

# Financial Services Viewpoint

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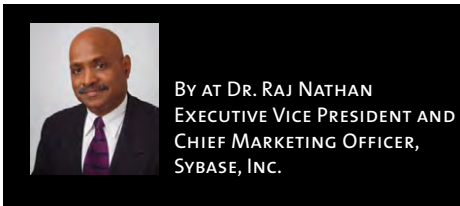
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## Martin Wolf Sees the Financial Industry **FOLLOWING THE MONEY** to the Emerging World

A more efficient and potentially more vulnerable financial system is emerging because of — and despite — all of the global financial regulation on the rise. That is how *Financial Times* chief economics commentator Martin Wolf sees it, and he shared his intriguing and paradoxical view during a keynote presentation in London on November 30.

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“The future of the financial industry will clearly follow where the savings are, where the mediation is and where the investment is,” said Wolf, a recent appointee to the UK government’s new Independent Commission on Banking. “And that is going to be in the emerging world.”

Addressing financial executives attending Sybase’s Executive Summit called *Shaping the Financial Industry of the Future*, the world-renowned Wolf highlighted radical technology innovation as one of four “really huge” forces working on the financial industry.

“The financial sector ... is obviously the most dramatically affected by the information revolution,” Wolf said, “because ultimately finance is simply information.”

The four forces working on the financial industry he enumerated are:

- The shift in financial activity brought about by growth in the emerging world
- Very radical technological innovations
- De-leveraging in advanced countries
- Regulation

Wall Street and the City of London will surely take notice of Wolf’s views on the strong recovery occurring in the emerging world, especially Asia, just as high-income countries have largely used up their fiscal and monetary power.

#### SHIFT IN FINANCIAL ACTIVITY

Emerging countries are growing much faster than developed countries for the first time in 200 years.

“We are watching the relatively most dramatic rise of economic power in the developing countries that we have ever seen,” Wolf said of the shift that began in the early 2000s.

Central to Wolf’s theme is whether rebalancing of the world economy will occur before there is a push for protection. There is a real

possibility of a spontaneous adjustment with the private sector pushing money into the emerging countries.

One risk here is that the emerging countries will resist this pressure.

In this case, Wolf sees the U.S. being first to introduce protectionism if unemployment remains high. This would be a popular move for the Democratic Party in appearing to generate jobs.

Other risks exist in the eurozone. Greece might lead other countries in self-restructured debt, Wolf said, or a bailout of Ireland could fail dramatically.

Restructuring is not enough — and that, he feels, is the biggest problem. The eurozone countries need greater competitiveness and more external demand. And partial breakup of the eurozone is another possibility.

#### RADICAL TECHNOLOGY INNOVATIONS

Rapidly growing emerging markets will need more sophisticated IT systems as they advance. With more sophisticated systems come increased competition.

Technology’s part in changing the financial industry is well known, of course, and includes: faster trading, platform proliferation, more complex strategies and products, expanded global operations, and a more efficient and potentially more vulnerable financial system.

#### DE-LEVERAGING IN ADVANCED COUNTRIES

The third major force to change the finance industry is de-leveraging in high-income countries. All areas of consumer, business and monetary trends will feel its impact. As markets impose higher capital requirements, there will be smaller financial sector balance sheets.

Less household borrowing and spending weakens domestic demand, lowering interest rates and weakening currencies, ultimately giving way to a greater reliance on imports, threatening prolonged fiscal deficits.

#### REGULATION

“There’s a massive stable-door closing exercise going on” in the U.S., Europe and elsewhere, as Wolf characterized recent rounds of new regulations. And regulation is a major driver of structural change, of course.

The substantive thrust of these exercises is to make institutions safer by:

- Requiring very substantial higher capital requirements
- Tighter liquidity controls
- Greater transparency

“The financial sector... is obviously the most dramatically affected by the information revolution, because ultimately finance is simply information.”

— Martin Wolf

- Special rules on capital for global systemically important financial institutions
- Bank levies
- Rules on incentives for employees

Yet, questions remain. Will these new regulations work? And how will they change the financial system?

