



IBM Algo Risk Service on Cloud

Algo Risk Service Intra-day Processing on Cloud

Overview

IBM® Algo Risk Service Intra-day Processing on Cloud is an extension to the IBM® Algo Risk Service on Cloud that offers clients the flexibility to request updates of portfolios and risk analytics for an agreed period (e.g. hourly) that is shorter than the standard overnight Algo Risk Service on Cloud batch process.

Clients might require ad-hoc updates of their portfolios and risk analytics between two normally scheduled runs. This situation might arise due to the client's need to quickly update risk analytics resulting from, for example, sudden and large changes in instrument prices and hence market values of portfolios, new instruments traded into portfolios, and new portfolio hierarchies or portfolio allocations. While the standard Algo Risk Service on Cloud provides clients with a single, overnight batch process that retrieves and maps data, and simulates risk analytics at the individual security level, Algo Risk Service Intra-day Processing on Cloud offers clients the option to run this process more frequently to accommodate portfolio reconciliation, updated trading activity, or regional time zone issues.

Algo Risk Service Intra-day Processing on Cloud generates new portfolios and risk analytics, and so is only available to clients who subscribe to the online, interactive Algo Risk Application and/or the IBM® Algo Risk Service Advanced Reporting on Cloud Package. This document outlines the process by which an intra-day run is requested, the results, and the conditions under which this run is performed.



Integration with client's environment

Algo Risk Service Intra-day Processing on Cloud enables clients to upload, when needed, a new set of position files to their FTP site. On-demand, or on an agreed shorter period (e.g. hourly), Algo Risk Service on Cloud will then retrieve the new position files and initiate the intra-day process.

Algo Risk Service Intra-day Processing on Cloud provides an incremental update to the client's environment – although a full set of position files is submitted, this process does not fully replace the results from the previous scheduled run. Rather, a comparison is first made against the last run to identify any of the following changes, and the following actions are taken to update or increment the client's session:

- New portfolio hierarchies and/or new position sizes are processed and reflected in the Algo Risk Application and/or Algo Risk Service Advanced Reporting on Cloud package.
- If the client provides latest instrument prices in its upload, these are applied to update the portfolios' market values. New market-traded or over-the-counter (OTC) instruments that did not exist in the previous scheduled run are processed quickly. Risk analytics, using the same models and assumptions configured in the client's environment, are calculated. Note that for performance and consistency reasons, this process utilizes the same market data and scenarios that were used in the last scheduled run.
- Over-the-counter instruments whose terms and conditions have been modified will be re-run and will replace the version that existed in the last scheduled run. For performance and consistency reasons, this process utilizes the same market data and scenarios that were used in the last scheduled run.

Algo Risk Service Intra-day Processing on Cloud enables a new Algo Risk Application context to be generated and published. Algo Risk Application clients can then navigate the interface (Prefs > MtF Cubes) to choose between the last scheduled run or the incremental intra-day run. Algo Risk Service Advanced Reporting on Cloud package clients may then request new reports to be produced on the intra-day update.

About Business Analytics

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals.

For more information

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