experience
solutions
results

Misys Opics Plus

Advanced risk & portfolio management

Opics Risk Plus is an advanced market risk and portfolio management solution aimed at reducing treasury costs and increasing returns. It is a complete risk management tool for traders, portfolio managers, risk managers, asset/liability managers, corporate treasurers, government agencies and hedge funds.

Broad instrument coverage and depth of function enables financial institutions to manage, model, forecast and report risk for all levels - the institution itself, the controllers of the institution and clients of the institutions.

Opics Risk Plus provides real time position updates, Profit and Loss (P&L) and risk management including greek and Value at Risk (VaR) statistics via a comprehensive selection of VaR sensitivity methodologies.

Using the VaR methodologies, users can define an almost unlimited set of hierarchies resulting in displays of top level risk, with further drill down to view the risk and correlations.

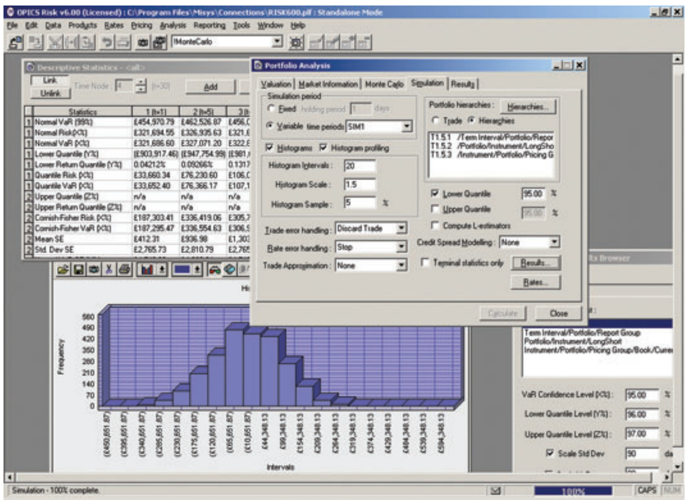
The module uses a choice of Opics Plus static, transactional and market data, or external data. The combination of Opics Risk Plus along with the rest of the Opics Plus suite provides a full front-to-back STP solution.

Key features

+ Instrument coverage across Capital Markets, Treasury and Derivatives
+ Full Aggregation and dissection of many risk measures
+ Extensive stress testing, scenario analysis, “What If” analysis and expected P&L capability
+ Cash flow generation and analysis
+ Market risk statistics, credit and exposure management
+ Hedging strategies
+ Live rates, historical pricing feeds and market rate modeling
+ Portfolio optimisation and portfolio re-weighting
+ Portfolio benchmarking and performance analysis
+ Customisable portfolio hierarchies
+ Value at Risk (VaR) including Riskmetrics, Monte Carlo and Historical Simulation
+ Detailed histograms, quantile graphs and risk exposure profiles, graphs of historical returns and auto correlations
+ VaR Statistics including Normal VaR, Quantile VaR, Return Mean, Cornish-Fisher VaR, Quantile-Quantile graphs, many others
+ Use of time series market data to generate input data for VaR calculations

Using the VaR methodologies, users can define an almost unlimited set of hierarchies resulting in displays of top level risk, with further drill down to view the risk and correlations.

VaR analysis



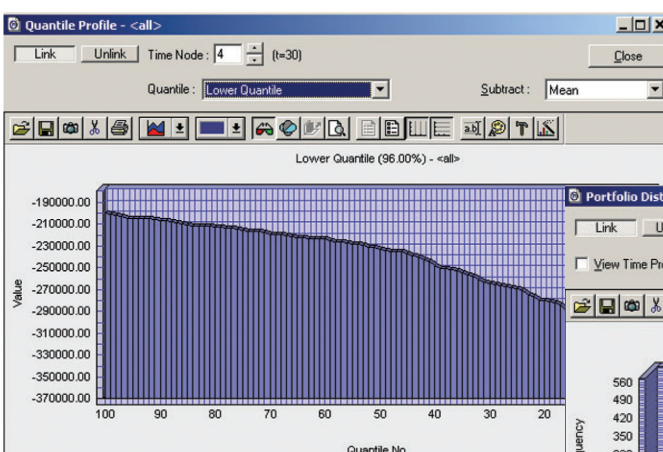
VaR: Riskmetrics

Opics Risk Plus utilises the basic Riskmetrics methodology, allowing daily and/or monthly volatilities and correlations to be imported. Users define time horizons and confidence levels and can see their diversified and un-diversified risk as well as cash flows. Near-real-time VaR monitoring allows users to view the movements of a portfolio's position as it changes in a graphical view.