The choice of governments during the credit crunch was Armageddon, or “we save the whole lot,” as Wolf noted. Today’s regulators are determined to never again face a similar choice.

One step is to make failure possible by developing rules for resolution and recovery procedures, as well as providing for contingent capital. Another is to protect the banks from the economy by requiring counter-cycle capital and liquidity and dynamic provisioning, among other things. A third is to protect the economy from the banks through macro-prudential regulation.

Overall, this adds up to a radical change in the finance environment. More big questions raised by this effort include:

- Can we manage to coordinate successfully across national jurisdictions, in life (regulations, supervision, conversion of contingent capital, etc) and in death (bankruptcy)? After all this, how global does the system remain?
- Can we avoid the segmentation of the global financial system, via subsidies and other devices?
- Can we avoid regulatory arbitrage, with the risk shifting abroad or to relatively lightly regulated “shadow” financial institutions?
- Will we resolve the “too big to fail” problem?
- Will we resolve the problem of the ratings agencies?

The world has changed in big ways, and the financial industry has entered, as Wolf calls it, the “new normal,” characterized by five elements. The first is massive uncertainty about how the world economy will perform, how rebalancing will occur, if it will, and how households will react. Second, is the end of the private leverage cycle in high-income countries.

Third is the elimination of the U.S. as a buyer and lender of last-resort. Fourth is problems with developed country sovereign debt. And finally, the big challenges of global rebalancing and returning to stable global growth.

“ The ‘new normal’ means imposing innovative requirements on data architectures to preempt violations... ”

— Raj Nathan

### MEETING CHALLENGES OF THE “NEW NORMAL”

Compliance with regulatory requirement is not a new element for capital markets firms. In its simplest form, compliance consists of two components: (1) the processes and methods that ensure compliance and (2) the reports validating that a company has complied with the regulatory requirements.

From a data architecture perspective, the impact has traditionally been felt more on the creation and delivery of the validation reports. The “new normal” means imposing innovative requirements on data architectures to preempt violations, such as in anti-money laundering precautions.

Uncertainty generated in the “new normal” indicates that regulatory differences between jurisdictions and geographies might be expected to persist at least to some degree. Therefore, it will be necessary for capital markets companies to have an integrated strategy and architecture to meet compliance issues effectively.

### INTEGRATED STRATEGY AND ARCHITECTURE

Such a strategy would include data and network security; data integrity; record retention; and business processes and policies.

Data and network security issues must secure data sources and applications from internal and external tampering. Data integrity ensures data quality and consistency across the various disparate application and data sources. This is necessary for reliable reporting that validates adherence to compliance.

Record retention involves custody policies, actual storage and access to historical data. Business processes and policies in IT deal with the ability to document and model processes, workflows and services.

Meeting requirements is not enough for comprehensive data architecture in the “new normal.” It must also leverage the investment into value within the broader business strategy. To deal with this, and more, capital markets companies need a data strategy.

### DATA STRATEGY

A data strategy is about identifying what people need to make real-time decisions. It establishes the frequency with which new data comes in, how it is stored and how users access it at lightening speeds.

It is the architecture for a sustained continuous flow of data to the consuming applications. All this in an environment where high-frequency and high-speed execution are essential to give a complete perspective of what is going on in the markets.

A data strategy is also the basis of an adequate risk platform for the chief risk officer (CRO) and management team to assess risk management across the enterprise.

CRO’s looking to compete in the “new normal” might well turn to Sybase RAP – The Trading Edition,™ which is a unified market analytics platform that lets capital markets firms make better trading and portfolio decisions across the trade lifecycle. From better model development to real-time trade and risk analytics to multi-year historical quantitative analysis, RAP – The Trading Edition is optimized to support the most demanding analytics requirements.

RAP – The Trading Edition enables faster, smarter and safer trading decisions firm-wide to address major issues encountered in the “new normal” by providing a single platform for shared access to common data needed by multiple user communities — including quantitative analysts, traders and risk managers.

