whether the listing is submitted by their individual "enabled/credit approved" list.

[0074] Hidden validity of market orders, counter proposals, and other members' authorized trading list forces players to make faster decisions, leading to higher trade turnover. Hidden validity of market orders, counter proposals, and other members' authorized trading list; forces players to make faster decisions, leading to higher trade turnover

[0075] Completely automated transactions: (i.e. if a buyer submits a counter-proposal identical to a valid offer, the transaction between two trade-enabled players will be executed and documented without the seller manually submitting his or her acceptance.) To the best of our knowledge, while other sites provide automatic matching, trades must be confirmed with a mouse-click or phone call.

[0076] Incorporating and promoting technology to foster the development of 24-hour trading without physically manning the "graveyard shift" (minimum/maximum prices, change in price proportional to counter-proposal with different delivery terms, etc.) Per above, even during "manual" mode, trades cannot be completed with unauthorized counter-parties.

[0077] Posting counterproposals in real time; any other eligible member will have the opportunity to hit the bid or lift the offer (versus others' system of closed negotiations.)

[0078] Weekly polls addressing timely issues concerning fundamental issues, such as estimated crop damages from extreme weather, port congestion, etc, with all anonymous responses.

[0079] Forums on options strategies, structured finance, improving customer's efficient use of Internet, etc.

[0080] Focus groups to address improving market efficiency, standardization of trade documentation and contract execution procedures, and develop industries' XML standard codes.

Technology Components

[0081] Software components includes a Software Trading engine; Quote vendor software that guarantees reliability of live feed, reducing the amount of data needed to store on the system; and Back-office accounting software, preferably an MS Excel-compatible, real-time accounting system which can cull a market player's online cash and futures positions and upload/download information to synchronize his/her on and off-line position. Customers are provided with the ability to calculate their total mark-to-market profits and losses within minutes throughout the day by calculator software tools provided by the system. Conventionally, such calculations often takes at least five staff-hours/day at a large trade house.

[0082] In a preferred embodiment hardware is selected to provide the redundancy needed to guarantee 99.98 percent reliability. For example, for every server required to run the site, a second server can be housed locally or at a separate location.

[0083] To provide security, conventional methods and hardware are selected and implemented such as encryption of data, firewall systems, and other protection measures.

Exemplary Environment

[0084] FIG. 2 illustrates a schematic overview of the parties and entities that can benefit from embodiments of the present system 200 as detailed herein. These parties can be located worldwide as the web allows communications and data exchanges from any location. These parties include sources of news feeds 202, price quote feeds 204, commodity brokers and traders 206, freight providers 208, futures brokers 210, producers, exporters (and importers) 212, financial service providers and institutions 214, and speculators or paper traders 216.

System Software Components

[0085] By aggregating various market information, market participants, and a variety of trading tools, the present inventive system provides everything needed to conduct end-to-end transactions, by any type of market player, in the physicals marketplace. FIGS. 3-B depicts an exemplary organization of the function elements, and an interface to these functional elements, of the present system.

[0086] In a web-based embodiment of the present system, the elements of the interface would typically be implemented using Java, dynamic HTML or other similar methods for providing active content to traders and other market players using a web-browser to access the system. The underlying software implement each function, would typically include off-the-shelf technology where available and robust custom programs when needed. Each of the various links and interface elements provided by the system can be displayed inde-

pendently. Typically a user will simultaneously utilize three or four active display windows that that can be appropriately sized depending on what particular trading activity the trader is are performing.

[0087] The system can provide a visitor an introductory page 302 or a homepage 304. From the homepage 304, a number of links can be made available to a visitor such as links to site contact information 306, new user information 310, a bulletin board 314, and a demonstration of the system 317. A login function 308 is also included to control access to certain areas and functions of the system as well as to personalize and customize a user's visit to the system. By using a login system, access to many of the system's features can be limited to members. Furthermore, by segregating the members into different levels of membership, access to certain features and information can be further refined based on a subscriber's membership level.

[0088] Once logged-in, a user can take advantage of the electronic exchange and the trading tools and information described in detail herein. For example, the user can choose to enter a physicals marketplace 324 such as coffee, sugar and rice which is implemented, in part, through the use of a matching (or trading) engine. Within each of these marketplaces, the user is able to view trading activity and place offers and bids.

[0089] Links to other parties that support physicals trading are also provided. The user can access links to financial institutions 326 (e.g., Octagon, Case, etc.) that are involved in the trading process. From these screens a user is able to inquire about and receive confirmation of credit and financial services offered through these institutions which facilitates the trading process without ever leaving the system. The user can also access links to freight providers 332 which permits the user to work with freight forwarders without leaving the system. As explained further herein, many of these features are used automatically upon the conclusion of an executed trade so that financial, and other, service providers receive notification and information about a completed trade.

