

UBS Equity Derivative Unit Picks H-P Gecko, Axes Mips

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UBS Securities Inc. has selected Hewlett-Packard Co.'s HP 9000 Series 700 workstations as the front-end hardware platform for its 114 equity derivatives traders worldwide -- a group that includes some 47 traders at UBS Securities' New York City head office. At the same time, the bank's equity derivative traders in New York are getting set to switch from Micrognosis Inc.'s Mips digital data distribution system to Reuters' Triarch 2000.

While UBS Securities managing director Hadar Pedhazur says that the bank's equity derivatives group in New York is not dissatisfied with Mips -- a system it's relied on for over three years (*TST*, May 20, 1991) -- he asserts that the group's move to Triarch 2000 is imminent. Pedhazur, who is in charge of global equity derivatives technology, says that the New York group is the last of the equity derivatives trading group's worldwide outposts to shift to Triarch 2000 -- and that it is now ready to join them on a standard platform.

Meanwhile, Pedhazur also says that UBS Securities is scheduled to go live with H-P's Series 700 model 712 processors -- also known as "Geckos" -- by the end of September. Besides New York, Pedhazur says that the Geckos, which will run Next Computer Inc.'s Nextstep 3.2 operating system, will be rolled out to the full community of equity derivatives traders in London, Zurich, Frankfurt, Tokyo, Hong Kong and Singapore.

OUT ON A BRANCH

The win represents a breakthrough for H-P at UBS in North America. The majority of traders at UBS Securities -- and at the New York branch of Union Bank of Switzerland -- makes use primarily of 486- or Pentium-based PCs, supplied either by Compaq Computer Corp. or by Intel Corp. And where Unix workstations are used, Sun Microsystems Inc. has thus far dominated.

In fact, Pedhazur says that, to date, H-P has had no presence at UBS or UBS Securities in New York. "I don't think there's any other H-P machines in New York," he says. "H-P has had a relationship with UBS; it just hasn't been in North America."

Pedhazur says that H-P's Geckos, which will be connected to Unix-based Sun Microsystems Inc. servers in the bank's back-office in New York, will supplant the proprietary NeXT- built hardware that the bank's equities derivatives traders have for

years used. He asserts that the decision to switch hardware platforms was not a difficult one. NeXT stopped manufacturing hardware more than a year ago (*TST*, Feb. 22, 1993).

Says Pedhazur: "H-P's hardware is significantly faster and extremely well-priced.... Given their global presence, and ours as well, the match is a good match."

'A FEW TESTS'

Though he says that Triarch 2000 must still pass a few final tests, Pedhazur anticipates that Reuters' system will be deployed in support of the equity derivatives trading group within the next two weeks. Pedhazur says that UBS' more stringent standards for technology in New York prevented the equity derivatives group from receiving Triarch 2000 earlier.

"We stress things in New York a little more than we do everywhere else," he says. "In New York, we're just still waiting to turn it [Triarch 2000] on, physically."

If the bank follows through with its plans for Triarch 2000, the equity derivatives traders would become just the second group of traders in New York to use Reuters' system -- which has been slowly and steadily overtaking UBS worldwide for the past year.

UBS, which has already installed Triarch 2000 in support of a group 30 international equities traders at its UBS Securities subsidiary (*TST*, June 13), was scheduled to begin a 90-day production pilot of the system at the end of last month.

UBS officials have said that, barring a pilot catastrophe, Triarch 2000 will oust incumbent systems supplied by Micrognosis, Market Vision Corp. and ILX Systems Inc. in support of some 600 traders at the New York branch of the bank and its UBS Securities affiliate.

However, despite the presence of other data distribution system vendors at UBS, Micrognosis has the most to lose with the advent of Triarch 2000. Micrognosis' video-switching technology supports the majority of the bank's trader's, including most of UBS' fixed-income and treasury groups. Market Vision's MV Link digital data distribution system supports only the bank's 60 swaps dealers (*TST*, March 7). Meanwhile, ILX's Microsoft Corp. Windows-based quote service supports some 170 equities traders at UBS in New York.

While bank officials have made it clear that Micrognosis' video switch -- along with the systems provided by Market Vision and ILX -- will be shelved if Reuters' system passes the pilot test, they have left the door open on the former FD Consulting Inc.'s Mips platform. In a previous interview with *TST*, Ivano Togni, vice president of market data at UBS in New York, said that the equity derivatives trading group itself has the final say on whether Mips stays or goes.

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But now it looks like Mips, too, will fall. Pedhazur says that the equity derivatives group in New York would prefer to move to Triarch 2000 because it likes the idea of having one architecture worldwide. Says he: "We've selected Reuters everywhere else in the world and it's just simpler for consistency's sake."

Pedhazur says that while UBS' full community of equity derivatives traders will use H-P Geckos on their desktops, only "60 to 80" of those traders will receive real-time market data from Triarch 2000.

Some of UBS' 114 equity derivatives traders -- including a percentage of the 47 traders in New York -- don't use real-time information, he says.


According to Pedhazur, 12 of the 114 equity derivatives personnel for whom UBS purchased the Geckos are developers charged with writing applications for the rest of the group.

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 **HEWLETT
PACKARD**

HP OPEN ENTERPRISE COMPUTING

**Union Bank of
Switzerland's Global
Equity Derivatives Group
Deploys HP Hardware
and NeXT Software**



*"Our primary question was this:
Could we continue to have
100 percent benefit of NEXTSTEP
and at the same time gain tremendous
speed and processing power
on the HP PA-RISC workstations?
The answer turned out to be,
unequivocally, yes."*

Hadar Pedhazur
Managing Director
UBS GED

The Global Equity Derivatives (GED) group of UBS Securities, a subsidiary of Union Bank of Switzerland, has deployed its worldwide finance and portfolio operations on Hewlett-Packard workstations with NeXT object-oriented development software and Sybase relational database software. The decision follows a series of global support considerations and benchmark tests proving that UBS trading applications run up to five times faster on the HP platform than on the NeXT hardware platform.