HVB Prop Desks Live on Cross-Asset Database from Kx Systems

HypoVereinsbank (HVB), part of the Unicredit Group, has gone into production with a cross-asset database system built using technology from Kx Systems to support its proprietary trading desks in Munich and London.

The custom solution, running on 64-bit hardware, is being used to capture and analyze millions of streaming market ticks for immediate real-time analysis and to perform complex analytics on historical data.

The Kdb+tick application layers on top of the kdb+ database to provide multi-asset traders with a view of global markets, according to the vendor. Kx Systems’ Q language was used throughout the system to create a unified platform architecture.

The rise of cross-asset trading is a major driver of investment in high performance databases, according to Simon Garland, CTO of Kx Systems. “We have customers in London collecting data from well over 100 exchanges into kdb+,” he says. “Now there is a demand to collect data from many exchanges over multiple asset classes. Because of the performance you get with kdb+, it is still possible to collect this data all into one system.”

Capturing data across asset classes provides a sound foundation for institutions to put in place elegant risk management systems, Garland says. “They can net risk across asset areas, for example. As awareness of the consequences of MiFID spreads, the importance of sophisticated risk management is becoming clearer.”

Typically, banks planning to implement databases like kdb+ will take a considerable time to evaluate the system up front, Garland says. “It’s a big decision – there will be an old infrastructure in place, existing project managers with big teams. It is important to make the right choice.” Once a client has decided to do a proof of concept, assuming there are no administration delays around vendor feeds, for example, they can be up and running in two to three days, he adds. “How long it then takes to go into production depends on the application infrastructure that has to be built around the system. But the system itself can be in place, and saving history, in days.”

Thilo Friess, project manager at HVB, says: “We reviewed several database solutions and no other vendor offered us the ability to process streaming, real-time and historical data within one architecture. Kx beat the other vendors we evaluated in every performance category that was important to us.”