

MFX Compass: Levelling the e-FX playing field

In an increasingly volatile market, it has never been more important for FX market makers to have a robust, agile and profitable e-FX risk management offering.

The larger banks dominate the industry leaving smaller institutions unable to remain competitive due to factors such as expense, lead times, and lack of expertise. In addition to this, understanding cost of execution can often be over-complicated by various factors. Commissions, fees and other explicit costs, as well as implicit charges like those associated with signalling risk, all add up and result in a much higher overall spend.

MFX Compass is MahiFX's institutional sell-side product offering. It aims to alleviate

these issues by maximising internalisation through a complex covariance framework while minimising hedging costs, allowing smaller banks and brokers to create and own their spot FX rates. A detailed suite of client flow analytics enables the user to monitor and evaluate their execution costs and profitability of flow, identifying where savings can be made.

The majority of market makers currently form spot FX rates for their clients by using aggregators, which allows them to skim top of book from

a range of liquidity providers. However, this renders them completely reliant on prices provided by the larger banks, often meaning that they are subject to latency or a skewed mid rate. Subsequently, it becomes very hard deliver an accurate price leading to issues when trying to monetise flow. MFX Compass is an integrated engine for price formation, risk management and client analytics. With all the elements and parameters configurable users of MFX Compass can tune and optimise as they see fit. Everything the client needs to operate and optimise an e-FX market-making engine is provided within MFX Compass.

With growing vulnerabilities in the e-FX industry, MFX Compass provides users with the ability to expose these. Whatever priorities a client has for their business, MFX Compass' fully customisable dashboard provides complete, fine-grain control, whilst the MahiFX team partner with the client and ensure that the engine is constantly tuned to achieve optimum results.

MahiFX aims to provide MFX Compass clients with a unique set of tools that have previously only ever been built and used by top tier banks. MFX Compass allows its users to gain a level of involvement, insight, and engagement that ensure maximum performance and competitiveness.



MFX Compass Dashboard