

## Case study

### Why Brady's solution is central to Koch Supply & Trading's global metals business

The customer, a Koch Supply & Trading company, and an indirect subsidiary of the global multinational, Koch Industries Inc., has been a customer of Brady's for 20 years. Koch Supply & Trading ("Koch") has a diverse trading portfolio which includes metals (base and precious), crude oil, refined petroleum products, gas liquids and LNG. A Koch company, Koch Metals Trading Limited, is a member of the London Metal Exchange (LME). Brady's financial commodities trading and risk management solution continues to play a central role in supporting the company's metals business growth.

### Commodities trading challenges

“ In recent years the base metals market has seen the exit of many traditional broker dealers and liquidity providers. There has also been a significant growth in regulation (such as Dodd Frank, EMIR and MIFID II), increasing the need to capture and retain more trade data.

Koch's exchange volumes are higher than ever before which requires a stable and robust CTRM to manage these challenges as efficiently and effectively as possible. We view Brady's solution as the best-in-class for base metals trading and particularly in addressing LME requirements. It continues to play a central role in our business and helps us maintain our competitive edge. ”

- Michiel Prins, Finance Director,  
Koch Supply & Trading

### Supporting the full financial trading lifecycle

Brady's system supports Koch's entire financial trading lifecycle from trade entry to settlement and client ledger balances. Its trading portfolio comprises a wide range of products, both LME listed and OTC, including basis swaps, Asian options, averaging and physical contracts. Multiple departments across the front, middle and back office rely on the Brady system to perform day-to-day essential activities:

**Traders:** keep track of their positions using position reports and dealer cards

**Operations:** input trades, monitor positions, perform LME matching, clearing and transfers

**Back office:** administer invoicing, confirmations and customer support

**Settlements:** extract information to make payments and receive to and from clients

**Credit:** extract data required to monitor client exposures

**Market risk:** monitor risk metrics and identify potential issues that require investigation

**Product control:** check information, produce daily P&L reports and investigate issues

**Compliance:** extract information required to conduct market surveillance

Koch also benefits from advanced 'add-on' functionalities to address particularly complex operational areas of the metal trading process. These capabilities are viewed as 'best-in-class' in the commodity trading software space:

### LME matching and clearing

Enables more efficient and faster trade order processing, adhering to complex date structure rules and the requirement to settle daily on individual days with individual positions.

### Warrants Management

Enables more efficient processing of high volumes of warrant inventory and deliveries from traded positions.

### Profit & Loss (P&L) attribution

Enables advanced analysis and reporting with drill-down ability to identify sources of P&L; helps to reconcile front-office with back-office expectations with the ability to pinpoint incorrect trade and market data.

## Proven return on investment

“Brady’s solution has brought tangible benefits to our metals trading business. We have substantially reduced our costs since implementing the core Brady system and additional savings have been realized as a result of further internal development combined with Brady’s add-on functionality.”

- Kevin Brunton, CIO, Koch Supply & Trading

## The future

“We have found the Brady team very collaborative to work with. They keep on top of market changes and inform us how to best use the system to address the latest requirements of the regional exchanges on which we trade. The team has immense knowledge on how the metals market works and does not need much direction from us.”

- Kevin Brunton, CIO, Koch Supply & Trading

## Ease of integration within a complex IT ecosystem

“Brady’s solution offers the best coverage and flexibility we’ve seen in the market. The breadth of contracts that can be entered and valued is extensive. Even though we use it largely for metals trading, we can just as easily book interest swaps, FX deals or incorporate ags or petroleum deals. Another major advantage is the ease in which we can incorporate our own calculations, extract and import data, slice and dice information in the way we want to, without the need to invest in additional resources. For example, we have seen some systems take a significant number of fields just to import a futures trade. With Brady’s solution we only need to fill a much smaller number of fields for the same trade.”

- David Bartlett, Operations Manager, Koch Supply & Trading

“Brady offers a wide range of interfaces for specialised packaged software products in areas such as accounting and credit management. This makes the process of integrating our data less complicated, quicker to implement and more cost-effective.”

- Kevin Brunton, CIO, Koch Supply & Trading



“We are delighted to see the value that Brady’s solution has brought to Koch’s metals trading business. It has been a pleasure serving Koch as a customer for 20 years. Their engagement on our customer advisory board has been instrumental to the ongoing development of our “best-in-class” product. I look forward to this partnership continuing in the future.”

- Carmen Carey, CEO, Brady

## About BRADY

Brady provides trading, risk and logistics management software solutions to global commodities markets. Our mission is to empower you to trade confidently, profitably and sustainably today and in the future.

Our customers include start-ups to leading multinationals trading in metals and agricultural commodities. Brady sits at the core of their mission critical trading operations, supporting billions of dollars' worth of transactions.

Brady solutions help front, mid and back office teams to better understand costs throughout the financial and physical trading life cycle, assess market and credit risks in real-time and efficiently manage the logistics involved in the timely delivery of commodities.

Whether you have small or large portfolios, you can scale selected functions and pay simply for what you need.

We believe in long-term collaborative relationships with our customers. Many have been with us for over 20 years.

We are an independent company, agile in the way we do business and how we provide customer service.

With over 30 years' experience in this industry, our workforce includes ex traders and sector specialists, who continually keep abreast of market changes.

Let us help you start trading more profitably.

**Speak to a Brady Metals Expert today and discover how Brady's software suite can support your commodity trading activity.**

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