

triReduce^{FX} OPTIONS COMPRESSION

triReduce provides market leading compression and optimisation services for OTC derivatives, simplifying portfolios and compressing over \$1 quadrillion of gross notional outstanding to date.

Now expanded to include FX Options, our compression service provides counterparties with a powerful tool to simplify and reduce the notional principal outstanding in their portfolios while maintaining their market risk profiles.

FEATURES

- Multilateral, market risk constrained compression
- Managing impact on Greeks, including delta, gamma, vega and skew
- Controls impact on bilateral initial margin
- Participants compress at their own mid-market valuation

BENEFITS

- Enhance capital efficiency and leverage ratios
- Manage counterparty credit risk
- Reduce operational risks and costs

HOW IT WORKS

FX Options compression cycles involve a few simple steps:



TRADE SUBMISSION AND MATCHING Participants submit their FX Options portfolios and trades are reconciled with their counterparties to establish a matched subset which is eligible for compression.

DRESS REHEARSAL Participants set risk parameters. The triReduce algorithm generates a compression result based on the eligible trades for participants to verify.

LIVE EXECUTION triReduce runs its compression algorithm on the agreed set of trades using the risk parameters submitted by participants and recommends a set of terminations and risk replacement trades. When all parties agree to the unwind proposal it is legally binding.

DOWNSTREAM PROCESSING Participants can book their terminations and replacement trades manually or have them flow automatically via an API

FIND OUT MORE

For more information please email info@trioptima.com or contact your local NEX office.

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Winner
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