

The University Trading Challenge are back. 100 Universities battling to claim the Championship title held by Germans.

One year ago TFOA Team from Ausburg DE, won the tournament held by Directa SIM. "It's an academy for the University students, and a very good international networking opportunity" Mario Fabbri, Directa's CEO says.

Rome

The 4th edition of Directa's University Trading Challenge will kick start on October 30th. The championship, held by Directa SIM, is reserved to University students born after December 31st 1985 who wish to road test their knowledge of the financial markets and investments. Each Faculty can only participate with one team composed by 3 to 5 members. Each team will be provided with full Directa's Trading platform that will allow them to trade all main financial markets. The winner of the University Trading Challenge will be the team with best performance on May 14th 2014, the Team Reference Tutor (a teacher of the team's University) will be awarded with € 20,000 that will be allocated for education or research purposes.

Last year competition went to a German team, namely Tfoa from Ausburg Hochschule thanks to a 124% performance achieved in only 7 months. The 2012 edition saw 892 students from 97 Universities from all Europe. "The University Trading Challenge idea came in 2009 after a meeting with an University teacher that was trying to put together a trading team championship. After some brain storming we came up with the idea, and the formula hasn't changed since" Mario Fabbri online trading broker pioneer and Directa's CEO says.

Why a complex competition and why it is reserved exclusively to University students?

"The goal isn't to acquire new customers among the University students: online trading has a very narrow range (below 1 %) of interest among the population" Mr. Fabbri points out. "Our idea was that of heighten Directa's visibility through an unconventional and enjoyable venture, relevant to the students as it would be useful to those who study economics and the likes".

Thanks to the University Trading Challenge, Directa points out, as they established interesting high level relationship with the University institutions (last year only Directa established a contact with some 50 teachers), through which it is much more simple to get information on subject matters useful for education purposes. The other way around has been also useful for Universities, which could count on Directa, especially for their behavioral finance research. There is also another indirect advantage that validates the high costs of the University Trading Challenge.

"We have the ambition of expand our business beyond Italy, doing this by working along with exclusive local counterparts" Mr. Fabbri reveals "We are beginning with Czech Republic, where some local investors are planning the start up of a local brokerage house that will use our trading platforms. The easiest thing to do was to start wto get in touch with the universities thanks to the trading contest". Today we can already count on 4 Czech universities that planned their participation to the oncoming edition of the Championship and more should join soon. "It's a project that allow us to get in touch with other countries financial universe, to reach media, counterparts and institutions. We are allowed to do this by entering the main door". What set the University Trading Challenge apart from other trading contests are the real money provided by Directa that will be used in the contest. "Organize simulated trading competition it is relatively easy, but not very interesting, in our opinion, as it is very different from real money on real markets trading. We either love to do things the right way or nothing" Directa's CEO points out. The initial capital given to each team will be € 5,000, but through margin trading they will be given a higher buying power, as only a fraction of the trade value is required to enter a trade. "This loan is made to level the participating teams, bearing in mind the limited financial being of the students. Thanks to margin trading, available for both purchase and sales, they will be allowed to trade € 20.000 - 30.000 trading value, a respectable amount for our aspiring trader or fund manager".

But there's more. At the end of the competition, the possible gains will be retained by the teams member, whereas all losses will be taken care by Directa. “At the very beginning of this project we underestimated the loss burden, whereas the teams started risking more and more as the losses came, being the available capital not their own. From the second edition we introduced a general *stop loss* rule”. A forced closing of all open positions will be triggered by Directa when a team will show a 40% loss of the initial capital, and the team will be ruled out of the competition. Last year 31 teams were out and 29 teams showed a loss by the championship end. But the interesting data is that 37 teams were either even or showing a profit, a percentage well above the average online traders performance.

The contestants

39 foreign Universities, 4 from Czech Republic and tens from Italy are expected.

Directa's University Trading Challenge represent a very interesting effort that allows University students from different countries to connect and also an opportunity to promote italian financial markets and italian companies abroad.

Last year 39 foreign Universities among the 97 faculties that took part to the competition, 30 from Germany, 6 from France and others from Austria, Spain, U.K. In the oncoming 2013 – 2014 Edition 4 Universities from Czech Republic are expected.

“Borsa Italiana is very pleased to grant again its support to the University Trading Challenge, a venture that will once again cross the italian borders”, points out Nicolas Bertrand, Head of the London Stock Exchange Equity and Derivatives Market. “We are always supporting this kind of venture from day one, aimed to educate and to allow an informed approach to the financial world”.