

THOMSON REUTERS ENTERPRISE PLATFORM FOR VELOCITY ANALYTICS FOR TCA

POST-TRADE ANALYSIS/TRANSACTION COST ANALYSIS USER SCENARIOS

In order to improve execution performance it is necessary to measure the actual outcome of your trades against your expectations of that execution. Simply put, post-trade analysis helps you make better trading decisions.

Most post-trade analysis is focused on Transaction Cost Analysis (TCA) to uncover the total cost of trade decisions. An holistic approach to TCA includes not only commissions paid, specified benchmarks (e.g. VWAP) against realized execution and market impact, but also a comprehensive analysis of whether the execution ultimately meets the strategic goal of the portfolio manager. And the results of post-trade analysis are fed back into future trading decisions to fine-tune the trading process.

EXAMPLES OF POST-TRADE ANALYSIS

REAL-TIME CORRECTION AND FEEDBACK BASED ON POST-TRADE ANALYSIS

Post-trade analysis is being used in real-time by the sell side. The result – immediate results on whether you obtained best execution, as well as instantaneous feedback while working an order, allowing an order to be re-worked if a strategy is not successful. During the hours it can take to complete the order, the strategy can be switched or a wholly new approach used.

Transaction Cost Analysis

Transaction Cost Analysis isn't simply a matter of comparing trades against where the market was when the trade was executed Thomson Reuters Enterprise Platform for Velocity Analytics can certainly enable the buy side and sell side to monitor executed trades against the market; but it also delivers a platform where you can store and analyze trade and market data to provide an holistic view of TCA based on your strategy objectives.

Thomson Reuters VWAP Module

Velocity Analytics comes pre-loaded with standard analytics (VWAP) enabling a customer to get up and running quickly. We deliver a 'white box' VWAP giving customers the ability to reconfigure time frames easily and include or exclude any instrument type. And with Velocity Analytics' patented technology for high performance, industry-strength application programming interfaces (APIs) and scripting, customers can build their own ultra low-latency in-process analyses, making it possible to develop customized post-trade analytics.

HOW VELOCITY ANALYTICS MEETS THESE NEEDS

Post-trade analysis demands the ability to process massive volumes of streaming tick data, compare it to trade data, and perform high-speed analysis and data handling. Velocity Analytics' delivers these functions easily to an existing market data environment.

Even more relevant to post-trade analysis is the Velocity Analytics persistence database and Velocity Analytics' scalability, which enables a customer to store almost any amount of market data for any amount of time. Many customers will need to look at the full order book for U.S. equities. This represents 30 gigabytes of data per day. Combining streaming market data from major market centers with corporate action data from Thomson Reuters Tick History creates a customer-specific, tick-by-tick database suitable for any type of post-trade analysis.

FOR MORE INFORMATION:

Sales Enquiries:

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