



Global Pulse: FX Platforms

Measuring North American Buy Side Selection Criteria and Satisfaction with EMS Platforms

Presented by The Finance Hive, in partnership with EBS, part of CME Group



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Executive Summary

Why this report was written

North American Finance Hive Members have expressed a dire need for a path to help guide them through the exponential change that is present in the EMS Platform space. Having discussed the topic at length during roundtable discussions, they asked we provide a more quantitative analysis of:

- How their peer group select new platforms
- Which aspects of platforms their peers consider to be the most valuable
- Where platform providers need to focus their attention given the wealth of opportunities for innovation on the horizon

With this in mind, The Finance Hive set out to create this collective voice and aggregate the buy side perspective on EMS Platforms.

This report is the second of a series of three, the first of which was published in July 2019 and captured the European viewpoint. Work will commence capturing the Asian perspective later this year.

How this report was put together

The report pulls together quantitative insights from survey responses from the buy side which have been aggregated and analysed by The Finance Hive. Qualitative on-the-record interviews add depth and colour to the commentary. The scope of enquiry of the survey was created by roundtable sessions at Finance Hive Members Meetings, where heads of trading from some of the largest firms in The Finance Hive network who outlined specifically where they wanted to benchmark, and some of the insights they wanted to receive.

All of the survey respondents are the key decision maker at their firms or a strong influencer in the decision-making process.

Key Findings

- Integration with OMS platforms is overwhelmingly the top priority for all shapes and sizes of buy side firms
- Proficiency at netting is a prominent consideration when selecting a platform, but very rarely the most important criteria
- Cost becomes a higher priority the more time is spent trading FX
- 77% of managers trading FX more than three quarters of their time are looking to invest in new platforms
- Flexibility from providers and an ability to work closely on client's specific needs is important for true differentiation.
- Workflow and better access to liquidity are the most notable ways that platforms improve the way the buy side trade
- The most prevalent requests for improvement from platform providers are for more value-add TCA and better integration
- US and European managers face the same challenge and largely have the same priorities and demands, but Europeans are less content with the status quo

Headline Response from EBS

There has been a profound change in asset managers' FX trading needs over the past several years, due to regulatory tightening and significant changes in the way banks service their FX clients. New FX platforms have emerged, including our own - EBS Institutional, an innovative solution delivering breakthrough technology designed to address these needs. Asset managers have been slower than expected to switch platforms due to operational (and career) risk, and sometimes business barriers from OMS providers and other systems, especially in the post-trade arena.

Some believe that delivering one massive end-to-end monolithic system can solve numerous problems, but the implementation risks involved in switching platforms for the entire trade lifecycle are too great for any rational person to accept. Our belief is that better solutions can be created through rapid integration of multiple existing and new systems through some form of middleware, picking best of breed where it is needed, and leaving robust operational processes firmly in place where they exist. These middleware solutions have not yet emerged properly in FX, but it seems that the demand is building, and a growing number of asset managers are more willing to implement. This report is vital in summarizing the current state of affairs, and laying out buy side technology utopia, so providers can take note and work to improve the ecosystem accordingly.

