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Inside Reference Data

Best Reference Data Initiative (Vendor): The SmartStream RDU

IRD/IMD Awards 2017



Max Bowie and Joe Turso, vice-president, The SmartStream Reference Data Utility (RDU)

Market changes in the past decade mean few now contest the value of good reference data. Projects designed to cleanse and normalize reference data continue to provide the foundation for ongoing regulatory and risk-driven projects. With this in mind, it comes as no surprise that the Best Reference Data Initiative Vendor category remains popular—and reference data veteran SmartStream has become the one to beat.

SmartStream scored a winning goal this year with the Reference Data Utility (RDU) expansion into listed derivatives—the Listed Derivatives Reference Data Service. The new service is the first module to be added to the RDU—which was launched in October 2015 with backing from Goldman Sachs, JPMorgan Chase and Morgan Stanley—and won SmartStream the Best Reference Data Initiative award last year.

This year's win underlines SmartStream's commitment to solving reference data quality issues by sourcing, cleansing and consolidating reference data, and distributing it to users from a utility. Peter Moss, CEO, The SmartStream RDU, explains that the expansion of the RDU into listed derivatives was driven by the heightened shareholder and customer demand that followed firms' increasing spend on cleansing derivatives data compared with other datasets.

Derivatives are complex and fluid datasets, since contracts are often rolling over, and users often had to go to exchanges to get the required breadth and quality of data on listed derivatives. To help improve efficiencies for clients, SmartStream has brought together data from around 100 exchanges, creating a complete global reference dataset on listed derivatives, and taking away the need for clients to individually source data from each exchange. "Our business model is to go to the data sources that are being used by our customers, bringing data together and doing what they've previously done on their own," says Moss.

According to judges, it was "good to see SmartStream expanding RDU" and the RDU's listed derivatives module was described as having the "best comprehensive capabilities across all listed derivatives globally".

The utility concept continues to gain strong support in the reference data space. The main goal is to get reference data right, and it is not about being different from the next-door neighbor.

This is also the case when firms prepare for new regulation, and the Markets in Financial Instruments Directive II is next on the agenda for SmartStream's RDU. It's no wonder the judges concluded that "the industry needs utilities to provide broader offerings across data types and asset classes."