

Bespoke service provided by Galeo

Compelling arguments for portfolio monitoring

The advantages of a portfolio monitoring service are clear and significant for a client whose assets are managed by several banks or asset managers. The collection of information and its aggregation into a single analysis and reporting system are in themselves a substantial gain in efficiency. Furthermore, the monitoring of the managers in terms adherence to the mandate, performance, quality of service, fees, cashflows and proactivity provides the client with a high level of control and comfort.

While not so obvious, the benefits for a bank are also significant. The knowledge that the client is informed of the banks actions and that misunderstandings will be rapidly identified and corrected is not to be neglected. In fact, by openly communicating with the monitoring services the bank can enhance its profile with the client and ensure he has a proper appreciation of quality and breath of its people and services.

Market Manager

vwd pages, preconfigured information rich pages

Market Manager provides numerous preconfigured pages that you can access and search using the vwd pages icon:



On the main page (1) you are provided with a list of asset classes, markets, economic data, contributors, news and hints that will allow you to drill down to the desired information.

Main page (1)

CONTENT	
ASSET CLASSES	
102	Bonds
101	Equities
120	Funds
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COMMODITIES	
108	Energy
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FX & MONEY MARKETS	
500	Crossrates
450	Treasury
....
OVERVIEWS	
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121	Austria
123	Belgium
....
RISK & ANALYTIC DATA	
230	Economic Data
160	Ratings
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CONTRIBUTORS & BROKERS	
400	Brokers
300	Central Banks
140	Contributors

You can then navigate the pages using the page back, page forward, previous page and next page icons:



Alternatively, you can search the available pages by typing in the relevant keywords in the search box.

Search results for "Corn"

Headline	Page
CBOT - CORN CBOT - e-cbot ELECTRONIC TRADI...	4064
EURONEXT DERIVATE - CORN	4034
BLOOMBERG - SUB - INDICES CORN	47033
BLOOMBERG - FORWARD - INDICES CORN	47088
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Bloomberg Commodity Index Family	47000
CHICAGO BOARD OF TRADE	2810
Index Euronext Commodities Derivatives	4025

Instruments and indices provided in the pages can be used in or analysed with all the tools available in market manager including: graphs, quotes, news, index members, top-flops, time series, alerts, company analysis and estimates, fund portraits,

One of the Fx crossrates pages (501)

	USD	EUR	GBP	JPY	CHF
USD	-----	0.80371	0.70236	105.00000	0.94429
EUR	1.24376	-----	0.87390	130.63554	1.17463
GBP	1.42329	1.14430	-----	149.48607	1.34413
JPY	0.00952	0.00765	0.00669	-----	0.89917
CHF	1.05925	0.85133	0.74398	111.21427	-----
DKK	0.16707	0.13428	0.11735	17.54172	15.77290
NOK	0.13009	0.10456	0.09137	13.65885	12.28156
SEK	0.12204	0.09808	0.08572	12.81330	11.52128
CAD	0.77720	0.62465	0.54588	81.60095	0.73373
CZK	0.04885	0.03926	0.03431	5.12929	4.61208
HUF	0.00398	0.00320	0.00280	0.41785	0.37572
PLN	0.29472	0.23687	0.20700	30.94324	27.82308
RUB	0.01745	0.01403	0.01226	1.83244	0.01648

A sample of pages you may find interesting

- 1 Main page
- 2508 Major Indices
- 101 Equities
- 3003 MSCI indices
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- 500 Currency cross rates
- 70 Bond, future and forward curves
- 26700 Crypto currency overview
- 230 Economic data main page
- 201 Economic data by country