About the participants

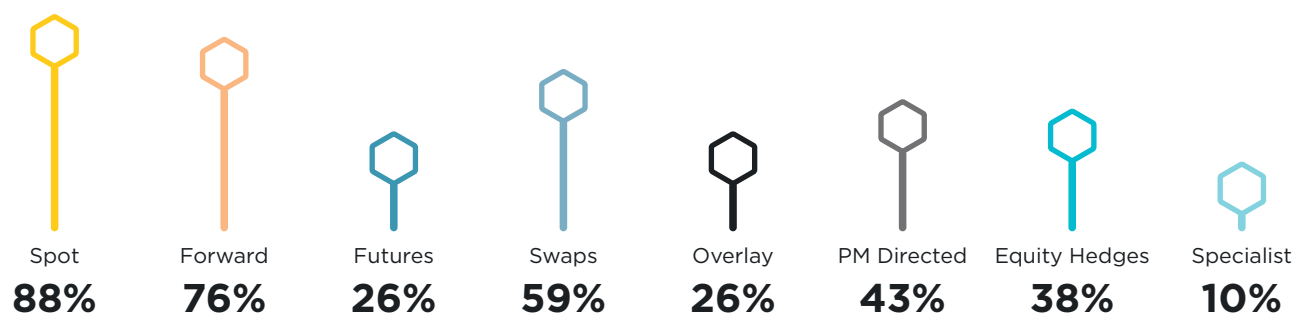
AUM of contributors



Time spent trading FX

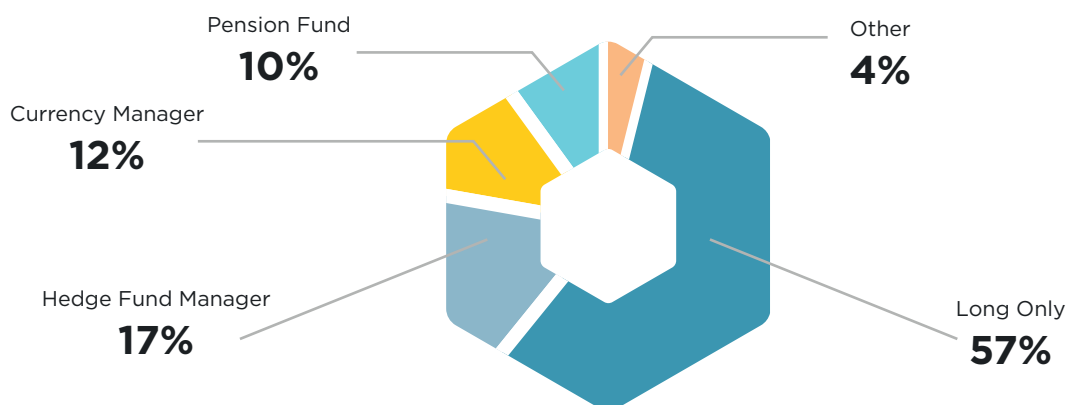


How are the participants trading FX?



Participants in the survey were asked to select which of the above fx products they traded and the types of execution desk that applied to them.

Type of firms



Featured Contributors

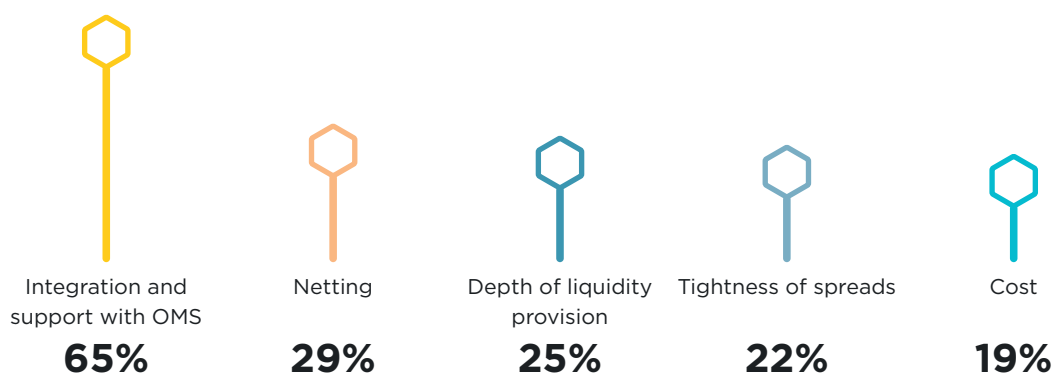
1. Jason Gaunt, Former Global Head of Trading, PanAgora Asset Management
2. Joe Pach, Head of Currency Trading, Mellon Capital Management
3. Ashish Bhagwanjee, Senior Portfolio Manager, Dimensional Fund Advisors
4. John Vause, Co-Head, EBS Institutional, CME Group

