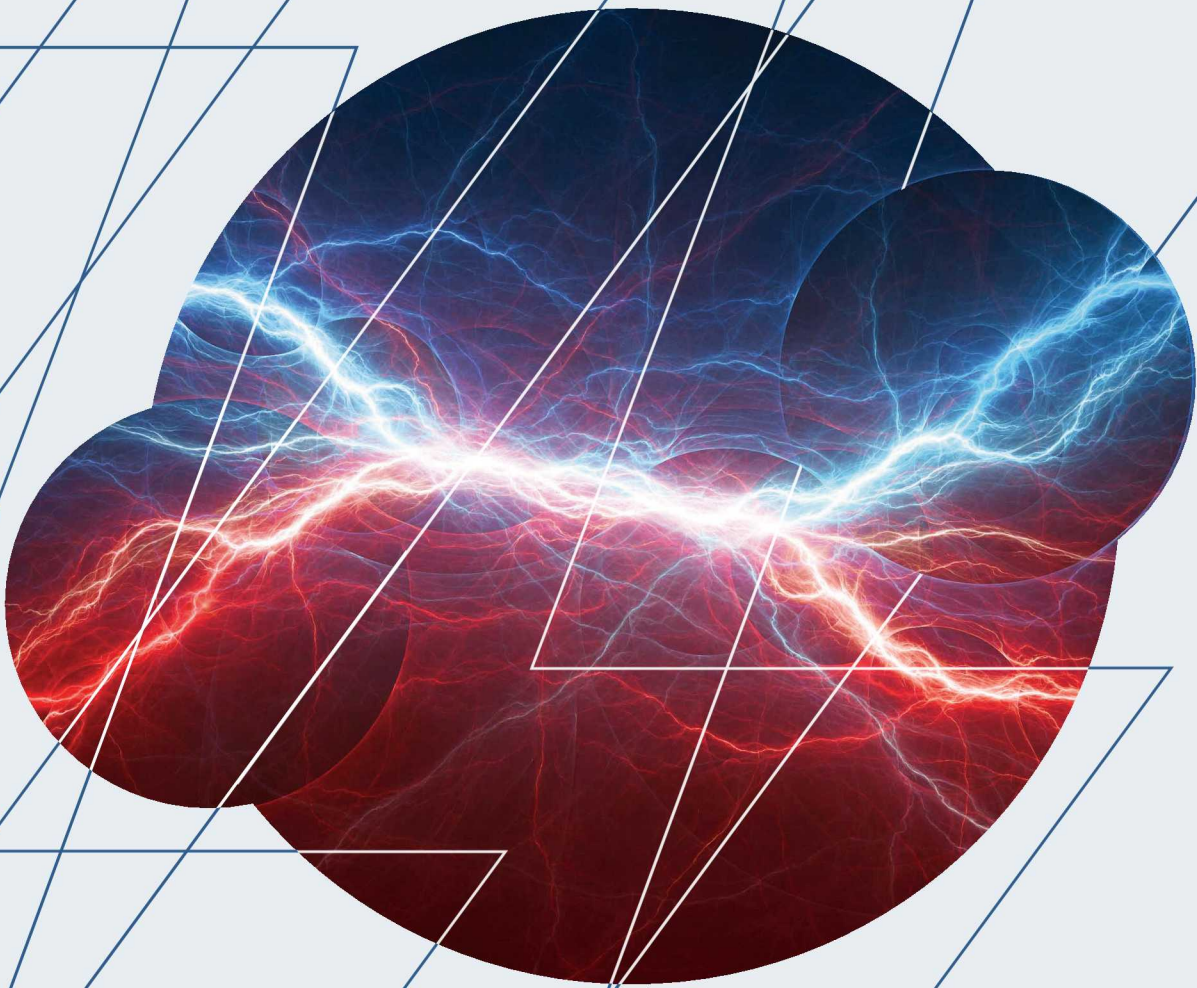




**Chartis**  
**Energy50**  
**2024**

**Winner's Spotlight:**  
**Brady Technologies**



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## Winner's Spotlight: Brady Technologies

**BRADY** Brady Technologies is a market leader in

energy trading and risk management (ETRM) and short-term power trading solutions, providing tools that cover energy exchange-traded products and physicals trading, with strong credit risk capabilities. Recently, Brady has shifted its focus to energy and power markets, initially through the divestment of its commodities division. It has also added two new software as a service (SaaS) products to its portfolio, Igloo ETRM, which complements its Brady ETRM solution, a market leader in the Nordic region, and CRisk, for credit risk management.

Brady's focus on energy markets is reflected in the company's rising position in the Energy50 rankings; it earned 4th place overall this year. For the third consecutive year, Brady also received the category award for 'Low-latency trading for power markets' for its PowerDesk and Igloo solutions. This reflects the company's continued focus on providing a holistic approach to trading and risk management in the short-term power market. Other solutions in Brady's PowerDesk suite for power trading participants are PowerDesk Edge for algorithmic trading, PowerDesk Scheduler for interconnector and TSO communications, PowerDesk Balancer for balancing and capacity management and PowerDesk Data Manager for operations, asset and meter data management.