[0090] Because information about the futures market is paramount to profitable trading, a link to futures information 322 is provided that allows a user to view data from one or more markets such as Tokyo, Brazil, etc. Links to other, more generic, market information and news sources 328 is also provided from the system. These links provide access to real-time data feeds from Reuters, CNN, Analyst Report as well as more static data such as industry-related links, and daily or monthly trading summaries generated by the system.

[0091] Other tools can also be accessed by a user of the system to help with the trading process. A calendar tool 316 is available that parses real time data feeds to permit informing a user about upcoming dates and activities in different market areas. Preferably, the resulting calendar can be downloaded and imported into other personal scheduling programs such as Outlook and LotusNotes. Other tools available to a user are trading tools 330 that include a trading wizard that permits a user to define rules governing automatic trading, charting tools to visually display various market data, and weather-related tools.

[0092] The system includes a contracts and confirmations area and wizard 318. Using this wizard a user has the ability to select standard contracts and other provisions agreed upon by other traders. Utilizing such contracts allows for quicker trade execution and also allows a level of confidence and predictability for all traders.

[0093] The Park **320** is also available to a user to permit the user access to specific formal and informal forums of information that may be of interest to the user.

An Exemplary Trading Session

[0094] During an initial visit to the system, a trader (or other user) provides business-related information, personal preferences, and other data to customize future interaction with the system. FIG. **4**A depicts an exemplary screen display **400** presented to a user of the present system after logging into the system, typically by providing a username and password. The system provides standard templates in each market for each user type, for example screens that are important for a trade house user are different than those for an importer. This way, all users may register, log-on and begin using the system immediately

[0095] Some of the information on the display screen **400** is customized by a user's preferences, such as the particular information displayed in windows **402**, **404**, **406** and **408**. Other information such as the menu bar **414** and the link bar **420** are parts of the system. The menu bar and links bar can, however, vary depending on what type or class of member a particular user is such that certain links are only available to certain users. Although all are customized for the system's graphical user interface (GUI), real-time information presented in windows **410**, **414**, **404**, **406**, and **426** are provided by an external data vendors such as Reuters, FutureSource Bridge or Data BroadCasting corp. The present system subscribes for the maximum amount of information the vendor aggregates to provide enough functionality for the financial trader, who monitors all financial news and over a dozen futures contracts in five different markets, as well as for the trade house user who prefers to see news selected by the keywords "sugar" and "Brazil" (screen **406**) and a tick-by-tick chart of the nearby sugar contract, supplemented with the volume, open interest or other technical indicators (such as in screen **404**). Screen **426** is a "snapshot" window where users may select a quick quote options for the most recent value of a particular futures or options or equity contract, or display a streaming chart of all price quotes within a particular market. As shown, these windows include drop down menu boxes that provide a user with a full spectrum of functionality menu of choices rather than requiring the user to remember various abbreviations for different markets. As with all data vendors, the user has a high degree of functionality such as ability to compare data, right-click a news headline to lead to the full story, multiple charting features and ability to download and store the information. In the exemplary screen **400**, window **402** displays the bid and offer information relating to World and US Raw Physical Sugar; window **408** displays the bid and offer information relating to World White Physical Sugar. This information is generated from the system's own trading engine (real-time posting and matching algorithms). The system also provides polls and questionnaires **422** which are developed, presented and analyzed by the system's offline trade support. This feature, taking full advantage of the system's anonymity, provides traders with valuable market sentiments that affect market pricing and further supports the systems ability as a source of market information.

[0096] Of particular use to traders, is the layout of screens **410**, **412**, and **414** which the system has named "the strip." Boxes **410** and **414** display real-time activity of a traders' two most important futures markets (those that affect physical purchases and sales the most). In this example, **410** is the

NYBOT raw sugar contract and **414** is the LIPPE refined sugar contract. Again, initially, these are selected by the system for each market, but can be altered and saved by each user. Provided by the system, the middle box **412** updates two types of differentials in real-time. **412**A automatically calculates the differential between each contract's delivery periods **410**A, B and C and the right hand calculating the difference between two separate contracts with similar delivery periods (**410**A and **414**A). Known as spreads and arbitrage respectively, this automatically displays futures and physical trading opportunities when activity in either or both markets causes disparity. The strip is an independent window, set by default to remain open and overlaid on any other window the user may open (system window or otherwise). An example of this feature's importance is the ability to monitor market movement while in the process of submitting a market order.

