

UniCredit HVB Rolls Out Kx for Cross-Asset

MUNICH—UniCredit HypoVereinsbank (HVB) has gone into production with a cross-asset database system for its global proprietary trading desks, provided by Kx Systems, for its trading operations in London, Munich and New York, a vendor spokesperson tells *DWT*.

“This is the type of customer we are expecting to see far more of as people realize the benefits of collecting data across asset classes because that allows a level of risk management that has not been easy to achieve before,” says Simon Garland, CTO of Kx Systems. “We are expecting to see more deals like this as data volumes grow,” Garland says.

The Munich-based bank’s proprietary trading desks use the platform to capture and analyze millions of streaming market ticks for immediate real-time analysis, while performing complex analytics on historical data. A bank spokesperson declines to comment on the implementation.

The system, which went live in January, was deployed by a specialist team of programming and application design consultants in conjunction with a small team of specialist HVB staff.

The project took about three months to implement with the “simple and elegant solution” running on distributive mode format—using one server—rather than operating on a grid. “This makes it very easy to manage aggregation and consolidation queries over the enterprise,” says Garland.

The bank reviewed several database solutions and no other vendor offered HVB the ability to process streaming, real-time and historical data within a single architecture, says Thilo Friess, project manager at HVB. “We trade multiple asset classes in many different markets and we needed a flexible system with a built-in programming language to make it simple to add additional instruments and expand to more trading desks,” he says. “This platform beat the other vendors we evaluated.”

HVB and Kx Systems spokespeople decline to identify which trading desks are using the Kdb+ database, Kdb+tick and Q language to provide streaming and historical query capabilities, but say the deployment spans multiple trading desks.

The Kdb+tick application layers on top of the Kdb+ database to provide multi-asset traders with an accurate and instant view of global markets, says Kx’s Garland. The platform can capture and analyze millions of ticks, as well as terabytes of historical data, and achieve fast results on both.

“Because of our speed, there is no need to keep data aggregated. You try and keep the raw data as much as possible and if you have the speed to go crunching it, that is often much better than second-guessing what people would want,” says Garland.

The platform’s Q language, designed to deliver fast application and query performance on very large databases and on time-ordered data, was used throughout the entire system to create a unified platform architecture with very low latency between data capture and analysis, according to Garland.

Kx’s tie-up with HVB expands the vendor’s presence in Germany. The Palo Alto, Calif.-based database provider announced in December 2005 that it would supply the proprietary trading division of Baden-Württemberg Bank (BW Bank) with kdb+tick.

BW Bank uses the service to capture data and run complex analytics in real time, research historical data without delays and set up alarms and signals for tighter control of its trades across equities, futures and options in multiple markets, the Kx spokesperson says. BW Bank has operated as an independent part of Landesbank Baden-Württemberg since August, 2005.

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