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NCD vs EOS Trader

DCCC
Dubai Commodities
Clearing Corporation

DGCX
Dubai Gold
& Commodities Exchange



Agenda

- 📍 Background
- 📍 NCD demonstration
- 📍 NCD vs EOS Trader
- 📍 Alternative
- 📍 Next Steps
- 📍 Questions

Background

- 📍 DGCX Group presentation on 24 February 2021, advised that the current EOS Trader (EOS) front-end application would be replaced by the Nasdaq Core Desktop (NCD).
- 📍 EOS application was a bespoke development undertaken by DGCX at the time of the Cinnober migration.
- 📍 Cinnober did not have their own front-end solution but agreed to develop EOS at DGCX's request.
- 📍 All development and annual costs were absorbed by DGCX, with the only charge levied on Members being for additional User IDs over and above the 3 free User IDs.
- 📍 Nasdaq similarly does not have their own front-end solution – in common with the majority of trading system developers.
- 📍 However, their NCD does have a trader's view that provides for order management.
- 📍 Nasdaq has no interest in developing NCD to be comparable with EOS – even if DGCX underwrites the development costs.
- 📍 Therefore, DGCX seeks to demonstrate the functionality of NCD in order to assess its suitability as a replacement for EOS.

Look & Feel

NCD	EOS Trader
Web Based	Client Application
Shortcut keys- Not available, Mouse based	Shortcut keys- Available for easy navigation
Multiple Watch lists with same name	Multiple Watch lists with different names
Standardized Watch List- not customizable	Customized Watch List
Contract search uses alphabets	Contract search- from contract list tree
Real time price changes are not highlighted	Real time price changes are highlighted
Preference settings- Not available	Preference settings- Highlights, colors and fonts, Triggers, Lock & Shutdown
Trade Ticker- Window	Trade Ticker-Scrolling marquee
Export excel-Watchlist (real time updates), Order book, trade book csv	Export excel- Watchlist (real time updates), Order book , Trade book xls.
My Orders- Highlighted in green in Order book	My Orders- Available as a separate window

Order Management

NCD	EOS Trader
Order entry- Buy / Sell have the same colour	Order entry- Buy / Sell indicated with Blue & Red colour respectively
Order entry window- Necessary to link price information window to auto populate certain fields	Order entry window- Simply by clicking on the instrument certain fields are auto populated
The PKA/Client field - free text. In case of errors in PKA, the trade flows into the default handling mechanism in NRTC	PKA /Client field in OE is mandatory - Available as dropdown
OE window- Extra fields, not in use	OE window- No Extra fields

Trade / Position / Risk Management

NCD	EOS Trader
Trade History available only for one day	Trade History available for more than one day
Nasdaq PTRM	EOS- Not Available
Net Positions screen not available	Net Positions screen is available
Position Square off not available	Positions can be Squared off
MTM (P&L) calculations are not visible	MTM (P&L) calculations are visible in real time
Admin functionality (SA Id) not available	Admin functionality (SA Id) is available

Wholesale Trades/ Request for Quotes

NCD	EOS Trader
Members Enter directly into the system	Exchange enters on behalf of members
RFQs translates into trades	Message Board

Alternative

- 📍 The following options are open to Members:
 - 📍 Migrate from EOS to NCD; or
 - 📍 Migrate from EOS to FIX-applications provided by Independent Software Vendors (ISVs) – e.g. CQG.
- 📍 DGCX have entered into discussions with a software developer with experience in providing front-end order management systems.
- 📍 They have indicated that it would be possible to provide a solution that mirrors the functionality of EOS and to include additional risk management functionality not currently included within the EOS application.
- 📍 However, the development and annual costs associated with this initiative have not been included within the overall DGCX project budget.
- 📍 **IF** DGCX were to pursue this initiative it would seek to recoup an element of the costs from Members.

Alternative

- 📍 Estimates as to the level of costs to Members will be determined on the scale of take-up of the alternative.
- 📍 Assuming 29 members take-up the alternative, the costs would be by way of a One Time Fee plus a User Fee, with approximate figures as follows:
 - 📍 One Time Fee of \$4,000 and monthly User Fee of \$80; or
 - 📍 One Time Fee of \$1,000 and monthly User Fee of \$160
- 📍 The aim of any fee model would be to balance the costs between DGCX Group and its Members on a 50/50 basis approximately.
- 📍 The aim would not be for DCGX to recoup the total costs from Members, either over one year or an extended period of time.

Next Steps

- 📍 Members will want time to consider their options.
- 📍 DGCX is not seeking at this stage any formal or written declarations of intent.
- 📍 However, in order to proceed with the alternative solution, it does need to understand how many Members would, at this stage, be interested in such a solution.
- 📍 Therefore, Members are requested to indicate their preference for:
 - 📍 A – NCD (no cost)
 - 📍 B – FIX-application (cost per Member choice)
 - 📍 C – NCD alternative (cost per level of take-up, see slide 9 for approximate costs)
- 📍 This indication to be provided by no later than 2 April 2021.
- 📍 If there is insufficient demand for option C, then this shall not be pursued.
- 📍 Members shall be advised of the outcome as soon as possible, and should option C be pursued, be kept updated on progress.



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THANK YOU

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