



ORC TRADING FOR ARBITRAGE

LOW LATENCY ARBITRAGE FOR GREATER PROFITABILITY

Detect price differentials across multiple markets. Trade fast. Reduce trading risk.

Market participants interested in taking advantage of asset price differentials in one or more markets use Orc Trading for Arbitrage for strategies involving exchange listed instruments. The most popular strategies include futures spreading, ADR vs. stock, multi-listed stocks, index futures vs. basket, statistical arbitrage, and cash vs. futures.

ORC TRADING FOR ARBITRAGE GIVES FIRMS:

- Customizable, fully automated trading system via Orc Liquidator
- Single screen, multi-asset class arbitrage system
- Low-latency, multi-market arbitrage trading on 100+ markets
- Server-based trading system for high performance
- P&L and risk management tools
- Both member and non-member access to markets
- Java based trading strategies



WHO NEEDS SOPHISTICATED ARBITRAGE TOOLS?

HEADS OF TRADING at proprietary trading firms looking to capitalize on short-lived arbitrage opportunities to generate greater profits.

- When trying to capture short-lived opportunities on different fast markets, would you have greater success if you had access to automated tools that enabled you to write and monitor your own strategies?
- When executing cross-border arbitrage opportunities would profits be increased if your traders could use a single screen for trading instruments on multiple markets simultaneously?

Orc Solution → Orc Trading for Arbitrage offers a single trading platform with multi-market access.

TRADERS at proprietary trading firms that need to increase profits and capture price discrepancy-based arbitrage opportunities they are currently missing due to lack of automated execution process.

- When looking for arbitrage opportunities, would profits be increased if you could convert your market-specific knowledge to strategies that can be easily tuned and applied to multiple markets?
- When looking for arbitrage opportunities, would you be able to better find price discrepancies with a trading system that monitors prices and automatically executes logic on multiple markets simultaneously?

Orc Solution → Orc Trading for Arbitrage offers the capability to monitor prices and apply logic on many markets simultaneously.

IT MANAGERS at proprietary trading firms working to minimize architecture complexity for improving integration between front-end trading systems and needing to introduce a scalable trading system.

- When managing the company's technology architecture would you reduce IT complexity if you had a flexible system that could easily integrate with internal systems?
- When managing the company's architecture would a fully scalable trading system produce greater benefits and save resources?

Orc Solution → Orc Trading for Arbitrage offers an integrated, scalable system with the flexible Orc Protocol for additional integration advantages.

“ Arbitrage strategies are most successful when run by trading firms that have mastered low-latency and can leverage their success in one market onto new markets. Futures spreading, statistical arbitrage, and other arbitrage strategies require sophisticated solutions that are fast AND smart. One without the other can leave firms exposed and vulnerable. ”

Trading benefits when using Orc Trading for Arbitrage. Arbitrage Fundamentals, Product Management at Orc Software

ORC TRADING FOR ARBITRAGE SOLUTION FEATURES

BUSINESS LOGIC

- Customizable automated trading engine
- Position keeping and P&L analysis
- Risk mitigation using automated hedging and pay-up features

UNMATCHED MARKET ACCESS

- Connectivity to all major cash and futures markets globally including direct market data
- Co-location possibilities
- Optimized for low-latency
- Connectivity to FX and bond markets to hedge exposure either directly as a member or through a broker

PROVEN TECHNICAL PERFORMANCE

- Java-enabled, server-based algorithmic trading engine
- Reliable
- Scalable
- Fast

The screenshot displays the ORC trading software interface, which is divided into several key sections:

- Strategy Monitor:** Shows a table of active strategies with columns for Strategy name, Status, Position, positionOffset, bidEdge, askEdge, Edgeby, betterEdgeby, volume, hiddenQuoteOn, continuousQuoteOn, Q/B/S/C, and stopLoss. A red circle '1' highlights the 'Edgeby' column.
- ES Mar Future and ES Jun Future:** Two windows showing order ladders with columns for B, Price, A, Mkt.b#, and Own.a#. A red circle '3' highlights the 'Price' column in the ES Jun Future window.
- SpreadQuoter ES Futures Portfolio:** A table showing portfolio details with columns for Underlying, Contract, Position, Invested, MV(market), and Day-Rec(mkt). A red circle '2' highlights the 'Position' column.
- SpreadQuoter ES Futures Trade List:** A table showing trade history with columns for Type, Contract, B/S, Volume, Price, Delta, and Comment. A red circle '4' highlights the 'Volume' column.
- Strategy Editor:** A configuration window for the SpreadQuoter strategy, showing parameters like Instrument, Instrument container, Number, positionOffset, bidEdge, and askEdge. A red circle '5' highlights the 'positionOffset' parameter.
- Java IDE:** A window showing the source code for the SpreadQuoterImpl.java file, with a red circle '6' highlighting a specific line of code: `if (stopLossOrder == null)`.

- 1 Monitor and adjust strategies
- 2 Post-trade risk and position information to support trading
- 3 Quickly trade directly from order ladders
- 4 View executed trades
- 5 Customize your trading logic
- 6 Design your own trading strategies in Java

ORC TRADING FOR ARBITRAGE SUCCESS STORIES

A TRADER AT A PROPRIETARY TRADING FIRM

A trader was using three trading platforms to perform arbitrage manually on futures, across multiple markets. He wanted a system that would monitor multiple markets to look for price discrepancies and when detected, automatically execute successful strategies. By using a system like this he would also save time, freeing him up to search for new market opportunities. In addition, if the system could also access additional sources of liquidity, this would provide even greater value. Utilizing Orc Trading for Arbitrage he was able to minimize the number of disparate trading systems he relied on, while benefiting from multi-market access via the Orc platform.

 ORC TRADING
TAKE ADVANTAGE

THE HEAD OF TRADING AT A PROPRIETARY TRADING FIRM

The Head of Trading at a proprietary trading firm wanted to expand the business and begin trading the Nikkei 225 in Osaka. He was also aware of significant arbitrage opportunities on the SGX. Utilizing Orc Trading for Arbitrage the firm was able to achieve direct market access to both Asian exchanges via a hosted Broker service with market memberships. They began successful automated trading on both markets without the need for market memberships, local presence or additional traders.



Take Advantage

Orc Trading is used by leading financial firms worldwide for enhanced trading, pricing and risk management on electronically traded derivatives. Orc Trading provides the competitive edge to trade from a single platform, on any listed instrument, across all asset classes, on 100+ markets. Orc Trading comprises market leading solutions including among others Orc Trading for Algorithmic Trading, Orc Trading for Arbitrage, Orc Trading for Market Making, Orc Trading for Risk Management and Orc Trading for Volatility Trading.

ORC

Orc is a leading global provider of technology for advanced derivatives trading and connectivity. Customers include leading banks, trading and market-making firms, exchanges, brokerage houses, institutional investors, hedge funds and software vendors.

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