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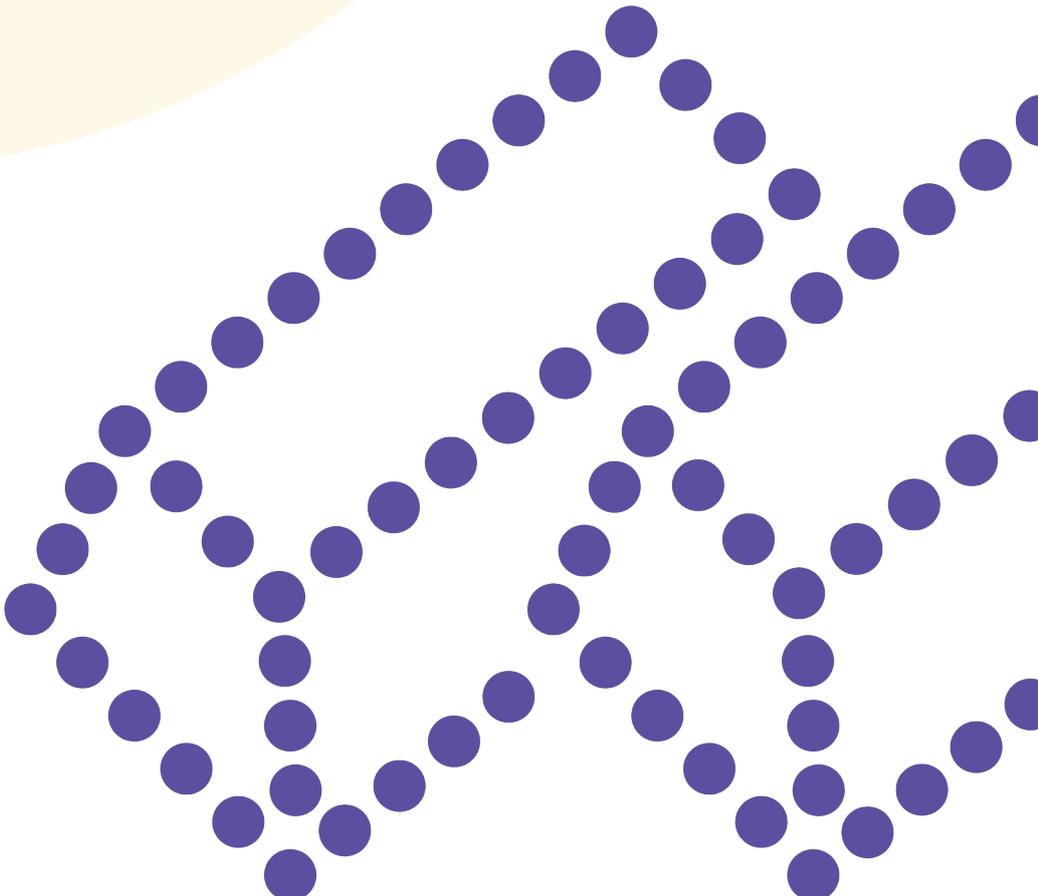
# Trading and lifecycle solutions for Precious Metals

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Trading, risk and inventory management for precious metals

Solutions for Banks, Producers and Trading companies

**BRADY.**





Precious metals are an increasingly important group of commodities, both as tradable products and (particularly for PGM's) as an input to manufacturing processes. They are increasingly being traded internationally amongst various organisations including those which previously did not deal in physical commodities. The growing trend towards electronic trading and the move towards centrally cleared contracts is also creating change in the market with businesses experiencing greater pressure to increase automation. Success in this volatile market now depends on having the right tools to simplify processes, manage risk and pro-actively control extensive amounts of data.



### Simplifying the complex

This is where Brady plc can help.

Developed in close cooperation with leading players in the precious metal markets, Brady offers a complete solution covering the lifecycle of a precious metals trade across raw materials, refined metals and also derivatives. Using Brady's state-of-the-art, packaged solution, companies dealing in precious metals can address their key business requirements for physical trading, inventory management and derivatives trading in a single system. Its modular structure means that organisations who have already invested in enterprise-wide platforms can use it to manage just the physical or derivatives aspects of the business as appropriate.

### Inventory Management

Brady offers full capability to manage precious metals inventory whether held in your own vaulting facility or with a third party supplier.

