



ORC TRADING TAKE ADVANTAGE





ORC TRADING TAKE ADVANTAGE

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 Warrants Market Making
- Orc Trading for Volatility Trading





Powerful Trading Innovation Take Advantage



Take Advantage

Orc Trading delivers powerful and reliable trading tools for the global financial industry with strong analytics, automated trading functionality, unmatched liquidity access on 100+ markets, high performance cross-asset trading capabilities, ultra-low latency and risk management for electronically traded derivatives.

ORC

www.orcsoftware.com

Amsterdam, Chicago, Frankfurt, Hong Kong,
London, Milan, Moscow, New York, Paris,
Stockholm, Sydney, Vienna



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:

- 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:

- 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:

- 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:

- 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 WARRANTS MARKET MAKING

IMPROVE WARRANTS MARKET MAKING WITH FAST, RELIABLE MULTI-MARKET ACCESS

Expand your business. Win market share.

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

Orc Trading for Warrants Market Making delivers customers the choice of a customizable or a complete out-of-the-box solution.

ORC TRADING FOR WARRANTS MARKET MAKING HAS HELPED FIRMS:

- Improve quote timing with ultra-low latency connectivity
- Quickly expand warrants market making across new markets
- Reduce infrastructure costs with a scalable, flexible technology platform
- Increase quoting in competitive markets with a high-throughput trading engine

“ New market conditions place added emphasis on high-performance and automated trading solutions. Managing warrants trading requires increased efficiency, based on key parameters such as low latency and high throughput. ”

Anders Henriksson, Business Development, 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:

- 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*

THE ORC ADVANTAGE

As the global financial markets continue to evolve at a rapid pace, demand increases for automated solutions that support electronic trading. The needs of market participants are constantly growing and shifting, driven by several concurrent factors that include structural changes in the financial industry, efforts to boost competitiveness and measures to cut costs.

The market is evolving in a way that places demands on software suppliers like Orc to keep pace with overall industry trends and plan for meeting customers' anticipated future needs. Orc's dual strategy, based on targeted offerings for trading and connectivity solutions, provides the answers to these challenges.

Knowledge about each market and customer

Market confidence in Orc relies on both the technology and solutions offered by the company and on appreciation for Orc as a supplier. With respect to the latter, Orc stands out through its global presence and its in-depth understanding of and ties to the regional financial markets where customers operate.

Orc's solutions are also uniquely suited to and beneficial for small firms as well as the largest global players in the financial industry – with an offering that is specialized but at the same time caters to a wide range of customer needs. Orc's promise to all customers, regardless of size, is that Orc understands their business and needs, making it possible for the sales and service staff to give each customer truly personal treatment.

Competitive advantages through technical leadership

Orc's long-standing market experience and solid reputation as a supplier of advanced and reliable high-performance solutions remains a critical factor for customers. The importance of technology is by no means decreasing. Rather, the demands on trading solutions are rising as new areas of the financial markets open

for electronic trading and in pace with rapid volume growth particularly for derivatives and commodities trading.

Orc seeks to leverage its technical strength in the areas with the greatest anticipated growth. Today this includes automated trading where market participants are constantly demanding higher capacity and lower latency from their systems, two factors with a direct impact on competitiveness. Orc is meeting these challenges through a consistent approach to development activities, often in response to local needs, as a means for safeguarding the company's ability to offer market-leading technology at all times.

Alternative or complement to in-house development

A customer facing an investment decision is less likely to choose between Orc and another supplier than between Orc and an in-house developed solution. For these customers it is important that Orc can offer the advantages associated with in-house development, such as the implementation of customized trading strategies and the integration of new systems with existing IT resources. At the same time, Orc must be able to deliver added value by enabling the customer to avoid investment in costly technical infrastructure and development of functions that offer no direct competitive advantages.

Orc anticipates sustained growth in the uptake of Orc solutions. It is increasingly evident that customers would prefer to avoid in-house development and are more often opting to purchase solutions from leaders like Orc Software. ■

“ Orc's long-standing market experience and solid reputation as a supplier of advanced and reliable high-performance solutions remains a critical factor for customers. ”



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.



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.

sales@orcsoftware.com
www.orcsoftware.com

Amsterdam, Chicago, Frankfurt, Hong Kong, London, Milan, Moscow, New York, Paris, Stockholm, Sydney, Vienna