



Deutsche Bank

### WEX Introduces Automated Options Hedging Tool

Wolverine Execution Services in November launched Hedge Agent, a trading applet that allows traders to automatically hedge their executed options positions. Only available on the WEX Trading Platform, Hedge Agent saves traders time and resources by calculating hedge quantities based upon the current delta and immediately sends out the corresponding hedge order after an option is executed in WTP.

“As a leading provider of options trading technology, the addition of an automated hedging tool was a logical and valuable extension to the managed order suite in WTP,” said Kevin Kernan, director of WEX product development. “Traders hedging single options, spreads, or legging into spreads through the WTP Spread Agent can streamline their hedging process in addition to saving time and money with Hedge Agent.”

Hedge Agent benefits include: delta hedging with specific option products throughout an entire portfolio; hedging with the underlier or other products with a specified hedge ratio; setting specific safeguards, including defined risk limits, stop loss, and notifications if a hedge stalls; and confirmation of short sales with a locate identification.



### ICAP and Interactive Data Collaborate on OTC Data Distribution

ICAP and Interactive Data Corp. in November entered into an agreement to collaborate on distributing over-the-counter swaps data. The agreement provides Interactive Data clients the capability to access ICAP data via multiple Interactive Data desktop platforms and data feed offerings, all of which will be covered under a direct license between the client and ICAP.

Interactive Data clients can access a broad spectrum of ICAP data via the consolidated feed, including ICAP's interest rate, credit, fixed income, money markets, foreign exchange, and energy market data.

“Sourcing content from the leading broker of interest rate derivatives, fixed income and foreign exchange helps ensure that we can deliver high quality data for those markets to our clients,” commented Emmanuel Doe, president, trading solutions group for Interactive Data. “A significant benefit of our collaboration for clients is the ability to enhance pre-trade transparency through real-time price discovery across a range of global asset classes.”

### Deutsche Bank Algos Target Buy-Side Options Traders

In October Deutsche Bank unveiled a new suite of algorithms aimed at buy-side options trading as part of its Autobahn electronic trading business. The service covers equity options trading on major U.S. electronic options exchanges including the Chicago Board Options Exchange, International Securities Exchange, Boston Options Exchange, BATS Options, NYSE Amex and NYSE Arca.

Deutsche Bank said customers now have a full suite of investment solutions for electronic options trading, including single-leg and complex multi-leg strategies. as part of a suite of algorithms, direct market access and smart order routing.



### NLX Upgrades Technology to Support New Trading Strategies and Pre-Trade Risk Controls

NLX, the London-based futures exchange owned by Nasdaq OMX, installed new technology in December that will support certain types of spread trading strategies as well as enhanced pre-trade risk controls. Exchange officials say the platform upgrade will strengthen NLX's efforts to win market share from Eurex and Liffe in the European interest rate futures market.

The new technology supports inter-product spreads, a common trading strategy in the interest rate futures markets. In this case, the spreads comprise positions in Euribor futures and Euro Schatz futures in a four-to-five ratio. The ability to execute a spread through a single trade reduces so-called “legging risk”, which is the risk that a delay in filling one side of the trade changes the pricing of the spread. NLX started by listing spreads in the “red” months and plans to add more in the “white” and “rose” months later this year.

The new technology also supports enhanced pre-trade risk controls that meet European regulatory guidelines for risk management. The risk controls allow firms to set limits at any level down to a single trading desk or even an individual trader, and include limits on price levels, risk levels, and the number of orders submitted per second.

The upgrade took place amid a gradual gain in the exchange's share of the European interest rate futures market. The exchange's volume surpassed 180,000 contracts for the first time in November and its share of the Euribor market has risen as high as 29%. Another key development came in December, with the addition of Trading Technologies to the list of execution software vendors connected to the exchange. Access to NLX is now available through 10 ISVs including most of the major firms serving futures traders.



