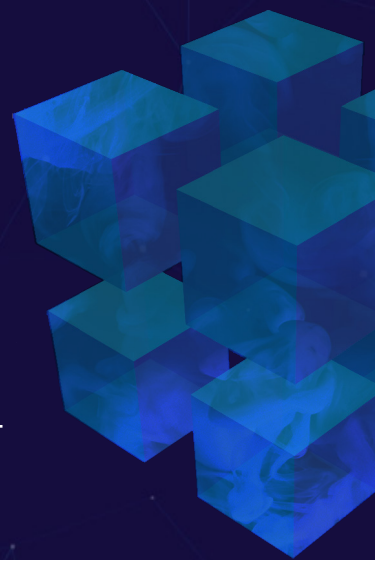# CubeLogic

CubeWatchTS

Specialised Transaction Surveillance for Energy and Commodities Trading

In today's regulatory environment, firms that trade energy and commodities need a surveillance solution that can effectively deal with the nuances of these markets.

CubeLogic offers a powerful, fully integrated, data-inclusive transaction surveillance solution with a leading-edge data analytics engine designed specifically for energy and commodities trading. Unlike most vendor surveillance solutions that originated from the financial services sector, CubeWatchTS is designed specifically for physical energy and commodity trading, and not just for financial instruments. Its unique analysis approach significantly reduces the number of false positive alerts, enabling leaner, more cost effective compliance functions while maintaining a high level of compliance confidence.

Fast Track to full & effective Transaction Surveillance

CubeWatchTS covers a comprehensive range of market abuse patterns including those aimed at physical markets such as Insider Trading, Physical Withholding and Capacity monitoring.

Designed specifically for energy and commodities trading, CubeWatchTS is pre-configured with static data which incorporates market specific information such as pricing and settlement windows, delivery profiles, interconnected regions and unit conversions into its core logic, critical elements often ignored by other solutions.

In addition to ingesting private/own trades and orders, anonymised market trades and orders covering all major exchanges globally, are available as standard with CubeWatchTS. This removes the effort, complexity and cost of firms procuring this data themselves. To enable the full power of CubeWatch's physical market capabilities, clients may also provide additional data from E/CTRM systems including OTC trades, positions, market messages (such as REMIT UMMs), asset and transport / transmission capacities through CubeWatchTS's standard interfaces.

Instead of "shooting in the dark" like so many vendor surveillance solutions, the CubeWatchTS analysis engine is specifically engineered to effectively detect abusive activity in energy and commodity markets.

Complete Surveillance for energy and commodity trading

By using a unique, multi-layered analysis approach and through product and timeline normalisation and expansion, CubeWatchTS identifies suspicious behaviours invisible to many other solutions.

Due to it's superior design, CubeWatchTS generates fewer, more meaningful alerts than surveillance solutions designed for financial markets. Fewer "false positives" combined with highly effective surveillance means compliance teams are freed up to focus on higher value tasks.

CubeWatchTS is delivered with pre-calibrated parameters and thresholds, many of which employ Machine Learning principles to automatically adjust to market and/or trading conditions. This dramatically reduces the effort required to maintain the solution while, crucially, remaining entirely justifiable to key stakeholders such as regulators.

CubeWatchTS is a cost-effective one-stop-solution that comes standard with out of the box functionality supporting drill down analysis, alerts explanation, data viewing, case management workflow and STOR reporting, as well as extensive capabilities to build out custom analytical dashboards for further in-depth analyses. CubeWatchTS can be deployed both as a SaaS solution or on-premise.

CubeWatchTS Features include:

- Comprehensive market abuse pattern library extending beyond MAR and REMIT pattern coverage;
- Anonymised market trades and orders provided as standard, sourced from a market-leading data vendor and/or direct from exchanges;
- Unique coverage of physical abuse scenarios such as Insider Trading, Physical Withholding and Capacity Hoarding;
- Tick-level event replay capability across the full order book recreated by the solution;
- Grouping functionality allows additional, full analytical analysis to be performed across virtually any group of dimensions including by venue, legal entity, desk etc.;
- Deployed with pre-calibrated parameters and thresholds, many of which automatically adjust using Machine Learning principles;
- Ad-hoc analysis runs for backtesting and calibration;
- Alert history and associated parameter sets are stored in an immutable, auditable database;
- Supports seamless integration with complimentary CubeLogic solutions such as CubeWatchPL for real-time Position Limit Management;
- Allows multiple concurrent users and locations;
- Alert visualisation through a user-configurable GUI providing finger-tip access to all information needed to perform detailed alert case analysis;
- Full case management and workflow capability enabling STOR generation and tracking;
- Intuitive alert Dashboard that guides users through the detected market abuse pattern through to transaction level.
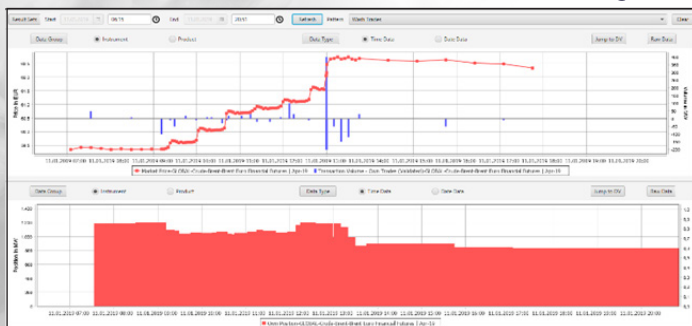

Figure 1

Figure 2

Immediate business benefits:

- Leaner, more effective surveillance functions resulting from fewer false positive alerts and lower threshold maintenance requirements;
- Low implementation effort with genuine "plug-and-play" capability for many markets eliminating expensive, drawn-out implementation projects;
- Full business transparency through comprehensive reporting enabled by powerful data management, workflow and BI tools;
- Genuine SaaS deployment option reduces IT overhead and removes operational maintenance headaches;
- Established, mature User Group provides a platform for knowledge sharing and shaping the future roadmap;
- Integrated within the RiskCubed platform enabling deployment as an add-on (for current users) or as a stand-alone solution.

Technology Story

- Built on top of Microsoft's Business Intelligence platform
- Market interfaces developed according to FIX and RESTful API protocols and standards
- Microsoft Azure Compliant for Cloud-Based Deployment or on-premises
- PowerBI as native reporting solution

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.