



ORC TRADING FOR MARKET MAKING

IMPROVE YOUR MARKET MAKING WITH FASTER QUOTING AND MULTIPLE MARKET ACCESS

Improve quote timeliness. Expand your business. Win market share.

Market making has never been more competitive. The need to reduce latency and be one of the first in and out of a market is paramount to success. With thinning margins, many firms are also looking for ways to grow their business. Trading solutions that provide ultra-low latency market making on existing and new markets worldwide have become the key drivers for many market makers today.

ORC TRADING FOR MARKET MAKING HAS HELPED FIRMS:

- Increase quoting in competitive markets with a high-throughput trading engine
- Minimize risk exposure with ultra-low latency trading infrastructure
- Expand market making to new instruments and new markets
- Reduce costs by providing a scalable platform that automates quoting for greater productivity
- Improve quoting with accurate pricing based on pre-built or custom models



WHO NEEDS ORC TRADING FOR MARKET MAKING?

CEOS at market making firms who need cost-effective solutions to increase profitability and grow their business.

- When growing your business, would you be able to increase your revenues and profits if you could easily quote on more trading venues without additional overhead?
- Could you reduce your costs by using the same trading system for P & L, parameter management, pricing & hedging as well as other trading activities?
- Would productivity be improved if you could automate your quoting allowing traders to quote on more markets simultaneously?

Orc Solution → Use Orc Trading for Market Making and a scalable market-making engine with connectivity to over 100 trading venues around the world.

TRADERS at market making firms who need to win more trades while reducing their risk and exposure.

- Would you be able to make more money if you could respond to market events faster than the competition?
- Could you capture more trading opportunities with customized quoting logic?

Orc Solution → Use Orc Trading for Market Making and a customizable quoting engine based on the ultra-low latency, high-performance Orc Liquidator algorithmic trading platform.

TRADING STRATEGY DEVELOPERS who need to quickly create and deploy market making strategies to take advantage of changing markets.

- When creating proprietary trading strategies would you be able to better implement your trading ideas with an industry-standard, powerful coding language?
- Would you be able to reduce your strategy development time by easily reusing trading strategies developed for one market on new markets?
- Would you be more successful if your focus was developing trading logic rather than worrying about the trading infrastructure?

Orc Solution → Orc Trading for Market Making's Java-based development environment provides a powerful and flexible language for trading strategy development.

More information on www.orcsoftware.com

“ One consequence of all the changes swirling through the options market is clear. As trading velocities continue to exhibit exponential growth, the ability to manage the complexity of trading, data requirements and risk parameters will be beyond mere mortals. Powerful systems that can manage the complexity of the evolving marketplace will be a necessity, and the most successful firms will invest considerable resources in technologies that can provide them with the edge to beat out the competition. ”

*Trying to make change: Market makers and the evolving options market
Andy Nybo, Principal, Head of Derivatives, TABB Group*

ORC TRADING FOR MARKET MAKING SOLUTION FEATURES

HIGH-PERFORMANCE

- Ultra-low latency quoting engine
- Server-based engine for fast, scalable performance
- Co-location capabilities at exchanges for lowest possible latency
- Able to quote multiple instruments on multiple markets simultaneously
- High-speed market gateways
- Low-latency market gateways to the major derivatives exchanges
- Connectivity to over 100 exchanges worldwide including cash exchanges for hedging

COMPLETE MASS QUOTING FUNCTIONALITY

- Automated quoting for higher productivity with reduced costs
- Multiple quote width determinants
- Option premium points
- Volatility
- Interest Rate
- Offsets
- Sliding scale based on option delta or premium
- Adjust quotes manually or automatically
- Make markets responsively based on quote requests

SOPHISTICATED VOLATILITY & PRICING MANAGEMENT

- Pre-defined volatility models
- Configurable volatility models for accurate, reliable pricing based on individual requirements
- Swim/skew functionality allows models to move with changing market conditions
- Volatility Model API
- Implement proprietary volatility models directly into Orc Trading for Market Making
- Leverage Orc Trading's rich volatility management interface to control the proprietary volatility model
- Accurate Pricing
- Built-in pricing models for accurate quoting and hedging
- Price exotic or standard products reliably
- Pricing Model API for leveraging proprietary pricing models

The screenshot displays the Orc Trading for Market Making software interface, which is divided into several functional panels:

- ES Mar:** A large table at the top showing market data for various contracts, including bid/ask prices, volumes, and theoretical values.
- Strategy Monitor - LiquidatorAQ:** A panel showing the status of the LiquidatorAQ strategy, including window layout, strategy name, and various control buttons.
- Position Total:** A table summarizing the overall position, including contract details, positions, and risk metrics like Vega and Rho.
- ES P&P Trades:** A panel showing a list of executed trades with details such as contract, volume, price, and strategy name.
- Volatility manager - ES risk fixed expiry - ES - Position Total:** A panel for managing volatility, featuring a graph of the volatility surface and various parameters for the underlying asset.
- Java IDE:** A code editor window on the right side showing Java code for the LiquidatorAQ strategy, including methods for quote requests and market updates.

- 1 Trade futures, options, and cash products on multiple exchanges
- 2 Monitor and adjust trading strategies
- 3 Post-trade risk and position information to support trading
- 4 View executed trades
- 5 Manage and adjust volatility
- 6 Design your own trading strategies in Java

ORC TRADING FOR MARKET MAKING SUCCESS STORIES

CEO AT A HEDGE FUND

The CEO of a hedge fund wanted to be able to quote on multiple exchanges without increasing staff resources. Using Orc Trading for Market Making, his firm was able to connect to multiple exchanges from one system and was able to deploy the firm's resources towards "smarter" trading opportunities. This helped the firm to reduce costs while expanding their business.

HEAD TRADER AT OPTIONS MARKET MAKING FIRM

The head trader of a market making firm on the index products at CBOE (Chicago Board Options Exchanges) had limited ability to expand their quoting business because of a slow solution that was not easily scalable. Using Orc Trading for Market Making the head trader was able to increase his number of quotes by 10 times allowing expansion into new markets to grow their business.



More information on
www.orcsoftware.com



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 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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