Universal Commodity Exchange (UCX)

Based on its requirements for high availability, performance and flexibility, UCX chose to run its mission-critical SAP ERP solution on SUSE® Linux Enterprise Server. The solution enables near-real-time trade settlement and clearing, giving UCX an advantage over its competitors. The company is now steadily migrating components of its core commodity trading software from Microsoft Windows to SUSE Linux, aiming to improve performance and reliability while reducing the total cost of ownership.

Overview

Headquartered in India's financial capital, Mumbai, Universal Commodity Exchange (UCX) Limited is the next-generation national-level commodity exchange for derivatives across all commodity segments. Offering a neutral and transparent price-discovery platform backed by robust trading, clearing, settlement, risk management and surveillance systems, UCX aims to be the first choice for commodity trading within India.

Challenge

Anjan Choudhury, CIO at UCX, said, "We had the opportunity to build a highly flexible and reliable trading platform that

would allow us to operate more efficiently and at lower cost-per-transaction than our competitors. We wanted an open, scalable, fault-tolerant operating system with strong local support that would enable very fast time-to-market. IT is a critical element for financial exchanges, and IT spend may represent up to 30 percent of our revenues, so technology is a really important strategic decision for us."

UCX is the fifth—and newest—exchange to be granted a license by the financial regulator in India. As a new start-up looking to win market share against established competitors, the company needed to hit the ground running with a fast and highly reliable trading platform. Unlike its competitors, who face significant risks in migrating away from their legacy systems, UCX had no constraints in selecting a future-ready platform.

Solution

To ensure maximum flexibility, UCX avoided deploying a monolithic architecture, instead taking a componentized approach in which each set of business processes are run on the most appropriate hardware and software.

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ANJAN CHOUDHURY
CIO
Universal Commodity Exchange (UCX) Limited

UCX at a glance:

Next-generation national-level exchange for the Indian derivatives market across all commodity segments—covering precious metals, crude oil and agricultural products.

■ **Industry and Location**

Financial Services, India

■ **Products and Services**

SUSE Linux Enterprise Server

■ **Results**

+ *Provided a high-performance, high-availability platform for SAP ERP*
+ *Enabled near-real-time trade settlement and financial clearing*
+ *Improved time-to-market for new services while cutting costs*

"Many different applications come together to support the end-to-end trading process," said Choudhury. "The system profiles differ widely in terms of the load, performance requirements and availability requirements—and we wanted the flexibility to run on whatever processor architecture best suited each system. Linux was the answer, being the only platform we could use across all different architectures. And based on my positive experience of SUSE's support and engineering resources in a previous role—in particular, the ease of migration from Microsoft—I chose SUSE Linux Enterprise Server."

Today, UCX is running dozens of instances of SUSE Linux Enterprise Server, both on dedicated physical servers from Dell and IBM, and using the built-in Xen virtualization capabilities. These support a variety of infrastructure services, as well as the company's mission-critical SAP ERP landscape. The core trading application itself currently runs on Microsoft Windows, but UCX is steadily migrating it, component by component, to SUSE Linux. The entire infrastructure is hosted and managed in highly resilient twin data centers by UCX's technology partner, Wipro.

"Linux is our roadmap for the whole trading system, and we are engaged in a staged migration away from Windows," said Choudhury. "As far as we know, we are the first exchange in the world to use SAP for real-time settlement and clearing, all running on SUSE Linux Enterprise Server."

Financial exchanges typically handle settlement and clearing as end-of-day batch jobs. To streamline the process and provide real-time transparency, UCX integrated its core SAP financials software with settlement and clearing systems and also with its banks and other partners. The company also handles all sales and billing through SAP.

"The financial processes handled by SAP are absolutely critical to our business; SUSE Linux Enterprise Server provides the rock-solid availability and outstanding performance we need, at low total cost of ownership," said Choudhury.

Results

Offering rapid trade settlement is an important benefit for the brokers who use the UCX exchange, helping them to maintain an accurate view of their financial position and to manage margin calls to their clients. With key components of the solution running on SUSE Linux Enterprise Server, UCX has confidence in the reliability and resilience of its settlement services.

"In a financial trading scenario, there's no way to roll back from mistakes or outages, so we need absolute reliability and accuracy at all times," said Choudhury. "With the strong support we enjoy both from SUSE and from Wipro, we know that we can rely on SUSE Linux Enterprise Server to run our business. The operating system also provides the strong security that we need to protect financial transactions."

As UCX continues to grow its business and develop new offerings for clients, the flexibility and rapid deployment of SUSE Linux Enterprise Server are significant advantages. "Rolling out a complete new instance of SUSE Linux on a physical server takes less than two hours, which is helping us to maintain our time-to-market edge over competitors," said Choudhury.

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