



markit™

Financial  
Information  
Services

## About Markit

Markit is a leading, global financial information services company with over 1,400 employees. The company provides independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency. Its client base includes the most significant institutional participants in the financial market place.

## Data

Markit provides sophisticated data products and services to a broad range of global financial institutions and other market participants. These are used throughout the industry for risk control, mark-to-market, research, reference and forecasting activities.

**Markit BOAT™** – The largest MiFID compliant over-the-counter (OTC) trade reporting venue for the European cash equity market. On a daily basis, it distributes in real-time over €20 billion in reported trade volumes from multi-lateral trading facilities, dark pools and brokers. Markit BOAT data represents on average over 25 per cent of the European cash equity market.

**Markit Bonds** – A pricing service that aggregates, validates and distributes composite bond prices. It covers 11,000 bonds, including all constituents of the Markit iBoxx™ indices. Real-time bond pricing for EUR and GBP Markit iBoxx indices is available through a number of vendors.

**Markit Evaluated Bonds** – Independent pricing data on corporate and sovereign bonds across the investment grade and high yield universe for the fixed income market. The evaluated bond price is not simply 'mark-to-market' - it is produced by a resultant price validated against a number of parameters from a wide range of sources.

**Markit CDS Pricing** – Credit default swap (CDS) pricing data that provides composite data for approximately 2,800 individual entities. Using a data cleansing process, marks are aggregated from contributors to generate a composite price. In addition, clearing prices are available for centrally cleared CDS instruments.

**Markit Dividend Forecasting** – Independent discrete dividend forecasts on amounts and dates (ex, record and pay) up to four years on a global set of over 6,000 stocks.

**Markit Environmental Registry** – A registry that provides transparency and credibility for the listing and management of all environmental assets including carbon, water and other biodiversity credits. It lists and tracks Pending Issuance Units and includes a Request for Information platform that connects potential buyers of environmental assets with potential sellers.

**Markit LCDS Pricing** – A service that offers loan credit default swap (LCDS) pricing data that covers over 700 entities and reference credits in North America and Europe. Pricing is provided end-of-day and same-day.

**Markit Loan Pricing** – A pricing platform that provides mark-to-market pricing on over 6,600 loan facilities daily. The platform is used by global market-making desks active in loan sales and trading. It aids market liquidity and price transparency.

**Markit MSA** – A fully validated and independent market share analysis tool for the European cash equity markets. The platform aggregates and ranks brokers based on their daily trading activity by reference to volume or value across an instrument, venue, sector, country or index.

**Markit PMIs** – Indicators used by financial analysts, forecasters and policy makers to help understand business conditions in the private sector economy. The PMIs move fixed income, forex, futures and options markets as they are watched by leading central banks. They are also used by analysts to forecast official data such as GDP.

**Markit Quotes** – A real-time quote parsing service that extracts indicative and live OTC and cash pricing from email messages. The service provides portfolio managers, traders and risk managers with increased transparency and insight throughout the day.

**Markit RED™** – The central source of legally verified credit derivatives reference data within the CDS and LCDS markets. The unique 6 and 9 digit RED codes allow for increased efficiency, timely trade execution via straight-through-processing (STP) platforms whilst simultaneously reducing legal and operational risk.

**Markit Sameday** – An independent mark-to-market data service that provides updated spread curves for single name CDS four times a day.

**Markit Structured Finance** – A portfolio of services that support transparency and the trading of structured products to help market participants deal with complex regulatory challenges. The portfolio includes timely and concise data, analytics, pricing and valuations.

**Markit Trade Finance** – A pricing service for trade finance practitioners that allows investment and risk managers to reliably price and value trade finance assets. Credit margins are provided over LIBOR for tier one, two and three bank risk on a list of 38 emerging market countries.

## Distribution

The distribution channels from Markit enable clients to access financial services information and also to communicate with industry peers. The content available includes aggregated data, industry analysis, research, news and counterparty documentation.

**Markit Connex** – A secure, real-time communication tool that combines instant messaging, identity management, discussion forums, content (structured and unstructured), alerts and directory services.

**Markit Desktop** – A powerful cross-asset display for viewing data, analysing the markets, and supporting sales and trading decisions. It can combine a client's dealer price runs with real-time daily and historical price data from Markit across the key derivative asset classes. The fully customisable desktop allows Excel integration via real-time data and includes over 200 additional sources of third-party content.