## MARKET INSIGHT



BY SINAN BASKAN,  
DIRECTOR OF BUSINESS DEVELOPMENT  
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# Regulating Reference Data and Standardizing Nirvana



Reference data is variable information about a real or virtual item and its properties. Dealing with industry challenges, including standardization and regulations, can be as confusing as the definition I just gave.

Regulators are like nimble sports cars, turning on a dime and shifting their focus overnight. Meanwhile implementing standards that adhere to regulatory requirements is more like driving a semi tractor trailer, requiring a lot of time, preparation and space to turn — not to mention the often high cost of implementation. And regulators are often unable to enforce their own timetables.

The reference data community is no stranger to regulatory pressure and the resulting sizable fines. The UK Financial Services Authority fined a branch of French bank Société Générale £1.58 million (\$2.57 million) in August, for example. Its failures included not submitting transaction reports containing underlying reference data. It was the sixth such action that cleared £8.82 million (\$14.36 million) for the FSA in a 12-month period.

Still, there is no consensus among various international agencies on what data requirements should be. Nor is there consensus on target dates to meet them.

Reference data is often complicated to regulate because, in addition to helping data managers classify identifier characteristics within other data centric-processes, reference data also can change over time. That is why issues associated with reference data are so diverse, arising from history and legacy practices that are not compliant to resolution by regulatory mandates.

Now, any lack of consensus among regulators would make compliance difficult. But this case is spread over an especially diverse group, ranging

from the business community, data providers and exchanges, to name a few.

What further complicates the matter is that regulators do not have a blueprint of what fines would look like, even if there were consensus on data requirements, target dates and offense criteria. So, standardizing and imposing fines is not a realistic approach — especially on a global scale — even if there were established criteria to determine what the offenses are.

Also unrealistic are regulators' timetables.

The European Central Bank's president, Jean-Claude Trichet, called for a "public reference data utility" when he addressed the bank's conference on statistics in October, adding that the utility would offer data in a standard format as dictated by international accord. It looks good on paper, but reality is not so simple.

We have already discussed the trouble with international accord in these matters. Furthermore, compensation arbitrage between the private and public sectors will always disadvantage the government agency in the enforcement of complex regulations. These agencies do not accurately picture the availability of skill sets in their organizations either.

Regulation aside, the biggest standardization challenges for the reference data industry are differences in symbology; data models in support of different lines of business; pricing and licensing models. This can be frustrating because it is out of every company's hands.

Consolidation and the natural cycle of competition will alleviate some of these problems, but individual businesses simply cannot overcome this challenge. There is no effective monopoly of larger companies that can drive *de facto* standardization.

Of these problems, there has been significant focus on proprietary symbology and licensing practices in recent years, and developments affected data consumers and third party providers. This occurred as investment in data management software rose to meet variances in symbology and licensing.

The challenge facing would-be regulators is implementing a set of rules to cover everyone, even amongst such a limited diversity. Instead of making regulation easier, companies create incremental differences to license their products as something unique. Most consumers see a marginal advantage in these features, so they accept the differentiators between vendors.

This is an important issue because consumers aren't getting very much market variety, and companies are resisting inevitable standardization — and often spending a lot of money to do so. It is not clear how long this can continue because we cannot tell how the differentiators will converge to a large set of standard features.

It could be tempting to involve regulators as we reach for a reference data nirvana with clearly defined standards, especially given the many issues facing the community. But it is not necessarily a good idea to have regulations drive reference data standards.

When the dust settles, convergence of customer requirements will generate the real standards. That will take more time, but it will be a far more solid approach.

# Data Management for New Trading Opportunities



Speed of market access alone is no longer sufficient to stay ahead of the pack as more of the pack employs low-latency connectivity. That is why emphasis is returning to quality of the trading model.

Innovators are using more sophisticated techniques to improve the effectiveness of their trading models — and gain an edge, while trading firms utilize new capabilities to identify cross-asset opportunities.

