

# Data Use Cases

## Hedge Funds & Asset Managers

H1 2020

# Enhance your data & analytics capabilities to drive profit generation and lower the cost of risk



BMLL dramatically increases the ROI of your data and analytics

Our data and analytics will make your portfolio managers and researchers more effective and help them deliver predictive alphas, faster and at a lower price point than before. By enhancing existing workflows with our data & analytics capabilities that help PMs and researchers make more informed decisions at position and portfolio level.

## Portfolio composition analytics

- Screen the data & analytics that matter at a portfolio level
- Track the metrics and generate alerts when thresholds are reached
- Reduce exposure to costly beta through granular position & portfolio analysis

## Execution strategy analytics

- Optimise execution performance & order routing, track execution & order dynamics and optimise execution strategy
- Reduce the cost of your beta through granular risk analytics

## Alternative pricing data and analytics

- Consume highly correlated alternative pricing data strategies directly into production systems
- Drive increased alpha with analytics independently validated for predictive power

## Sectoral risk factors

- Deliver statistically robust features highly correlated to future pricing by leveraging pre-calculated level 2 & level 3 sectoral features
- Deploy these features into your screens & models to outperform key markets

## Data & research cost optimisation

- Reduce the cost of running a data intensive research function by outsourcing data engineering, processing and storage to us
- Free up valuable quant resource from data engineering tasks

## Cost effective new market entry

- Fast track your alpha in new markets with our data & analytics service
- Get access to system that delivers granular market data & analytics without the cost or time taken to build the capabilities in-house

Examples in following slides

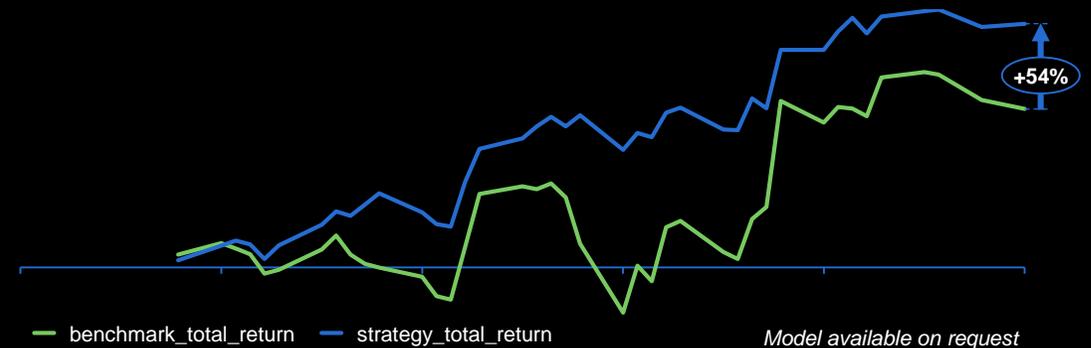


Deploying BMLL pre-calculated metrics derived from the full order book into model results a **>1.8 Sharpe ratio** and **54% outperformance vs. FTSE100 benchmark returns**

Model ingested BMLL Level 2 & 3 features then trained on 3 years of Level 3 LSE order book data covering FTSE100, over the test period the model outperformed by 54% versus the FTSE100 benchmark

BMLL offers multiple delivery mechanisms for our suite of predictive analytics that feed directly into your tools

Model metrics	Data level
Auction price dislocation	L1
Average volume imbalance	L2
Average order resting times	L3
Intraday volatility	L1
Liquidity around BBO	L2



Model available on request



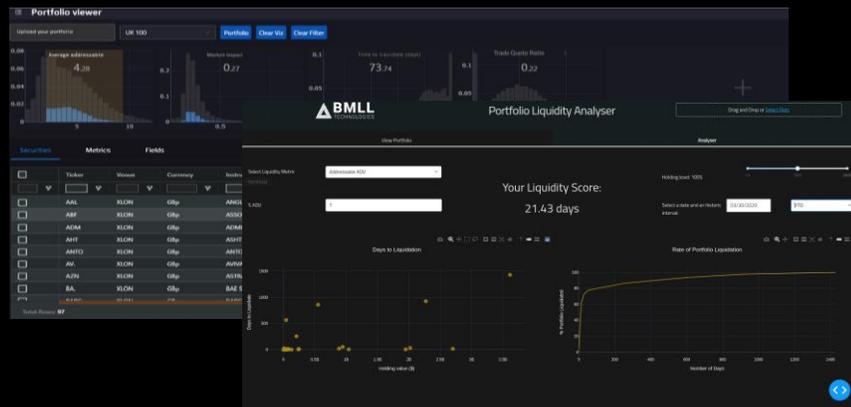
Pre-calculated predictive inputs

Uncovering hidden predictive signals in full order book data



Portfolio & execution analytics

Enhanced analysis of your portfolio



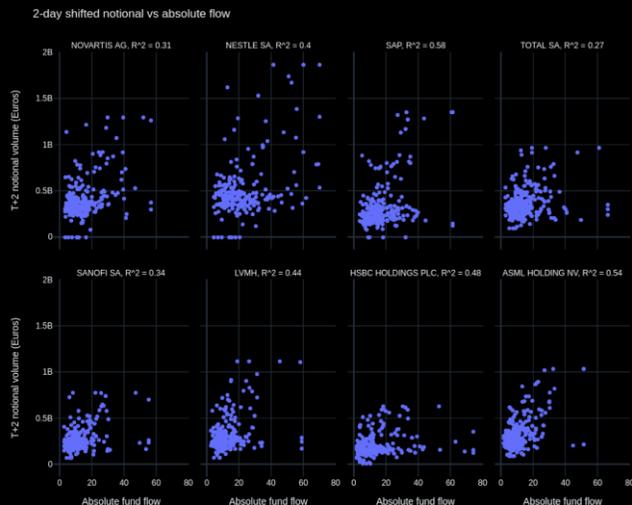
Enhance your portfolio | Leverage full depth analytics to enhance & track your portfolio

Leverage full depth order book to uncover hidden insight in the depth of book that materially affects the liquidity, risk and return profile of your portfolio. Embed predictive alpha analytics into visual components that provide portfolio managers with actionable insight in an interactive tool they can use to monitor their portfolio.

