

Intraday Liquidity Management - Trends, Challenges and Opportunities

A Q&A with [Indranil Dasgupta](#)

What in your opinion are the most important trends observed in the Intraday Liquidity Management Space?

Modern day risk managers face significant obstacles while trying to manage both "Funding Liquidity Risk" and "Market Liquidity Risk" simultaneously. They also need to visualize liquidity risk from a holistic perspective, to make accurate funding and cash management decisions. There is a market need for a liquidity risk management solution, which can help banks to establish risk visualization frameworks through 360 degree dashboards showcasing risk data with drill-down capabilities across products and business verticals.

What are the major pain points faced by banks while implementing Intraday Liquidity Management Systems?

Banks face significant challenges in the areas of data integration and reconciliation activities. In many legacy systems, the funding component does not have the capability to interface with limit management and collateral systems and this impedes funding optimization activities.

What are the salient characteristics of an ideal Intraday Liquidity Management Solution in your opinion?

An end-to-end comprehensive and actionable system which optimizes all activities from reconciliation to funding. Such a system enables treasurers and risk managers to mitigate the risk associated with liquidity squeezes and gain business advantage by intelligently investing liquidity surpluses.

What kind of business benefits would such an ideal Intraday Liquidity Management solution provide to risk managers?

- Avoid high cost of funding through effective identification of cost-effective funding options
- Reduce reputational damage associated with liquidity shortfalls while benefiting from investing the liquidity surpluses
- Analyze past catastrophic events and better prepare for any future liquidity crisis situations
- Better manage the timing of liquidity outflows and deal with unexpected disruptions in intraday liquidity inflows
- Continuously monitor and optimize liquidity over future time horizons
- Leverage LCR calculations to provide LOB charge backs for liquidity costs

Is there an ideal solution in your mind or are you working along similar lines?

There is such a comprehensive liquidity risk management solution which brings risk, execution and visualization onto a single platform enabling decision makers to leverage risk information effectively to make profit-enhancing business decisions.....Stay tuned for the solution launch.

About the Author

Indranil Dasgupta is the Business Head for iRTM's OneLRM product. He has over 25 years of P&L leadership, strategy, marketing and delivery experience in finance technology & business change management in investment banks. He has joined Intellect from Credit Suisse, where he was the director of Risk & Finance IT, where he has been responsible for Regulatory Projects like CCAR & Liquidity Risk, building the AXIOM Centre of Excellence & General Ledger and Product Control IT. In the area of investment banking, he has worked at senior levels with Deutsche Bank, Nomura, and Lehman Brothers.

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