

Quant Shop JDFX Develops New Electronic Trading Platform



JDFX, a Swiss Forex Fund, is preparing for a re-launch very soon. With \$50 Million of capital, management is enthused about the future. They have developed a new program with three automated trading strategies, inherent in which is a revolutionary trading platform that allows sub-millisecond trade execution. As a rather new quant firm, they are attracting significant attention from the investment community.

CEO, James Pieron, says that his new trading platform will crunch over 1000 trades per second combined with

a quarter of a million rates per minute, helping JDFX stand out, even among the electronic trading global firms. Using adaptive filters and sophisticated neural networks, JDFX, with the help of advanced mathematics, have produced a system that works in a real-time market environment and gives the company the ability to react quickly to changing market conditions. He also claims that his new system is “bank friendly”, with three fail-safe procedures that ensure success.

Using a “triple matching system”, which only allows a rate execution after obtaining at least 2 other rates, JDFX is protected from accessing liquidity providers currently in an off market status. Another protective feature assigns every incoming rate a “time-to-live” parameter, which prevents any attempt to trade old rates in a slow market. A final system procedure is the application program interface, which automatically inserts a new rate available just prior to execution (the former rate is deleted) so as to protect liquidity providers in a fast running market. JDFX understands this adds raw cost to the company but protects them as well as their banks in a breakaway market and is worth the extra expense.

As you might imagine, both banks and other liquidity providers are very pleased with this new platform. The fund provides around \$10 Billion monthly for every \$10 Million being managed, which translates to a monthly move of around \$50 Billion every thirty days. Recent live testing with \$50 Million of client funds with 2X leverage, resulted in a money move of around \$20 Billion and a spread of approximately 0.634, which was most acceptable. Currency matches of primary U.S. Dollar pairings were used, including (Euro, Yen, and Swiss Franc vs. USD) with promising results. Liquidity providers, generating increased income on increased volumes provided, have been impressed with the projected long-term trade volume JDFX should enjoy.

With 50% of its budget dedicated to R&D, this company is totally committed to maintaining its tech advantage and will continue developing new trading platforms. They are willing to dedicate up to ½ of their team to developing new electronic strategies. Drawing on the mathematical and IT background of CEO, Pieron, the economics knowledge of COO, Ohl, and the expertise of new CIO, Luigi Amato, JDFX is prepared to use its in house talent to keep it at the forefront of electronic trading and development of state-of-the-art computer trading strategies and profit maximization plans.

Targeted returns and management of volatility are always important. With projected returns in the 10-15% range within a volatility range of 4-5%, JFDX is projecting success that, if achieved, will solidify their reputation in the market. Testing the effectiveness of their new technology has been intensive and has produced excellent results to date. JFDX understands, however, that even the most advanced technology platforms can never replace serious research and intelligent investment decisions. The fund is welcoming new clients now and has an appetite of around \$300 to \$500 Million, with a minimum investment level of \$5 Million.