Section 3

Selection Criteria

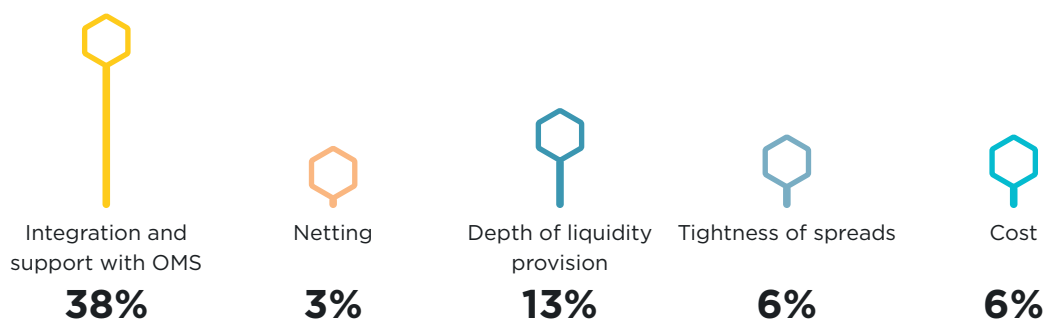
Buy side were asked to select (from a list of eighteen) the top five criteria they considered the most important in the decision-making process when selecting a platform. They were asked to rank them from one to five in order of importance. **Graph 3.1** and all other graphs in this section of the report display this ranking as a percentage of the score that would have been available if every respondent had identified a criterion as their top priority.

3.1 Highest scoring priorities when selecting a platform



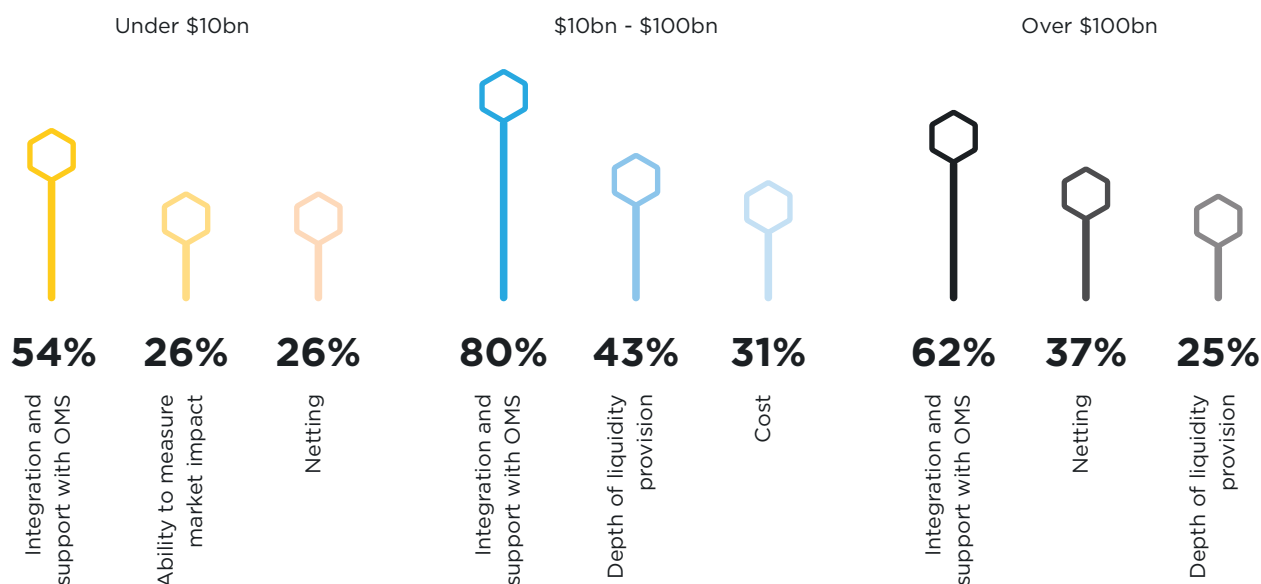
Integration and support with OMS platforms is overwhelmingly the frontrunner in overall selection criteria. Naturally, it is very important that this integration is a smooth process as a significant portion of workflow for asset management companies relies on feeding data between OMS and EMS technology. Regardless of other useful features, if a platform does not integrate well, then the benefits gained from these functions cannot be fully harnessed – which explains why it is so often the primary concern for traders.

