



CASE STUDY

Trade Timing Analysis

Proto Financial®

CLIENT TYPE

Hedge Fund

PRIMARY USER

Trader / Portfolio Manager

LOCATION

New York, NY

KEY BENEFITS

- Increased comfort in trading decisions
- Visual analysis provided trend insights
- Automated all data cleaning steps
- Solution delivered in days, not weeks
- Leveraged existing data in new ways

DATA SOURCES INTEGRATED

- Macgregor XIP
- Built-in tables for data mappings
- Bloomberg Professional

USER TESTIMONIAL

"The report allowed us to reconcile how we thought we traded versus what actually occurred. Sometimes the two converge, sometimes they diverge; with Proto, you can quickly see the truth."

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Visual Analysis of the Trade Entry and Exit Points including Summarization of Net Cash Flow and Quantity

The Need

A picture of individual trades superimposed on top of market data instantly and intuitively sheds light on the steadiness of trading decisions. At a NYC hedge fund, a Portfolio Manager wanted to quickly review the specific entry and exit points for their holdings during a period of high trading activity. The potential for insight was high, but any acceptable solution had to be delivered quickly and inexpensively given the exploratory nature of the analysis.

Proto's Solution & Benefits

Proto developed a dashboard to visually analyze trading activity in the context of market data. The dashboard provides the ability to eliminate certain trades, normalize prices for futures contracts, and map in Bloomberg tickers for unmatched security IDs to pull the appropriate market data from Bloomberg. The primary analysis screen allows the user to select a security from their portfolio and the start/end dates of the window to analyze. A graph is generated with historical market data and the trade entry & exit points overlaid on top of the security price. The user can select a set of points on the graph for further analysis by clicking and dragging with the mouse. Additional metrics include total traded quantity in the selected set of transactions and net cash flow from the selected activity. Specific benefits include:

- Intuitive, visual analysis of trading activity: The financial impact of intuition is difficult to price, but Proto's solution gave the fund deeper insight into the timing of their trading activity. Visual analysis allowed them to make ongoing trading decisions more quickly and confidently.
- Flexible exception handling: As much as 30% of the data from Macgregor XIP required processing steps to normalize the security ID or make price adjustments due to FX rates and futures contract multipliers. Proto's solution eliminated the need to either alter the underlying data in the order management system or perform manual data cleaning steps in Excel prior to using a visual analysis application.
- Fast, low-impact solution delivery: Proto's solution was delivered quickly, inexpensively and without requiring changes to existing IT systems.
- Created new value from existing, fixed systems: Proto was able to deliver new, incremental value by integrating Macgregor XIP and Bloomberg.