

HOW FASTER FOREIGN EXCHANGE TRANSACTIONS PUT AN AUSTRALIAN BIG 4 BANK IN THE MONEY

This major Australian financial institution trades on the FX market like many other large international banks, traders and brokers. This facilitates international investment and trade as well as the buying, selling, exchanging and speculation of currencies.



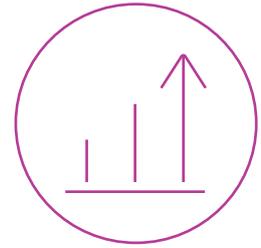
CHALLENGE

Australia's isolation from Northern Hemisphere trading hubs has always presented communications challenges. Transactions in New York were done from minimal infrastructure in this institution's NY office.



SOLUTION

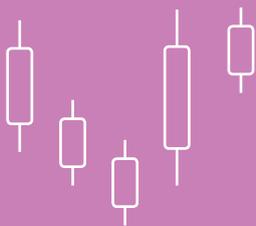
Needing to get closer to the action, they decided to install FX infrastructure for London and New York in these global hubs, allowing it to transact on a level playing field. They opted to partner with SMS. This was backed up by SMS's track record with the ongoing success of a previous similar engagement.



BENEFITS

The institution's FX transactions are now measured in milliseconds. The customer signed a multi-year managed services contract with SMS including round the clock support to keep pace with a market that never sleeps.

FACTS & FIGURES



FX TRADING AVERAGES
\$US5.3 TRILLION
PER DAY



A TRADING APPLICATION THAT
IS JUST A MILLISECOND FASTER
CAN GENERATE AN EXTRA **\$US100**
MILLION ANNUALLY

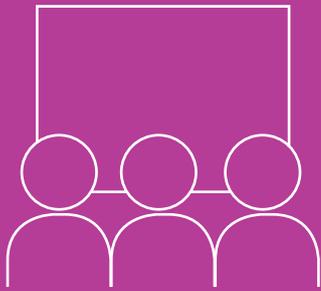


60 PER CENT OF ALL GLOBAL
TRADES GO THROUGH EITHER LONDON
OR NEW YORK



ABOUT SMS

A leader in advisory, solutions and managed services, SMS cultivates innovation, digital, mobile and design-led business and technology capability to empower organisations across all industry sectors. With over 1600 staff across Asia Pacific, SMS promotes and delivers next-generation customer-centric outcomes for their clients.



BACKGROUND

This major Australian financial institution trades on the FX market like many other large international banks, traders and brokers. This facilitates international investment and trade as well as the buying, selling, exchanging and speculation of currencies.

Unlike stock exchanges around the world, the FX market operates 24 hours a day, five days a week, with trade shifting from one location to the next as markets open and close in different time zones. The biggest markets are located in New York and London, with 60 per cent of all global trades going through one or the other. According to the most recent Triennial Central Bank Survey, which examined turnover in April 2013, FX trading averaged \$US5.3 trillion per day.

NEED FOR SPEED

Australia's isolation from Northern Hemisphere trading hubs has always presented communications challenges. Transactions in New York were done from minimal infrastructure in this institution's NY office. Many of their competitors and trading partners were operating out of a single NY data centre – the defacto "hub" of high speed FX trading. Their London traders were even more disadvantaged, having to transact via NY, half a world away. This put the institution at a significant disadvantage against competitors. According to Information Week, a trading application that was just a millisecond faster could generate an extra \$US100 million annually for a major brokerage firm.

The institution needed to get closer to the action, and decided to install FX infrastructure for London and New York in these global hubs, allowing it to transact on a level playing field.



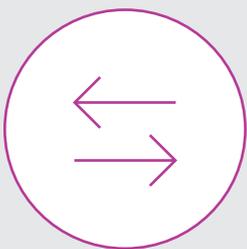
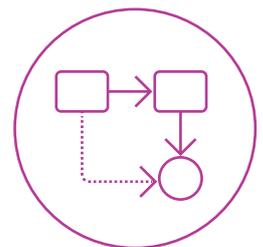
PROVEN TRACK RECORD

A number of key internal stakeholders across various departments had to be involved in the project so the ability to liaise with them as needed was vital. They opted to partner with consulting and managed services firm SMS Management & Technology. This was backed up by SMS's track record with the ongoing success of a previous similar engagement.

MANAGING COMPLEXITY

The combination of aggressive timelines with strict compliance and security requirements made the project extremely challenging. Millions of dollars of high-end data centre equipment including servers, switches, routers and security systems had to be installed and configured in New York and London datacentres, including a new global high speed WAN. The tight timeframe meant complex tasks had to be turned around quickly. Anything that couldn't be done remotely was completed in conjunction with selected local contractors.

The system needed to be low latency, highly available, and fully redundant, enabling the institution's globally distributed systems to operate across sites and to be quickly accessible to any stakeholder in New York, London or back in Sydney. So, for example, if the FX environment in London was down, the New York site would continue to serve this function and accommodate the outage. Backup systems are in place for failure of local individual equipment as well as site wide failures. Direct cabling to trading partners has been provisioned in each centre, eliminating slow telecom links. Even fractions of a second could impact the profitability of a trade so SMS installed high performance infrastructure to greatly improve speed of connectivity.



HIGH-SPEED SYSTEMS

Now, the institution's FX transactions are measured in milliseconds. The customer signed a multi-year managed services contract with SMS including round the clock support to keep pace with a market that never sleeps. This gives them the best of both worlds – locally managed systems that improve their global performance.