



FX Markets
Asia
Awards 2020

Best FX post-trade provider
TriOptima

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Supplying both multilateral compression and optimisation services to global FX markets, consistent high performance from **TriOptima** has seen the firm go from strength to strength in challenging times

This year’s best FX post-trade provider – named at the *FX Markets Asia Awards* – is TriOptima. A market leader in portfolio compression, TriOptima has more than 260 clients worldwide. It is the only market player providing both multilateral compression and an optimisation service for FX markets, helping clients simplify operations and optimise resources, limit risk and reduce counterparty exposures. TriOptima continues to refine its service and make portfolio management simpler for the industry.

Phil Junod, senior director, triReduce and triBalance business management at TriOptima, says the company’s solution is highly customisable to reduce risk and exposures. “We have a holistic solution that considers the all-in cost of running a derivatives portfolio and the risk exposures in the portfolio,” he says. Two methodologies are offered – to either compress or optimise – and customers can then focus the specific event on reducing gross notional, capital and margin.

For compression, the triReduce CLS FX service provides capital optimisation and risk mitigation for the global FX market, joining its triReduce compression service to CLS’s infrastructure and market connectivity. Clients benefit from enhanced capital efficiency and leverage ratios, lower operational risks and costs, and actively managed counterparty credit risk. For optimisation, the triBalance solution is one of the most complete services on the market over the broadest range of initial margin (IM) silos across FX, rates, equities and commodities. triBalance helps clients reduce portfolio volatility, limit potential future exposure and manage counterparty risk exposures across multiple risk classes.



Phil Junod, senior director, triReduce and triBalance business management, TriOptima

Junod says: “We offer this holistic solution, where you are able to address those counterparty risk exposures through different means and you’re able to target exactly what you are looking to minimise.” He explains the importance of a solution that focuses on counterparty risk: “There is a large amount of uncertainty in the market and this, together with expected regulatory changes in major jurisdictions next year, all put the spotlight on counterparty risk exposures.”

This has been a solid year of growth for TriOptima. The triReduce CLS FX compression service helped to eliminate \$9.1 trillion of gross notional value from its FX forward portfolios in 2019 – a record for the service. And, despite extreme market volatility in 2020, the service has compressed \$4.9 trillion since the start of the year, a 55% increase year-on-year for the service. In addition, the triBalance team is focused on the strength of its services offered when the pandemic first hit.

“Throughout March and April,” says Junod, “we were able to deliver our services consistently and without any disruptions. This is testament to our own capabilities, but also to how important it is to the market to be able to leverage services such as those we offer.”

triBalance has consistently delivered weekly cycles for several years. Over the past year, TriOptima completed the first multilateral optimisation of commodity standard initial margin model (Simm) exposures (using gold and FX), further helping its clients optimise their uncleared margin rules counterparty exposure. This move represented the first optimisation cycle across both FX and commodities exposure silos simultaneously, and worked to further grow overall IM optimisation efficiency, providing a more comprehensive tool to optimise Simm exposures.

Next year, TriOptima plans to continue its drive to improve counterparty risk offerings to the global markets – and to do this in a measured and deliberate way. As Phil notes: “Looking back, we have focused on developing very specific solutions for our customers; however, in the future, there is going to be a much greater focus on achieving synergies for our customers, so that we can address multiple issues simultaneously.”

Keeping the solution holistic and deliberate in TriOptima’s strategies will offer continued success for itself and the markets it serves. **FX**

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