**Buy-Side Technology**

**Awards 2016**

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**10th Anniversary**

*Winner*

# Best buy-side data analytics tool

## S3 Partners

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# Best Data Analytics Tool

# S3 Partners

In 2014, S3 Partners made its debut in the Buy-Side Technology Awards by claiming the title of best newcomer, which it followed up in 2015 by winning the best big data technology provider category in these awards and the best data analytics provider category in the Waters Rankings. The New York-based vendor returns to the BST Awards winners' circle by snapping up the best buy-side data analytics provider category, thanks to its Blacklight platform, which has gone from strength to strength as asset managers continue to demand more from their data analytics toolkits.

The speed of data creation, delivery, consumption and processing has been growing at an exponential rate within the capital markets in recent years as regulators, clients and financial services firms themselves seek greater transparency around numerous business processes, which means data analytics platforms must be able to support and satisfy those demands.

S3's collateral and treasury management platform Blacklight places an emphasis on time efficiencies, productivity and information control, reducing the time necessary to manage prime, swap and custodial data by three to seven hours per day, according to the vendor. Its breadth of functionality covers securities financing, commissions, cash management, over-the-counter (OTC) collateral, counterparty agreements/terms/risk, prime broker/repo/swap margin, custody/counterparty relationships, balance-sheet efficiency, and accurate "what if" real options analysis (ROA).

The goal of the Blacklight platform is to improve buy-side relationships through the provision of data-driven analytics that in turn improve trading decisions, although there is also an increasing regulatory burden in the post-trade space, particularly in Europe with the looming Mifid II regulation, set to come into force in January 2018. S3 Partners has, in response to these twin drivers, continued to evolve its Blacklight platform throughout the last 12 months through the addition of a full reporting suite, digitized document library, a security finance dashboard, multi-asset class exposure analytics, enhanced visualization tools, and new wallet and performance measurement analytics, among others.

Earlier this year the company announced a partnership with Bloomberg, which now sees the data giant publish Blacklight's market standard financing data on its 300,000 terminals worldwide, while in June it expanded that alliance by making its Blacklight Apps Crowding Kit (aka Black Apps), which provides analytics on crowded trades, available via Bloomberg's App Portal. REDI Global Technologies, now under the ownership of Thomson Reuters, announced in mid-November that it would also be providing clients with access to the Blacklight platform.

—JB

Robert Sloan

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# Winners' Circle

# Amazing **Analytics**

S3 Partners' Blacklight came out on top in the data analytics category in this year's Buy-Side Technology Awards. Robert Sloan, managing partner for S3 Partners, talks with Dan DeFrancesco about how the firm was able to separate itself from other contenders in what turned out to be one of the mostly keenly contested of all 32 categories on offer.

*In 2014, S3 Partners was named as having the best new product on the market in the Buy-Side Technology Awards thanks to its Blacklight offering, an analytics and technology platform that consolidates all financing and capital markets data for every market, product, function and counterparty. It followed up that first win in the BST Awards by taking home the best big data technology provider category in 2015, while this year, the judging panel named the New York-based firm as having the buy side's best data analytics tool.*

*S3 Partners' Robert Sloan spoke with* Waters *about how the firm has been building on its success—most notably, this year, making its Black Apps kit available via Bloomberg's App Portal—and where he sees room for growth in an intensely competitive market.*

**Q** **Data analytics has become one of the hottest—and most competitive—topics in financial services. What sets S3 Blacklight apart from other analytics tools in the space?**

**Robert Sloan, managing partner, S3 Partners:** We can do what we say. Our reporting, data and analytics are mapped and delivered to some of the world's largest, most sophisticated information services organizations. Our tools are live, 24/7/365. If we can normalize, harmonize and aggregate data for the likes of Bloomberg and REDI, clients should have confidence that S3 can handle all their reporting tasks and requirements.

**Q** **What new enhancements have been implemented over the past 12 months to S3 Blacklight?**

**Sloan:** The Black App is most the popular App in the Bloomberg App Store. Black App provides the best way to understand how crowded trades and real-time short interest affects price action for over 23,000 securities. It covers five key areas:
- It identifies which trades are crowded and why.
- It displays real-time short interest.
- It shows real-time finance rates.
- It shows true market capacity/inventory for execution.
- It operates anonymously at the client desktop—there is no information leakage.

**Q** **What are the greatest challenges facing your clients that you're looking to help them address?**

**Sloan:** COO and CFO clients want better reporting solutions, ones that address pressing daily business needs and help them answer "where are we today" and "where do we need to be" questions. Our Blacklight SaaS platform has the reporting to centralize and fortify mission-critical treasury management data in clients' hands—the very people who know how to use it best. CIOs and traders want to see how financing markets and trading markets connect; the Black App shows them what trades are crowded and what forces moved price action and why.

There is a lot of innovation theater out there; S3 has a long history—14 years—of doing truly meaningful things. In the past 12 months, we have provided the market with a consolidated quote to price the bid and ask for the entire securities finance marketplace—it's now seen by over 25,000 market participants daily.

We have redefined how to calculate and use short interest in the investment process and we've produced an amazing new analytic—the S3 Crowding Indicator—which portfolio managers can use to see whether a market or trade is crowded. Our real-time short-interest research is now the data source of choice for many mainstream publications, like *The Wall Street Journal*, *Barron's*, Reuters and the *Financial Times*.

**Q** **As the industry continues to evolve, what will be the most important factors to consider when choosing data analytics tools?**

**Sloan:** We have much, much more in store for 2017. Simply put, can a financial data analytics provider report on anything and let users oversee everything? S3 has learned that that is the most important thing we can do for our clients. **W**

**Robert Sloan**

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