



A division of Exchange Systems Technology Ltd

## newsletter: september 2003

### Welcome

MarginClick was launched in May 2003 as a unique ASP delivering cross-product, intra-day global margining over the Internet. Since the launch, MarginClick has been a great success with a growing number of users in Europe and the USA including both 'end user' and banking/FCM institutions. This newsletter will be a regular update covering both technical and

functional enhancements, and in addition there will be a regular update from Exchange Systems Technology (ExchangeSys), the MarginClick technology partner. This first newsletter also outlines the charging structure and cost under the Last Word section. We hope you enjoy reading this and please send any comments to [newsletter@marginclick.com](mailto:newsletter@marginclick.com).

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### Version 1.1 Release: Highlights

The latest version of MarginClick, Version 1.1, was delivered this August following user input and scheduled developments. A number of new features have been added including: an optional Variation Margin calculator, SOAP interface, new OTC Metals margin method and an expanded Members Area. The Variation Margin calculator can be used in conjunction with the MarginClick Initial Margin component, or as a stand-alone calculator. A choice of price (trade, settlement, synthetic etc) inputs are available allowing: user supplied (real or what if), snap-shot e.g. for midday fund valuations, or third party real-time feeds. User input is vital to expand the product in functional coverage and new technologies are constantly being reviewed and tested to keep the service abreast of new

Maint. Margin	Variation Margin	
7,102,200	20,912,690	
7,180,678	226,132,612	
1,840,078	3,838,740	
81,218,750	214,282,500	
155,400,000	146,325,000	
15,704,193	25,988,367	
Avg Price	Net	Var Marg
49.2945	1691	20,912,690

tools and developments. Version 1.2 is already being planned with 'drawing board' ideas and some prototype work to add cash and collateral on deposit fields, enhanced cross-product and some value-added risk management features.

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### Technology Update: SOAP Interface

Central to the technical design philosophy of MarginClick is to offer a mixture of easy-to-use yet sophisticated software. As part of this commitment, Version 1.1 now includes a SOAP (Simple Object Application Protocol) interface. In layman's terms, sending data over the Internet can have inherent problems, the two most common are: corporate firewall security breaches and inability to communicate with diverse distributed systems.

The MarginClick SOAP Interface allows the use of secure https transmission (port 443). So users can access MarginClick from their choice of platform securely over the Internet. A very good guide to SOAP can be found at:

[http://searchwebservices.techtarget.com/searchWebServices/downloads/what\\_is\\_soap.swf](http://searchwebservices.techtarget.com/searchWebServices/downloads/what_is_soap.swf)



### White-labelling or direct access: Members Area

Institutional use of MarginClick covers a wide spectrum from hedge funds, market makers to banks and brokers. Within these organisations, the specific use of MarginClick is broad including internal risk and credit management. However, a significant area of growth is 'white-labelling' where the service is offered to end-users via the FCM's web portal as part of their brand image.

We have already entered into such an agreement with a major global bank. Modest background work ensures accurate file mapping and API connectivity to deliver a seamless, branded product. Users of MarginClick will already know the ease of use through the simple yet effective CSV file 'drag and drop' functionality as well as the transparent sophistication of the SOAP interface. The Members Area now includes the following sections: Quick Start, FAQ, Utility (Java Plug-in) Download Guide, Troubleshooting Guide, On-line User Guide and Easy Load. MarginClick is quick to install, cost effective and therefore delivers a fast return on investment.

#### MEMBERS AREA

Quick Start | **FAQ's** | Utility Downloads | Troubleshooting | User Guide | Load MarginC

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**Download the Java™ Plug-in**  
Ensure that you have the Java™ 1.3.1 Plug-in or greater installed (with admin rights).

**Save this test csv file on to your PC**  
Right click on this link and select option 'Save Target/Link as' to save this file on your hard drive.

**Load the MarginClick calculator**  
Grant Always accepting the java digital certificate validated by Thawte.  
Click the 'Upload CSV' icon and browse to the stored example csv file, choose 'Open'.  
Within seconds the results will be returned and detailed reports available from links on the bottom right of the calculator. Or alternatively in the 'My Reports' tab.



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### Off Exchange Update: The end of the 'silo' approach?

The global financial community is moving towards a combined asset, multi-product world where efficient use of collateral and the ability to offset assets and liabilities is becoming crucial. The world of vertical product delivery is coming to an end.

MarginClick covers all the major listed derivative exchanges in the world in terms of margin algorithm, product, price and risk array data.

In addition, most other asset classes are handled to provide for true multi-product, cross product margining. The latest release includes a new OTC Metals method. The architecture of MarginClick allows for a very quick turnaround from design to delivery. Database flexibility (Oracle) and programming language (Java) means that most off exchange calculations can be accommodated.

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### ExchangeSys News: STA sign for Eclipse

Exchange Systems Technology Limited (ExchangeSys), the technology partner to MarginClick, has recently signed with Schneider Trading Associates (STA) to supply Eclipse, the multi-asset clearing and settlement system. STA are one of the leading trading boutiques in EuroNext.Liffe and Eurex. Jeremy Brown, MD at STA comments, "We are committed to building on our success and this means that we require a flexible, multi-asset application that will enable us to grow. After a thorough evaluation we decided to choose Eclipse as they provide the best technical architecture, functionality, market knowledge and support to help us to the next stage of our growth". MarginClick uses the same 'engine' as Eclipse. For more information visit [www.exchangesys.com](http://www.exchangesys.com).

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### The Last Word: 'How much is it?'

Since the launch of MarginClick one of the most common questions has been, 'How much is it?'. Perhaps the adage of 'always know the value not the price' is appropriate. Some may say that certain technology vendors have built their business on large up-front license fees, long-term contractual tie-ins and hidden downstream costs. This business model may still be suitable for some, however looking at the cost pressures within the global economy, technology sector and specifically the futures industry, the MarginClick pricing structure breaks this mould.

Single users are priced at £400pm (or currency equivalent) and this includes up to 10 margin methods (subsequent at £15 pm each), price and risk array feeds, unlimited number of re-valuations and irrespective of the size of position data. Significant discounts are available for multiple users. There is no up front fee and the minimum term is 3 months. We have maintained the principle of keeping MarginClick simple to use, cost effective and providing a fast return on investment.

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