[0097] When a user wants to focus on one display screen, for example to conduct a trade, that screen can be selected (by a mouse selection or key-stroke) to fill a large portion of the display screen as depicted in FIG. **4**B. The window **402** is shown expanded, in FIG. **4**B, to fill most of the display screen. This market screen **402** shows information about various bids and offers that are pending in the market and is the standard template used for each market, whether sugar, wheat or otherwise. It displays the minimum amount of negotiating points that must be addressed before users will agree to the purchase or sale of the underlying product. Each market's trading screen is sortable, expandable and collapsible by its negotiable fields (**405** A-I). While the amount of negotiable fields is not expected to change in the long-run, the system has taken the initiative to establish groupings and categories within each field, such as **405**F. "BRS", for example, is the system's code for 'bulk raw sugar.' As explained later in this document, the system will encourage participants to continually reduce the amount of subgroupings as it is more conducive to building liquidity and streamlining the trading process. In this example, the system-on and offline, will encourage participants to express buying and selling interest by the broad "Bulk raw sugar" instead of the current custom of the trade to specify "Colombian or Guatemalan bulk raw sugar" The broader and more standard the terms, the easier it is to trade (and thus build overall market liquidity). By way of example only, the orders are segregated into categories based on weight. For each order (i.e., row), the trading variables are displayed to permit evaluation of the order. For example, in the sugar market, these variables include shipment timing, origin and destination point, commodity quality, bid and offer particulars, deliverable specifications, and other items. Also, unique to this system is the ability to combine a full "many-to-many exchange," as often referred to by off-the-shelf software companies such as Ariba, with a "one-to-many" auction-type feature as shown as "snap tenders" **430** for this particular market. These snap tenders **430** are different in that they are received from importers and exporters who wish to invite public (members only still) or private (selected members although displayed publicly) offers or bids respectively. This in known in some industries as an RFP (request for proposals) except they are typically requested and executed within a matter of hours.

[0098] Many market participants are reluctant to trade with unknown parties and, therefore, have a limited number of parties that they will trade with. During the initial account set-up, a user is given the opportunity to identify those parties with which it will trade. For a trade to occur, each party must

have identified the other party as an acceptable trading partner. These preferences are used in displaying the order information in window **402**. For example, text color or other visually distinctive methods can be used to indicate which orders are possible and which are not. For example, allowable trades may be presented in green while forbidden trades are depicted in red. Column **405K**, "last trade" is provided by the system, but separately from the trading engine software. This column, expandable by right clicking the cell, culls recent bids, offers and trades the search engine identifies within the system's database.

[0099] Once a trader determines the desirability of making a trade, the TRADE! menu item can be selected to cause dialog window **432** to be displayed. In this window, the trader can enter a market order (bid or offer) by completing all the radio buttons, text boxes and drop down menus. The drop down menu choices and radio buttons are customized based on the particular commodities market. appropriate for trading that commodity. Again, window **432** displays the minimum amount of issues that need to be addressed between buyer and seller. The drop-down selections are usually selected by the system within each market based on the most common or likely characteristics that that a trader typically manipulates to construct an order having the precise characteristics desired would trade through the system. The exemplary window **432** display options for the sugar market; an order window for the rice market, for example, would have different countries selected under "delivery point".

[0100] Column **436** presents the opportunity for the user to establish flexibility regarding any or all the negotiating points. These fields are set by default to "no/none/zero" so that market orders may be submitted as swiftly as possible, with only the items in window **432**. allows a trader to describe what characteristics about the trade do not have to be exact matches to still qualify as a matching counterproposal. In the exemplary window **440**, the trader has selected acceptable variances in quantity, shipment time, price, pricing, etc. This ability to add flexibility of acceptable terms (consequently, providing the algorithm with a higher match rate of bids and offers) is the beginning of the Autotrade Wizard, an integrated software application designed by and provided by the system and explained later.

[0101] One of the characteristics of the order that is selectable by the trader is the "validity" which is likely the only feature that mirrors current offline customs of the trade. For example, the shortest validity would be "fill" or "kill" (shown for maximum of 15 minutes) or "Good Until Cancelled". This validity information, however, is not disclosed to the other traders in the market. By hiding this information from view, other traders will be unsure for how long an order will be valid. This uncertainty may increase the pressure to negotiate regarding an order for fear of losing an opportunity by procrastinating. One other unique feature is the ability to enter hidden flexibility within the order such as displaying a bid at a certain price but accepting to pay a higher price (as specified to system but not displayed). Again, this feature increases the potential for to increase volume as the matching algorithm is likely to meet more success.

[0102] Button **435** shows the user that the system is functioning fully and the prices displayed on the screen are the most recent. If the user has the time and desire, he may select "go to Autotrade wizard" which enables him to establish more flexibility and negotiability of the market order. Alternatively, for the swiftest and simplest process to post a bid or

offer, the user would select "enter order" which prompts a confirmation window **440** to be displayed, as depicted in FIG. **4D**. This window **440** gives the trader the opportunity to review the order before submitting it for trading. Note that a bid number BRS **123** is in the first field. This feature allows users to save bids and offers and templates for commonly traded items and is used with many of the system's risk management software.

