



Paineiras Investimentos

Case Study

Overview

Country/Region:

Brazil

Industry:

Hedge Fund

Customer Profile:

Paineiras Investimentos is a Brazil-based hedge fund which invests in a variety of assets and their derivatives.

Business Situation:

Paineiras Investimentos needed an alternative to their Excel-based solution for data management and validation, risk management and back-testing, as this had become labour-intensive and unwieldy to operate and maintain.

Solution:

By using Xenomorph's TimeScope data and analytics management platform, Paineiras Investimentos has been able to run trading operations more efficiently as staff are freed from time consuming data maintenance and spend more time formulating trading ideas.

Benefits:

- **Increased efficiency** and speed of data analysis
- **Accelerated trading** and risk management processes
- **Customizable back-testing** and able to deal with complex processes such as volatility surface manipulation
- **Speed of implementation**
- **Customize TimeScope** to support new asset types and trading analytics, offering the flexibility of in-house development but without the cost or time to delivery

INTRODUCTION

Paineiras Investimentos is a macro-oriented onshore hedge fund that seeks capital appreciation by investing mainly in the Brazilian local markets in a variety of assets and their derivatives. Investment and trading strategies focus on directional positions in fixed income, FX and equities markets. Additionally, other strategies may include long/short positions arbitrage and derivatives trading.

SITUATION

Upon inception of the fund, Paineiras Investimentos developed a combination of Excel, VB and .NET solutions to analyze tick data and end-of-day data for the Brazilian Equities market. The back-testing and risk management processes were also reliant on similar Excel-based solutions. Not only did this setup require considerable manual effort to operate and maintain, it also relied on diligent and time-consuming data validation.

As the fund started to work with more complex asset classes, such as Futures, Fixed Income and OTC Derivatives, the Excel-based solutions, with unwieldy amounts of data, became too complex and time consuming to maintain.

Paineiras decided to see if there was a solution available in the market that:

1. Provides a very fast and efficient database
2. Has a flexible data model to enable it to grow with the firm
3. Makes it easy and efficient to analyze any type of data including, but not limited to: tick data, end-of-day and complex data such as historical surfaces

SOLUTION

Following an extensive search of the market, followed by a detailed product evaluation, Paineiras Investimentos concluded that TimeScape was the only solution that satisfied all of its requirements.

TimeScape was implemented within one month of the evaluation having been completed and has enabled the firm to streamline its processes. It has facilitated the connectivity with multiple data feeds, automated data validation; enabled customized back-testing to be run quickly and assisted with managing the firm's risk. It has provided Paineiras with a system that copes well with daily innovation in trading process and asset classes supported. The vector database capabilities of TimeScape has enabled more tick data to be analysed in less time, and its flexible data model has enabled complex data such as volatility surfaces to be handled with ease. In short, TimeScape has begun to address many more of the underlying business and technical needs of the firm – thereby delivering immediate value.

Additionally, TimeScape's SpreadSheet Inside (SSI) technology has revolutionized the way Paineiras Investimentos develops and creates custom reports and analyses in line with the ever changing needs of the business. The "spreadsheet meets database" capabilities of SSI compliments TimeScape's financially-aware query language, QL+. The users have found QL+ to be easy to learn and very powerful – especially due to the fact that it is based on business concepts that users are familiar with, such as instruments, prices and curves and hides away the technical details of underlying table and column representation.

As the use of TimeScape continues to grow at Paineiras, the users are excited at the prospect of being able to deal with volatility surface manipulation and interpolation; portfolio manipulation; calculating VAR; conducting market simulations; tracking errors; calculating numerous market ratios and yields; and the pricing of complex instruments within the one solution: TimeScape.

"Prior to implementing TimeScape, Paineiras engaged Xenomorph in an evaluation. The evaluation served two purposes: it demonstrated that TimeScape could satisfy the firm's requirements and proved that Xenomorph is a firm that Paineiras could work with. Having been implemented, TimeScape is gaining widespread acceptance to the point that it is fast becoming a key part of the firm's infrastructure. The people at Paineiras and their plans for the future make it an exciting time for the firm and Xenomorph is proud to be part of it and looks forward to building on this wonderful and positive beginning."

Naj Alavi,
Xenomorph Software

"We really could not have asked much more of Xenomorph. TimeScape enables the firm to operate more efficiently - freeing up staff from time consuming data maintenance and enabling them to spend more time on formulating trading ideas. From a relationship and support perspective, right from the go-ahead to post-implementation support, Xenomorph has engaged as a valued partner who delivered on their promises. Paineiras sees Xenomorph as a long term partner as TimeScape offers a multi-asset capability that covers the full range of our data management and support needs – an off-the-shelf system that has the flexibility and breadth to cope with our continuing need to innovate."

Andre Portilho,
Paineiras Investimentos

“TimeScape offers funds such as Paineiras Investimentos, who use Excel in many of their daily business tasks, the opportunity to reduce reliance and manual effort as a result by centralising data capture and subsequent extraction, calculation and analytics. The familiarity of Excel remains, if required, to perform visualisation and analyses but without the worry of data management; Excel becomes a much more light-weight tool allowing users to concentrate on business issues rather than data mining which often consumes valuable time and introduces additional regulatory and operational risk. Other calculations and processes can be automated and centralised and the speed and flexibility of TimeScape empowers the users to do more than they thought was possible or time permitted. Xenomorph is delighted to have the opportunity to assist Paineiras and help the fund grow.”

Mark Woodgate,
Xenomorph Software

“TimeScape has enabled a few to do the work of many and is saving the firm considerable time and effort. Now it is set to run, we can continue with more pressing tasks and let TimeScape do its thing. It enables us to do things that would otherwise have been very difficult and now we plan to use TimeScape across the firm.”

Bernardo Compagnoni,
Paineiras Investimentos.

BENEFITS

TimeScape gives Paineiras:

- **A solution that grows with the firm**
 - Enables new asset classes to come online very quickly
 - Ensures a future-proof data model
 - New data feeds can be added by the users without vendor assistance
 - New pricing models (whether proprietary or third-party) can be added by the users

- **The ability to capture, store, validate, cleanse and analyze vast quantities of data very quickly**
 - Removes the headache attributed to manual, error-prone tasks and enables users and resources to be focused on more pressing, business-related matters

MORE INFORMATION

Xenomorph delivers data and analytics management solutions to the financial markets. Our TimeScape technology leverages our clients' proprietary expertise, enabling them to analyse and manage more data with greater control and transparency.

Our focus is to make our clients more successful by closing the productivity gaps between high performance database technology, data management and end-user data analysis. Through unified and transparent access to data and data analysis, our clients achieve even higher levels of financial innovation, business process efficiency and regulatory compliance.

Trading, research, risk, product control, IT and back-office staff use Xenomorph's TimeScape data management platform at investment banks, hedge funds and asset management institutions across the world's main financial centres.

Established in 1995, Xenomorph has offices in London, New York and Singapore.

For more information about Xenomorph:

Web: www.xenomorph.com

Email: info@xenomorph.com

London: +44 (0)20 7614 8600

New York: +1-212-401-7894

