also opt for different systems for niche products and complex derivatives." Ewald adds that Dresdner is "looking into the market right now" for derivatives systems, but hasn't made any final decisions.

Dresdner's selection of Opics coincides with the bank's move to a new trading facility at 75 Wall Street, New York. This 160-position installation covers one-and-a-half floors, says Ewald. It merges Dresdner Bank's and Dresdner Securities' trading rooms, he adds, which were previously housed in separate buildings.

Ewald adds that the Opics treasury systems will replace a variety of disparate systems. In particular, he says the bank's money market operations previously used "a set of non-integrated tools."

In New York, the bank will integrate Opics with its commercial banking and reporting systems, developed in-house at Dresdner's Frankfurt headquarters. On the front office side, Ewald says Dresdner plans to develop automated links to real-time market datafeeds and dealing systems such as Reuters' Dealing 2000.

The new systems will be used as the first step towards building a cross-product risk management system for Dresdner's North American treasury operations, says Ewald, though he declines to comment on specific details of the bank's risk management plans.

He confirms that the Opics applications will allow the bank to integrate its front office operations and pool its trade data in a single Oracle relational database. Ewald also confirms that Dresdner intends to use this unified trade data for cross-product risk management.

VENDOR STRATEGIES & SYSTEMS

GLASSCO PARK READIES EXOTICS MODELS FOR PERFECT HEDGE 6.0

VANCOUVER-based derivatives software specialist Glassco Park is preparing to release a series of enhancements for the MicroTool Function Library underlying its The Perfect Hedge analytics add-in for Microsoft's Excel spreadsheet. Due out next month, version 6.0 of The Perfect Hedge will include 16 additional new exotic option pricing models.

Robert Park, Glassco Park's managing director, says the enhancements reflect a combination of the vendor's market awareness and input from The Perfect Hedge users. "These enhancements just address the evolution in the financial marketplace," says Park. "We regularly add functionality that our users request."

According to information provided by the vendor,

next month's release includes models to calculate fair value and delta for path-dependant digital pay-at-expiry, digital pay-when-hit, average price, lookback and path-independent digital all-or nothing options, among other instruments.

Financial Engineering Layer

The Perfect Hedge itself is a combination of pre-defined spreadsheets and financial analytic functions that run within Excel. "We have added a financial engineering layer to Excel." says Park. "We provide the financial engineering tools and rely on Microsoft to provide all of the other functionality." Park adds that the vendor releases upgrades to The Perfect Hedge every nine months, though he would not specify what functionality is being considered for future releases.

Currently, The Perfect Hedge runs on PCs under Microsoft's Windows 3.1 and Windows NT environments. Following next month's release, the system will also be available within Windows 95. The package is built around Glassco Park's MicroTool Function Library, a dynamic link library of over 230 C-coded software objects.

The library covers both underlying and derivative instruments, including futures, forwards and non-exotic options in the debt, equity, interest rate, currency and commodity markets. These objects can either be called directly as Excel formulae, or via a button-bar interface that lets traders construct spreadsheet applications by simple point-and-click procedures, complete with context-sensitive help.

Microsoft Vision

Glassco Park claims that its array of analytic objects for the Excel spreadsheet can be used to create custom quote screens for pricing structured deals faster than hard-coded pricing software. The vendor is heavily committed to Microsoft's vision of the future – all its systems run on a PC/Windows configuration.

David Glassco, a former options trader, and Park founded Glassco Park to develop and market low-cost derivatives trading applications that deliver functionality comparable to higher-priced off-the-shelf packages. Most of its clients are buy-side or small sell-side institutions, according to industry observers.

Late last year Glassco Park signed a deal with Reuters in the U.K. to promote The Perfect Hedge to users of Reuters datafeeds (DE&T, December 12, 1994). The vendor's MicroTool library also forms the basis for rival data vendor Knight-Ridder Financial's KR Toolkit derivatives analytics system, available on Knight-Ridder's MoneyCenter for Windows standalone data platform (DE&T, May 30, 1994).