

Portfolio Valuations - Best Execution: OTC Derivatives

An independent, multi-contributor, validated service providing post trade performance data to help measure and manage best execution.

Evolving market practices and global regulations such as MiFID II, PRIIPS and RG97 have increased scrutiny for best execution practice, while at the same time expanding the range of trades to include over the counter instruments. As the concept of best execution has developed, the need to measure and manage increasingly complex trades and execution processes has grown.

Our best-in-class OTC derivatives valuation data can help firms comply with Best Execution requirements through the provision of time-stamped valuation data for monitoring intraday and historic transaction costs. We can seamlessly calculate OTC trade slippage, which is the difference between the executed and expected price of transactions. Trade slippage can be expressed in a range of price or market sensitivity terms and firms can use this information to confirm execution quality and prepare reports on trading effectiveness.

Multi-Asset Coverage for TCA

Since 2011, we have provided sophisticated tools for best execution and transaction cost analysis (TCA), covering a widening array of assets, including Equities, Bonds, FX, Bank Loans, Money Markets and CDS.

Expanding coverage to OTC derivatives has long been regarded as a challenge due to their complexity and the availability of quality market data. As a leading source of market data for OTC derivatives, our solution provides the ability to validate and contextualize the effectiveness, quality and timeliness of each transaction which can be used as inputs to transaction cost analysis.

Key Stats

11m+
independent
valuations per
month

130+
staff globally

**SSAE 18
and ISAE**
compliant

Customers

Asset Managers

Hedge Funds

Banks

Fund
administrators

Custodians

Broker Dealers

Market Intelligence multi asset best execution analytics suite

Equity, CFDs, ETFs

Third Party Tick Level Data

FX

Spot, Frwd Swaps

Third Party Quote Level Data

OTC Derivatives

Market Intelligence Portfolio Valuation Service

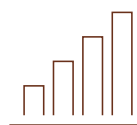
Credit Derivatives

Market Intelligence CDS Pricing

Fixed Income

Market Intelligence Evaluated Bond Service

Customer Trade Feeds



Output File*

- Execution quality analytics (proprietary and standard)
- Best execution TCA & PRIIPS requirements
- Historical and recurring analytics



RTS 28*

Public reporting for all 22 ESMA Sub Categories

Coverage & speed

The OTC Derivatives best execution solution encompasses a wide range of vanilla and exotic derivatives across multiple asset classes such as Interest Rates, Equities, FX, Credit, Commodities and Structured Products. We provide a fast delivery turnaround for large and complex portfolios, being able to deliver the output as one collated file for trades executed throughout the period.

Connectivity

Trade translation services are available to assist with connectivity to your existing systems, and clients who also use the Portfolio Valuations and/or MarkitServ services can leverage existing connectivity and trade inputs to simplify onboarding.

Transparency

Outputs are comprised of the arrival price and slippage metrics, including where Greeks and Sensitivities are expressed in slippage terms, plus additional metrics to support the valuation.

Data quality

Best-in-class quality independent data is used in valuing the trades. Extensive cleaning algorithms ensure that only the most applicable information is used in our valuations, including four levels of quality control checks. We employ industry standard methodologies and quantitative techniques with models that incorporate all relevant inputs of pricing, including volatility and where appropriate smile, skew and correlation. Market data sources include bank contributions, exchanges, clearing houses and IDBs, as well as Market Intelligence proprietary internal data.

Dedicated support

Our dedicated global team of experienced analysts and financial engineers are available 24/5 in six locations globally and provide rapid resolution to queries, through a well-established challenge process post-valuation delivery.

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