

Global Trade Repository (GTR) Analytics

Bringing Trade Transparency to the Financial Markets

GTR ANALYTICS

THE BACKGROUND

Dodd-Frank and EMIR regulations mandate that all OTC derivatives transactions must be reported to a trade repository (TR) within a certain timeframe post-execution, and that the data must be made publicly available.

THE PROBLEM

It is a challenge for market participants to collate and access this data, but the process is further complicated by the fact that the two sides of the transaction may have been conducted on different trade repositories and therefore it is complex to fit together both sides of the original transaction.

Across the various TRs there is no standardization in formatting. This affects how prices are described, metadata, and the underlying reference data. Additionally, there is no standard quality assurance process to catch errors in trade reporting and consequently multiple venues can report the same trade, increasing the risk of skewing the data by duplication.

No truly effective or risk-free analysis can be performed on the raw data.



London | Milan | New York
Quantitative Finance | Risk Modelling | Pricing & Valuations |
Data Capture & Normalisation |
Analytics | Technology

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THE SOLUTION

GTR Analytics collects the raw data from every TR globally, and runs a series of algorithms and quality checks which have been especially designed by expert quants. Then the data is cleaned, aggregated, normalised and made available within two minutes of the trade being reported to the TR.

The enhanced and normalised data is then overlaid with a series of sophisticated analytics, allowing GTRA users to interrogate the database in depth.

Access to the data and the analytics is available via a desktop web application, a datafeed API or via customised reports direct to user email accounts.

GTRA provides cleaned, normalised, unskewed, usable data in near-time bringing transparency on actual traded prices in the OTC market.

GTR Analytics - A Unique Offering

Methodology

Proprietary algorithms identify the trade-match (to reduce duplication and skew of trade and volumes counts), then cleanse and normalise data from multiple sources.

GTRA provides proprietary analytics allowing in-depth interrogation of data in near-time.

Coverage

GTR Analytics sources trade data from DTCC (US), ICE, CME, and Bloomberg SDRs; nearest competitor sources Bloomberg and DTCC US only.

GTR Analytics covers Rates, Credit, FX, Commodities, Energy and Equities; nearest competitor covers Rates, Credit and FX only.

Expertise

The GTR Analytics team has experience in derivatives trading, quantitative financial analytics and normalising complex datasets.

The GTR Analytics team has in-depth knowledge of front and back office workflow and requirements.

GTR Analytics – Building a Better Market View

Swap Execution Facility (SEF) Aggregated Data

Alongside the trade repository data, GTR Analytics also collates, displays and makes available for download the aggregated data from the major Swap Execution Facilities.

This data provides an additional insight into OTC market liquidity.

SEF Near-Time Executable Data

Financial Machineries is also in the process of on-boarding executable bid-offer data from major SEFs to sit alongside the traded data in the GTR Analytics product suite.

This will give a timeline view of market activity that led to the execution of a trade and the activity post-trade, enabling front and back office functions to get a deeper view of liquidity, analyse position-risk and assess their own trades against best-execution practices.

GTR Analytics – Benefits for Clients

Sales, Traders, Brokers

Shows whole-of-the-market view enabling more highly informed conversation with clients | Arms users with a comparison of their positions versus the rest of the market enabling them to compete better on price | Allows for an educated assessment of liquidity of future market activity across all contracts | Shows where execution is happening in interbank v bank to client market |

Compliance

Greatly assists in monitoring best execution policies | Assists in understanding where capital requirement risks reside | Enables more intelligent tracking of open trade positions for budget forecasting and management |

Risk Management

More meaningful market volatility measurement | Assessment of liquidity in dealer-dealer and customer market | Real trade data allows more robust analysis of VaR | Allows more vigorous market analysis for PVA, AVA and IFRS13 |

Valuations

Build revaluations curves based on real trade data not indicative data | Bring consistency to valuation measurement to align with best practices |

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