

Best Sell-Side Analytics Product

Numerix

New York-based Numerix won the best sell-side analytics product category in this year's Sell-Side Technology Awards, thanks to an all-new offering: NxCore. This is the first such accolade for the microservices-based product, although Numerix is no newcomer to these and other *WatersTechnology* awards: It won the best overall buy-side technology provider category in the 2019 Buy-Side Technology Awards, while earlier that year it took home the best sell-side credit risk product thanks to its flagship Oneview platform, illustrating its versatility in being able to service capital markets firms on both sides of the industry.

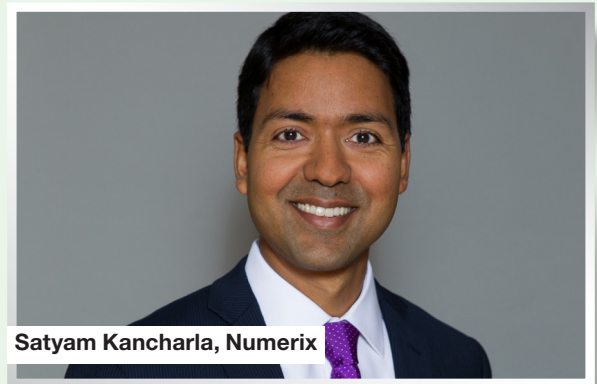
NxCore, unveiled during the turmoil of 2020, is designed to provide clients with the components to build and configure their front- and middle-office platforms, featuring trading, risk and x-value adjustment (XVA) support, thus obviating the need for them to choose between the two extremes of developing a complete platform in-house or implementing a closed, black-box, off-the-shelf system.

Comprising APIs, sample applications and a microservices-based architecture, users can mix and match only the NxCore components they require. It is enterprise-grade scalable—it can be deployed at scale with hundreds or even thousands of cores—it is real-time, and can be integrated into a bigger platform or run as a standalone application or service, either in the cloud or in-house.

According to Numerix, NxCore's use-cases include pre-trade market-making—pricing trades before they are executed, irrespective of whether they are swaps, fixed-income securities or structured notes, where it manages the pricing, the bid-ask and also real-time analytics. Additional pre- and post-trade use-cases include valuation and sensitivities, as well as counterparty risk and XVA, while on the market risk front, support includes scenario modelling, stress testing and value-at-risk (VaR) calculations.

"Numerix has been evolving and building its technology stack from the ground up," says Satyam Kancharla, executive vice president, chief product officer, in Numerix's client solutions group, with reference to the firm's thinking behind the new offering. "We started with the lowest layer—the analytics, the model libraries and the calculations. Then we built out layers above that for managing the data, the compute scalability allowing clients to run calculations over thousands of cores, and the visualization [functionality], all of which are built as microservices, which means they are individual components. They have their own APIs and they can be used as standalone components or in combination with others—NxCore is really the productization of all of these components."

Numerix schedules 12 releases of NxCore per year—each on the back of two-week sprints in each monthly cycle—although Kancharla says upgrades are not mandatory. "Unlike other companies, we don't surprise our customers with upgrades because within financial services we are still highly regulated and there's a



Satyam Kancharla, Numerix



"There are some customers who are in the process of adopting the SOFR-related changes, but they don't want us to make any changes to their XVA or market risk models, so we can keep those static for them. With microservices, we can release changes just to the curve or volatility surface."

Satyam Kancharla, Numerix

lot of attention to numbers," he says. "For example, there are some customers who are in the process of adopting the secured overnight financing rate (SOFR)-related changes, but they don't want us to make any changes to their XVA or market risk models, so we can keep those static for them. With microservices, we can release changes just to the curve or volatility surface. We encourage our customers to upgrade as often as they can, but it really is up to them."

With NxCore, it appears as though Numerix has developed another winner, given that it checks all the essential boxes: It is cloud-based and features a microservices architecture, which significantly reduces implementation timeframes and time to market for new users; its various components can be configured discretely or as part of a suite; and it supports a variety of mission-critical trading and risk management processes. Surely, therefore, it won't be long before it is back in the *WatersTechnology* winner's circle.

—VBA