### CURRENT LANDSCAPE AND TRENDS

High-frequency trading (HFT) is a major contributor to trading volumes in the U.S. equities market, listed derivatives markets and European markets. High-speed market access quickly takes advantage of market opportunities as they arise, often scheduling quantitative models to generate many small trades, each with relatively small incremental returns.

Big and small players alike enjoy agility in ever-faster markets thanks to the ubiquity of low-latency (high-speed) connectivity and high-performance trading platforms in the U.S., Europe and Asia. Alpha seekers' attempts to wring profit out of a more competitive and complex trading environment increasingly involves driving their trading strategies with a wider range of data inputs.

### NEW CLIENT APPLICATIONS

More than just a way to differentiate execution strategies from rivals, this is a new way of looking at the marketplace, with a unique perspective on the trade decision-making process. Practitioners report the use of sources such as web sites, social media and even closed-caption television feeds.

The latter may represent the obscure end of the data spectrum, but 2010 witnessed the emergence of several asset-based social media sites, which grabbed the attention of traders in their respective markets. Investment analysts and traders now seek to gauge the market's feeling about a stock, sector or index based on a broad view of relevant parameters, rather than on simple price or index values or straight news coverage.

### MIGRATION TO ADJACENT MARKETS

As one corporation issues vast numbers of instruments, including stocks, bonds, futures, other derivatives, it becomes imperative to consider the impact these other securities could have on the stock. Practitioners must track listed instrument values; understand how valuations for illiquid issues are formed; and be sure they have a comprehensive view of the spectrum of securities that a target corporation has issued; and to keep that view up to date.

This in itself greatly expands the amount of data required to create a comprehensive view of a particular security before migrating those techniques to wholly new areas.

### DATA ANALYSIS AND MANAGEMENT CHALLENGES FOR MARKET PRACTITIONERS

The turn to new data sources has driven the growing popularity of certain types of fundamental data, text-based information and new capabilities such as machine-readable news, (MRN). It is useful for algorithmic execution, portfolio rebalancing, real-time risk management and market abuse detection.

Promising the trader near real-time reaction, MRN can also improve pre-trade decision-making in sentiment measurement. Combining news analytics with standard measures can help traders respond to current market situations, instead of looking to the past to predict future trends.

### MEETING THE NEW DATA MANAGEMENT CHALLENGE

The data manager must evaluate several key considerations in order to rapidly take advantage of unstructured information, such as news events. Data management infrastructure that can differentiate between true news and irrelevant information contained in a news format is crucial, and may require the financial institution to define a kind of hierarchy of event types that are important to the trading philosophy, execution styles and operational capabilities in place.

Mainstream market data is now a commodity, as is the standard analytical applications it drives. Speed's importance as a differentiator is waning. And different firms access similar trading models, which are driven by the same data sources.

Key to success in all of these new trading approaches is a sophisticated data management strategy, as firms are forced to draw upon new data sources to drive their models and trading applications, ranging from traditional but unstructured data to MRN.

Visit [www.sybase.com/ateamtradingops](http://www.sybase.com/ateamtradingops) to read The A-Team Group's complete report: *Data Management for New Trading Opportunities*.

# INDUSTRY FOCUS



By JEFF WOOTTON,  
SENIOR DIRECTOR OF PRODUCT MANAGEMENT  
SYBASE, INC.

## Making the Most of Low-Latency Data

High-velocity, high-frequency requirements in securities trading might get you through the door faster than the competition. Low-latency data might help you react to the markets faster. But event stream processing can help you use the data more profitably.

### OK, I HAVE LOW-LATENCY MARKET DATA. NOW WHAT?

Following years of investment in direct exchange feeds, high-efficiency ticker plants and server repositioning, you have only just begun. Like in that old house you're renovating. The plumbing works, but you have to replace the service line — only to have leaks pop up everywhere.

As data supply explodes and latency disappears, the capacity and speed of your trading applications — which until now had been working just fine — suddenly don't look so good. Vast quantities of data are now on tap. It is crucial to capture it, make sense of it and act on it, without getting overwhelmed and bogged down.