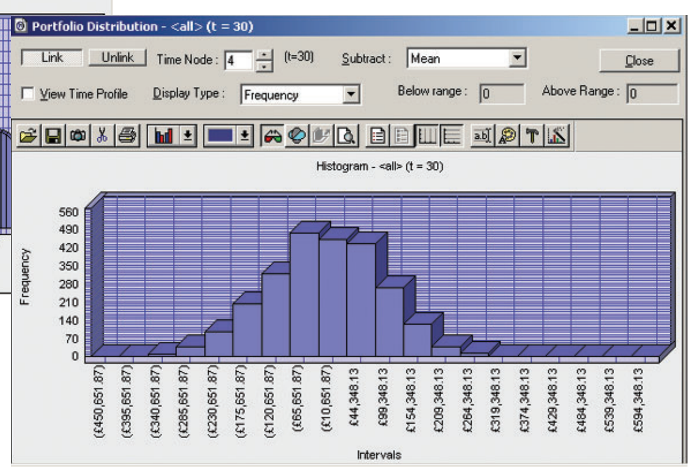
VaR: Monte Carlo Simulation

Monte Carlo simulation creates a distribution of portfolio returns over user specified time periods by valuing the portfolio using simulated risk drivers in Opics Risk Plus. The simulation of the risk drivers is parameterised by estimating the model of the underlying stochastic process.

Lower quantile graph



VaR histogram



Opics Risk Plus can perform parallel and non-parallel shifts on interest rates, FX rates and volatility surfaces. In addition, the solution provides near-real time VaR monitoring across all supported instruments.

Users can specify drift settings for the underlying risk drivers, and numerous random number generation methodologies hold specific underlying risk drivers constant to isolate risks and record risk driver results for analysis and auditing.

VaR: Historical simulation

Historical simulation is a Value at Risk measure that complements the Monte Carlo Simulation and delta-normal methods in Opics Risk Plus. Historical simulation values the portfolio against known historical returns in the risk drivers.

Attribution / performance measurement

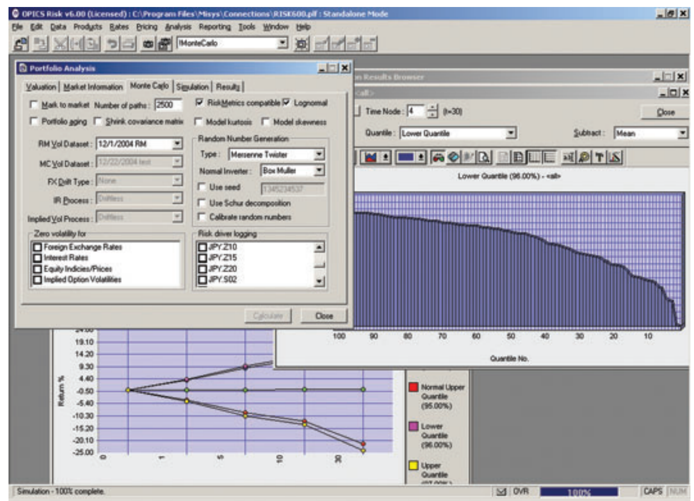
Opics Risk Plus provides attribution, also known as performance measurement, by breaking down the return of a portfolio of transactions with reference to a base portfolio. The return is split into a number of factors including duration, yield curve, spread, time, currency, residual and interaction. It clearly defines, for chosen portfolios, the return due to foreign exchange movements and interest rate movements.

P&L or return attribution can be performed on any deal or position. P&L is provided real time; the position blotters allow users to filter the data and drill down to view the details of the selected positions and P&L.

The process stores positions, rates and P&L and allows users to perform "what-if" scenario analysis as well as stress testing and back testing for any type of variable / filter. Risk can be aggregated across specified time periods and/or shifts in yield curve slides.

Opics Risk Plus can perform parallel and non-parallel shifts on interest rates, FX rates and volatility surfaces. In addition, the solution provides near-real time VaR monitoring across all supported instruments.

Monte Carlo VaR



Portfolio optimisation

Opics Risk Plus provides the ability to define different constraints for each portfolio, the ability to provide time-banded constraints for portfolios separately and the ability to provide weights and constraints for each portfolio in the actual user portfolio.

Portfolio benchmarking

Opics Risk Plus offers benchmark versus portfolio comparisons, relative portfolios and flexible trade selection filter, and usage of various time intervals and market data.

Users can define and manage hedging strategies to more carefully define and manage interest rate risk.

The portfolio benchmarking function allows users to readily compare the risks between two groups of portfolios and this can be used for comparing asset vs. liabilities; investments vs. hedges; assets vs. external benchmarks and treasury vs. internal benchmarks.

Portfolio hedging

Opics Risk Plus enables users to hedge complex portfolios. Hedging strategies can be defined and attached from a single priced deal to be hedged with a single derivative; to two derivatives used to match the risk statistics including modified duration and convexity of the hedged security; to portfolios of securities, thereby reducing interest-rate risk.

Risk reporting

The module offers real-time, pre-configured and userdefinable inquiries with drill-down facilities. It is linked to Crystal reports and has extensive graphing facilities for curves, cashflows, VaR and other functions.

Complete Risk solution

The Opics Risk Plus module works independently or in conjunction with the other Opics Plus modules to provide a complete and fully integrated treasury solution.

To find out more about how Misys Opics Plus can help your organisation please contact:
tcm.marketing@misys.com
or visit:
www.misys.com

Misys Services Limited is a member of the Misys group of companies.
Registered in England, No. 01941076 Registered Office: Burleigh House, Chapel Oak, Salford Priors, Evesham, WR11 8SP