

Quantitative Brokers

Quantitative Brokers (QB) specialises in execution algorithms that have been custom-built for the interest rates market. Each of the three flagship algorithms – Bolt, Strobe, and The Roll – focus on optimal order book placement and reduction of slippage costs. The algorithms dynamically position orders based on pro-rata and FIFO passive fill probabilities, calculate the presence of hidden and implied liquidity, and utilise

real-time co-integration signals from the entire rates curve.

QB emphasises open collaboration with its clients and will work with them to create a flexible algorithmic solution. The broker believes that clients need to fully understand both the analysis and technology behind its algorithms, therefore transparency of its models is of utmost importance. QB provides detailed transaction

Description of Algorithms

Bolt	Ideal for urgent orders of durations up to 30 minutes, Bolt aims to beat the bid-offer midpoint at the time the order is received. Bolt leverages Quantitative Brokers proprietary pro-rata and FIFO order placement techniques and uses cointegration signals from related instruments to detect pricing discrepancies. Bolt also intelligently works the order book to collect spread when possible and can be used on outright, spreads, butterflies, packs and bundles.
Strobe	Ideal for large orders that can be worked for 30 minutes or longer, Strobe aims to beat the time or volume weighted average price. Strobe leverages Quantitative Brokers proprietary pro-rata and FIFO order placement techniques and uses cointegration signals from related instruments to detect pricing discrepancies. Strobe also continually readjusts order size and price to passively collect spread, and can be used on outright, spreads, butterflies, packs and bundles.
The Roll	The Roll algorithm is designed specifically for trading the US Treasury futures roll and aims to beat the time or volume weighted average price. The Roll intelligently tracks the low-volatility, long-queue characteristics of the roll market and analyzes historical and real-time market signals to determine the optimal time to roll. The Roll also tracks cheapest to deliver sensitivities and dynamically sizes child orders in line with the market in order to maximize the fill ratio. Finally, The Roll can continually readjust resting order size and price to passively collect spread.

cost analysis on every order as well as periodic quantitative microstructure research.

QB is an agency-only executing broker that does not engage in any proprietary trading. All orders are transmitted anonymously, so information leakage is not a concern. Trading with QB requires no software, licenses, or up-front costs.

QB's production infrastructure is proximity

hosted at each supported exchange and uses only the latest technology for its high-frequency algorithmic development and data analytics.

The algorithms can be accessed via FIX, proprietary systems, or any requested vendor EMS/OMS.

Customers may clear their trades with any FCM or clearing broker of choice. QB serves a range of institutional clients, including CTAs, hedge funds, banks and traditional asset managers.

Common Algorithms

Bloomberg	✓
Flextrade	✓
Portware	✓
Other	✓

Markets

United States	✓
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Concepts

Pro-rata order placement	
Full Transparency	Post-trade reports charting what child orders were placed and where in the order book
Cointegration model	Designed for the "Bolt" and "Strobe" algorithms for clients trading Eurodollar futures, the model monitors the prices of the front two years of the Eurodollar complex to look for short-term departures from equilibrium. It then generates a price prediction signal for each individual Eurodollar contract, which is dynamically updated throughout the trading day and applied to the algorithms' real-time order placement logic.

Company
Quantitative Brokers

Department/Division
N/A

Service or Product
Fixed Income Execution Algorithms

Launch Date
2010

Website
www.quantitativebrokers.com

Claimed Feature(s)
• Pro-rata order book placement techniques. • Account and Instrument level Pre-trade Risk Controls. • Interest Rates Market Microstructure expertise.

Claimed Advantage(s)
• QB conducts no proprietary trading - agency only. • All models are built exclusively for Interest Rates • Co-integration price-prediction model from neighboring yield curve prices. • 100% of infrastructure and algos are hosted at the exchange for lowest latency. • Flexible connectivity options to any additional client requested interfaces.

Special Facilities
• Independent floor brokerage/ agency only. • FCM neutral – clients can clear with any clearing broker they choose.

Asset Classes
• Fixed Income • Futures (Fixed Income Futures only)

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