

Greater processing speed is required, developers can compile C-coded programs automatically generated within Matlab by making use of its recently introduced C compiler. Users can then run the module in native mode at machine speed from within or outside of the Matlab environment, he adds.

DBNA isn't the only bank to use Applix's Unix spreadsheets together with other systems to support its pricing and analysis needs. First Union National Bank of North Carolina has deployed a similar platform based on a combination of Applix software and Infinity Financial Technology's Fin++ financial object library (*DE&T*, March 20, 1995).

Other financial institutions using Matlab as an application development environment for derivatives pricing and analysis include Daiwa Europe in London (*DE&T*, June 12, 1995) and Fuji Capital Markets in New York (*DE&T*, May 30, 1994).

RISK MANAGEMENT & INTEGRATION

BP OIL IS FIRST CUSTOMER FOR NEW RISKWARE ENERGY DERIVATIVES APP

LONDON-based software vendor Riskware Systems today releases a new application for trading and risk management of energy derivatives. The system, dubbed Tims Energy, was developed by Riskware in partnership with BP Oil Trading International, the trading arm of British Petroleum. BP currently uses the system at eight sites globally. Riskware officials say Tims Energy is the first of a series of applications and systems that the vendor plans to release this year.

Officials at BP couldn't be reached for comment by press-time. However, according to Hossein Mohsenzadeh, chief executive of Riskware, BP Oil originally signed with the vendor in late 1994. At that time, Riskware didn't have a commodity derivatives product, he says, but agreed to develop one for BP Oil. Mohsenzadeh stresses, however, that Tims Energy was developed as a commercial application rather than a customised consultancy project.

Tims Energy runs on Microsoft Windows-based PCs at the front-end, with either Unix or Windows on the server side. BP Oil is using a Sun Microsystems workstation running Sybase as its server, says Mohsenzadeh. He adds that the server side of the system deals purely with data - application modules reside on the Windows PCs.

As well as Tims Energy, BP Oil has licensed two other Riskware products - the Riskobjects financial class library and a set of pricing routines dubbed Riskequation. Around 130 BP staff use the three Riskware products, says Mohsenzadeh.

Tims Energy is primarily used at three BP Oil offices in London, Singapore and Cleveland, Ohio. BP's regional offices in Hamburg, Paris, Texas, Connecticut and Tokyo also use the system. Mohsenzadeh describes the product as a "front and middle office" system for commodity derivatives, covering everything from exchange-traded oil futures to complex derivatives such as exotic options and commodity swaps.

BP Oil is using Tims and other Riskware products in its front office for pricing and middle office for position keeping and analysis. The company has also deployed the systems for high-level cross-desk risk management, says Mohsenzadeh.

At BP, Tims is linked to MTI Trading Systems' OpenTrade digital data distribution platform, formerly known as DECtrade. Separately, the Riskware system is linked to historical real-time energy data supplied by U.K.-based data vendor Saladin.

OO Design

Tims - as with other Riskware products - was developed using object-oriented programming techniques and written in C/C++. Much of this code comes from standard Riskware libraries, says Mohsenzadeh, modified for the complex specific requirements of the energy market. Some of these changes were harder to code than expected, he says: "We didn't realise how difficult it would be."

Now that Tims Energy is live and running at BP Oil, Mohsenzadeh says the vendor plans on expanding its commodities functionality into other areas. In particular, Riskware plans to release support for metal derivatives early on this year.

Riskware was founded at the end of 1992 by Mohsenzadeh, a former Bankers Trust risk manager. The vendor initially concentrated on building object libraries and spreadsheet add-ins, but soon moved into full-blown applications.

One of these systems, a basic derivatives risk management application called Derivatives Markets Window, was licensed to First National Bank of Chicago in late 1993 (*DE&T*, January 1994). However, since then Riskware has kept a low profile.

Mohsenzadeh says the company has kept out of the limelight in order to concentrate on building its functionality and working with key clients. However, he says the release of Tims Energy is the first in a series of new products that Riskware will be aggressively