

Customer Insight: RMI Division of FCStone LLC



At-a-Glance

About INTL FCStone Inc.

- INTL FCStone Inc. is a Fortune 500 financial services firm specializing in commodity trading in addition to foreign currency exchange and treasury services, securities execution and asset management

Challenge

- Provide the depth of market access and data export capabilities required to support RMI's research and proprietary risk management programs

Solution

- Utilize the data and functionality of FutureSource, Interactive Data's professional decision-support desktop solution

Benefits

- From one easy-to-use platform, RMI can export data and capture images needed to populate its research reports and help power its risk management programs

Situation

Risk Management Incorporated provides risk management services and products to mitigate price and credit risk for energy buyers specializing in natural gas. It became a wholly owned subsidiary of INTL FCStone Inc. in 2010 and was later merged into FCStone LLC, currently functioning as the RMI Division of FCStone LLC (RMI).

In the last 20 years, RMI has facilitated the development and execution of over 80 risk management programs on behalf of utility and corporate customers, and executes approximately \$16 billion in energy contracts for its clients each year. RMI needed a fast and reliable real-time market data provider to supply the data it requires.

The selection of Interactive Data was based on the following primary business drivers:

Depth of market coverage

RMI's customer base is composed of investor-owned utilities, municipal systems, cooperatives and energy-intensive industrial and commercial companies. The majority of these customers subscribe to a combination of the company's services, including consulting, brokerage, and/or risk tracking software. RMI was looking for a data provider to support services ranging from market guidance to the implementation of complete risk management systems.

Data export capability

RMI has created a wide range of proprietary systems that are powered by real-time market data. The company needed a market information provider with highly developed and easy-to-use data export and Excel capabilities.



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“If one of our customers — for example a regulated utility — asks us what type of information service they need, we recommend FutureSource.”

Dan Conrath
Senior Vice President
RMI Division of FCStone LLC

Solution

RMI selected FutureSource, Interactive Data's professional decision-support desktop solution. The system provides RMI with the following advantages:

Data export capabilities

RMI designs customized, quantifiable hedging strategies to meet its customers' needs, which include historical valuation and predetermined time parameters, and which use fixed price contracts, caps, floors and collars. The ability to export data from FutureSource provides RMI with the underlying market data on which several of these strategies are based.

Depth of market access and range of data

RMI offers extensive fundamental and technical analysis through its daily, weekly and monthly energy reports, importing images from the FutureSource platform into these reports. In the energy markets, FutureSource provides real-time access to NYMEX and ICE Futures data, including ICE Implied Bids and Offers, as well as third-party content, including Dow Jones Energy News, Platts and SNL Energy. In addition, weather maps from WSI and important storage statistics from the EIA and API are also available.

User-friendly platform with advanced charting capability

FutureSource's functionality includes advanced charting with access to more than 60 technical studies and is designed to support custom spreads, strips and overlays, as well as to provide seasonal and forward curve charts. "We use the technical analysis techniques available on FutureSource as one of our analytical tools," says Dan Conrath, Senior Vice President, RMI Division of FCStone LLC. "We take that information and build it into our own analysis."

System development to accommodate changing business needs

RMI values the advantages that a long-term customer relationship can bring, based on Interactive Data's knowledge of the company's needs. "I'm very comfortable with the product and have used it for a long time," says Mr. Conrath. "The service has been upgraded over time. In the beginning those upgrades were driven more by us as the customer, but over the last five years Interactive Data has come to us with new versions."



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Detailed customer service support

"We seldom have a problem," says Mr. Conrath. "But any time we have a question the issue is resolved very quickly."

Benefits

FutureSource is an ideal solution because it delivers fast and reliable real-time market data and decision support software. With FutureSource, RMI's analysts have access to the full range of data and tools needed to support their proprietary risk management systems and research reports.

ABOUT INTERACTIVE DATA

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