



Reap the benefits of cloud technology in capital markets

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The financial services industry is extremely complex. With legacy frameworks and several dependencies, the decision to undertake a digital transformation journey takes a lot of preparation. How do you preserve business continuity while changing countless moving parts?

The adoption of cloud technology in capital markets has been on the rise in recent years due to the need for cost reduction, increased ROI, extra agility to comply with regulatory changes, flexibility, greater scalability and so on. Unsurprisingly, banking leaders focus on business growth rather than infrastructure- and application-related technical maintenance.

One of the most significant advantages of public cloud migration is cost-efficiency. Capital market **cloud services** empower banks to shift from CapEx to OpEx, reducing IT infrastructure costs. Accordingly, they only pay for what they use when they use it rather than investing in expensive **capital markets software** and hardware upfront.

In addition to cost reduction, capital markets cloud computing offers extra scalability and flexibility. Financial institutions can quickly scale resources up or down and respond rapidly to changing market conditions and competitive challenges.

The public cloud also enables capital markets firms to access and analyze vast amounts of data in real time. This helps them make more informed business decisions and improve their overall performance.

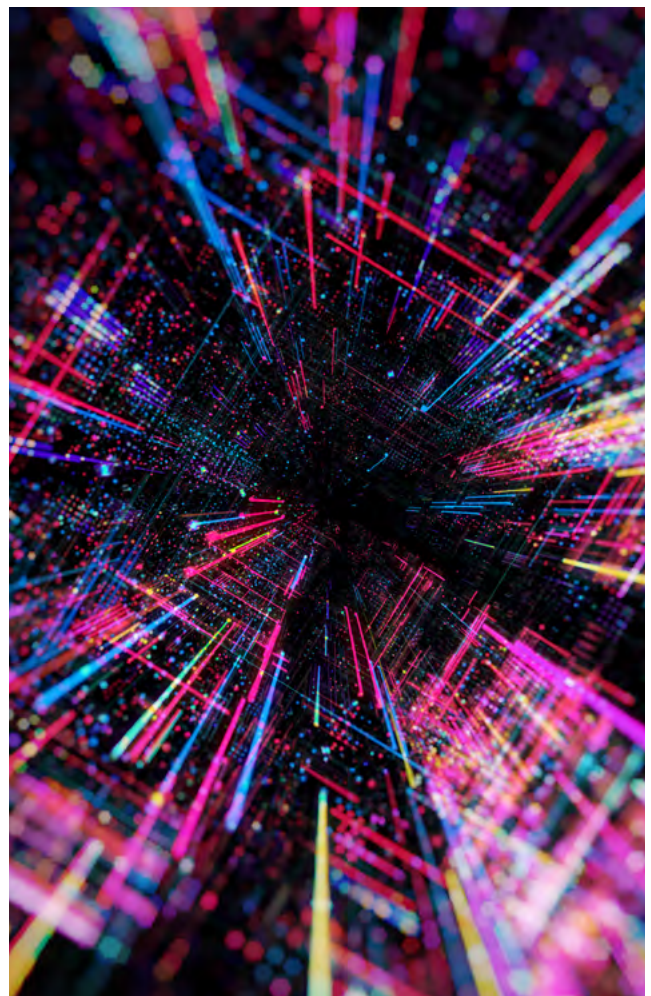
Focus areas

Despite the many benefits of capital markets cloud migration, certain factors need careful consideration before pressing the button.

Financial institutions handle sensitive data, so one of their biggest issues is protecting that data. Consequently, robust security measures are an essential feature of adhering to the regulator's strict rules. And while leading cloud service providers cover the external security aspects, banks need to control security within the cloud-based capital market solutions.

Another pressing concern is regulatory reporting workloads. Financial services institutions must comply with a wide range of regulations (e.g., GDPR and PSD2) which can be challenging in a public cloud environment.

Despite these challenges, cloud computing in capital markets is expected to carry on growing. As companies become more comfortable with new technologies and the security and regulatory reporting issues are addressed, the public cloud will become an increasingly attractive option.



Market growth

The global cloud computing market has been projected to grow at 17.9% CAGR, reaching US\$ 1,240 billion from an estimated US\$ 545.8 billion in 2022.

Even though the adoption of public cloud computing in capital markets has increased, security and compliance are still the main issues to be addressed.

Trading platforms and cloud adoption

The capital markets industry is continually evolving, and companies are always looking for ways to stay ahead of the competition. One method is to collaborate with specialized trading and risk management platform vendors and utilize their advanced technology (e.g., the Murex MX.3 platform — now available on AWS).



Murex cloud implementation

Murex MX.3 is a leading platform for trading, risk management and processing for capital markets. It offers a wide range of capabilities, including electronic/algorithmic trading, market data management, risk management and much more.

By leveraging the power of the AWS cloud, Murex MX.3 can provide capital markets firms with the scalability, flexibility and security they need to stay competitive in today's fast-paced market. Murex.MX.3 on the AWS cloud improves:



Scalability

Companies can easily scale their Murex instances up or down as business needs change without investing in new capital markets software or hardware. This makes it easier for institutions to respond quickly to changing market conditions and stay competitive.



Flexibility

Companies (large banks or small hedge funds) can configure the platform to match their unique business requirements.



Security

The Murex MX.3 platform is built on a highly secure and compliant infrastructure, providing companies with data protection and peace of mind.