[0103] Selection boxes **442** allow the user to select whether "to turn on" the flexibility he has described in the Autotrade wizard or negotiate the points manually. Selection of 'Autotrade' will be dimmed and blocked if he has not entered any flexibility in terms. The trader also can select from boxes **444** to identify the current order as a new order, a replacement order, or a temporary substitute order. This prevents the user from "double-booking" in active markets (overbuying or selling). By selecting the SUBMIT button, the order is entered into the market for trading.

[0104] FIG. **4E** display window **452** that is the same as the window **402** of FIG. **4B** except that the new order **454** is now displayed. This window **452** is updated in real-time once the order **454** enters the market on everyone's display who is currently viewing that market. Thus, another trader's screen **460** as in window **4F** having an active display **462** of World and US Raw Sugar will see the new order and can select it for trading. Once that order **454** is selected on the screen **462**, by a mouse selection, key stroke or other input event, details of that order are displayed in window **466**, as depicted in FIG. **4G** and the trader can execute the order as it stands, enter negotiations regarding the order, or ignore the order. Only trade-enabled market orders can be selected to for detailed viewing (those in which user has identified as acceptable trading partners); trying to select a forbidden trade will not result in the display of any additional information and is a feature that is intended to encourage the overall market growth and liquidity by acceptance of new and or more trading partners. Note that the time the order was submitted is displayed (time ext.), but not the order's validity.

[0105] If the trader selects negotiate, then the counter proposal screen **470**, as shown in FIG. **4H**, is presented to the trader. Preferably, the counter proposal screen displays the original order **474** and its allowable variances and automatically populates the counter proposal fields **472**. Once the trader modifies the counterproposal fields as desired, the counterproposal can be submitted, with an appropriate confirmation opportunity **478** as depicted in FIG. **4I** with the same flexibility and protection features to freeze, cancel or maintain similar orders of the user. This counterproposal by default selects 'Autotrade' as they will automatically be considered against the flexibility of the original market order.

[0106] Once the counterproposal is submitted to the market, the display window **480** on all traders' screens will be updated in real-time to reflect the counter proposal **482**. Thus, all traders who have both parties "trade enabled", not just the two trade participants, have access to the details regarding the trade. Moreover, such access to these details allows other traders to step-in and accept or counter-propose to either the original order or the counter proposal. This market pressure results in faster trades and quicker negotiation decisions and, therefore, improves market liquidity.

[0107] In this example, even if the initial trader had selected manual, the system would match the bid and offer since the proposal falls within the visible and/or hidden terms the original trader selected. Also, with "Autotrade" selected, the sub-

mitting of the counterproposal by the second trader will be recognized by the matching engine of the present system as a matching order and automatically execute the trade according to the terms of the counterproposal. If the first trader had selected manual trading, then the matching engine would have caused a query message to be sent to the first trader asking for approval before reverting to terms specified in the Autotrade wizard to automatically counter-propose negotiate and potentially trade with the counter-proposing trader.

[0108] As shown in FIG. 4L, once a trade is executed, a confirmation screen **490** is provided to both traders with essential details about the trade and the trade participants. Up until this point, the traders had been trading anonymously so that their identities did not impact this particular trade or have an effect on the other participants in the market. The rest of the market participants only see that the trade has occurred with terms showing in **405**B through-I in window **4**B.

[0109] The contact information is maintained by the system and is required for various software applications to function as explained herein in detail. Note that a specific trade number is generated upon confirmation of the trade. This reference number, or tag, is unique to this trade and will be associated with every action and/or calculation made throughout the contract life, beyond shipment and payment and ending only upon final contract liquidation. This tag is relevant and will be referred to in descriptions of the system's ancillary software. Also upon this confirmation, both trader's designated freight forwarder and accounting subordinate are sent email notices (outside the system as a means of increasing reliability of information flow). This process notifies them that the position has changed and automatically asks them whether they wish to associate their customized set of preferences or modify them as further described in risk-management software section.

[0110] Immediately upon completion of a trade, each counterpart is given the transaction number that the system assigns, for example, sequentially. In illustration **4**K (element **490**), both parties are issued a trade confirmation labeled RST789 (representing "raw sugar trade" in this instance, intuitively chosen for ease of conversion to XML coding when the industry formally accepts and establishes the electronic definitions of industry terms.

[0111] This label is a unique identifier that remains associated with the transaction until the two parties have completed the trade's final liquidation. Any action, alteration, correspondence, etc. that the trader or his assigned freight forwarder or accountant enacts (assuming permission to do so) is identified by the same confirmation label. Therefore, although trader **1** and trader **2** have the same file (virtual file folder) name on their proprietary database, the notes, calculations, correspondence etc. that are attached to it are unique to each party and confidential from one another. This tagging system, implemented through technology, such as that provided by TIBCO, is the most significant and most visible mechanism in which traders will dramatically increase operating efficiency and reduce transaction costs. Examples are provided within the context of explaining the following ancillary risk-management and trade execution software.