**Markit Distribution Platform** – A multi-source, cross-asset, real-time data distribution platform that maps, stores, permissions and distributes prices, news, history and reference data on over 16,6 million listings, coming from Markit and 200+ external sources, with average number of updates of over 3.2 billion per day with peaks of over 200,000 per second.

**Markit Document Exchange** – A platform that brings the sell-side and buy-side together onto one interface, allowing all key counterparty documentation to be seamlessly exchanged securely and efficiently.

**Markit Hub** – Provides financial professionals with premium content normally accessible only via multiple password-protected websites. Single sign-on and advanced search features provide easy access to content published by global banks and third party providers via the Markit Hub navigation banner.

**Markit Solutions** – Bespoke data feed solutions that address the challenges associated with the integration, management and utilisation of market data, news, analytics and research.

## Indices

Markit offers independent, transparent and objective indices for trading, product structuring and data. Existing indices cover bonds, commodities/environmental, credit, equities, FX, loans and structured finance. The indices are used by investment professionals for performance benchmarking and as the basis for financial products, including Exchange Traded Funds (ETFs).

**Markit Commodity and Environmental Indices** – Indices that cover the carbon emissions market including the Markit BlueNext EUA Spot Index and the Markit CER Success Rate Indices.

**Markit Credit and Loan Indices** – Indices used for investing, trading and hedging in the credit markets including Markit CDX™, Markit iTraxx™, Markit LCDX™, Markit LevX™, Markit SovX, Markit MCDX and Markit VolX.

**Markit Equity Indices** – Indices that are based on investment themes or strategies that draw on Markit's areas of expertise or strong partnerships we have with third parties. These include Markit Carbon Disclosure Leadership Indices and the Markit Data Explorers Sector Sentiment Indices.

**Markit iBoxx Bond Indices** – Leading global bond indices that are used for benchmarking and as the basis of financial products. These indices provide data for research, asset allocation and performance evaluation and cover government, sub-sovereign, agencies, corporate, inflation-linked and emerging markets bonds in all major currencies.

**Markit iBoxx FX Indices** – Trade weighted indices based on central banks' basket exchange rates which track the performance of a currency against a defined basket of currencies.

**Markit Structured Finance Indices** – Indices that allow investors to hedge or take exposure to a particular asset class such as commercial mortgage-backed securities or asset-backed securities. These include the Markit ABX.HE, Markit TRX.NA and Markit CMBX indices.

**Markit Bespoke and Custom Index Service** – An independent solution to help clients design, administer, manage, calculate and publish their proprietary indices. It allows our clients, such as structured products desks, to retain full intellectual property rights whilst ensuring an objective index for their index-based financial products.

**Markit Exchange Traded Products Service** – A service that provides a comprehensive source of exchange traded products (ETP) composition and trade data combined with ETP dividend and ex-date forecasts.

**Markit Index Management Service** – A service that accumulates over 500,000 global indices and exchange-traded funds in a single XML feed. It removes the need to map to hundreds of separate feeds and calculation methodologies in different formats and time zones.

Disclaimer: Markit does not trade in any securities or indices. The index business adheres to a strong governance framework that includes an external index advisory board, and oversight and technical committees.

## Portfolio Management Services

Markit provides a suite of software products and services designed to make the management of bank loan portfolios and structured deals an efficient process. Our portfolio management solution, Markit WSO, gives immediate access to real-time reference and transactional loan data. Its functionality is tailored to handle the unique behaviour of bank loans and compliance reporting required for complex structures.

**Markit WSO Accounting** – A custom interface which translates activities in Markit WSO into journal entries and facilitates import into a general ledger package.

**Markit WSO Administrator** – A system that manages large numbers and types of assets and portfolios for tracking and reporting, with dedicated functionality for bank loans.

**Markit WSO Advanced Reporting** – An advanced reporting tool that enables users to create their own custom reports and extracts with granular scheduling and publishing options.

**Markit WSO Agent** – A software system for loan origination administration to the syndicate and issuer.

**Markit WSO Compliance** – A custom module permitting the running of compliance tests and production of reports required by the governing documents.

**Markit WSOData** – A centralised repository of reference and transactional loan data allowing request/retrieval and integration with the Markit WSO Administrator for STP.

**Markit WSOFax** – An online document management service that provides a secure, common repository for incoming notices and access to categorised documents.

