



## Grow with the Flow: Giving the market unique insights with Deutsche Börse analytics products

Since the first Analytics product was launched in July 2018, the client base, product offerings and team have all expanded exponentially. We spoke to Anya van den Berg, Vice President – Data and Analytics at Deutsche Börse to understand more.

### **Anya, can you quickly introduce the team?**

The analytics team is made up of four colleagues, who all sit in different geographical regions. Chris DeMaso is our NYC Sales Expert, we have Thomas Belkin in Chicago, Simona Zary in Frankfurt and myself in London. We sell the Analytics suite of products to the both the buy-side and sell-side in our specific regions.

### **Can you give us an overview of the analytic products and why they are so unique?**

The analytics department is fortunately placed to be able to access unique data from across the Deutsche Börse Group. Data from Clearstream, Eurex, Xetra and 360T is utilized to derive meaningful insights and analysis to help optimize trading strategies for our underlying clients. All this data is proprietary and therefore cannot be sourced anywhere else in the marketplace.

### **Our latest Analytics offering:**

- Xetra Flow Insights
- Eurex Flow Insights
- Eurex Open Interest
- Herfindahl–Hirschman Index (HHI) – New launch in Q2 2021
- A7 Analytics
- High Precision Timestamps (HPT)

### **What are the differences between these products?**

- **Xetra Flow Insights** provides a daily analysis of net traded flow (buy minus sell volume) by “customer” and “non-customer” participant groups, for all securities listed on Xetra. The “customer” group consists of trading flow executed on behalf of end-customers, including DMA/Order Routing volumes and the “non-customer” flow represents all other volumes, in particular market making activity and all other trading on own account. The data of Xetra Flow Insights can be used as momentum and market sentiment factor in systematic strategies.

- Another Flow product is **Eurex Flow Insights**.

It covers more than 350 futures and options traded on Eurex. Eurex Flow Insights provides the net traded order flow aggregated daily per instrument. The flow is broken down by market participant groups into “agent”, “market maker” and “proprietary trader”. It allows clients to evaluate market positioning by participant group and to identify market trends. Both Flow products give unique insights into market dynamics and sentiment.

Eurex Open Interest Insights which will be launched shortly includes the Eurex Flow Insights package with the addition of Open Interest.

- **Herfindahl–Hirschman Index (HHI)** – The Herfindahl–Hirschman Index is the latest product within Deutsche Börse’s comprehensive analytics suite. It is a commonly accepted measure of market concentration. The index helps market participants to assess the quality of available liquidity, expressed through an index value ranging from 0 to 1. Index values closer to 0 represent more equally distributed

marketshares where marketshare is defined as fraction of the total traded volume executed by a trading participant. A value approaching 1 signals an extremely concentrated market with a few participants having a larger market share.

The HHI does not just measure the number of participants, but also takes the respective volume into consideration for the ratio, e.g. 10 participants trading each 20 contracts would create a lower HHI value than 10 participants, where one trades 65 contracts and the other 9 trade each 15 contracts.

Using Xetra and Eurex proprietary data, the HHI Index provides customers with additional guidance when deciding to include a new market to their trading universe, setting maximum position size limits and on how aggressive they would like to enter and exit a position.

- **A7 Analytics** – The cloud-based analytics platform A7 offers analytics as a service in combination with co-location quality un-normalized Eurex and Xetra order-by-order market data. This cost efficient and scalable solution reduces development cycles by eliminating the task to capture, store, query and reconstruct the orderbook data for the customers and by providing them with a ready-to-use platform. Clients can quickly grasp market situations using the summary functionality and easily drill down into the market microstructure. A7 allows our customers to test their execution algo ideas and deploy complex computations, which supports them in maximizing their trading efficiency, improving alpha generation, and developing and back-testing execution algorithms.
- **High Precision Timestamps (HPT)** provide nanosecond precise timestamps that are captured at various points of the exchange's network, e.g. as soon as an order arrives at the exchange's partition specific switch. This analytic allows latency sensitive member firms to evaluate and optimize their trading strategies and execution setup to reduce latency by allowing them to accurately calculate the time delta to winning orders.

#### **What target groups are mainly interested in your analytic products?**

We have a mix of both buy and sell side clients – market makers, tier 1 banks, quant funds and asset managers.

#### **You have just recently launched Xetra® Flow Insights. What is special about this new product?**

Off the back of the successful client uptake of 'Eurex Flow Insights', the offering has now been expanded to all Xetra® instruments. This provides yet more unique insights into order flow for a much wider coverage of instruments across two trading platforms.

#### **What can we expect in the future, are there more products in the pipeline?**

We constantly enhance and evolve our offerings, largely from the client feedback we receive. This year we have already launched 'Eurex Open Interest Insights' as well as 'Xetra Flow Insights' to our suite. We are also due to launch HHI in early Q2 2021, as well as enhancing A7 Analytics with a broader coverage and faster data delivery.

#### **More Informationen:**

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