Forms Wizard

[0112] FIG. **5** represents the "forms wizard", a database of each type of standard form required or often requested within each industry. Noteworthy is item **500**, a live snapshot of the market that enables the trader's ability to continue monitoring the market while executing traders. Forms wizard adds value to the user in three ways. Foremost, in box **502**, the seller (per custom of the trade) is able to generate a contract for RST789 by selecting the item "bulk world raws." A pop-up menu will ask the trader to input the trade tag and almost immediately, the system customizes the industry's standard raw sugar contract replete with all specific variables as negotiated by the parties and confirmed by the system. This replaces the antiquated, but current method of copying similar contracts in a company's database and manually changing information on the buyer and seller's trader, company name and contact information, negotiated price, delivery period, delivery point, payment method, etc. Note all raw sugar contracts are already grouped into one standard category versus a multiple of regional standards ("Brazilian raw sugar terms", "TSTC terms for sugar originating in Thailand, etc). The system is scalable to build a database of terms associated with items that presently trade using the broad "other" column. (example: "Colombian terms," a negotiating point in today's market, would be in the "other" field and the system would integrate the original exporter's preferred/required restriction of the sugar's destination). Upon gaining acceptance as the official trade contract (versus "trade confirmation" that is also required today, the service provided in box **502** and similarly in boxes **504**, **598** and **510** will greatly reduce inefficiencies of the trade documentation process that exist in today's market. The selection and subsequent form generation process is also able to generate charter parties, bills of lading (Item **512**) as well as standard requests for payment, issuance of letters of credit and structured financial products (item **514**B). Especially upon the acceptance of electronic signatures, the customization and feature that indicates whether the documents have been amended by either party substantially reduces the time and expense of a trading group in comparison to today's procedures. This application also provides the ability to generate standard, pre-trade correspondence such as requests for quotes from banks and boutique financial entities offering structured financial products (Item **514** A). The trader, having created or modified an order ticket (BRS123 in preceding example), simply selects the type of request, which (or all) venders to submit to, and the order ticket number. Once the vendors return their indicative quotes, the system attaches it onto BRS **123**'s cost worksheet (see DealPorter), eliminating the need to reference additional sources when trader is ready to submit a bid or offer. Finally, as discussed in the PNL-Watchdog section, since most agrimarket's payment authorizations and acceptances are filtered through a corporate-level division, the system's common structure for all of these markets becomes further advantageous.

Profit and Loss Wizard

[0113] This application replaces information that all members of a trading group presently receive only once daily, after all relevant futures markets publish settlement prices. While the ability to assess one's position in real-time at any point during the day is the main benefit, this system a) provides several features to expedite a swifter, more thorough and accurate analyses of trading opportunities and market movements as they affect the company's overall risk position and b) replaces a 7-page paper report distributed to each trader, freight forwarder and accountant. Item **600** displays examples of the software's ability to customize the appearance of the report by dollar values, metric tons (quantity), or by equivalent futures contracts (hedges). Though many users

(via passwords) will be restricted from certain views, a group's division head may further analyze the data by region (tonnage), quality, by each of the group's traders. Examples of the software's functionality include ability to view what their position value is based on intra-day futures values (i.e., at this moment vs. settlement). If a trader has been restricted to a certain dollar value, he may monitor his running total and have the system notify him when nearing his limit. His manager, on the other hand, has the authority to automatically buy or sell cash or futures if the futures market or the trader's position reaches a particular value. All traders may use the system to calculate the hypothetical effects a trade would have on the total value which is a risk management feature presently unavailable in real-time. Positions are calculated using standard mark-to-market procedures: taking the futures values as shown in **604**, the differentials between markets—data automatically calculated by the system (**602**) and finally, using the values listed in **608**, representing cash values. Since traders and accountants have the ability to accept values the system publishes on its rateboard (based on weighted average of prices and volumes quoted and traded within the system each day), ability to change by dollar, point, or percentage increments or manually update only those values that changed since the previous day, calculating the position is virtually reduced to the amount of time it takes the trader to update the fields in box **608**. Presently, an international tradehouse that averages over three million tons of annual volume with multiple geographic and group positions would require a minimum of 4-5 man-hours per day. Views and details are fully customize-able and can be integrated with several other applications such as the Arbitrage Watchdog that culls data from the position, data feed and the calendar. In this particular view, the trader has chosen to break-out the position by quality of sugar, as shown in **610**. Note as well that the last three columns in both boxes are collapsible.

