

Q-TRADE: DELIVERING OPERATIONAL EFFICIENCY TO A START UP QUANT ADVISOR

CASE STUDY - JANUARY 2013

THE CLIENT

A start-up quantitative-based advisor. The company creates and manages quantitative based investment ideas, generates model portfolios and trading signals on multi-asset portfolios. It advises clients about shifts in specific macro-indicators and market timing.

THE BRIEF

Deliver a solution that would allow the client to integrate different technologies, automate processes and consolidate multiple data sources into a centralized database. This included full execution automation for Interactive Brokers, and the integration of several data feeds (Bloomberg, CRB, Interactive Brokers, Yahoo and Google)

The company maintains multi-strategy and multi-assets portfolios and trades a variety of products including options, futures and ETFs. Static data and price data regarding different instruments have to be stored in a centralized database.

The technology must be easy to maintain, flexible and scalable in order to accommodate future growth. In their view the technology must allow them to protect and leverage their initial investments and leave room for expansion.

The client also asked Sofistar to provide multi-point access and a number of portfolio management tools.

THE SOLUTION

Our client is a start-up company but the principals have several years of experience in asset management and trading for other firms. They have selected Sofistar as their technology provider because of their consultative approach and Q-TRADE as automation software because of its flexibility and scalability.

We have installed Q-TRADE and customized some of the functionality in order to meet the client's key requirements. The client uses our automation engine to download daily data series, run models in Matlab, generate trading signals, create and simulate portfolios, send orders to their broker and automatically update portfolios.

Key to adding value was the delivery of a functionality that will enable the firm to add or move seamlessly to other executing brokers in the future. By adopting Q-TRADE the client has access to the full development toolkit and it has already started to use it to build customized analysis tools, reports and indicators.

In delivering this solution, it was important to understand fully the multi-strategy/multi-asset approach of the client. By leveraging on the flexibility of Q-TRADE the firm's advisors are now able to combine multiple strategies across asset classes and map them to a specific portfolio, taking into account the portfolio specific risk settings.

Using Q-TRADE the firm is now able to monitor in real time all the processes and functions across the whole enterprise. Every job carried out by the automation engine is and the system produces alerts via e mail and SMS if a process doesn't start or doesn't complete correctly. An automatic audit trail is generated allowing the fund managers to analyse specific events in the system.

Finally, in order to keep cost under control and maximised efficiency we have moved the whole infrastructure to the cloud using AWS Turnkey. This solution has eliminated the requirement of a substantial initial hardware investment. With AWS Turnkey the client has access to unlimited processing power and mass storage space.

SOFTWARE PRODUCTS INSTALLED

Q-Trade

AWS Turnkey

DELIVERY TIMELINE

Scoping: 3 days

Planning: 1 day

Customization: 10 days

Installation: 3 days

Testing/UAT: 3 days