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### Deltix Integrates Execution Strategy Software with Object Trading Platform

Deltix integrated its quantitative execution strategy software with Object Trading's global direct market access platform. The joint offering provides a solution to develop, test and implement quantitative trading strategies in real-time across the global equity, derivative and foreign exchange markets.

The joint offering enables Deltix users to develop, test and implement trading strategies across more than 55 global markets using FrontRunner, Object Trading's global DMA platform. FrontRunner is trading screen and venue-agnostic, providing market data, trade execution and pre-trade risk constraints.

Through a single gateway, sell-side and buy-side firms can access equity, derivative and FX markets globally. The platform offers a quick time to market and low technical overhead to add additional markets with one integration, regardless of the trading systems the broker or buy-side client uses.

The Deltix product suite provides support for all phases of quantitative research and trading, including data collection and aggregation, model development, back-testing, simulation and deployment to production. The FrontRunner Suite provides normalized exchange connectivity, real-time market data, and order execution with in-line pre-trade risk constraints, greatly reducing the complexities of exchange connectivity.



Asia's Information Delivery Platform

### Colo in Japan: KVH to Offer Faster Access to OSE Derivatives

KVH is offering a co-location service for access to J-Gate, the derivatives trading system operated by Osaka Securities Exchange. This new service will allow KVH to provide local and foreign traders with faster access to the J-Gate trading system. KVH said the new service will lower the amount of time for order messages to travel from client to matching engine to 2.4 microseconds.

Launch of the KVH co-location service comes as Tokyo Stock Exchange's derivatives market will be integrated with Osaka Stock Exchange in March 2014. Both sets of products will be traded on the J-Gate system.

"We are excited to be offering the JPX (OPEN) co-location service as it fully complements our portfolio of services specifically designed for the low latency trading community in Asia," said Takao Hirai, senior vice president, enterprise market division of KVH. "By providing KVH's high quality global IT infrastructure services to OSE market participants, we are confident that we will be able to support the derivatives trading market in Japan and improve OSE's foothold in Asia."



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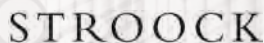
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# trueEX

## TrueEX Offers Automated Tool for Swap Terminations and Compactions

TrueEX, an electronic exchange hoping to break into the market for interest rate swaps, is working with buy-side firms and clearing firms to offer a service for terminating and compacting swaps that have been submitted to a clearinghouse. The goal is to help buy-side firms reduce the number of positions in a cleared swap portfolio by cancelling out offsetting positions. This will become increasingly important as more of the swap market moves to central clearing.

TrueEX announced its "portfolio terminations and compactions" service in April and in December the exchange said it had processed the first batch of actual trades. Two buy-side firms were involved—AllianceBernstein and MKP Capital—along with J.P. Morgan and Société Générale. The firms said the PTC service provided them with an efficient way to automate the process of "compacting" their cleared interest rate swap portfolios.

In futures, offsetting positions cancel each other out, but there is much less standardization with cleared swaps. Through termination and compaction, several near-matching swaps can be replaced by one swap for the net aggregate risk. This reduces the number of positions in a cleared swap portfolio and reduces the capital requirement and operational complexity.

"SG has been an early adopter of innovative technology solutions like TrueEX that help the IRS market create economies of scale for all market participants," Alan Mittleman, global head of USD rate trading at Société Générale, said in a statement. "SG is committed to helping build liquidity and scale for new entrants to create a competitive marketplace."



## CQG Routing Network Available in Eze Software's RealTick EMS

Eze Software Group in November announced that CQG's Continuum Order Routing Network is now available in Eze Software's multi-broker, cross-asset electronic execution platform, the RealTick EMS.

This integration provides users of the RealTick EMS with direct global futures exchange connectivity to over 50 additional markets and access to more than 100 new futures commission merchants. Users can now enter an order in the RealTick EMS and route it through the CQG network directly to any broker or exchange to which CQG is connected.