Depth of Profit and Loss Watchdog

[0114] In **610**, if a trader clicks on the box containing"12, 000" under the column" far east cash" and the row "March" the system opens another window displaying the detail within that month's position. For example, a trader would see five sales of 12,000 tons to Far East destinations and six purchases of !2,000 tons, all labeled with the original number issued on the trade ticket. Clicking on RST789 leads the trader to another window providing a high level view of the contract's terms (counterpart, price, quality specifications, internal valuation, etc). from here, the user has options to a) view the pricing and hedging activity to date, b) launch the transaction's DealPorter or a summary of it's actual versus estimated profitability running total, c) hypothetically amend specific terms to see its affect on the total position and to calculate the value (maximum amount to propose or accept) to amend the contract accordingly. Box **612** collates both physical and futures options and will become of increasing importance to the trader seeks to take full advantage of technology's ability to increase the volume of trades and the level of sophistication regarding risk-management alternatives (the majority of new opportunities lie in option plays). Cells in **612** represent cumulative values, expandable in the same manner as **610**. To calculate total values, users may use the Deltas and other "Greeks" generated by the system or their own values. This area contains an imbedded calculator designed specifically for values of physical commodity options. Item **614** illustrates the systems' futures position by the clearing entity

presently holding the contracts on the user's behalf. In conjunction with Dealporter, the system's ability to notify traders and clerks of disproportionate balances among brokers or number of trading sessions remaining before expiry are particularly useful to avoid common and costly issues once contracts begin to become more illiquid in its final days

Autotrade Wizard

[0115] As introduced in the original trade ticket, all features of the AutoTrade Wizard are designed to foster the growth of automatic, 24-hour trading. Foremost, one of the system's trading rules is that the user is committed to accept a counter offer if it meets the published and hidden parameters. This means that unlike any other electronic commodity exchange, a trade may (and will) be confirmed by the system without either party manually clicking a button indicating "I accept" or "Ok to trade, etc.".

[0116] Autotrade wizard builds upon this philosophy by enabling the system to generate a series of responses to counter-offers on posted orders and the ability to alter orders based on indirect factors. Ideally, traders would post their "ideal" bid or offer on the screen, then sharpen to a more realistic (trade-able) order using basic Autotrade flexibility such as those listed in Item **700** (which can be displayed or hidden). Item **702** shows the system's ability to fulfill a partial or complete long-term contract, such as one a trade house would have with a processor or distributor. Item **704** displays the responses the trader would make if he received a counter offer that varied as he identified (expected). Example: A division head in London wants to buy a cargo of Colombian raw sugar (DP delivery point). He knows it's rare so he establishes likely scenarios since he will be traveling to New York and missing the day's trading activity. As he anticipated, a counter offer comes back with Guatemalan raw sugar. Trader **1** has identified this as acceptable, but only if the offer is reduced from his original by 10%. The system automatically responds to Trader **2** with the delivery point "Guatemala" and the amended, reduced price. Trader **2** is amenable to the reduced price if Trader **1** will amend the shipment period (SP) to provide an additional two weeks at the end of the presently specified term. Trader **1** foresaw this possibility as well, and agreed to accept it if the price is further lowered specifically, for example, to 10.23 cents/pound. Trader **2** sees the acceptance of the new shipment period, the new price, and accepts the terms. The trade is complete, and upon exiting the plane, Trader **1**'s mobile phone is flashing a message that he has traded this order ticket. Although not displayed, the system is able to execute futures orders automatically to hedge the traded business (if desired and selected). Traders may enter an unlimited amount of variables for each negotiable field (i.e. five different delivery points, varying quality, etc) at the same price or amended price. Once all are entered, the trader ranks them in the order of desirability, so that the system may accept all the changed fields he identified, but only at the price that the system calculates based on a weighted average of the trader's preferences.

[0117] Item **706** shows an example of the functionality available when he is not able to monitor his position from the office. Item **708** shows features that a trader may select to alter an order based on activity in a designated futures market. For example, if the specified contract trades above a certain price, below a certain price, over or under a specified volume, he could have the system remove the order, "freeze" it, alter is per section **708**. This section gives the trader the ability to

automatically change an order's based on the trader's The last step before confirming acceptance and his amended bid or ask in. As each affect price, the trader negotiating variables the trader is willing to accept if shows typical system.

Arbitrage Watchdog

[0118] Arbitrage watchdog, FIG. **8**, combines the functionality and data primarily from the position sheet, data feed and calendar function. In sum, this calculator will continually look for opportunities in real-time that are not easily detectable in fast moving markets, or are not deemed as priorities by the trader but add value to the process or to customer relations in the long run. For example, complex options plays such as butterfly spreads and eventually rainbow options and weather derivatives as are presently in use in energy markets. Users may select an option to automatically email an exporter from whom he has made a purchase, for example, suggesting that since the market is rallying, he may wish to establish the contract's trigger price. This software could look for options, spread and deferred arbitrage opportunities in the futures market and automatically submit the order with a broker. It may also trigger a reminder for the trader to take advantage of his contract flexibility and roll a hedge from a nearby position to a more deferred one, for example.

