



## CASE STUDY

# EQUITY OPTIONS MARKET MAKERS ENHANCE SPEED AND FIND FUNCTIONALITY, CUSTOMIZATION, AND SUPPORT NEEDED FOR SUCCESS

### Client

Algorithmic and quantitative driven, mid-sized equity options proprietary trading group, focused on market making and market taking strategies on the CBOE.

### Solution

#### Rival Trader and Rival API

The trading group is leveraging [Rival Trader](#)'s Electronic Eye and Auto-Quoter and building the group's proprietary algorithmic strategies utilizing [Rival API](#). Rival's speed, functionality, customization and support were critical factors in the trading group's decision to deploy Rival's technology for all of its trading needs.

### Challenges Before Rival

- Previous platform was too slow to meet their needs. As market makers, speed is critical.
- Advanced features necessary to effectively quote and price equity options were missing from prior vendor.
- Former platform lacked customization critical for trading groups who need to build proprietary strategies quickly without access to a development team.
- Limited support provided by previous vendor with an offshore team largely unavailable during trading hours.

### Benefits

- **Speed** – The performance of the Rival platform beat the trading group's previous vendor and other competitors they considered. With Rival's tick-to-trade latency reports, the traders always know where they stand relative to the competition.
- **Functionality** – Rival Trader's Auto-Quoter is a low-latency market making engine allowing the group to calculate synthetic underlying prices and theoretical values for options and send two-sided markets to the exchange. Rival Trader's Electronic Eye allows the traders to define their buy and sell levels for options and automatically scan the market and trade with resting orders as soon as the underlying price ticks, or when an order with edge comes into the market. The traders found Rival's quote joining and sizing logic and safety triggers to be better than anything offered by previous vendors. The group can now execute trades many of their competitors would like, but can't get, and confidently quote high delta options and spreads in fast market opportunities without getting picked off. The Rival Trader front-end meets the group's manual execution and risk management needs with new features constantly being added by the Rival development team.
- **Customization** – The flexibility Rival offers with its API provides tremendous value to a smaller trading group, giving traders the ability to rapidly get their ideas into production without sacrificing performance. Rival API allows the group to seamlessly integrate its own proprietary pricing model into the Rival Trader front-end and the Auto-Quoter and Electronic Eye. The traders can also leverage the Rival API to systematically control which options to Eye and Quote, manage edge based on risk and inventory, and respond to auctions across a large number of symbols.
- **Support** – Rival's support team is available before, during and after trading hours so the trading group can immediately get answers from an experienced professional to any issues or questions. Support team members demonstrate a commitment to customer success, initiating regular meetings, ensuring completion of action items and holding themselves accountable for the trading group's technology needs. The traders now have a reliable support team for keeping their system up and running, and for continuously introducing improvements.

[REQUEST A DEMO](#)

[RIVALSYSTEMS.COM](#)