As part of its Energy50 2024 coverage, Chartis spoke to Nick King, Brady's CEO, about the company's current operations and future plans.

### A changing ETRM landscape

The market for electricity trading has moved increasingly to shorter time intervals – intervals of an hour or even 15 minutes are now used. This has made it increasingly difficult for individual traders to track all of their positions.

Increased short-term variability in energy markets has been largely driven by an increase in renewable energy sources and the reintroduction of banks to the market. The cyclical, weather-dependent nature of renewable energy generation introduces inherent volatility to the market (via an increase in the frequency of negative prices, for example). However, given the high volume

of futures and options trading and the success of hedge funds, many financial institutions are returning to the market, increasing liquidity and heightening the complexity of risk.

And as banks return to energy markets, they are finding that legacy systems are not equipped to handle the volatility and complexities seen today. This is creating a substantial opportunity for ETRM vendors that provide advanced analytics and comprehensive risk management solutions.

Nick King explains how the changes in the market have impacted Brady: 'We see more liquidity in markets, especially in short-term power, driven by intermittency and other factors related to the green transition. On the risk side, we are seeing increasing volumes in OTC [over-the-counter] trading, rather than on exchanges, which makes credit risk management more complicated. These and other factors are combining to create a huge growth opportunity for vendors such as Brady, as companies get more nervous about the ability of spreadsheets and internally developed systems to cope at scale with these changes, and start to move away from them to specialist solutions.'

### A new approach to algorithmic trading

To harness short time frames in a highly volatile market, it makes sense to pass trading strategies to an automated algorithmic system, rather than have them controlled comprehensively by the trader. Brady's PowerDesk Edge solution offers a new approach, enabling traders to leverage advanced algorithms easily, regardless of their coding background. Brady's solution stack includes capabilities such as intra-hour position tracking, P&L, risk exposure and automated scheduling, balancing and nominations. These give traders and risk managers advanced tools for short-term power trading.

In addition, Brady's development of PowerDesk Edge seeks to enhance algorithmic trading by bringing 'all-purpose coding' to the energy market. Based on established financial architectures, this feature enables traders with any level of coding background to leverage powerful tools to backtest their own algorithms before seamlessly transitioning first to paper and then to live trading. Brady's solution suite integrates real-time visualization of P&L, market connectivity and balances via a central interface. This can



enable traders and portfolio managers to capture trade opportunities as they arise, and to optimize the rapid generation of asset revenues, while continuously maintaining balancing strategies.

Nick King is looking forward to the growth and development of algorithmic trading and PowerDesk Edge, describing the product as 'Something we're truly excited about – something different from what's available in the market at the moment.'

### **An emphasis on user experience and flexibility**

As markets evolve, so too do customer expectations. Igloo, Brady's high-performance software as a service (SaaS) ETRM solution, is designed with an emphasis on user experience and flexibility, bringing together various modules and analytics into a single seamless user experience. It provides out-of-the-box best practice approaches for full straight-through processing of trades and clearing, minimizing implementation times. Moreover, its emphasis on efficiency and speed can help traders identify and capture opportunities in volatile markets.

Igloo offers full coverage of a broad range of asset classes for financial trading, including power, energy commodities, emissions certificates, agricultural commodities and metals. It also provides extensive support for physicals trading in European power markets, as well as support for physical gas trading. Igloo includes connectors to all relevant major exchanges and trade venues for all supported asset classes.

As David Gallacher (Brady's Business Lead, ETRM) points out: 'We're certainly looking at enhancing our cross-commodity functionality with what we've already developed over the last year. We're seeing significant volumes of financial trading [on the Igloo side]. Igloo has been a great addition to our product portfolio, since it is appealing to a slightly different customer base than Brady ETRM.'

With Igloo's flexible curve-building system, users can choose from a variety of built-in methods for forward curves. Physical positions can be marked against the forward curve of choice for P&L reporting on a live, preliminary or official basis (against published mark-to-market figures). This can give firms the insight they need to understand, in real time, what is driving profits and risk exposure.

### **Looking ahead**

As energy firms move away from spreadsheets and internal ETRM systems to cope with market volatility and the complexities of risk, there is a huge growth opportunity for ETRM vendors. Brady's focus on flexibility, scalability and ease of use across its energy solutions positions it well to address the complexity of the energy market today and remain adaptable to future market changes.

'We've now organized ourselves in three areas around short-term power, ETRM and risk,' says Nick King. 'I think that's given a lot of clarity around our purpose internally to help energy market participants optimize their trading operations for tomorrow's energy needs. It's also given clarity to our customers that Brady is focused on delivering increased automation, greater efficiencies and rigorous risk management across their energy trading ecosystem.'



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