Calendar

[0119] The system builds a database of all events pertinent to physical and futures trading for all agricultural markets, as well as include online training and forums. All data can be color-coded by physical and futures information, then by commodity, then by source. In FIG. **7** for example, users viewing the listing on Friday, June 9th "Wasde" would know by the color or font that the item is a report that will be issued by a government agency having potential to affect prices. A financial trader is likely to select only and all information pertinent to futures markets and would have the system notify his handheld or phone on the date a specific contract expires. Users may sort, filter save, and search by keyword, add personal items, download and integrate with handheld or desktop device software, and set up triggers and reminders report would have a color or hue representative of physical market information and a "hue" or unique font to indicate it is a report issued by a government agency. This software also has a feature that integrates with Dealporter; as an example the freight forwarder may run the application taking the data contained in the Calendar to ensure that dates of required vessel nominations, deadlines to open letters of credit, and/or final settlement dates are not affected by the counterpart's banking or government holiday.

Dealporter

[0120] FIG. **9**, DealPorter, is a dynamic, virtual assistant to the trader, accountant and freight forwarder. It is created as early as a pre-trade indication for the availability and cost of trade finance, political risk insurance and freight calculations (latter taken from The system's rate board, electronic correspondence from the system's selected vendors, or manually) It is a worksheet that can be saved for use with calculating the basis in commonly traded bids and offers, it is a reminder feature for the freight forwarder to avoid the common and costly mistakes of missing the deadline to charter freight, nominate the vessel to load port, open the letter of credit, etc. Many trade houses highest operating losses are typically in

this category. DealPorter is a supplement to the PNL Wizard, calculating up to the minute actual profits and losses verses budgeted at the time of trade, broken down by each cost component in the calculation. It tracks all documents—amendments, counterparts it was re-sold to, bids or offers received for it, etc. Another feature is the ability for DealPorter to read cash and freight values from the system's rate boards, add it to each cargoes specific cost calculations and suggest the most profitable allocation (matching) of purchases in the system with existing sales in the total position. This is known as book squaring in many trading arenas.

Export and Import Scheduler. (FIG. **10**)

[0121] This software is as valuable to importers and exporters as the DealPorter is to high-volume trade house traders. Using an Exporter as the example, the trader enters the start date of his crop, his grinding (cutting, picking, harvesting) rate, storage capacity, interest rates, overtime costs, cost and time requirement to alter the quality of the output and minimum and maximum domestic commitments and/or min/max export or specific quality commitments. The system then processes this data using the system's physical commodity rate board and the corresponding value of futures used to price the contract to come up with the most profitable suggested schedule of sales and exports. While it is assumed many have their own spreadsheets to calculate the same, they do not have the ability to calculate the same virtually in real time, or to run automatically and notify the trader when the system indicates a change in the schedule. As a distributor's optionally is doubled (as both importer and exporter, the software is especially valuable. Once domestic and regional trading become available within the system, the importer, exporter and processor may become reliant on this application to compute optimal schedules around the clock since it now gives them the ability to compute all cash values (domestic and external) in real time, with accuracy.

[0122] While this invention has been described in connection with what is presently considered to be the most practical and preferred embodiment, it is to be understood that the invention is not limited to the disclosed embodiment, but on the contrary, is intended to cover various modifications and equivalent arrangements included within the spirit and scope of the appended claims. The invention is capable of other and different embodiments and its several details are capable of modifications in various obvious respects, all without departing from the invention. Accordingly, the drawings and description are to be regarded as illustrative in nature, and not as restrictive.

1. A computerized method of trading physical commodities comprising:
    receiving, from a user computing device, a threshold of at least one differential relating to a physical commodity;
    monitoring, by a computing system, information relating to the physical commodity;
    calculating, by the computing system, the at least one differential based on the information to determine whether the at least one differential has reached the threshold; and
    executing, by the computing system, at least two orders relating to the physical commodity when the at least one differential reaches the threshold.
2. The computerized method of claim **1**, wherein the at least one differential includes a differential between a first

price of a first aspect of the physical commodity and a second price of a second aspect of the physical commodity.

3. The computerized method of claim 2, wherein the aspect is one negotiable field of a market order, and wherein monitoring, by the computing system, the information includes monitoring the first price of the first aspect of the physical commodity and the second price of the second aspect of the physical commodity.

4. The computerized method of claim 1, wherein the at least one differential includes a differential between a first contract delivery period for the physical commodity and a second contract delivery period for the physical commodity.

5. The computerized method of claim 1, wherein the at least one differential includes a differential between a first price of a first quality of the physical commodity and a second price of a second quality of the physical commodity and a differential between a first contract delivery period for the physical commodity and a second contract delivery period for the physical commodity.

6. The computerized method of claim 2, further comprising:
    alerting, via the user computing device, a user when the first price of the first aspect of the physical commodity and the second price of the second aspect of the physical commodity exceed the threshold.

7. The computerized method of claim 1, further comprising:
    tagging each order of the at least two orders with a unique identifier, wherein the unique identifier is used to track actions or correspondence related to the at least two orders.

