

A partner for options liquidity

Optiver is a global market maker that provides liquidity across derivatives products directly to counterparties. Institutional investors look to us for our pricing expertise, risk-warehousing capabilities and best-in-class technology. Alexandru Bohotin, Head of European Index Trading, and Peter James, Institutional Sales, sat down to answer questions and bust some myths.

Q: What distinguishes Optiver from other liquidity providers?



Bohotin: Strong collaboration and a sophisticated risk framework. We approach risk differently from many of our competitors. Our trading desks are closely integrated, so we may lay off part of an index options trade with a related equity index, but we could also do it via single stock options, other global indexes or even with volatility products across other asset classes. We're also comfortable holding risk over longer periods of time. All that goes toward reducing market impact for our direct counterparties.



James: Regulations such as Uncleared Margin Rules now require institutions to exchange initial margin on uncleared OTC derivatives trades. That means the buy-side is increasingly looking beyond the OTC market. With our historical strength in exchange-listed derivatives, we offer deep experience and expertise in sourcing liquidity in this space.

Q: Can market makers like Optiver compete for larger options ticket sizes?

Bohotin: We were involved in some of the largest Euro Stoxx 50 options trades of 2022 in net vega risk terms. That speaks to our leading position not only in on-screen market making but also in the block market. We're able to achieve this thanks to our research-driven approach to pricing and our risk framework.



Q: Why are institutional investors choosing to trade with market makers?

James: The perception of market makers is changing. More and more, institutional investors understand the value that we bring, which is to offer something complementary to traditional liquidity sources like banks and brokers. For every screen trader, Optiver employs approximately 1.5 tech and engineering staff, including data scientists and quantitative researchers. That gives us confidence in our pricing models. Institutional investors are increasingly responding to this, and we find ourselves in competition with the biggest banks for our counterparties' largest trades.

Q: What else is there to know about Optiver's institutional sales?

Bohotin: We started our institutional sales business several years ago as a complement to our screen-trading business. With around 900 direct counterparties in Europe, we're now able to provide block liquidity in options directly to institutional investors on a request-for-quote basis.

James: Institutions look to us for competitive execution and for our ability to keep quoting in turbulent conditions. Some of the largest asset managers in Europe trust us with their trades. For institutions looking to trade big ticket sizes in European index options for instance, where we are historically strong, we've now become impossible to ignore.

Learn more

Visit our website at optiver.com/institutional-trading or contact our institutional sales team at ams_dcp_derivs@optiver.com

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