### NEW COMPETITIVE APPROACHES

New approaches must both cope with the increased data flow and provide the reaction times you need to be competitive. Spreadsheets and traditional databases don't cut it. And custom coded applications are expensive, inflexible and offer little scalability.

Event stream processing (ESP) technology, however, handles any and all of the things you need in order to act on the data. It provides the tools to rapidly implement logic that can be applied to incoming data in real-time to filter, correlate, analyze, aggregate and compute.

And because ESP technology can operate with extreme efficiency under the highest loads, it processes data at very high rates, generating the results or triggers required for immediate response.

### INVERTING TRADITIONAL DATABASE TECHNOLOGY

Think of ESP technology as traditional relational database technology turned upside down. A relational database runs queries against static data to find information, summarize or analyze data. This can seem fast in some environments.

ESP sends incoming data through a set of predefined *continuous queries* to immediately update the result sets in real-time, producing streams of *derived data*. It is an entirely event-driven model, allowing incoming messages to be processed at very high frequencies and produce results with extremely low latencies.

Event stream processors share many of the same benefits of a traditional database, with none of the speed limitations. They decouple the processing logic from the underlying data handling, providing high-level tools for defining the logic. This capability speeds application development and improves flexibility, as the processing logic is not hard-coded.

### TODAY'S APPLICATIONS FOR EVENT STREAM PROCESSING

ESP has many applications in today's financial enterprise. It can perform a variety of tasks, each under the pressure of very high message rates combined with the need for ultra-low latency:

- **Real-Time Correlation:** Combine streaming data from multiple sources; supplement streaming data with static data.
- **Data Consolidation/Aggregation:** Build consolidated views of fragmented markets; aggregate order books; analyze market depth.
- **Filtering/Screening:** Evaluate incoming data against complex parameters to spot trading opportunities.
- **Data Monitoring:** Monitor incoming data for quality issues; arbitrate among sources; generate alerts.

- **Pricing/Market Making:** Implement pricing algorithms; automatically publish prices based on incoming market data; combine with internal factors.
- **Order Validation and Routing:** Check orders for errors; route based on current market conditions.
- **Tick Capture:** Capture intraday tick data for same-day queries; sweep to an off-the-shelf database or data warehouse for historic data analysis.
- **Compliance:** Perform pre-trade compliance checks; monitor Regulation NMS-compliant order routing (order protection rule); collect data for reporting/audit purposes.

### REAL-TIME DATA TECHNOLOGY FOR TODAY... AND THE YEARS AHEAD

We stand at a tipping point for event stream processing. What database technology did for historical data in the 1970s, ESP will do for real-time data in the years ahead. ESP technology provides tools required by today's enterprise to easily and quickly implement logic applied to fast moving data, without sacrificing performance.

The result is a low-cost, scalable, flexible implementation that can adapt to changing competitive, regulatory and customer pressures. And again, getting ultralow-latency raw data is vital, but the key is how you use it.

### WHAT TO LOOK FOR IN EVENT STREAM PROCESSING

- **Performance**
  - Sub-millisecond latency
  - High message rates
- **Versatility**
  - Data aggregation
  - Event detection
  - Data capture
- **Ease of Use**
  - Intuitive, familiar authoring
  - Standard interfaces
  - Quality support
- **Industrial Strength**
  - Data persistence
  - Security
  - Reliability
  - Continuous operation



## Sybase Extends Leadership in Real-Time Risk Management for Capital Markets

Financial Firms Worldwide such as ClientKnowledge, The Sumitomo Trust and Banking Company Co., Ltd. Adopt Award-Winning Sybase CEP Solution

Sybase Inc. is enjoying significant adoption momentum for its complex event processing (CEP) technology, which performs analytics on high-speed streaming data. The top 25 global banks and 48 of the top 50 global financial and securities institutions employ Sybase technology.