8. The computerized method of claim 1, further comprising:
    generating, by a profit and loss wizard, a position value of the physical commodity based on intra-day futures values.

9. The computerized method of claim 8, further comprising:
    receiving the position value of the physical commodity; and
    monitoring the information for spread or arbitrage opportunities relating to the physical commodity.

10. The computerized method of claim 8, further comprising:
    receiving a hypothetical trade of the physical commodity; and
    calculating hypothetical effects that the hypothetical trade would have on a total value of the position value.

11. The computerized method of claim 9, further comprising:
    detecting an opportunity to roll a hedge on the physical commodity to a deferred position or to a position that is closer in time; and
    sending an alert to a user.

12. The computerized method of claim 1, wherein the at least two orders each comprise a bid and an offer, wherein the method further comprises:
    receiving, by the computing device, the bid or the offer relating to the physical commodity;
    receiving, by the computing device, a selection of at least one response to a counter-offer to the bid or the offer;
    receiving, from a third party, the counter-offer; and
    responding, by the computing device with no user interaction, to the counter-offer with the at least one response in

accordance with the selection of the at least one response to the counter-offer to the bid or the offer.

13. The computerized method of claim 12, wherein the at least one response includes one of removing the bid or the offer, freezing the bid or the offer, changing the bid or the offer, or accepting the counter-offer.

14. The computerized method of claim 12, wherein receiving the selection of the at least one response to the counter-offer to the bid or the offer includes:
    receiving a selection of at least one variable for each negotiable field of the at least two orders at a same price or at an amended price;
    wherein responding, with no user interaction, to the counter-offer with the at least one response comprises determining whether the counter-offer satisfies at least one of the selected at least one variable at the selected same price or the amended price;
    accepting the counter-offer when the counter-offer satisfies the selected at least one variable at the selected same price or the amended price; and
    removing the bid or the offer, freezing the bid or the offer, or changing the bid or the offer when the counter-offer does not satisfy the selected at least one variable at the selected same price or the amended price.

15. A system comprising:
    an arbitrage watchdog configured to:
        receive, from a computing device, a threshold of at least one differential relating to a physical commodity,
        monitor information relating to the physical commodity,
        calculate the at least one differential based on the information to determine whether the at least one differential has reached the threshold, and
        execute at least two orders relating to the physical commodity when the at least one differential reaches the threshold; and
    a tagging device configured to tag each order of the at least two orders with a unique identifier, wherein the unique identifier is used to track actions or correspondence related to the at least two orders.

16. The system of claim 15, wherein the at least one differential includes a differential between a first price of a first aspect of the physical commodity and a second price of a second aspect of the physical commodity.

17. The system of claim 15, wherein the at least one differential includes a differential between a first contract delivery period for the physical commodity and a second contract delivery period for the physical commodity.

18. The system of claim 15, wherein the at least one differential includes a differential between a first price of a first quality of the physical commodity and a second price of a second quality of the physical commodity and a differential between a first contract delivery period for the physical commodity and a second contract delivery period for the physical commodity.

19. The system of claim 16, wherein the aspect is a negotiable field of a market order, and wherein the arbitrage watchdog is further configured to alert the user computing device when the first price of the first aspect of the physical commodity and the second price of the second aspect of the physical commodity exceed a threshold.

20. The system of claim 15, further comprising a profit and loss wizard configured to generate a position value of the physical commodity based on intra-day futures values, and wherein the arbitrage watchdog is further configured to:

receive the position value of the physical commodity,

monitor the information for spread or arbitrage opportunities relating to the physical commodity, and

send an alert to the user computing device when the spread or the arbitrage opportunity relating to the physical commodity is detected.

21. The system of claim 20, wherein the profit and loss wizard is further configured to:

receive a hypothetical trade of the physical commodity; and

calculate hypothetical effects that the hypothetical trade would have on a total value of the position value.

22. The system of claim 15 further comprising an autotrade wizard operable to:

receive the bid or the offer relating to the physical commodity;

receive a selection of at least one response to a counter-offer to the bid or the offer;

receive, from a third party, the counter-offer; and

respond, with no user interaction, to the counter-offer with the at least one response in accordance with the selection of the at least one response to the counter-offer to the bid or the offer.

23. A non-transitory, computer-readable storage medium containing a set of instructions that, when executed by one or more processors, cause a machine to:

receive, from a user computing device, a threshold of at least one differential relating to a physical commodity;

monitor information relating to the physical commodity;

calculate the at least one differential based on the information to determine whether the at least one differential has reached the threshold; and

execute at least two orders relating to the physical commodity when the at least one differential reaches the threshold.

24. The non-transitory, computer-readable storage medium of claim 23, wherein the at least one differential includes a differential between a first price of a first aspect of the physical commodity and a second price of a second aspect of the physical commodity.

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