

Customer success story



leading edge swap execution facility seizes new market opportunities with IPC's connexus financial extranet

Quick Facts

CUSTOMER:

Javelin Capital Markets, a leading edge OTC derivatives execution platform.

CHALLENGE:

As a new Swap Execution Facility, Javelin needed to facilitate reliable, secure and real-time connectivity for customers to their platform for trade execution.

SOLUTION:

IPC's Connexus Financial Extranet Service.

CUSTOMER BENEFITS:

- Outstanding execution performance
- Fully managed solution
- Rapid turn-up and time-to-market

“IPC's Connexus is a perfect fit for Javelin because it not only offers reliable and resilient connectivity for our clients to our trade execution platform, but also enables us to leverage IPC's engineering expertise and first-rate staff to manage, monitor and maintain the solution, freeing up our own workforce to focus on our core business.”
—Michael Black, Head of Infrastructure, Javelin Capital Markets

CHALLENGE

Javelin launched a Swap Execution Facility (SEF), a platform for regulated trading of swaps after the global financial crisis. New industry regulations require OTC derivatives to trade on an exchange or SEF, and then be cleared through central clearinghouses. Firms need to establish reliable connectivity in order to retain their access to liquidity. Javelin's SEF offers low cost, real-time trade execution for Interest Rate and Credit Default Swaps, offering both anonymous Limit Order Book and Request for Quote execution combining optimal liquidity with transparency and market depth. To enable customers to not only comply with regulations, but to also capture liquidity, achieve best execution, harvest alpha and gain a strategic advantage in the rapidly evolving landscape for OTC derivatives, Javelin needed to offer clients secure, real-time connectivity to their trade execution platform.

A guiding strategy for Javelin is to remain focused on its core business and not spend valuable time negotiating contracts, worrying about network communication, ordering circuits and routers, and managing multiple service providers. Therefore, Javelin recognized the need to find a solutions partner that not only provided connectivity to an established community of global capital market participants, but who also understood the challenges and priorities of its business. Michael Black, Head of Infrastructure for Javelin explains, “Time means everything in our industry, and in an environment where competition is fierce and delays can have million- or even billion-dollar ramifications, reliable connectivity, quick turn up and rapid time-to-market are essential for us to capitalize on opportunities ahead of the competition. We need to have a trusted network partner that fully understands and caters to those needs.” Javelin set out to find a managed solutions provider that would keep pace with its evolving connectivity needs and aggressive growth agenda.

SOLUTION

Javelin researched several extranet providers. The goal of this undertaking was to determine which provider would offer Javelin the highest levels of service and connectivity to a superior global community of capital market participants in line with Javelin's current and future objectives. “As the OTC derivatives markets embrace change, it is extremely important for our clients to have reliable and secure connectivity to our platform for trade execution,” according to Black.

After evaluating the competing solutions, Javelin chose IPC's Connexus Financial Extranet to provide fast, secure and reliable connectivity between Javelin and organizations trading on the SEF. IPC's Connexus Financial Extranet met Javelin's key decision criteria, which centered on a global community of market participants and secure and reliable connectivity. Black explains, “It's all about the community, and Connexus offered a global community that was directly in-line with our goals. With Connexus' ever-expanding global presence and IPC's in-depth understanding of our business because of its exclusive focus on the capital markets, IPC was, hands down, the clear choice.”

Connecting opportunities

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Results

IPC's Connexus enables Javelin's clients to rapidly and securely connect across a single, consolidated network, delivering improved efficiency, control, and effectiveness. Connexus also provides Javelin with opportunities to connect quickly and easily to other members of IPC's global community – a capability that supports the aggressive growth agenda of the new SEF. "We have a vision of going global in our markets and IPC's global presence is right in line with our plan," says Black. "A majority of our customers are going to require more circuits, and our relationships will continue to grow which will significantly increase the amount of bandwidth we'll need, and I'm confident IPC will be there to handle it and deliver in spades."

In addition to accessing Connexus' secure trading ecosystem, Javelin was drawn to IPC because of its fully managed service offering. Javelin can leverage IPC's expertise and staff to manage, monitor and maintain the solution, freeing up internal personnel to focus on Javelin's core business.

According to Black, "The headache and burden of managing all of our communications is on IPC, and IPC does the job right which alleviates a lot of our time, ultimately enabling us to focus on our business goals rather than worrying about network connectivity."

Javelin's decision to implement Connexus has been very positive. Reflecting on the experience so far, Michael Black says, "IPC has become an integral part in delivering connectivity to our customers. Major benefits we have already seen are quick turn-ups, rapid time-to-market and the ease of working with a reliable, pro-active support staff that gets us connected to the people we need and continuously goes above and beyond to get the job done right." The ability of Javelin's clients, providers and market makers to seamlessly connect to the SEF has enabled Javelin to seize the numerous opportunities created by today's rapidly evolving OTC derivatives marketplace.

Javelin Capital Markets Spotlight

Javelin Capital Markets, LLC was formed in 2009 as a derivatives execution platform for Interest Rate Swaps and Credit Default Swaps. Javelin offers both

anonymous electronic and voice-hybrid methodologies for trade execution. Javelin works with several execution and agency swap partners to ensure optimal liquidity for its diverse customer base.

Javelin will register as a SEF, or Swap Execution Facility, under the Dodd Frank Act as soon as the SEF rules are finalized.

For more information, visit www.thejavelin.com



IPC is a technology and service leader that powers financial markets globally. We help clients anticipate change and solve problems, setting the standard with industry expertise, exceptional service and comprehensive technology. With customers first and always, we collaborate with each to understand their individual needs to help make them secure, productive and compliant within our connected community. Through service excellence, long-developed expertise and a focus on innovation and community, we provide agile and efficient ways for our customers to accelerate their ability to adapt to the ever-changing requirements for advanced data networks, compliance and collaboration with all counterparties across the financial markets.

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