

CASE STUDY

# TDX Strategies Powers Complex Trading and Risk Management with Talos





## Introduction

TDX Strategies is an institutional digital asset derivatives platform that provides a comprehensive suite of investment banking and wealth management solutions to help investors build and manage digital asset wealth. Facing challenges such as fragmented liquidity, complex order routing, and the need for real-time risk management, TDX decided to leverage Talos's advanced digital asset trading platform. Explore how Talos's technology helped streamline TDX Strategies' workflows, reduce execution costs, and enhance trading performance in the dynamic derivatives market.

## The Company

Established in 2019, TDX Strategies aims to generate consistent alpha through innovative derivatives trading solutions. TDX Strategies combines extensive knowledge of financial markets and risk management with digital asset expertise to help investors safely navigate the complexities of this emerging asset class and achieve optimal risk-adjusted returns.



## The Challenge

TDX Strategies relies on speed, precision, stealth and robust infrastructure to maximize returns for their clients. The fragmented nature of the market, where liquidity is scattered across exchanges and OTC providers, requires sophisticated smart order routing, execution strategies and risk monitoring. Here are the key challenges they needed to tackle to ensure the efficiency, security, and scalability of their operations:

- **Complex order routing:** Executing complex strategies requires intelligent order routing to access the best available prices across venues and minimize market impact.
- **Real-time risk management:** Monitoring and managing risk in real time is crucial for options trading, requiring sophisticated models, analytics and dashboards to track positions at strategy as well organization levels.
- **Scalability:** As trading volumes and strategy complexity continues to grow at an exponential pace, TDX needed a scalable solution to address their immediate and long-term needs.
- **Automation:** Reducing manual intervention in trading workflows was essential to improving efficiency and accuracy.

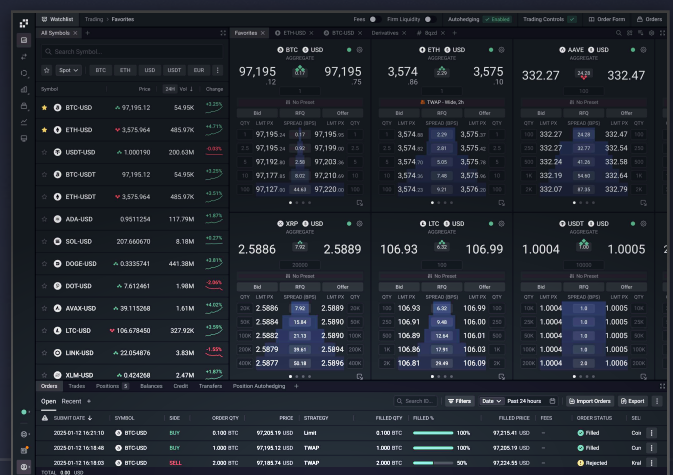


## The Solution

After thorough examination, TDX Strategies selected the Talos platform to enhance its trading and portfolio management capabilities. By leveraging Talos's market connectivity and smart order router (SOR), TDX can efficiently route orders across multiple exchanges and liquidity providers, helping to ensure optimal price discovery and execution. This feature is particularly valuable in the highly fragmented derivatives market, where efficient order execution is critical.

The advanced algorithmic trading tools provided by Talos allow TDX to design and implement multi-leg execution strategies tailored to their specific trading objectives. These tools enable the firm to optimize complex trades efficiently while maintaining alignment with its quantitative investment models. Additionally, Talos's real-time risk management system offers TDX comprehensive insights into portfolio exposure and risk metrics, ensuring that the firm can monitor and mitigate risks proactively across its diverse strategies.

Talos's robust API infrastructure facilitates seamless integration with TDX's existing systems, streamlining workflows and allowing TDX to connect its proprietary trading models with Talos's platform effortlessly. Furthermore, Talos's unified portfolio management tools provide TDX with a real-time view of its digital asset holdings across spot, futures, and options markets, allowing for precise tracking of profit and loss (P&L) and comprehensive risk oversight. Together, these solutions empower TDX Strategies to stay ahead of the competition by navigating the complexities of the digital asset market with greater precision, efficiency, and confidence.



For illustrative purposes



## The Results

By leveraging the Talos platform, TDX Strategies achieved significant improvements in their derivatives trading operations:

- **Improved execution quality:** Smart order routing results in a significant improvement in execution prices, capturing more alpha for the firm.
- **Streamlined execution of complex trades:** The multi-leg functionality allows TDX Strategies to execute trades involving multiple legs (e.g. combining spot derivatives) as a single, cohesive strategy. This eliminates the need to manage each leg separately, reducing operational complexity.
- **Synchronized execution:** By executing all legs of a trade simultaneously, Talos's algorithms help minimize the risk of slippage or adverse price movements that could occur if legs are executed sequentially. This is particularly beneficial for options strategies that require precise timing.
- **Reduced market impact:** Splitting large orders across multiple venues and executing them as part of a multi-leg strategy helps reduce information leakage and market impact, which is critical for maintaining competitive pricing in options trading.





*"Talos has been a game-changer for our options trading operations. Their platform's smart order routing, algorithmic trading tools, and real-time risk management capabilities have significantly improved our execution quality, reduced costs, and enhanced our ability to generate alpha in the dynamic options market. The Talos team's expertise and support have been invaluable in helping us achieve our trading goals."*

**Dick Lo**  
CEO | TDX Strategies

*"Our collaboration with TDX Strategies exemplifies how Talos's institutional-grade platform can empower digital asset firms to overcome market fragmentation, optimize execution, and enhance risk management. By providing seamless access to diverse liquidity sources and advanced trading tools, we enable our clients to navigate the complexities of the digital asset market with confidence."*

**Samar Sen**  
Head of APAC | Talos

## The Future

Through its partnership with Talos, TDX Strategies is well-positioned to remain at the forefront of the digital asset trading space. The firm's ability to efficiently execute complex multi-leg transactions will enable it to reduce costs, introduce innovative investment strategies, capture new opportunities, and deliver superior results for its clients in the crypto derivatives market.