This includes:

- Inventory records held at individual stock item level (bar, coin etc) with all required associated data
- Tracking of paper account (unallocated) movements
- Management of physical movements between vaults
- Ability to upload bar / stock lists from external sources e.g. vaults such as the Bank of England or logistics agents

- Seamlessly link trading activity with inventory movements and balances
- View real time current and forward positions for each inventory location and type of inventory

### Trading and Hedging

Brady offers the complete solution for trading precious metals including: physical contracts and derivatives from vanilla exchange traded products through to the most complex over the counter structures.

- Full support for the complete trade lifecycle from pretrade analytics through trade capture, trade management and settlement
- Full support for precious metal leasing and repo contracts consignments and location swaps
- Ability to capture multiple products within hedge trades
- Hedge calculator to optimise hedging precious metal positions
- Sensitivity Analysis to monitor exposure to interest rates and lease rates
- Maintain premiums/discounts for specific grades or shapes of metal (e.g. coins) for mark to market and P&L analysis

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## Account Management

Brady's application provides comprehensive support for the account management functions of a precious metals trading operation including:

### Client account management

- Management of client accounts, balances and reporting
- Internal transfers between pool (unallocated) and physical (allocated) accounts - both client and house
- Management of client transfers to external clearer accounts
- Management and calculation of month / quarter end transfer and storage fees
- Generation of client account statements

### Clearing accounts (loco London, Zurich etc)

- Clearing account management for both loco London and loco Zurich
- Transfers between allocated and unallocated accounts
- Settlement management dependent upon client requirement (net, gross, individual).

### Taxation

- Rule based application of tax regulations to ensure that local tax regulations are appropriately managed
- Multiple VAT jurisdictions
- Taxation can be defaulted by warehouse and metal and can be applied to associated costs or movements as required

## Compliance and Risk Management

Brady provides the knowledge and tools, including what if" scenarios necessary to track, measure, evaluate and manage all forms of risk including:

- Credit risk
- Market risk
- Price risk
- Operational risk
- Compliance with multiple GAAPs including FAS & IAS

There are also sophisticated tools to enable a thorough understanding of liquidity risk and financing requirements. Once physical and financial positions have been captured into Brady, a valuation of position is available using the latest market data at any time. This can be at any level from overall position down to individual trade level and can be applied to both inventory and derivative positions.

Advanced tools are available to enable the modeling of the impact of price movements on a metals position – again from overall position right down to individual trade level. It is also possible to configure multidimensional scenarios so that you can model the sensitivity of your position to market movements. If options contracts are traded, the full range of risk management calculations ("the Greeks") used by the most sophisticated trading houses are available.

### Value at Risk

Brady includes an optional VaR engine, using the same underlying risk engine as is used for all other risk calculations within the system. Our VaR engine is optimised for the specific requirements of the metals industry. Monte Carlo, Parametric and Historical methods are available. Our VaR engine can be used to support desk level VaR calculations on demand.

### Reporting

There are comprehensive reporting tools to allow the creation of tailored reports on all key management areas, such as contracts, deliveries, pricing, stock levels, invoicing, valuation and profit and loss.

## Why Choose Brady for Precious Metals Trading?

Brady provides an unprecedented opportunity to manage all market, trading and settlement activities in precious metals products. The solutions available allow a complete picture of all risk exposure and financial positions in one place.

- Workflows are easy to manage with straight through processing. Our solutions can be integrated with your existing internal and external systems

- Manage data – with one centralised and up to date source of commercial data
- Streamline administration - with a comprehensive view of the full trade life-cycle
- Eliminate spreadsheet and workaround solutions – replacing them with a properly engineered solution, providing a full audit trail of all financial movements
- Maximise profitability – by improving operational synergy, reducing management costs and strengthening negotiating positions

## About Brady plc

Brady plc is the largest European-headquartered provider of trading and risk management software to the global commodity and energy markets. Brady combines fully integrated and complete solutions supporting the entire commodity trading operation, from capture of financial and physical trading, through risk management, handling of physical operations, back office financials and treasury settlement, for energy, refined and unrefined, ferrous and non-ferrous metals, soft commodities and agricultural products.

Brady has over 30 years' expertise in the commodity markets with more than 10,000 users at over 200 companies worldwide, who depend on Brady's software solutions to deliver vital business transactions across their global operations. Brady clients include many of the world's largest financial institutions, trading companies, miners, refiners, scrap processors, producers, tier one banks and a large number of London Metal Exchange (LME) Category 1 and 2 clearing members and many leading European energy generators, traders and consumers.

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**BRADY.**

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