ORDER MANAGEMENT SYSTEM FOR EQUITY DERIVATIVES

SUMMARY

Develop a pre-trading order management application that supports over-the-counter (OTC) and exchange-traded derivative (ETD) contracts, provides management information related to the trades, and facilitates straight-through processing (STP).

- **CLIENT:** A top ten global investment bank
- **BUSINESS AREA:** Multi-asset class trading, order management, front office
- **ASSET CLASSES:** Equity derivatives
- **TECHNOLOGY SET:** Java SE, Swing, Spring, Hibernate, Tomcat, JMS, Tibco EMS/Rendezvous, IBM MQ, RMI, REST, SOAP, FIXML, XSLT, Sybase, Oracle, JUnit, Shell scripts, TeamCity
- **INTEGRATION:** Markit Wire, RFQ-Hub, pricing tool, client's data source, ETD/BClear source, Underlying source, risk database, ETD settlement system, revenue calculation service, authorization audit service
- **USER PROFILE:** Sales managers and traders (40+ users)
- **GEOGRAPHY:** Europe, Japan
- **RELATIONSHIPS STATUS:** Ongoing ODC, T&M
- **SERVICES PROVIDED:** Full cycle: Business analysis, Development, QA/Testing, Maintenance with Production support
- **TEAM SIZE:** 5 team members
- **DURATION:** 1 year
In order to take advantage of cost savings and process improvement opportunities, a global investment bank elected to automate its pre-trade order management and negotiation workflow. The system must be designed for use by sales managers and traders to support OTC, ETD and BClear trading using a variety of options and swaps, including vanilla options, combinations, options spreads and variance swaps. The high-level requirements for automation included order entry, price negotiation, hedging, and maintenance of all data attributes required to support straight-through processing.
Luxoft designed a solid and stable distributed system framework built upon multiple Linux and Solaris boxes. The system employs thick-client architecture to exploit opportunities for rich functionality in negotiations and hedging. The server-side processes are based on Java technologies to gain the cost saving benefits of portable, reusable code. Middleware services, based on RESTful, EMS, IBM MQ and RMI technologies, increase the level of service for transactions in a secure manner. Lastly, integration between the bank’s internal and external applications was designed using XML over EMS, FIXML over EMS and SOAP technologies for maximum flexibility in a variety of message protocols.
BENEFITS

By establishing a sound project approach and a culture of transparent communications, Luxoft was able to deliver the application on time and within budget.

The new order management system has remained stable, without unscheduled outages, thus substantial decreasing operating costs and avoiding the incremental costs of unscheduled downtime.

The automated workflow provides the benefits of improved productivity, increased compliance, greater agility in trading, and the costs and revenue benefits of process improvement.

CUSTOMER FEEDBACK

Detailed feedback is available on request.
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