The ability to manage risk in real-time is mission critical, and Sybase CEP provides intelligence on high-speed streaming market and trade data with minimum latency. This enables capital markets firms to analyze data and act on it faster than competitors.

“Sybase CEP connects to high-volume and -velocity market data streams across the globe,” said Parham Zolfaghari, product manager of Managed Models at ClientKnowledge, a leading research, analysis and advisory firm. “[It] enables our analysts to develop and implement complex models and analytics while facilitating our client banks in managing risk in real time, with measurable positive impact on profitability.”

Sybase CEP also enables risk managers to aggregate trade data across multiple systems and monitor trader activity to calculate risk and profit and loss (P&L) in real time. Sumitomo Trust and Banking Co. Ltd. uses Sybase CEP in its foreign branches. It is the basis for the company’s

alerting and FX monitoring models, which it has developed to retrieve and analyze data in real-time and in a more flexible form.

“Leveraging the Sybase CEP platform, we first implemented the alerting model which immediately notifies our Shanghai users by email if a limit is broken or a deal has been input incorrectly,” said Cliff Downton, Head of IT, Sumitomo Trust, London. “This way we avoid expensive core system changes to meet the branch’s unique new requirements.”

The company also implemented an FX model in London and New York. It combines trading data with Reuters market data to provide the front offices with positions and P&L. The next stage is to make this also available in our market risk system to enable real-time Value at Risk (VaR) calculations.

“Capital markets firms ... are increasingly relying on real-time intelligence to ease regulatory pressures and enable sound decision making,” said Dr. Raj Nathan, Executive Vice President and Chief Marketing Officer at Sybase. “Sybase is committed to continuing to provide our customers with powerful solutions that combine risk management, compliance and trading solutions specifically tailored to fit their needs.”

Sign up  for the Sybase FSI Trading and Risk Blogs

<http://blogs.sybase.com/tradingandrisk>

**Gartner’s Schulte: CEP is an Analytics Tool**  
Jeff Wootton

Gartner analyst Roy Schulte’s keynote presentation at the recent OMG Symposium on Event Processing in the Capital Markets covered two specific things that caught my attention — the sort of things that if they were in a book would cause me to pull out my highlighter and scribble in the margin.

**The Need for Speed**  
Justin List

Some application types don’t need raw horsepower and are more dependent on other factors like IO or parallelization. Some architectures absolutely need this raw speed. Let’s compare the operation of an OLTP database with a column store database, such as Sybase IQ.

**Trading Algos blamed for “Flash Crash”**  
Jeff Wootton

The SEC/CFTC report on the flash crash blames an out-of-control computer trading algorithm for triggering the crash. But this one also by itself didn’t bring down the market. It was apparently the trigger to a domino effect. It’s easy to see how this can happen.

**Webinar: GARP Survey on Risk Management**  
Neil McGovern

Earlier this year we sponsored GARP to survey 5,000 risk managers to determine the need for real-time risk analytics and the challenges faced when moving to real-time.

# CUSTOMER CASE STUDY: FISA – FINANCIERA INDEPENDENCIA

FISA created an information system with Sybase IQ to make timely and profitable decisions



## INDUSTRY

Financial Services

## SYBASE TECHNOLOGY

Sybase IQ

## KEY BENEFITS

- Enables extremely fast implementation
- Improves response times by 900X
- Provides storage savings of 40%

## THE SEARCH FOR THE RIGHT TECHNOLOGY

Financiera Independencia is a multiple purpose financial company (SOFOM). Its principal aim is to provide consumer credit. It began as the first SOFOL (Limited Purpose Financial Company) in Mexico and recently it became a SOFOM, allowing the exploration of other financial areas via the use of various products. The company mission is to support the country's working classes using various financial products that meet their requirements, via a service that is distinguished by its quality and availability, giving consumers formal access to the financial system.

FISA's early system was developed using a traditional relational database. As the company grew, it became apparent that this system would not provide the speed, analytics or flexibility FISA required. FISA began evaluating business intelligence tools and ultimately decided on Sybase IQ because it provided response times FISA's IT teams had never seen before.

