

## Financial Machineries Extends Data Coverage of Global Trade Repository Analytics

Blog entry: 5th April 2016

Financial Machineries has extended coverage of foreign exchange data in its Global Trade Repository (GTR) Analytics solution, which collects OTC derivatives transaction data from trade repositories, cleanses and normalises the data, and distributes the data, including actual trade prices, to clients in less than two minutes. The additional FX data covers FX forwards and non-deliverable forwards, and adds to comprehensive coverage of data including interest rates, commodities, energy and equity derivatives.

The company introduced GTR Analytics in response to Dodd-Frank regulation and European Market Infrastructure Regulation (EMIR), both of which require OTC derivatives transactions to be reported to a trade repository within a fixed timeframe and the reported data to be made publically available. The regulatory aim was to improve the transparency of OTC markets, but the usefulness of the raw data that is made available is limited as trade repositories use different data formats that can lead to inconsistency in prices, metadata and underlying reference data.

Tackling the problem, GTR Analytics sources raw trade data from swap data repositories operated by DTCC (in the US), Intercontinental Exchange, Chicago Mercantile Exchange and Bloomberg. It then runs proprietary algorithms across the data to identify trade matches, before cleansing, aggregating and normalising the data and making it available within two minutes of a trade being reported to the repository. A series of sophisticated analytics overlays the data to allow users to interrogate the database in depth.

Sheena Clark, director at Financial Machineries, says: "GTR Analytics covers a huge and complex task. The data it delivers is important because it includes actual prices, rather than indicative prices provided by data vendors." Using actual prices, traders can compare positions against the rest of the market and compete better on price. They can also see where execution is happening in the interbank or bank to client market.

In the back office, actual prices help banks monitor compliance with best execution requirements – a feature of MiFID II to which GTR Analytics is well suited – and support more meaningful risk management including better market volatility measurement and more robust analysis of value at risk. From a valuations perspective, revaluation curves can be based on real trade data rather than indicative data.

GTR Analytics data and analytics, including the recently added foreign exchange data, are available via a desktop web application, a data feed application programming interface or customised reports sent to users' email accounts.

In terms of users, several tier one banks use GTR Analytics and this number is expected to rise as regulators continue to drive transparency across OTC derivatives markets, and market participants realise the benefits of using real trade data in trading, compliance, risk management and valuations.