

WHITEPAPER

OPTIMIZING END-OF-DAY PROCESSES IN C/ETRM PLATFORMS

**A STRATEGIC FRAMEWORK FOR GLOBAL ENERGY AND
COMMODITY TRADING FIRMS**

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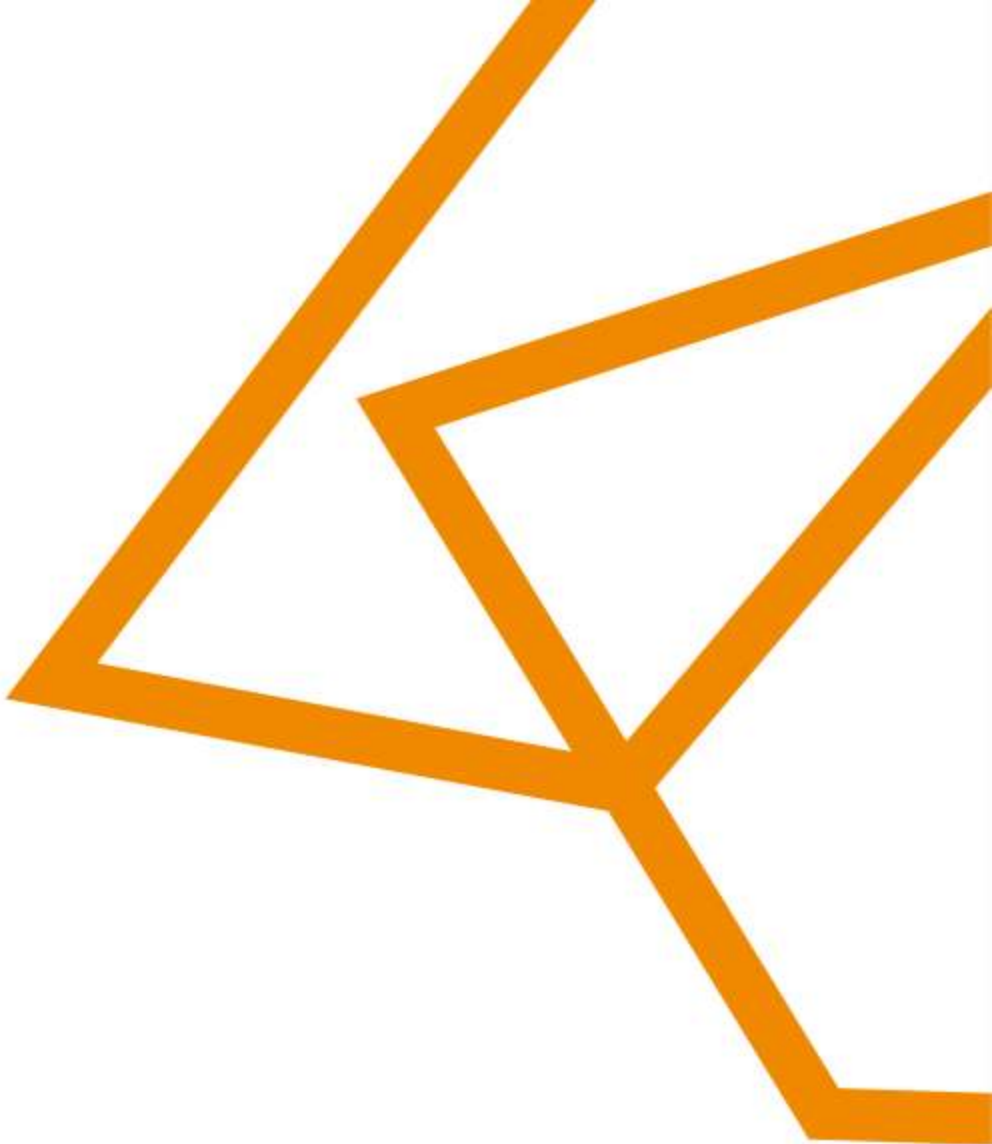


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EXECUTIVE SUMMARY

In today's interconnected and highly regulated commodity and energy trading landscape, the End-of-Day (EOD) process serves as a cornerstone of operational stability and compliance. For multinational firms operating across diverse commodities, geographies, and reporting regimes, executing a timely, accurate, and auditable EOD close is essential.

