

Wash Trade Solution – Solution Overview

Business Challenge:

Alerting user when a wash trade event occurs. A wash trade is an illegal form of stock manipulation in which an investor simultaneously sells and buys shares through two different brokerage firms , in order to artificially increase trading volume and thus the stock price.

Solution:

Cognizant developed a solution using SoftwareAG Apama , webMethods Integration Platform and Universal Messaging components to detect the wash-trade events from high frequency trading data streams.

Whenever user suspects that the wash trade has occurred , he triggers the event matching mechanism by sending out an event with all required details . As the event reaches Apama application, it checks for the patterns matching within the all available records in the given time period and alert the user with the list of wash trade records .

Key highlights of this solution

- Power to adjust to continuously shifting market scenarios and continuously changing regulations requirements
- Trading strategies executes with very low latency
- Satisfies real-time risk management needs
- Enable end business users to rapidly define event-based rules to identify patterns indicating opportunities and threats to the business
- Unique graphical development tools for business users
- Events can be captured and preserved in time-order sequence for historical pattern analysis and root-cause analysis

Solution Architecture diagram

