



Identify risk by comparing potential market scenarios derived from multiple simulation models. Evaluate volatility and correlations within portfolios to assess the impact of market risks.

Challenge

Markets are characterized by risk, volatility and complexity. Companies need better visibility into market risk, but information about risk resides in many sources. Internal software systems, news feeds, market feeds and weather reports all have information that needs to be analyzed to manage risk.



Solution

Eka's VaR app consolidates information from disparate sources, including C/ ETRM, spreadsheets, and market data providers. It analyzes all this data and provides users insight into market risk, enabling them to make more informed decisions and take mitigation measures, if required.

Eka's VaR app calculates VaR using Monte Carlo historical simulation and parametric methods. It supports the creation of flexible VaR risk portfolios and multiple market scenarios to predict the potential impact of price shocks and 'what-if' trades. Users can automate the VaR process to run at set times or intraday (on demand) as needed.

Intelligence engine

- Allows users to upload different trade types such as commodity physical trades, futures, options, forwards etc. and calculate VaR for each trade type
- Integrates data seamlessly from disparate sources, such as market prices from data providers like Thomson Reuters, trade information from CTRM/ ETRM systems, and data from csv/Excel sheets
- Calculates VaR for portfolios and sub-portfolios together or separately
- Runs simulations using multiple models, such as parametric, historical simulations and Monte Carlo so users can compare results
- Provides volatility and correlation information between different market curves, interest rates and exchange rates
- Runs VaR on stressed prices to evaluate the impact of market shocks
- Provides user-defined risk limits on VaR values to alert when VaR has breached governance/compliance limits
- Generates powerful visualization options

"Eka's VaR app mitigates risks with informed decisions with Consolidate information from disparate sources including C/ ETRM, spreadsheets and market data providers"

Technical specification

Data sources

- Physical trades
- Derivative trades
- FX trades
- Forward prices
- FX rates
- Interest rate
- Historical data

Frequency

- End of day and/or near real time

Key insights

Analyze VaR scenarios at 90, 95 and 99% confidence intervals across a one-day holding period using Monte Carlo, historical simulation and parametric methods

Monitor the hard and soft risk limits set on the VaR results to check on hard and soft risk breaches and see utilization

Create “what if?” and price shocks and run VaR against the risk portfolios to view the impacts and make comparisons

Compare historical VaR run over time and view trends

Analyze single or multiple scenarios across multiple portfolios

View underlying parameters, trades and prices contributing to the VaR

Key features

External connectors

Pre-built connectors. Bring all your data together. Salesforce, SAP, Oracle and spreadsheets

Mine data, share insights

Use data for faster decision making. Share information with your team and stay up-to-date

Self service

Create your own dashboards, data views, drill downs and ad-hoc reporting

Extensible

Add-on apps from the app store, to meet additional functional needs

Power of cloud and mobile

Anytime, anywhere access

Scalable

Grows with the business

Eka Cloud Platform

Digitally connect and collaborate across your entire business network with one common experience, one security model and one integrated source of data. Eka's Cloud Platform automates processes, enhances insights and secures trusted data.

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About Eka Software Solutions

Eka Software Solutions is a global leader in providing digital solutions for Trading & Risk, Supply Chain Management and Financial Services driven by Cloud, Blockchain, Machine Learning and Analytics. The company's best-of-breed solutions serve the entire trading value chain across agriculture, energy, metals and mining and manufacturing markets.

Eka's Cloud Platform provides advanced analytics, one source of data and an automation engine, providing maximum flexibility and investment protection as business needs and market requirements change. Eka is committed to ensuring its 100+ clients can work from anywhere and collaborate across ecosystems within a secure and trusted environment.

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