

# Empowering strategic trading with Automated Rules Trading

Case study





## Consultation Overview

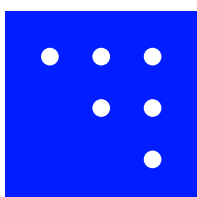
We offer a tailored consultation process designed to tackle the unique challenges in trade order management workflows. Our client, a prominent institutional investor, aimed to enhance their trading operations by leveraging TORA's advanced technology to optimise broker interactions and streamline trading processes.

## The challenge

During our consultation, we identified significant complexities within the client's existing system. With over 40 portfolio managers and only 5-6 traders responsible for managing a high volume of orders, the process had become increasingly burdensome for the trading team. This operational bottleneck sparked a conversation around Automated Rules Trading (ART). The ART framework was developed to facilitate order automation, lifting some of the workload off traders. Initially, ART was created with auto-routing functionality in mind, especially for clients without full API integration capabilities. It allows users to execute more straightforward tasks independently, bypassing the need for extensive developer intervention. This structured approach provided a streamlined solution tailored to our client's operational needs.

Among the client challenges::

- 1. Complex trading strategies:** They needed a more sophisticated approach to implementing meta strategies that could be layered on top of broker algorithms, enhancing their trading precision and execution quality.
- 2. Manual trading processes:** Many of their trading tasks were manual, time-consuming and prone to human error. One example was ensuring a swap flag was consistently applied on all short sells, which required constant monitoring and intervention.
- 3. Optimal broker utilisation:** They aimed to maximise the efficiency of their order flow management, ensuring that trades were consistently routed to the brokers with the best-performing algorithms, whilst also managing commission payments effectively.



## The solution

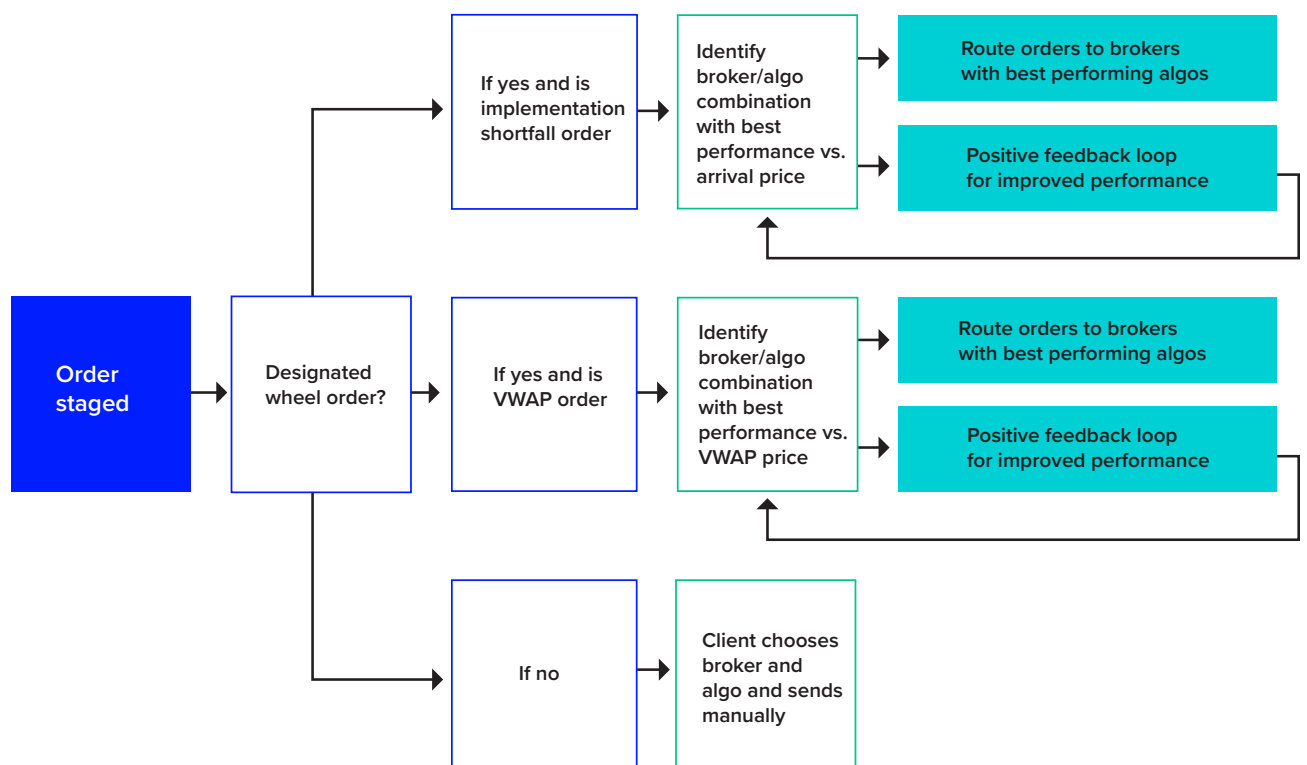
To address these challenges, the client adopted our Automated Rules Trading (ART) system, a powerful feature of our OEMS. ART empowers traders to create and implement sophisticated meta strategies by layering them on top of broker algorithms.