Legislation monitor

Financial Institutions and Financial Services acts

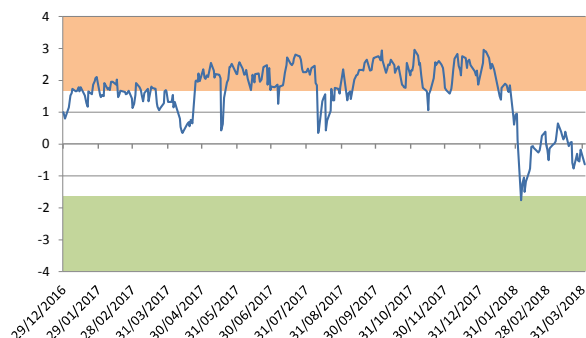
The Council of States announced the results of its review of the two acts on the 7th of March. While this new legislation aims to improve client protection the senators have agreed to an easing of the duties of financial intermediaries without fully accepting all the proposals reducing investor protection. Only the producer of false information is to be liable for damages caused. Other intermediaries involved in the distribution are only responsible if they were not sufficiently diligent. Financial intermediaries need only provide an information sheet in the case of a personal recommendation to a private client. The publication of a prospectus is only required for product offerings of more than 8 million francs over 12 months and that target at least 500 investors. The Council of States has on the other hand refused to lower the fines for misinformation nor has it agreed to curbing revocation rights for services sold door-to-door. It is now once again the turn of the Council of States to review the acts.

Exuberance and gloom

VIX scare

The strong equity run of 2017 continued into January but was brutally halted by rising bond rates that reminded the markets of the risks of higher inflation and Fed tightening. While US equity markets remain jittery, option markets are fearful. The VIX, an indicator of implied volatility of options on the S&P500, which had closed as low as 9.2% in January, peaked as high as 50% intraday on February 6th and currently remains above 20%. Driven by rising volatility, option sentiment crashed from the exuberant to the gloom zone, before rising towards historical averages.

VIX (S&P500 implied volatility) sentiment



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Calculation corner

Performance and the intraday timing of cashflows

With the knowledge of a portfolio's end of day values and the dates of its cashflows one can calculate the portfolio's performance by compounding its daily performances. The determination of daily performances requires an assumption about when precisely during the day cashflows should be considered to have taken place. At the beginning, the end or in the middle?

We will illustrate the determination of daily performance using the Modified Dietz method which is calculated as follows:

$$(V_{END} - V_{PRIOR} - \sum CF_i) / (V_{PRIOR} + \sum [CF_i * W_i]), \text{ with}$$

V_{PRIOR} and V_{END} the portfolio's values at the end of the prior and current days, CF_i the cashflows and W_i the remaining day fraction. For example, if a cashflow occurs at start of day $W_i = 1$ and if the cashflow occurs at end of day $W_i = 0$.

Example - end of day with $W = 0$

A client opens an account with a contribution of 100. The bank takes a fee of 10 leaving 90 in the client's account. Considering the payment to have taken place at the end of day would imply a division by zero as:

$$W = 0 \text{ and } (V_{PRIOR} + CF * W) = (0 + 100 * 0) = 0.$$

This problem can be solved by assuming the payment occurred at start of day as $W = 1$ and the Modified Dietz return is: $(90 - 0 - 100) / (0 + 100 * 1) = -10 / 100 = -10\%$.

Example – start of day with $W = 1$

Unhappy with his bank's fees, the client decides to close his account. The bank takes a further fee of 9 and wires the remaining 81 to the client. Considering the payment to have taken place at the start of the day results in $W = 1$ and a daily Modified Dietz return of:

$$(0 - 90 + 81) / (90 - 81 * 1) = -9 / 9 = -100\%.$$

This is plainly wrong and the expected performance is derived by assuming the payment occurred at end of day: $(0 - 90 + 81) / (90 - 81 * 0) = -9 / 90 = -10\%$.

What about cashflows other than opening and closing flows? A possibility is to consider that all inflows occur at start of day and all outflows at day end. This may result in an unexpected performance impact if a large sum of money momentarily transits through an account. Another alternative is to consider that, with the exclusion of opening and closing flows, all flows occur in the middle of the day.

Please contact us for further discussion.