OPENGAMMA

Forecast derivative margin requirements

With OpenGamma Margin Analytics

The past five years has highlighted the significant impact that derivatives margin can have on a firm's liquidity requirements

For Treasurers, the most significant unknown when predicting future cash requirements comes from the initial margin requirement which, up until now, has been viewed as a 'black box'.

OpenGamma's Analytics are powered by over 60 independently-replicated margin models, allowing users to calculate their margin requirements under different market scenarios and to accurately forecast the future cash requirements of their trading activities.

Benefits

- Allocate margin costs internally to incentivise capital efficient behaviours
- Reduce total margin requirements and lower funding costs by 10-30%
- Correctly size financing arrangements to minimise funding costs
- Avoid unexpected cash outflows related to margin calls

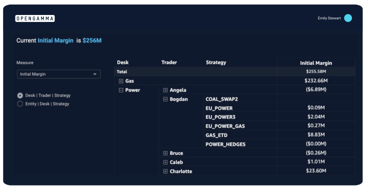
"Embedding OpenGamma into daily processes will enable Uniper to lower margin costs, helping to boost liquidity and manage periods of market stress."

uniper

"OpenGamma has been key in improving our margin management process, helping us track more closely intraday moves and removing inefficiencies that freed up over $100M in capital."

MERCURIA

OPENGAMMA



Allocate margin costs back to trading desks/strategies to incentivise capital efficient behaviour

Identify opportunities to reduce margin requirements and view the change in cashflows overtime

Project how cashflow requirements change over time and under different scenarios

Margin Management with OpenGamma

Positive impact on CFFO

Back-Office

Automate existing time-consuming, manual and repetitive processes

Margin Validation & T+1 Margin Forecast

- Validate
- Explain
- Calls
- T+1 Margin Forecast

Finance and Risk

Increase visibility and control of margin call risk

Stress Testing & Liquidity Planning

- User defined scenario analysis
- Diffusion / price path analysis
- Historical scenario analysis
- Cash forecast

Trading

Assisting desks with reducing the amount of margin posted

Margin Optimisation

- What-if Simulation
- Portfolio Optimisation
- EFP / EFS Analysis

Complexity

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