Through ART, our client now has an order staging and routing system that integrates seamlessly with their downstream systems. Orders enter the workflow and can be routed automatically based on pre-defined rules, such as order size or specific keyword criteria. For smaller or simpler orders, the system routes directly to a broker without manual intervention. In more complex cases, such as those involving a broker setup, ART interfaces with the client's API to send orders to the appropriate broker. This automation has enabled efficient handling of slice orders, minimising the need for trader involvement and reducing overall workload. ART's integration has thus evolved to fit the layered requirements of our client's trade operations, supporting both automated routing and manual oversight when needed.

By integrating ART with LSEG market data and analytics, the client is able to:

- 1. Automate trading strategies:** The client programmed their trading strategies directly into ART, automating processes such as:
  - Auto-sending small orders: automating the dispatch of smaller orders to broker algorithms, saving time and reducing the risk of error
  - Conditional order parameters: automatically setting parameters on orders, without manual intervention
  - Dynamic order management: automatically canceling or amending orders when specific market conditions were met, allowing for more agile and responsive trading
- 2. Seamless integration with algo wheel:** ART is fully integrated with our algo wheel, which is also linked to transaction cost analysis (TCA), pre-trade analytics, and LSEG data.
  - The client is also able to route orders only to those brokers with the best performing algos helping to ensure high quality execution
- 3. Enhanced buy/sell-side collaboration:** the algo wheel facilitated a two-way communication channel between the buy-side and sell-side, fostering a positive feedback loop that continuously improved performance

## ART: broker selection logic



## Conclusion

By integrating ART into their OEMS, the client was able to streamline and enhance their trading operations. The automation of complex strategies and trading flows, combined with the seamless integration with our algo wheel, empowered the client to achieve superior trading performance and operational efficiency.

ART is highly configurable and can be applied to a range of other use cases, making it a versatile solution across different trading strategies and environments. Its powerful features allowed our client to tailor the system to their unique needs, positioning them for continued success in an increasingly complex and competitive market.

For more information visit: [www.lseg.com/tora](http://www.lseg.com/tora)



## About LSEG TORA

LSEG TORA is a leading provider of advanced investment management technologies for global asset managers, hedge funds, proprietary trading firms and sell-side trading desks. We are a cloud-based front-to-back office technology provider delivering a solution for trading, portfolio management and risk management. TORA's award-winning suite of products include order and execution management (OEMS), portfolio management (PMS), analytics and risk control tools, Transaction Cost Analysis (TCA) and proprietary algorithms. Our team builds innovative technology that seamlessly fits client workflow requirements through a feature-rich, intuitive user interface. The TORA API assures a straight through processing (STP) experience and the TORA FIXNet enables our clients access to global markets. We pride ourselves on being a trusted partner to our clients, providing custom solutions with rapid product implementation and superior technical support.

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