From reconciling vast quantities of volatile market data, to aligning risk and P&L across time zones, to ensuring financial entries flow seamlessly into the general ledger - EOD is where everything must come together.

This paper explores the key EOD challenges faced by energy and commodity trading firms, highlights best practices, and emphasizes the critical role of the EOD process in global financial reporting. It then demonstrates how partnering with a professional services firm with deep domain expertise can help achieve operational excellence, stronger financial governance, and long-term strategic agility.



THE COMPLEXITIES OF EOD IN GLOBAL ENERGY AND COMMODITY TRADING

Curve Management in Volatile Markets

Valuing positions accurately requires constructing robust forward curves, which is particularly challenging in illiquid or volatile markets. Common issues include:

- Inconsistent or missing pricing data across tenors and instruments
- Difficulty in applying reliable interpolation and extrapolation methods
- Misalignment between trading, risk, and accounting curve versions

Curve errors directly impact pricing and valuations including Mark-to-Market (MtM), Profit & Loss (P&L), Value-at-Risk (VaR), margining, hedge effectiveness, and general financial reporting.

Follow-the-Sun Reporting Across Time Zones

For global firms, EOD is a rolling process. While APAC closes, EMEA and North America may still be trading. This creates:

- Timing mismatches in market data and trades
- Dependency chains that delay reporting
- Regional silos that disrupt consolidated views

Coordinated, region-aware EOD workflows are essential to avoid downstream reconciliation problems.

Trading vs. Accounting P&L Alignment

Differences in valuation timing, curve usage, or treatment of provisional entries often create divergence between Trading P&L and Accounting P&L. These must be reconciled daily to:

- Ensure financial integrity
- Avoid unexplained variances during audits or close cycles
- Support internal performance and risk reporting

System Fragmentation and Data Inconsistency

ETRM/CTRM systems coexist with market data feeds, inventory platforms, General Ledgers (GL), compliance tools, and data warehouses. Without consistent integration:

- Data movement becomes manual, slow, and error-prone
- Reporting is reactive and unreliable
- Operational risk increases as teams rely on spreadsheets and workarounds

ETRM/CTRM to General Ledger Interfaces

End-of-Day is the handoff point between trade operations and corporate finance. An unreliable interface between the ETRM/CTRM system and the general ledger can lead to:

- Incorrectly posted or delayed financial entries
- Lack of audit traceability
- Regulatory non-compliance

Robust interface logic, validation, and exception management are essential.



MEETING INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

End-of-Day processes directly support compliance with global accounting and financial reporting requirements, especially under IFRS. Specific touchpoints include:

- **Fair Value Measurement (IFRS 13):**
Accurate EOD pricing and valuations are essential for MtM reporting.
- **Revenue Recognition (IFRS 15):**
EOD trade and delivery status data support revenue cut-off testing and accrual integrity.
- **Hedge Accounting (IFRS 9):**
EOD risk reports underpin hedge effectiveness assessments and documentation.
- **Risk Disclosures:** Credit, market, and liquidity exposures calculated at EOD feed into mandatory risk disclosures.

Inaccurate or inconsistent EOD processes compromise financial statement integrity and expose firms to audit risk.

The EOD process also ensures timely, accurate interfaces between the trading environment and the general ledger - an essential component for producing IFRS-compliant trial balances and financial statements.