Access to advanced analytics

Banks can access a wide range of AWS services, such as artificial intelligence, machine learning and data analytics. Thus, banks gain valuable data insights for more informed business decisions.

Cloud adoption prerequisites and challenges

Capital market cloud services bring many business benefits, including increased scalability, flexibility and cost reduction. However, the cloud journey also presents challenges.

One of the major challenges of cloud adoption is its complex process. Migration requires significant planning and coordination, and ensuring that all aspects have been taken into account can be confusing. For instance, businesses must make sure their data is migrated correctly and applications are configured for running in the cloud.

Migrators also need to check that architecture and workloads designed to run on-prem are properly optimized (or realigned) to take full advantage of cloud-based services. This can be time-consuming and costly, and capital markets firms must ensure they have the necessary resources and expertise to complete the task.

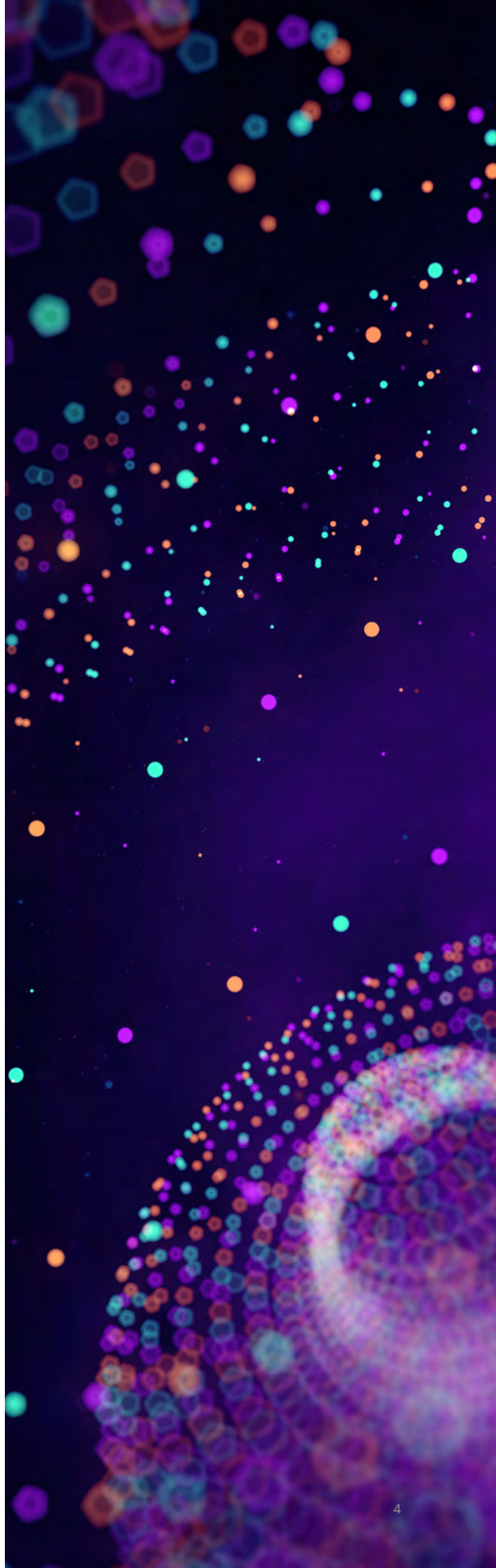
Cloud adoption presents new security challenges, including making sure data is protected and access restricted to preauthorized users. Banks must also confirm compliance with the relevant regulatory changes and have adequate security measures in place.

An effective cloud strategy must address issues like security, re-architecting applications and the complexity of the migration process. With proper planning, resources and expertise, organizations can successfully migrate to the cloud and reap the benefits it has to offer.

Like to talk things over?

An Luxoft can also act as an as-a-Service technology partner, running XaaS models to help clients improve revenue, profitability and cost reduction.

If you'd like to learn more about how cloud adoption in capital markets could benefit your organization, visit luxoft.com/capital-markets/ or contact financialservices@luxoft.com



About the authors



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Praveena has over 19 years of industry experience, specializing in capital markets, and trading and risk management solutions. She has proven her abilities on a wide range of roles including account management, delivery management, pre-sales, solutioning and capability development, and has driven several value-added initiatives. Praveena also has a successful track record of managing multi-system implementation and simplification programs, cloud and DevOps implementations, migrations and change-the-bank programs, bringing system integration partner experience and thought leadership to the journey. Currently, she is responsible for Luxoft India Trading and Risk Management Solutions and CLM practice, driving multiple initiatives across the organization as a subject matter expert.



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Naga Santhosh Baba has gained over 8 years of experience across APAC and EMEA, focusing on cloud and DevOps solutions, and building accelerators to help clients with their cloud migration. He also has a successful track record in pre-sales, overseeing multiple cloud and DevOps implementations. Currently, Naga Santhosh Baba is responsible for developing and delivering solutions for Luxoft's Trading and Risk Management Solutions practice.

About Luxoft

Luxoft, a DXC Technology Company delivers digital advantage for software-driven organizations, leveraging domain knowledge and software engineering capabilities.

We use our industry-specific expertise and extensive partnership network to engineer innovative products and services that generate value and shape the future of industries. For more information, please visit luxoft.com