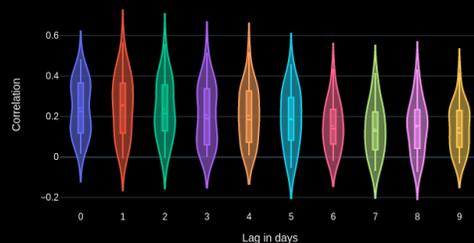
Supplement your portfolio analytics with quantitatively driven visual tools that highlight the insight needed to outperform



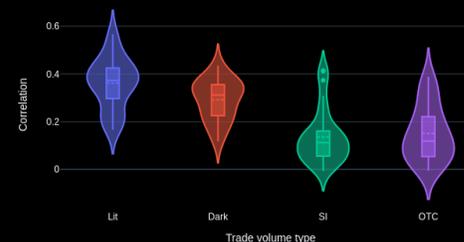
## Alternative pricing data & analytics



Correlation decay by number of days



Different vol type correlation



Predict the alpha | Ingest pricing analytics with proven predictive power, delivering alpha directly to production systems

BMLL has a library of predictive alternative analytics derived from the full depth order book for ingestion directly into trading screens & production systems. Working with a large systematic US hedge fund, we calculated 50 metrics from L2 & L3 data for daily SFTP delivery for each exchange they trade.

Another alternative data set is focused on overlaying anonymized fund flow activity with the full depth order book, which has proven to be a statistically relevant predictor for future volume and price movements.

Working with BMLL will provide cost-effective access to predictive analytics and alternative data sets that drive alpha and distinguish you from your peers.



## Execution strategy analytics

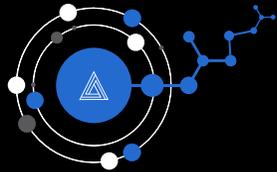


Enhanced execution strategy | Measure the quality of the markets you trade to optimise execution strategy

Leverage the full depth order book via a data feed that distills the noise and focuses on the metrics that matter to your execution criteria. Track these metrics across venues and liquidity pools to get the best execution for your trade.

Get all the benefit of a full quant research department in the form of an easily consumed analytics feed direct to production systems & dashboards.

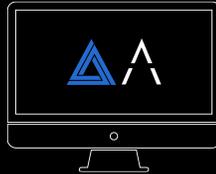
# Ultimate choice | We offer 3 delivery mechanisms for our data & analytics tailored to your needs



## BMLL Data Feed

API & FTP delivery of the data

- The power of the LAB in a derived data feed. Data & analytics fed directly from our Platform to your systems delivering you insights you trust
- Consume the data and analytics that informs better decisions delivered directly to production systems
- Focus on the decision making not the feature engineering
- Available via API and SFTP



## BMLL Data Viz

Visual components for white-labelling

- Data & analytics with a visual punch. Showcase actionable insight and analytics to your clients, in your systems, powered by our Platform and Data Lake
- Deploy white-labelled visuals that showcase your capabilities to your clients and management
- Delivered either as built-in widgets and components into existing workflows or as standalone dashboards



## BMLL Data Lab

Scalable python research sandbox

- The weapon of choice for sophisticated quants & researchers seeking alpha and actionable insight through direct access to the BMLL Platform & Data Lake
- Shorten your time to insight with our scalable platform, reducing time spent waiting for analysis to run
- Scale your research deploying clusters of nodes and schedule your output to run at will
- Delivered via fully customizable Jupyter lab python environment



[Get in touch for specs](#)



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# Next Steps | Journey to BMLL's data and analytics



## Initial scoping discussions (1-2 weeks)

### Understanding your needs

- Use case suitability assessment
- Product need mapping

### Initial technical requirements

- Research and data on boarding processes
- Data delivery preferences discovery

### Detailed documentation

- Access to all required documentation

## Initial trial period (4 weeks)

### Free access to most relevant product

- Test your conviction and understand the opportunity more clearly

### Ongoing support from BMLL technical team

- Support from our sales and data science team

## Proof of Concept (1-3 months)

### Full PoC onboarding onto relevant product

- Technical delivery mechanisms implemented
- Cloud usage allowances and frequencies tailored

### Dedicated technical support

- Support from our sales and data science team

### Extension of product usage and users as required

- Implement workflows and test production output to ensure alignment in operational outcomes

## Ongoing contract (12-18 months)

### Full onboarding onto relevant product

- Expanded data and analytics access based on needs technical delivery mechanisms
- Cloud usage allowances aligned with enterprise production requirements

### Dedicated technical support

- Our world class support and data science team will be there every step of the way making sure you succeed

### Continuously monitor and evaluate business drivers and outcomes

- Ensuring customer success in any implementation or enterprise agreement is of the utmost importance to us. When you succeed, we succeed and we strive grow together with our clients

# Get in touch to find out more



To find out more about how our data and analytics solutions can help you please get in touch with us at [info@bmlitech.com](mailto:info@bmlitech.com)



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