BEST PRACTICES FRAMEWORK FOR EOD EXCELLENCE

KEY AREA	BEST PRACTICE APPROACH
Curve Management	Automated interpolation/extrapolation validation; audit-tracked locking
P&L Reconciliation	Standardized workflows across Trading and Accounting P&L
Follow-the-Sun Support	Regional team alignment; time-zone-specific processing with central oversight
System Interfaces	Real-time monitoring; automated data reprocessing and audit logging
General Ledger Integration	Seamless ETRM/CTRM - GL mappings; exception handling; journal validation
Data Consistency	Unified data models; governed pipelines; end-to-end reconciliation



WHY EXPERT EOD SUPPORT MATTERS

Managing EOD processes effectively requires more than just a capable system - it demands a strategic partner who understands the operational, financial, and data challenges that trading organizations face every day. A professional services provider with deep domain expertise can help firms implement a scalable, modular EOD support model that delivers consistency, insight, and performance across the entire trade lifecycle.

End-of-Day Systems Support

An experienced partner can take ownership of technical workflows and system orchestration to:

- Deliver consistent and predictable daily and monthly EOD close cycles
- Reduce manual touchpoints and eliminate reliance on key individuals
- Build a scalable framework that grows with trade volume and business complexity
- Free up internal IT and business teams to focus on strategic, value-adding initiatives

By industrializing EOD processes, organizations can shift from reactive troubleshooting to proactive operations.

Business Process Support

Beyond system-level execution, a capable services partner adds value by managing day-to-day business workflows and enabling internal teams to work smarter:

- Performing trade validations, reconciliations, and risk updates with consistency
- Flagging and prioritizing exceptions for faster resolution and decision-making
- Taking on routine tasks to allow internal staff to focus on insights, analysis, and strategic improvements

This type of support drives measurable improvements in:

- Operational reliability and throughput
- Financial accuracy and audit readiness
- Compliance adherence
- Analytical capacity and responsiveness

Data Support Services

A strong EOD services partner delivers clean, connected, and trustworthy data infrastructure to:

- Eliminate lags and discrepancies in P&L and risk reporting
- Streamline the movement and validation of data across ETRM/CTRM, risk, inventory, and accounting systems
- Reduce spreadsheet dependency and manual reconciliation

With always-on access to high-quality data, business users are empowered to:

- Generate insights more quickly
- Improve risk visibility and portfolio decisions
- Support intraday and end-of-month reporting with confidence

CONCLUSION

EOD processing is more than just a technical milestone - it's a cross-functional capability that underpins financial integrity, operational agility, and regulatory compliance. In a sector where seconds matter and errors compound rapidly, having a modern, resilient, and intelligent EOD framework is critical.

capSpire offers a differentiated and outcome-driven approach to EOD process management:

- **EOD as a Managed Service:** Systems, business processes, and data - delivered as a turnkey, SLA-backed service
- **Global Operational Coverage:** True follow-the-sun support for round-the-clock EOD readiness
- **Digital Innovation:** Proprietary automation and orchestration tools for alerting, validation, and process acceleration
- **Domain Expertise:** Deep functional knowledge across energy, commodities, risk, finance, and regulatory reporting
- **Compliance Readiness:** EOD processes tailored to meet IFRS and GAAP requirements, with audit traceability built in



ABOUT CAPSPIRE

capSpire is a global leader in technology consulting for energy and commodities firms, solving some of the industry's most complex challenges across the trading value chain. Our mission is to deliver transformative solutions that empower clients to grow, scale, and succeed in fast-moving, dynamic markets.

With three core service pillars - Advisory, Delivery, Operations and Support, capSpire's solutions begin with strategy and carry through to execution and scale. The capSpire team brings elite industry experience to every engagement, delivering impactful solutions that combine insight and innovation.

Operating across the commodities spectrum, including crude and refined products, gas, power and renewables, agriculture and consumer packaged goods, metals and coal. capSpire empowers clients to navigate market complexity, manage risk, and meet operational demands with clarity and confidence.

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Optimizing End-of-Day Processes in C/ETRM Platforms

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