

# Technology Innovation

IN FOCUS 2021

## NOWCASTING & ALT DATA

Ensuring data is accurate,  
timely and relevant

## COLLATERAL MANAGEMENT

Cloud approach to mitigate risk  
and increase efficiency

## TECHNOLOGY & INSIGHT

Embedding solutions into an  
organisation

**Featuring** ALPIMA | CloudMargin | Macrobond





# Beyond conventional economic metrics

Interview with Howard Rees

**T**he pandemic and the resulting economic recession have made it abundantly clear that macroeconomists need to look beyond conventional measures to assess the economy in real time. The use of nowcasting and increased application of alternative data has been further accelerated by this global crisis, highlighting the need to ensure data is accurate, timely and relevant.

"The Covid-19 pandemic made the traditional measures of economic performance, which are backward looking and subject to large time lags, less relevant. The biggest challenge for our customers was being blind-sided by Covid since it made it close to impossible to assess the economy in real time," observes Howard Rees, chief commercial officer, Macrobond.

The firm delivers a comprehensive source of economic intelligence for financial professionals, together with analytical tools to help them quickly find, analyse and visualise relevant data.

In its response to this shifting environment,

Macrobond succeeded in sourcing and offering a range of Covid-related data that helped clients make portfolio decisions and allocations easier. These datasets included novel Covid, data mobility indices and stringent indicators available from different countries.

In addition to data requests directly related to Covid, Rees outlines an upsurge in demand for high-frequency data such as retail footfall, airport passenger numbers, mobility trackers, weekly job claims, etc. as well as renewed interest in market sentiment data.

This trend appears to have set the stage for times to come. Rees comments: "While the specific data requirements may change, we don't think the need to complement economic models with higher frequency indicators will disappear. The challenge with data is rarely the availability of it, it is ensuring that it is accurate, timely and relevant."

## Workflow integration

Macrobond's strength lies not just in its global reach when acquiring new and esoteric data,

but also that the firm makes it easy for users to integrate this data into their workflow.

Discussing the continued evolution of the firm's offer, Rees says: "We are adding millions of high-frequency and alternative data points that our customers can incorporate into their existing workflows. We are also developing new products that will allow our users to better combine traditional and alternative data. One involves taking any traditional macroeconomic time series and generating a nowcast based on proprietary algorithms, which are fed by high-frequency and alternative data sets."

The firm's success has been built on addressing the challenges of manually downloading, organising, analysing and visualising data and then making it available to colleagues, clients and other stakeholders. "By automating routine tasks and simplifying workflows, we enable users to spend less time organising data and more time producing valuable analysis and commentary. In addition, with Covid, the collaboration tools we had originally built to help people communicate with one another globally, suddenly became vital for teams that went from sharing an office to working from home in unexpected silos," Rees notes.

Macrobond has invested heavily in products aimed at quants, such as desktop and enterprise APIs. "It is these customers who have traditionally tended to be the quickest adopters of new data sets. However, now that we've added this type of data to our core platform, we have seen increased adoption by a much broader set of customers. These are professionals who are also keen to gain insights from these products but may previously have struggled to add them to their workflow. Consumers of financial products are becoming increasingly sophisticated and firms that don't adapt quickly enough run the risk of getting left behind," Rees underscores.

The firm offers instant access to timely, accurate macroeconomic and financial time-series data from over 2,500 global sources – more than any other data provider. Its powerful suite of integrated analytical tools allows customers to rapidly analyse and visualise this wealth of information, transforming it into actionable insight which can be easily shared with colleagues and clients, enhancing enterprise-wide collaboration and improving productivity.

Integrating new data sources into a client's workflow is critical, despite the difficulties inherent in measuring its impact. Rees comments: "One of the hardest things for a business to measure is the cost of inefficient workflows and communication bottlenecks. Anecdotally, we have had customers tell us that their efficiency has increased dramatically by adopting our tools. This is because analysis that once took hours in Excel is now being produced in mere seconds thanks to our point-and-click tools.

"Also, by providing them with a central hub of research for their organisation, we removed additional inefficiencies and significantly reduced any reputational risk that poor version control can bring to client-facing materials."

### Striving to innovate

According to Rees, successful innovation is innovation that originates consistently across diverse individuals and teams rather than from a handful of mavericks. It requires robust, formal processes that can capture a wide range of ideas and analyse performance and other data. This then enables them to create, design or refine a solution.

He concludes: "The investments we have made to understand customer workflows and enhance our services to suit their changing needs have been among our most valuable. An example of this is our web API, which gives Macrobond customers instant access to hundreds of millions of feedable time series they have already built into their investment processes via our desktop solutions. This allows them to extract huge amounts of data, including point-in-time data, in a systematic way. It is now being used to power a new generation of financial models including forecasting, nowcasting, as well as more traditional risk models." ■



**Howard Rees**

Chief Commercial Officer, Macrobond



Howard Rees is the Chief Commercial Officer of Macrobond Financial, a leading provider of macroeconomic and financial time-series data for financial professionals. He oversees all commercial-related activities including new business sales, customer success, strategy, operations, and marketing. Most recently, Howard served as Head of International Sales at Burgiss, where he led the US private-equity data and analytics provider's expansion across key markets. Prior to that, he held multiple senior leadership sales roles at Bloomberg LP globally.