All about Securities/Treasury Products

I searched and learnt from online.

**Here is the introduction of three trading systems (Murex, Reuters, Bloomberg).**

Murex:

Its platform offers a comprehensive suite of tools and services to support trading activities across various asset classes, including derivatives, fixed income, foreign exchange, and commodities. Murex's system is highly regarded for its robustness, scalability, and flexibility, making it suitable for large financial institutions and capital markets participants. It enables users to access real-time market data, execute trades, monitor risk, and streamline back-office operations.

Reuters:

Reuters provides real-time and historical market data, economic indicators, news feeds, and trading platforms to enable informed decision-making and trade execution. Its data feeds and APIs are widely utilized by market participants to access reliable and timely information for research, analysis, and trading purposes.

Bloomberg Terminal:

Bloomberg’s flagship product, the Bloomberg Terminal, is a widely used platform by traders, analysts, and other market participants. The Bloomberg Terminal provides real-time market data, news, research tools, and trading capabilities. It also offers a comprehensive suite of financial analytics, allowing users to perform complex calculations, create customized charts and models, and gain insights into market trends. Bloomberg's platform is known for its extensive coverage of financial instruments and its ability to deliver fast and reliable information to users.

Bloomberg Terminal Tutorial <https://jjxy.bwu.edu.cn/rmcasc.pdf>

**Here's a general overview of HK Bank settlement procedures for local & Foreign Stock, Money Markets (MM), Bond, OTC Derivatives:**

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| --- | --- | --- |
|  | Local Hong Kong Stock Settlement | Foreign Stock Settlement |
| Trade and Settlement Cycle | The standard trade and settlement cycle for Hong Kong stocks is T+2, meaning trades executed on a trading day (T) will be settled two business days later (T+2). | The settlement cycle for foreign stocks can vary, with T+2 and T+3 being the most common in major global markets. |
| Corporate Actions Processing: | HKSCC is responsible for processing corporate actions, such as dividend payments, rights issues, and stock splits, on behalf of its participants. CCASS provides the infrastructure to handle the distribution of corporate action entitlements to the relevant investors. | Handling corporate actions for foreign stocks, such as dividend payments and tax withholdings, can be more complex due to differences in market practices and regulations. |
| Settlement mechanisms | Delivery-versus-Payment (DVP): helps mitigate settlement risk by eliminating the possibility of one party defaulting on their obligation and leaving the other party exposed | Payment-versus-Payment (PVP): is facilitated by specialized payment systems, such as CLS |
| Settlement System | Central Clearing and Settlement System (CCASS):  CCASS is the electronic clearing and settlement system operated by HKSCC, which facilitates the clearing and settlement of stock trades.  Participants, including brokers and custodians, use CCASS to settle their trades and manage corporate actions. | The Depository Trust & Clearing Corporation (DTCC) is the main clearing and settlement system for the U.S. stock market. In Europe, Euroclear and Clearstream are the prominent clearing and settlement infrastructure providers. |

Money Markets (MM) Settlement: Money market transactions in Hong Kong are settled through various systems, including the Real Time Gross Settlement (RTGS) system operated by the Hong Kong Monetary Authority (HKMA). RTGS settles transactions on a real-time and gross basis, ensuring immediate and irrevocable transfer of funds between participating banks. Settlement cycles for money market instruments can vary, but commonly used instruments such as Treasury bills and commercial paper are settled on a T+0 or T+1 basis.

Bond Settlement: Bond settlement in Hong Kong follows the Delivery versus Payment (DVP) model, ensuring simultaneous transfer of securities and funds. The primary platform for bond settlement is the Central Moneymarkets Unit (CMU), operated by the HKMA. CMU settles government bonds , exchange-traded funds (ETFs), and other fixed-income instruments. Settlement cycles for bonds typically range from T+0 to T+2, depending on the specific instrument and market convention.

OTC Derivatives Settlement: OTC derivatives settlement procedures can vary depending on the specific contract and counterparties involved. Settlement may involve the transfer of cash flows, collateral, or underlying assets. OTC derivatives transactions are often governed by International Swaps and Derivatives Association (ISDA) master agreements, which outline the terms and conditions of the transactions. Settlement periods for OTC derivatives also vary depending on the contract and market conventions.

**System (SWIFT, CHATS, RTGS, Xact):**

SWIFT provides a secure messaging network for banks to exchange financial information, while RTGS is a settlement system that enables real-time and individual transfer of funds between banks.

SWIFT <https://en.wikipedia.org/wiki/SWIFT>

CHATS <https://en.wikipedia.org/wiki/Clearing_House_Automated_Transfer_System>

RTGS <https://en.wikipedia.org/wiki/Real-time_gross_settlement>

Xact <https://www.clearstream.com/clearstream-en/securities-services/connectivity-1-/clearstreamxact/xactwebportal/xact-web-portal-tutorials-3099644>