## DEVELOPING A SCALABLE INFORMATION CENTER

"I am still impressed with the speed of Sybase IQ. When we view the information in a traditional database and compare it with Sybase IQ, the response time of Sybase IQ is much quicker and more useful. We cannot live without it now," says Verónica Cueli, deputy director of Information Systems at FISA.

The heart of Financiera Independencia's systems is the called the Information Center – it is used to manage all data the organization generates each day. The Information Center displays consolidated information which is further broken down to the required level of application and vendor. It also contains historic information so that trends and indicators can be observed and used for vital decision-making.

Verónica Cueli emphasizes, "The engine behind our Information Center is Sybase IQ and this is what makes the difference. The speed of response this database allows the user to examine the data in greater detail until they find what they are looking for without having to wait hours for the requested information. The success of this system is reflected by the doubling of monthly consultations by both the corporate staff as well the branch staff."

Sybase IQ is also used when an unplanned analysis is needed to search for certain client behavior based on various characteristics. This type of query has allowed Sybase IQ to become an essential information engine for the company, with excellent results.

Financiera Independencia has more than 500 Sybase IQ users primarily managing loan applications, contracts, application logs, charge transactions and quality control. Users see Sybase IQ's main values in its speed, compression capabilities and easy maintenance:

“ The engine behind our Information Center is Sybase IQ and this is what makes the difference. ”

“...the Sybase IQ technology is very different from anything else I have seen on the market. All the promise of Sybase IQ has fulfilled our expectations...”

**1. Speed:** Users can now query the system and pull reports without slowing down the system.

**2. Compression:** Sybase IQ uses between 30% and 50% less space than the previous system.

**3. Low Maintenance.** Sybase IQ is a database that does not require much administration or maintenance. This saves money and makes daily operations more efficient.

#### SPEED AND RELIABILITY

“Our Sybase IQ users did not have to take any kind of training classes, although they do need to have some knowledge on database design. This is not a product that requires much training, therefore the learning curve is not a factor for us,” noted Verónica Cueli.

When first developed, only a few executives had access to the Information Center. Since deployment of Sybase IQ, hundreds of concurrent users can now access the system seamlessly. The company decided to allow all branch managers to have direct access to the center. Since managers have been using the system as a source for

making informed business decisions, the number of monthly customer consultations has doubled.

With Sybase IQ, Financiera Independencia has launched itself into the information era, finding that the more information the user is given, the more creative they become, they can begin to create new opportunities, and productivity skyrockets.

#### GOALS FOR THE FUTURE

One of the strategic objectives of Financiera Independencia is providing the best service to its clients, with the right technology as key to efficiently achieving this goal. Using Sybase IQ, FISA now has the tools to make better business decisions and achieve outstanding customer service.

Verónica Cueli concludes, “Actually, the Sybase IQ technology is very different from anything else I have seen on the market. All the promise of Sybase IQ has fulfilled our expectations; we have now been successful with it for one and half years, and will continue to be in the future.”



## Events



### Upcoming Sybase Financial Services Events

#### Web Cast

##### *“Virtually Unbeatable Migration Strategies for Sybase ASE”*

Will discuss how Sybase can help you migrate data safely and easily; how to handle reporting and query workloads more cost-effectively; and how much can you save. The Web cast will feature examples of savings and ROI, as well as a live Q&A.

#### Web Casts On-Demand

##### *“Effective Trader Activity and Performance Monitoring”*

Panopticon’s Peter Simpson and Sybase’s Jeff Wootton explain how to configure the Sybase RAP and the Aleri CEP engine platform to monitor trading activity; how to aggregate performance across multiple hierarchies; and how sales and trading groups can view the trading effectiveness from different standpoints.

##### *“Adopting Real-time Analysis for P&L, Market, Credit, and Liquidity Risk”*

Panopticon’s Peter Simpson and Sybase’s Dale Stevens and Neil McGovern will demonstrate how to configure a platform incorporating the Panopticon EX enterprise application, the Aleri Streaming Platform and Sybase RAP to create a fully functional risk analysis system.

