Best Sell-Side Market Risk Product: Bloomberg

Product: Mars Market Risk

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400,000

The Mars Credit Risk module covers more than 400,000 public and private firms, and more than 100 sovereigns.

Mars covers...

Mars covers front-office risk, market risk, XVA, hedge accounting, and collateral management.

"Since its inception in 2015, we continue to value and rely upon Mars Market Risk and its excellent support team as trusted partners in meeting our internal and external market risk reporting needs. The product has continued to evolve with markets and regulatory requirements by offering a steady stream of enhancements and innovations. We particularly appreciate the increasing flexibility being built into the product, affording us more control over a number of its calculations, as well as the product's FRTB solution in meeting our future regulatory needs."
Anthony DeLorenzo, head of market risk, Raymond James Financial

"Every bank is facing challenges and is being pushed beyond its comfort zones by regulations such as FRTB. Solving for this requires having access to a risk solution that ensures consistency, scalability and accuracy across all asset classes. Bloomberg Mars Market Risk helps bank attain best practices in risk modeling without having to bear the full cost of building the data and analytics capabilities in-house. It also helps banks align trading and risk analytics. Books that traders already view in Bloomberg have consistent data, analytics, and settings under Mars Market Risk, while books coming from other systems can still be modeled consistently as Mars also gives banks the flexibility to load their own data and set models and data mappings." **Eugene Stern, head of Mars Market Risk, Bloomberg**

WHY THEY WON

Clients praise the market risk module of Bloomberg's Multi Asset Risk System (Mars) as the benchmark real-time risk calculation tool across listed and OTC asset classes. This year's win owes much to the vendor's development of enhancements to help clients manage the Libor transition, a new credit risk module to help clients assess risks arising from the Covid-19 pandemic, and the provision of supporting technology for the New York Federal Reserve's emergency Commercial Paper Funding Facility to help companies find funding in the current environment.

WHAT'S NEW

- Bloomberg developed new front-office, market risk, and counterparty products and workflows to help clients manage the global Libor transition. As an example, it launched the Bloomberg Short Term Bank Yield Index (Bsby) to meet market demand for a credit-sensitive index to serve as a supplement to Sofr.

- The company launched a Mars Credit Risk module to help clients identify and assess their credit risk amid market disruptions arising from Covid-19, and increased attention from global regulatory bodies. The solution provides point-in-time probability of default, loss given default, model credit default spreads, and expected credit loss.

- To help sell-side desks optimize their trading workflows, Bloomberg launched an AI-driven order recommendation tool that uses a machine learning model to apply a ranking score to orders as they are received, and provides traders with a real time consolidated and prioritized view of orders.

- The vendor enhanced analytical support for structured products, including the implementation of new pricing models and advanced methodologies for the calculation of Greek sensitivities, value-at-risk analytics, and lifecycle capabilities.

WHAT'S TO COME

- As Bloomberg adds larger clients, particularly for regulatory functionality, the company will continue to grow the scalability of the platform.

- As national regulatory bodies implement the new Basel framework, Bloomberg will look to offer flexibility for banks to implement their local jurisdictions' particular versions of the market risk rules.