**Markit WSO Interfaces** – A suite of automated solutions for labour-intensive manual processes of entering data such as trades, prices and ratings.

**Markit WSO Performance Analytics (PA)** – An analytics/reporting tool for slicing and benchmarking performance contribution, time series and attribution analysis.

**Markit WSO Reporting** – A reporting tool that provides immediate access to over 170 standard accounting and portfolio analysis reports with dynamic properties and full report descriptions.

**Markit WSO Security** – An application-based security feature that allows users to access only the information directly related to their roles and responsibilities.

**Markit WSOWeb** – A web-based application for clients who outsource back office loan administration to Markit. Clients can view their portfolios securely online 24/7.

## Trade Processing

MarkitSERV was formed by Markit and the Depository Trust & Clearing Corporation (DTCC). MarkitSERV combines the flagship electronic trade confirmation, position reconciliation and related workflow platforms from its parent companies to provide a single gateway for OTC derivative transaction processing globally.

**MarkitSERV Credit Novation Consent** – A service that automates the request, approval and notification procedures among the three parties involved in an OTC credit derivative contract assignment as stipulated by the International Swaps and Derivatives Association (ISDA®) in its Novation Protocol<sup>SM</sup>.

**MarkitSERV DSMatch** – A platform that automates matching and confirmation for a wide range of OTC derivatives products, including credit, equity and interest rate contracts.

**MarkitSERV MarkitWire** – An electronic network that delivers real-time legal confirmation, trade capture, and STP for sell-side and buy-side firms, inter-dealer brokers and fund administrators. It includes support for trade life cycle events and functionality to handle novations and allocations.

**MarkitSERV MCA-Xpress** – A service that allows parties to an OTC equity derivatives transaction to negotiate and execute ISDA-published Master Confirmation Agreements (MCAs) online and maintain these and manually executed MCAs in a centralised location.

**MarkitSERV PBWire** – A solution that provides trade workflow for prime brokers, executing brokers and fund clients, merging the agreement and confirmation of give-ups into a single integrated process.

**MarkitSERV PortRec** – An automated position reconciliation and valuation comparison service for buy-side, dealer and prime brokerage clients. Client positions can be sent automatically to Markit Portfolio Valuations to obtain an independent valuation.

**MarkitSERV Tie-Outs** – An economic checkout for STP ineligible trades via web-based review or two-way automated tie-out. It includes support for electronic allocation distribution and novation consent.

**MarkitSERV Trade Manager** – Electronic tie-out and confirmation workflow tools for buy-side firms. The service includes STP connectivity to MarkitSERV DSMatch and MarkitSERV MarkitWire, “paper” confirmation workflow, novation consent, trade recap management, reporting and metrics for OTC derivatives.

Markit provides post-trade processing services that reduce counterparty and operational risk, whilst maximising capital efficiency.

**Markit Metrics** – A service to help firms within the derivatives industry report key operational statistics. It is used to monitor progress against industry targets for the regulators and benchmark operational performance against peer firms. Markit Metrics is operated in conjunction with Sapient

**Markit Portfolio Compression** – A service that optimises portfolios from a risk and capital perspective whilst also assisting in the preparation of trades for clearing. The service multi-laterally nets down the gross notional and trade count whilst remaining risk-neutral, leaving net positions unchanged. Markit Portfolio Compression is operated with Creditex.

## Valuations

The valuation tools offered by Markit utilise data and proprietary models, carefully calibrated to market levels. Fair values are provided for a range of liquid and illiquid securities, structured products and derivatives.

**Markit Portfolio Valuations** – A fully outsourced independent, multi-contributor validated, portfolio valuation service that differentiates itself through a proprietary data and pricing set. The service provides an efficient operational framework for valuation of all cash and derivative asset classes including a full audit trail and quality control performed by our analysts in London, New York and Singapore.

**Markit Totem™** – A monthly service that provides market-makers in OTC derivatives with price information to assist in verifying trading book valuations. It encompasses the equity, interest rate, currency, commodity, credit, property and bond markets, providing matrices of vanilla prices and a wide selection of exotic products.

**Markit Valuations Manager** – A web-based platform that simplifies the delivery and collection of counterparty position data and valuations across both OTC derivatives and cash instruments. Buy-side clients are able to access daily, weekly and monthly valuation statements from multiple counterparties in one place in a standardised format. Workflow tools allow for statement download and an online price challenge capability with a full audit trail.