#### Sybase in the News

Forbes’ Kym McNicholas talks to Irfan Kahn in “Sybase’s Outside-In Approach.” Watch the Sybase CTO discuss how the company’s FACT collaborates with customers, partners — and sometimes competitors. Together they identify problems in the financial services space and find solutions.

For more information on Sybase events, visit: [www.sybase.com/events](http://www.sybase.com/events)





## Reference Data

# Q&A

### 1. **WHAT TYPES OF DATA MANAGEMENT PROJECTS ARE MOST LIKELY TO BE PRIORITIZED GOING FORWARD?**

Projects designed to improve risk management and internal governance, along with the agility to accommodate new regulatory requirements, are likely to be the higher priority investments.

### 2. **HOW IMPORTANT IS IT TO MEASURE DATA QUALITY AND WHAT TYPES OF METRICS SHOULD FIRMS USE?**

“Data quality has always been critical. Metrics will shift somewhat more to the frequency of updates on related data, in light of the recent initiatives and current focus on systemic risk in financial markets. They will track changes in counterparty exposure, as well as quality and timeliness of collateral data and the data used in asset pricing models.

### 3. **WHAT ARE THE BEST STRATEGIES FOR ALIGNING DATA MANAGEMENT PROJECTS WITH RISK MANAGEMENT PROGRAMS?**

To be effective, risk management programs must be in sync with data management projects. That is beyond question. This means that pricing and reference data must be integrated, normalized and distributed in real-time and must be of quality to be fed into risk models.

The increase in volume and types of data that needs to be processed in real-time — from intraday pricing to liquidity indicators to end-of-day data — is often hindered by data silos, as well as the time devoted to cleansing and delivering this reference data.

Technology tools such as Sybase Complex Event Processing (CEP) can align market data with risk management by streamlining the process of data processing and delivery. This makes the data more transparent. By default, it also serves to improve risk management.



# Research

## Capital Markets White Papers

Read what industry thought-leaders, technologists and academics have to say about upcoming changes and how to manage your business accordingly.

### 4. INITIATIVES IN BOTH EUROPE AND THE U.S. FOCUS ON BUILDING NEW DATA INFRASTRUCTURES TO MITIGATE RISK AND PREVENT FUTURE ECONOMIC MELTDOWNS. WOULD GOVERNMENTS BE FIT TO OPERATE REFERENCE DATA UTILITIES AND ENSURE HIGH-QUALITY DATA?

Industry participants already devote significant time and effort into data cleansing. So increased controls on standardization of reference data would theoretically increase their productivity and volumes as well as reduce systemic risk.

However, there must be a balance. Having regulators operating reference data utilities is quite unwieldy in a global economy. It is a lofty goal from an international governmental support perspective.

A global reference data standard would be ideal. And the industry is already making strong progress towards that goal with XBRL, SWIFT and ISO for standardization of reference data and reporting to reduce systemic risk.

### 5. WHAT ELSE CAN BE DONE IN THE REFERENCE DATA INDUSTRY TO HELP MAKE DATA ACCESSIBLE? ARE THERE GAPS IN THE DATA AVAILABLE THAT VENDORS CAN HELP FILL?

Explicit guidance outlining a global reference data standard would be a great help to the industry, but it would have to be a framework that multiple data providers could use. Arriving at this workable and adaptive standard would be very difficult.

Public entities are not interested in creating globally accepted or practical reference data standards, nor are they qualified. And the exchanges are publicly held profit seeking institutions that compete on differentiation, so they have no economic incentive to standardize.

Furthermore, there are a lot of resources in many jurisdictions with legacy format and conventions. Big and small companies reject for different reasons the enriched toolkits that are current with XML based standards, leaving it to firmware to resolve in any number of directions.

So what can you do? Know the actual source of data, instead of blindly trusting a third party. This is also a way that vendors can help fill in the gap, giving organizations the ability to gain a holistic view of data.



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