Brian Geddes

Sempra Metals: A Real Time Feed to Provide Transparency of Market Activity for the Front Office

WHAT'S ON YOUR INFORMATION AGENDA?

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Introduction

Brian Geddes

- Head of back-office development for Sempra Metals Limited

Responsible for

- Trading back-office systems

- Integration of front/back office applications

- Some middle office systems

Current Technology Mix

- Legacy iSeries RPG applications (back-office)

- Windows based applications (.net) (middle/front office)

Sempra / DataMirror

Partnership started in 2005 with implementation of iCluster for Disaster Recovery

Implemented TS in Feb 2006 following successful POC

Currently have around 20 replications live

Sempra's challenges

Share data between various silo based applications in real-time

Avoid complex high-risk changes to legacy applications

Rapid low-risk deployment

Robust low maintenance solutions

Sempra's solutions (1) – Providing Matching Data to front-office

The Solution

Transformation Server replication of LCH data to front office

Allocation process in front office uses the matching data to identify the market counterpart for trades in the front office system

Trading systems now "knows" the counterpart of each trade

Sempra's solutions (1) – Providing Matching Data to front-office

Overview of the problem

Trading systems interface to anonymous trading platform

Back-office system receives feed of trades from London Clearing House

Back-office system "knows" the counterpart of each trade but Front-office doesn't

Sempra's solutions (1) – Providing Matching Data to front-office

Benefits

Transparency of market activity for front-office (who are we trading with)

Time to market

2 weeks

2 days Transformation Server Development

No changes to back-office systems

Sempra's solutions (2) – Providing Back-office trade data to the front office

Overview of the problem

    Front office systems capture trades and feed via API to back-office

    Back office allows direct capture of trades and amendment of trades

    Front office doesn't have the full picture

Sempra's solutions (2) – Providing Back-office trade data to the front office

The solution

- Build a transformed trade table on the source system (solution uses exit program)
- Two tables, trade table and change audit
- Cascade replicate the transformed tables to SQL server
- Trade blotter picks up changes and applies to trade blotter
- Front office use blotter application to understand changes to positions

Sempra's solutions (2) – Providing Back-office trade data to the front office

Benefits

- Real-time reconciliation between front and back-office

- Highlights potentially high value errors quickly

- Provides basis for other reporting requirements

  - Real-time market risk analysis
  - Real-time credit risk analysis

- Provides secondary record of important trading data

- Part of a package of changes that have allowed trade throughput to grow by 200-300% without increasing back-office resource or increasing operational risks

Time to Market

- 2 months to develop trade feed (complex requirement)

- 3 months to develop blotter application (parallel development)

2008 Deliveries (highlights)

Real-time risk position reporting (Live Q1)

Real-time account balance and transaction replication (Live Q1)

Real-time collateral data feeds (Planned Q2)

Real-time credit data (Planned Q3)

Sharing of counterparty / account data (Planned Q3/Q4)

DataMirror Consultant

Robert Philo

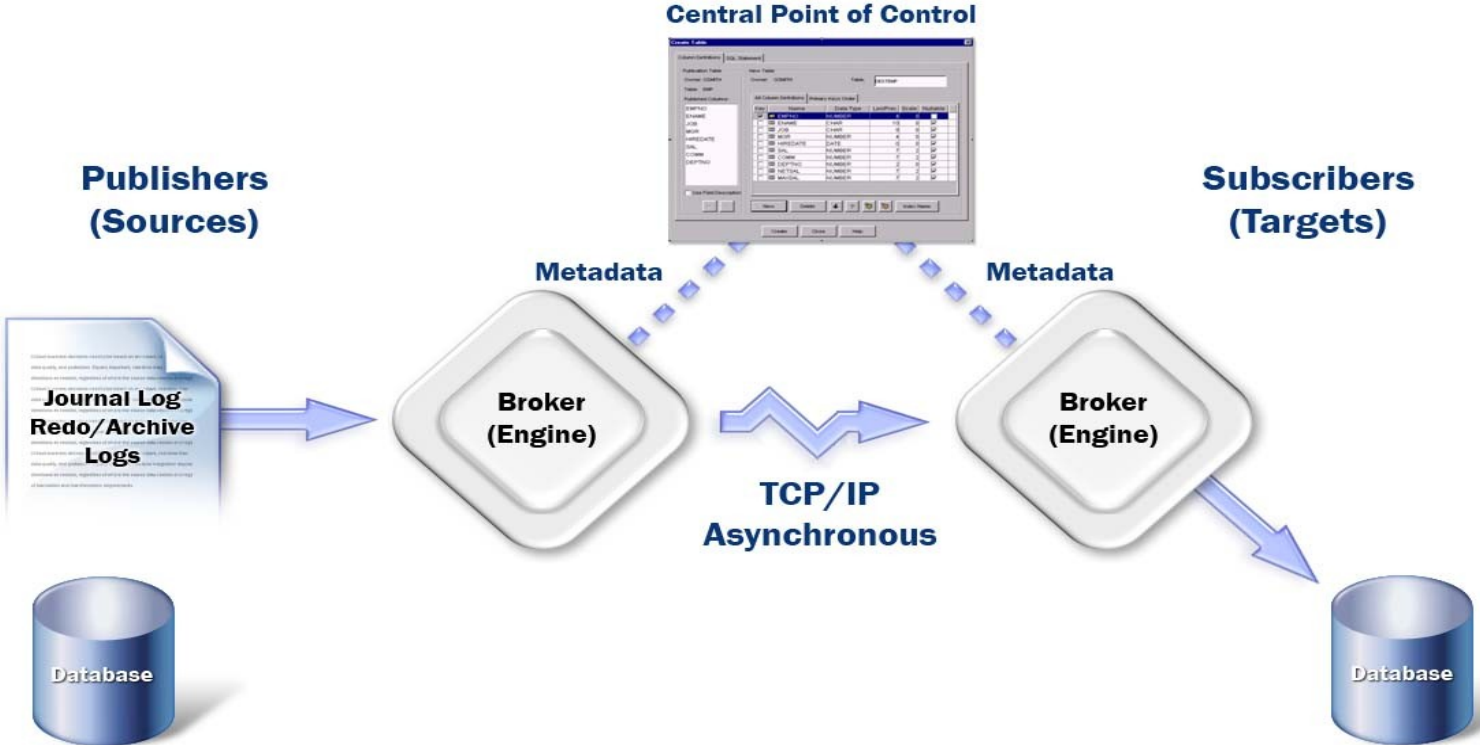Senior technical consultant

With DataMirror 8 years

Post sales

Helping our customers to maximise the return on their investment in our technology

Transformation Server Overview

Typical Implementation Steps

Project Definition Workshop

Install in test environment

Configure in test environment

Test replication

Operational Procedures and Documentation

Promote configuration to production

Start replication and monitor

What makes a successful project?

Preparation and Planning

Team work

- − Consultant's product knowledge

- − Customer's application and environment knowledge

Knowledge Transfer to Customer

Customer ownership of solution