

Moscow Exchange Augments Services with FINCAD Risk Management

Highlights

Client

Moscow Exchange

Business objectives

- Deploy OTC derivatives trading and clearing

Requirements

- Support for wide range of OTC trades
- Integration with post-trade platform

FINCAD solution

F3 Platform

FINCAD features

- Excel interface for prototyping trades
- Full asset coverage
- Risk calculations on demand

Achievements

- Rapid implementation, in less than 9 months
- Cost savings
- Deployment of risk analytics to MOEX members

MOEX's Challenge

Moscow Exchange (MOEX) is one of the world's top 20 exchanges, and one of the few on-exchange venues for FX trading globally.

Roman Sulzhyk, Managing Director of MOEX, was responsible for this project. Mr. Sulzhyk, who worked previously in New York and London at JP Morgan Chase, and after that at Deutsche Bank, had clear priorities from the outset.

"I knew that if we were to compete with the world's top exchanges in the business of clearing and trading of OTC derivatives, we needed an analytics platform that was completely accurate and fully transparent,"

Roman Sulzhyk *Managing Director of MOEX*

After several months and thorough evaluation of multiple vendors, MOEX chose to work with SoftWell and FINCAD. SoftWell's Navigator post-trade platform, a proven solution for the Russian market, has been customized for MOEX. It also integrates the FINCAD platform for derivative analytics.

"In terms of coverage, functionality and technology, FINCAD ticked all the right boxes. SoftWell was the natural choice for the post-trade platform and also to integrate the two software solutions"

Roman Sulzhyk *Managing Director of MOEX*

FINCAD's Solution

Using the FINCAD platform and working with an Excel® interface, MOEX financial analysts were able to prototype each and every type of OTC trade they wanted to support.

In a relatively short period of time, they were also able to test their models and validate the results.

When they were satisfied with the analytics solution, the modeling assumptions/trade parameters were shared with SoftWell. SoftWell software engineers were easily able to integrate FINCAD F3 with the Navigator infrastructure using the API they exported through the SDK interface.

"It is very easy for us to use the FINCAD API. The integrated solution was ready for production in five months, and ready for use in nine months. We were under tight time constraints and are very happy that we were able to meet them."

Anatoly Karpov, *CEO of SoftWell*

About FINCAD

With more than 1,000 organizations relying on its award-winning analytics, FINCAD is the leading provider of financial risk analytics technology. FINCAD provides software and services supporting the valuation, reporting and risk management of derivatives and fixed income portfolios to banks, corporate treasuries, hedge funds, asset management firms, audit firms, and governments. Over 70 FINCAD partners embed FINCAD analytics within their solutions.

Global Support

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FINCAD[®]

The Results

FINCAD provided MOEX the derivatives analytics capabilities they needed to support highly competitive services for their members to analyze, trade and clear OTC derivatives.

"Right when the project was launched, we had nine major banks sign up for the OTC Clearing Service with Moscow Exchange. As part of the due diligence process to join the service, their credit officers and quants performed thorough analysis of the Risk Models applied by Moscow Exchange and run on the FINCAD calculation engine"

Alina Tsarenko Head of OTC Coverage at Moscow Exchange

FINCAD risk computations give MOEX risk analysis, which makes it possible for members to make informed business decisions without having to perform lengthy risk computations.

MOEX is now supporting swaps and the exchange is planning to introduce services for foreign exchange options, followed by equity options.

"The combined Fincad/Softwell solution has saved us money. Not having to build a database to host these deals was also essential. The cooperation has been very effective between the three companies. As a manager, FINCAD's computations are the least of my worries. I am very pleased we selected FINCAD"

"From modeling to integration into the SoftWell post-trade platform and deployment to members of Moscow Exchange—the entire project took just nine months. We have quants, risk managers and software developers using the software, and everyone finds it easy to deploy and easy to use"

Roman Sulzhyk Managing Director of MOEX

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