



# CUBEWATCH TRANSACTION SURVEILLANCE (TS)

## Specialised Surveillance for Physical Energy and Commodity Trading

### In today's regulatory environment, energy and commodity trading firms need an effective surveillance solution that can deal with the nuances of physical markets

CubeLogic offers a fully integrated transaction surveillance solution with a leading-edge data analytics engine. Unlike most surveillance solutions available in the market that have their origins in the financial services sector, CubeWatch TS is designed specifically for physical energy and commodity trading. Its unique analysis approach significantly reduces the number of false positives generated, leading to a leaner, more cost-effective compliance function without sacrificing accuracy.

## Features

### Fully integrated solution:

- CubeWatch TS processes trade information from multiple exchanges and broker platforms as well as OTC bilateral transactions and other physical market information, including assets, transport / transmission capacities and physical positions required to detect suspicious behaviour patterns as defined by market abuse regulations, e.g. CFTC, FERC, REMIT and MAR.
- Out of the box functionality for drill down analysis, case management workflow and STOR reporting and extensive capabilities to build out custom analytical dashboards for further in-depth analyses.

### Full coverage and flexibility:

- The analysis engine can detect up to 46 different market abuse patterns, including all the CFTC, FERC, MAR and REMIT patterns. It is even capable of effective analysis when only a subset of available market data is provided.

### Pre-calibrated parameter set:

- In addition to its full market abuse pattern coverage, CubeWatch TS is delivered with pre-calibrated parameters (i.e. thresholds) and comes with pre-configured static data (e.g. settlement windows, delivery profiles, unit conversion etc.).

- The data driven architecture makes the configuration of transaction reference data obsolete! Counterparties, trader, instruments, market places and all other relevant data elements are processed automatically based on the input. This enables the rapid deployment of the tool, ready for immediate operational use and requiring much lower ongoing maintenance effort than comparable surveillance solutions.

### Unique analysis approach:

- Physical energy and commodity markets introduce a significantly higher level of complexity for effective trade surveillance. The TS analysis engine uses a unique, multi-level approach where pattern detection extends beyond standard traded instruments to examine anomalies more likely to comprise part of an abusive strategy, many of which are invisible to most other surveillance solutions.
- The analysis engine decomposes energy and commodity instruments (e.g. from Quarters to Months) and groups relevant transaction data into specific product classes, thus accurately modelling cross-commodity and cross-market relationships where other surveillance tools fail to do so.

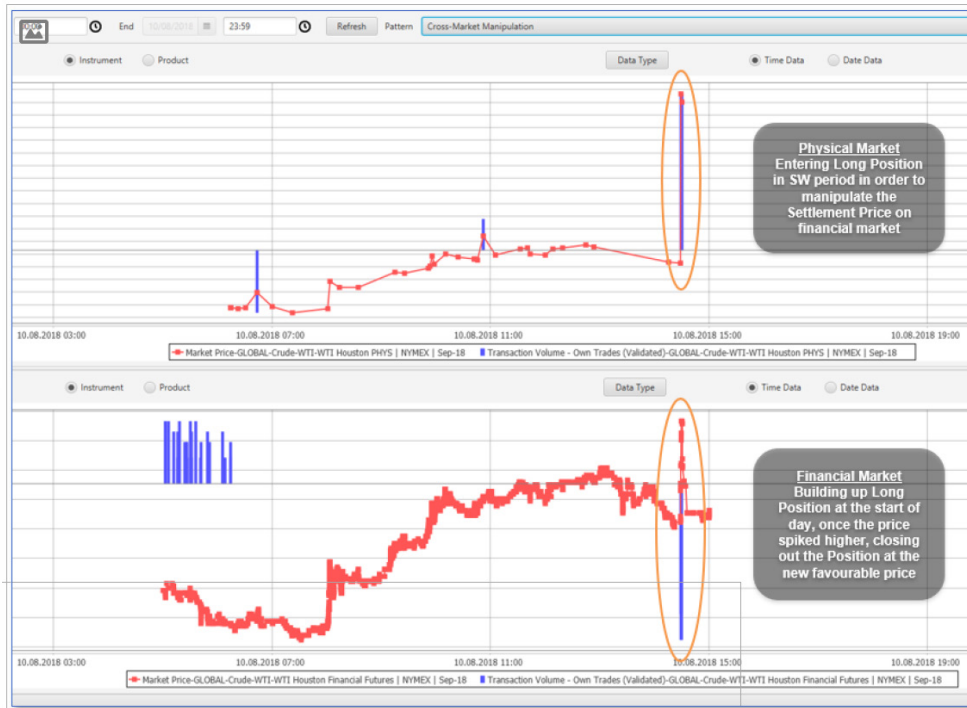


Figure 1: Cross-Market manipulation Abuse Pattern Analysis

### Immediate business benefits:

- Complete confidence of effective surveillance for both the financial, but also uniquely, the physical aspects of energy and commodity trading.
- Lower surveillance function overheads due to fewer false positives being generated.
- Plug-and-play capability for rapid implementation and ramp-up.
- Sophisticated TS engine integrated with powerful data management, workflow and BI tools providing a complete, cost-effective solution.
- Established User Group provides a platform for knowledge sharing and shaping the future roadmap.

### Benefits

#### Advanced capabilities including:

- Advanced, fully integrated surveillance concept.
- Market abuse pattern libraries extending beyond the CFTC, FERC, MAR and REMIT pattern coverage.
- Physical abuse scenarios such as insider trading, physical withholding and capacity hoarding.
- Results visualisation via user-configurable GUI, with full drill-down and user-configurable replay functionality.
- Alert dashboard and traffic light mechanism with adjustable thresholds that effectively guides users through suspicious market abuse patterns down to the transaction level.
- Pre-calibrated analysis modules.
- Full workflow and STOR capability.
- Grouping functionality isolates / aggregates behaviour by Exchange / Broker or Legal Entity / Desk etc.
- Ad-hoc runs for back testing, calibration or the creation of additional results for deeper analysis. Alert history with parameter sets responsible for triggering alerts stored in an auditable database.

### CubeLogic Technology Benefits:

- Fully integrated within RiskCubed as a plug-and-play add-on or deployable as a stand-alone solution.
- Available in the Cloud or On Premise.
- Fast track to effective trade surveillance with no expensive, long drawn-out implementation projects or complex set-up
- Full audit trail of all actions
- Plug-and-play interfaces
- Automated data configuration
- Open and source-neutral data model that allows the integration of a wide range of data from a multitude of sources of data

### Technology Story

- Built on top of Microsoft's Business Intelligence platform;
- Advanced Cube database technology platform using Microsoft's SQL Server;
- Highly integrated with Excel for front end analysis directly on the Credit Cube;
- Sophisticated integration technology, ETRM agnostic;
- Microsoft Azure Compliant for Cloud-Based Deployment or on-premises.

---

**CubeLogic provides Business Intelligence products and services in risk management for the energy, commodity and investment banking markets.** In the current volatile market conditions, CubeLogic addresses the increasing demand for robust, cost effective Business Intelligence solutions for risk management. The founders of CubeLogic are all renowned experienced industry specialists who have an impressive track record of developing and implementing global risk IT solutions.