



Risk Management
Commodities Trading
Physical Logistics
Regulatory Compliance

Simulation 8.0

Powerful portfolio simulation and evaluation tools

Allegro Simulation 8.0 provides the ability to evaluate how your portfolio will react to various future market conditions. Sophisticated tools provide scenario simulation capabilities that enable users to identify the most profitable opportunity by performing what-if scenarios. The system's stress-testing functionality applies market sensitivities, including price, interest rates, currencies, volumes, and volatilities to a portfolio to help analyze how potential market changes will impact various types of risk exposure.

Features	Benefits
Calculates Value at Risk (VaR) through a variety of methods such as variance-covariance, JPMorgan Riskmetrics, historical simulation and Monte Carlo method.	Allows users to evaluate how their portfolios will react to future market conditions and make adjustments in real-time to capture profitable opportunities.
Provides limit monitoring using VaR at various user-defined levels.	Allows corporate risk managers to monitor risk levels in real-time and make adjustments if needed.
Performs simulation and stress-testing, using up to seven parameters that can be defined as having relative, absolute or fixed movement. Parameters include price, volume, currency, and volatility.	Allows users to see the potential risk behavior of their portfolio under different market conditions, such as weather that is warmer than normal. This analysis facilitates making decisions regarding option exercise and other risk management techniques.
Includes a full suite of risk reports, and users can also create, maintain and use their own report formats and templates in the system.	Allows users to easily sort and view simulation information, and drill down within the data to view information, such as Mark-to-Market values under different scenarios. This provides great flexibility to risk managers across the company to view the data in the most effective way for their particular reporting needs.

Business Case

Simulation 8.0 is an integral part Allegro's powerful Interactive Trading Environment. After traders have developed their trade strategies, the Simulation component will help evaluate how those portfolios will react to various future market conditions.

The user can construct what-if scenarios of various complexities, and then stress-test those scenarios on a wide variety of physical, financial and environmental sensitivities.

Ultimately, the user will be able to identify the most profitable opportunities and be able to execute their trade strategies with confidence.

Once the trade strategies have been implemented, the user can continue to re-evaluate those strategies through Simulation to continually adjust and optimize for better profitability.

Process Flow**Simulation 8.0 is an integral part of the Allegro Interactive Trading Environment**

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Allegro[®]

Allegro is a global leader in commodity trading and risk management solutions for power and gas utilities, refiners, producers, commodity traders, and commodity consumers. With more than 26 years of deep industry expertise, our enterprise platform drives profitability and efficiency across front, middle, and back offices, while managing the complex logistics associated with physical commodities. Allegro provides customers with agile solutions to manage risk across gas, power, coal, crude, petroleum, agricultural, emissions, and other commodity markets, allowing decision makers to hedge and execute with confidence. Allegro has recently been recognized as the Energy Risk Software House of the Year and received The Energy Business Awards Gold Award for Excellence. Headquartered in Dallas, Texas, Allegro has offices in Calgary, Houston, London, Singapore and Zurich, along with a global network of partners.