



# ORC TRADING **TAKE ADVANTAGE**





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**THE FAST PACE** OF DEVELOPMENT AND CHANGES IN THE GLOBAL FINANCIAL MARKETS, IN COMBINATION WITH HIGH VOLATILITY, REMAIN A POSITIVE FACTOR FOR ORC BUT ARE ALSO BRINGING NEW CHALLENGES FOR BOTH THE COMPANY AND ITS CLIENTS.

Market participants face intensifying competition, a rising degree of automation and rapidly growing volumes of market data. Through the Orc Trading solution, Orc provides the tools and services that help customers handle increasingly complex trading and take advantage of the new business opportunities created by technological development.

Orc Trading is used by leading financial firms worldwide to conduct advanced trading, both proprietary trading and market making, for electronically-traded instruments. Orc Trading provides the competitive edge to trade from a single platform that can be used for trading and risk management

in any listed instrument, across all asset classes, on more than 100 markets globally.

## Orc Trading applications

- Orc Trading for Algorithmic Trading
- Orc Trading for Arbitrage
- Orc Trading for Market Making
- Orc Trading for Risk Management
- Orc Trading for Volatility Trading





# ORC TRADING FOR ALGORITHMIC TRADING

## AUTOMATED TRADING FOR GREATER PROFITABILITY

*Detect price changes. Make fast trading decisions. Trade automatically.*

With today's markets moving at such a rapid pace, many traders rely on algorithmic trading to automate their trading and capture microsecond market opportunities while reducing risk. Orc Trading for Algorithmic Trading helps traders profit from short lived opportunities by deploying and modifying strategies as dictated by changing market conditions. Successful trading strategies are easily replicated and deployed from one market to another helping firms take advantage of the latest market opportunities.

### ORC TRADING FOR ALGORITHMIC TRADING HAS HELPED FIRMS:

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- Deploy latency sensitive strategies rapidly
- Expand trading into new markets
- Trade faster and with more confidence
- Reduce costs by automating trading and improving trader productivity
- Leverage an industry-standard programming language to develop strategies
- Deploy proven trading strategies quickly to new asset classes and markets
- Scale their business as trading opportunities grow

“ Successful automated trading requires not just a high-performance trading engine, but also an ability to leverage trading strategies that have been proven in one market onto new markets where new opportunities lie. Smart trading is the key to successful automated trading where only the best trading ideas will survive. ”

*Trading benefits when using Orc Trading for Algorithmic Trading.  
Product Management at Orc Software*



# ORC TRADING FOR ARBITRAGE

## AUTOMATED ARBITRAGE FOR GREATER PROFITABILITY

*Detect asset price differentials across multiple markets. Trade electronically. 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:

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

“ 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 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 liquidity access to existing and new markets worldwide have become the key drivers for many market makers today.

### ORC TRADING FOR MARKET MAKING HAS HELPED FIRMS:

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- Increase quoting in competitive markets with a high-throughput trading engine
- Minimize risk exposure with ultra-low latency connectivity
- 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

“ 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 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:

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- Accurate market views
- Exposure to risk sensitivities
- Pre-trade limit handling
- Scenario analysis
- Profit and loss projections
- Hedging requirements to insure against unwanted market exposure

“ 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 VOLATILITY TRADING

## KNOW WHEN TO BUY AND SELL OPTIONS

*Shorting on the peaks. Buying on the lows.*

Market participant interest in volatility trading has never been greater. Proprietary trading firms and bank trading desks are seeking to profit amid the most unpredictable automated market climate witnessed. Traders are attempting to take advantage of differences in implied volatility and future forecasts for realized volatility of the option underlyings and generate real returns for their desks.

Orc Software's volatility trading tools are increasingly being called on by these firms in all major global markets to increase profits and provide extensive real-time pricing & risk analytics, order validation & limits, multi-market liquidity access for trading exchange listed options (predominantly equity options and interest rate options) and hedging with cash and futures.

### ORC TRADING FOR VOLATILITY TRADING GIVES FIRMS:

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- Scalable trading system
- Auto trading functionality
- Pricing models / API for all traded products & asset classes
- Volatility models / API for all traded products & asset classes
- Portfolio reports & simulation tools
- Order validation & limits
- Auto hedging
- Flexible risk analytics
- Multi-market access
- Flexible, open Orc Protocol

“ With the ever increasing requirements for maintaining Sequoia's screen presence in the markets, more sophisticated volatility modeling has gained significant importance for us.

Orc enabling us to run our own models through the API has resulted in Sequoia achieving our goal for an intuitive, fast and easy-to-use trader solution that requires minimal updating when the market environment changes. ”

*Trading benefits for Sequoia Capital using Orc's volatility model API.  
Douglas Garistina, Managing Partner, Sequoia Capital*



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### 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 applications 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.



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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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