

Paradigm shift as real-time clearing becomes a reality in Europe

Cinnober's technology now live at LME Clear – Europe's most modern, multi-asset clearinghouse

The London Metal Exchange (LME) has announced the successful launch of its brand new clearinghouse, LME Clear. Swedish supplier and long-term partner, Cinnober Financial Technology, is providing the core technology for real-time, multi-asset clearing and risk management to the exchange.

The new LME Clear system, named LMEmercury, is based on Cinnober's TRADExpress RealTime Clearing solution, which provides high-performance and multi-asset capabilities and is designed to handle the rapidly-growing demands on clearing and real-time risk management. Cinnober's state-of-the-art technology and streamlined operations offer members real-time risk assessments, calculated by multiple algorithms, as well as straight-through processing of collateral with full integration with the treasury functions. By implementing the RealTime Clearing solution, the metals community now benefits from EMIR-compliant risk management, where stress testing and backtesting results can be calculated ad hoc at any time of day, and end-to-end treasury management capabilities provide a true real-time view of the aggregated cash situation.

"In today's clearing environment, regulatory, market and client demands emphasize the need for high-performance systems, in terms of resilience, processing ability and the move to real-time risk management, and our partnership with Cinnober has enabled us to deliver this capability," says Trevor Spanner, LME Clear Chief Executive.

For over a decade, Cinnober has been the provider of key functionality for a number of systems used by the exchange, including the core electronic trading platform LMEselect. In 2012, after an in-depth procurement process, LME appointed Cinnober as its technology partner for this major clearing project.

"We're very proud to provide the technology for LME's clearinghouse," says Veronica Augustsson, CEO of Cinnober. "It's not only world-class, but also the first 'next generation' clearinghouse in Europe. What is emerging is a paradigm shift: in the future the financial industry will look back on this period and talk about before and after real-time clearing."

As a real-time clearing pioneer, Cinnober has solid experience in delivering clearing solutions to leading exchanges and marketplaces around the world.

"Our technology is being used in many of the world's most demanding clearing venues," Augustsson continues. "Recently BM&FBOVESPA in Brazil went live with our RealTime Clearing, and the Johannesburg Stock Exchange is next in line, with an implementation project underway. We expect more to follow when they realize the beauty and power of real-time clearing."

For LME Clear, Cinnober has partnered with Swedish quantitative financial technology firm Algorithmica Research. Algorithmica has a proven track record of excellence in the area stretching over close to 20 years, with customers including most of the top Scandinavian banks, asset managers and insurance companies. Algorithmica's product portfolio fits perfectly with Cinnober's clearing system, enabling a full range state-of-the-art risk management solution.

For further information, please contact:

Fredrik Backlund
Head of Corporate Communications
Cinnober Financial Technology
Tel. +46-(0)73 403 12 39
fredrik.backlund@cinnober.com

About Cinnober Financial Technology

Cinnober provides solutions and services to leading trading and clearing venues, including exchanges, clearinghouses, banks and brokers. Cinnober's solutions are largely based on the TRADExpress™ Platform, incorporating everything needed for mission-critical solutions in terms of performance, robustness and flexibility. The portfolio of offerings includes price discovery and matching, real-time risk management, clearing and settlement, index calculation, data distribution and surveillance. Cinnober's customers include BM&FBOVESPA, Deutsche Börse, Dubai Gold & Commodities Exchange, Eurex, Johannesburg Stock Exchange, London Metal Exchange, MarkitSERV, NYSE Liffe and Stock Exchange of Thailand. For additional information, please visit www.cinnober.com