



ORC TRADING FOR RISK MANAGEMENT

WHAT IS YOUR TRADING DESK'S TOTAL RISK EXPOSURE?

Know your assets. Understand your liabilities.

Never has there been such pressure on trading firms and banks to get their risk tools right. Extreme market moves have prompted rigorous assessment of risk, with many firms focused on the basic trading framework, trading risk sensitivities and scenario analysis. The world's leading trading firms and banks increasingly rely on Orc Software's risk management tools to provide their trading risk insights on exchange traded derivatives.

Trading firms must balance their risk in order to be profitable. The key therefore is simple - ensure your risk is understood, accessible, contained and managed based always on reliable data and solid analytics.

ORC TRADING FOR RISK MANAGEMENT GIVES FIRMS:

- Accurate market views
- Risk sensitivities
- Pre-trade limit handling
- Scenario analysis
- Profit and loss projections
- Hedging requirements to insure against unwanted market exposure
- P&L attribution



WHO NEEDS ORC TRADING FOR RISK MANAGEMENT?

CEOS at proprietary trading firms who need access to real-time position overviews so they can implement strategies to reduce company risk.

- Would you be able to increase trading activity and maximize profits with a consolidated real-time position and risk view over your various businesses?
- When controlling numerous risk positions from different entities, could you better avoid losses and lower risk with the ability to view in real-time the risk positions of your regional businesses?
- Have you experienced losses because you did not react fast enough to high risk positions?

Orc Solution → Use Orc Trading for Risk Management for real-time P&L and scalable multi-asset portfolio structure.

HEADS OF TRADING who need improved control over their trading group's risk positions and the ability to increase profit by adding more customers quickly.

- When traders are active on multiple markets, would you be better able to avoid losses if you had the ability to run "what if" scenarios and automatically hedge portfolios?
- Do you run up risky positions due to non-real time, non integrated position management?
- Would you be able to increase trading activity and reduce cost of errors if you had real-time risk management with safety features / limits?
- Would you be able to add more customers in less time if you could control their positions and risk in real-time?

Orc Solution → Use Orc Trading for Risk Management for real time, multi market risk management; safety limits and detailed risk analysis.

HEADS OF RISK who need to be able to reduce quoting errors across regional offices.

- When connecting to new markets, would your regional businesses be able to reduce quoting errors if they had the ability to see and control multi-asset, multi-market consolidated position portfolios in real-time?
- Does your company currently lose money due to delayed and non-consolidated risk reporting?
- Do you currently need too many people, cross-region and system, to analyze risk?

Orc Solution → Use Orc Trading for Risk Management for Integrated real time risk management.

More information on www.orcsoftware.com

“ Risk is either a trading firm's main asset or principle liability. As a trader you shouldn't trade a market view if you don't know the calculated, accurate risk. A directional trader, acting on a short-term decline or rally in an underlying, will be looking for risk associated with market price. For a volatility trader expecting a decrease in market volatility, the trader will want to sell exposure to that volatility. But at what risk? And who validated their data?

The decisions of the individuals put in place to manage weigh heavily in creating a company's risk culture and ultimately its risk profile. Risk analysis is based on pricing and volatility. Firms need reliable and stable pricing and volatility models that fit the products they trade. Only then can they ensure what they see is correct, current and can always be relied upon. ”

*Is your company at risk?
Risk Fundamentals, Product Management at Orc Software*

ORC TRADING FOR RISK MANAGEMENT SUCCESS STORIES

HEAD OF RISK FOR A PROPRIETARY TRADING FIRM

A large global proprietary trading firm was using disparate trading systems in each of its locations across Europe, North America and Asia Pacific. Armed with the task of needing to know real-time trading risk for the entire European business, the head of trading sought a scalable tool that would provide a consolidated view of risk for all their trader activities. He needed to be able to run analysis reports to detect build-up of risk positions in their portfolio. His preference was for one solution to meet all requirements. Using Orc Trading for Risk Management for its complete trading risk solution, the head of trading was able to view trader risk in real-time, set limits for individual traders, and create simulated worst case analysis. Orc's open interface allowed the firm to export Orc risk capabilities and build additional proprietary analysis tools on top of the Orc risk solution.



HEAD OF TRADING AT A LARGE REGIONAL BANK

The head of trading found that adding new customers and new markets at the speed required was a critical business challenge for the firm. Their internal risk policies did not allow for easy observation of real-time, associated risk views and they had low control over electronic order flow from new customers. Orc Trading for Risk Management offered a scalable solution enabling the firm to add new customers and markets very quickly. At the same time, the Orc system allowed the setting of limits for customers which could be changed on-the-fly in case calculated risk viewed in the portfolio was too great. The flexible portfolio structure also allowed users to view risk on aggregated levels.

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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