3.2 Percentage of buy side who listed these criteria as their top priority



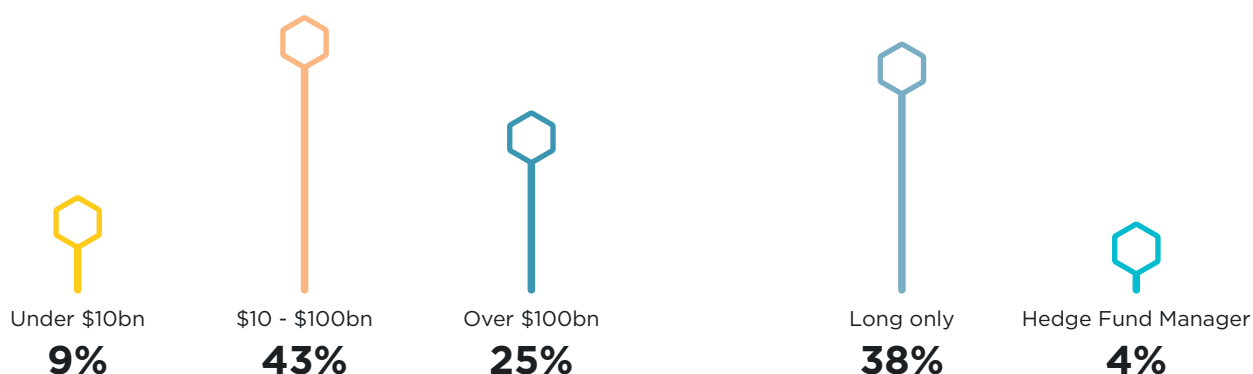
Despite being the second priority overall, **netting** was considered the most important criteria when selecting a platform by just 3% of respondents. This criterion was even more prevalent among firms who managed more than \$100bn. **(3.3)** Firms of this size would naturally have the most opportunities to net across multiple funds, and considering their size are far more likely to have legacy infrastructure where integration with OMS naturally takes precedent.

3.3 Most common priorities by AUM



Due to the smaller trade size in managers with less than \$10bn, **Depth of Liquidity Provision** scored fifth from bottom among this size of firm, while scoring in the top three priorities for the \$10-100bn (2nd) and over \$100bn (3rd) categories. The smaller trade size that comes with being a smaller manager means this is not an issue for this group, but considering it has become far more difficult for larger asset managers to complete large tickets via risk transfer for their entire order in the past decade, a deeper liquidity pool for those managers is a massive advantage.

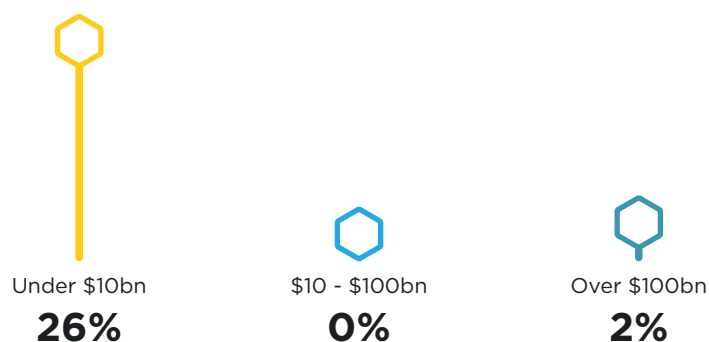
3.4 Depth of liquidity provision



Furthermore, Hedge Fund's employment of prime brokerage services gifting them a more holistic liquidity picture, and the strict list of approved counterparties that Long Only Asset Managers have available for each individual fund, means there is a huge disparity between how important a platform's liquidity pool is for these two groups.

It is also worth noting that hedge funds AUM would be smaller, which leads back to the first point raised around this criterion

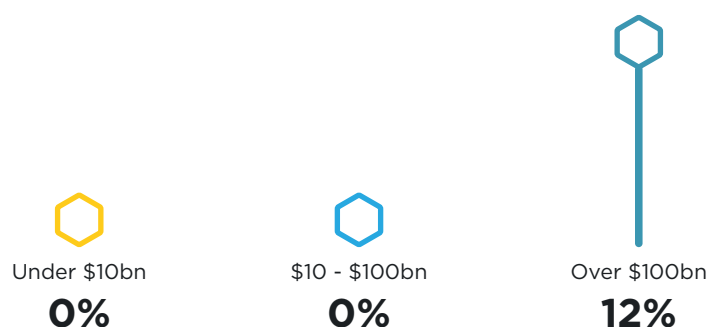
3.5 Ability to measure market impact



The joint-second highest score among funds with under \$10bn was the **Ability to Measure Market Impact**, but this barely registered with the larger firms managing more than \$10bn. Clearly, avoiding market impact is an important part of all trading desks, but it appears that smaller managers rely more heavily on their platform to be able to measure their footprint. **(3.5)**

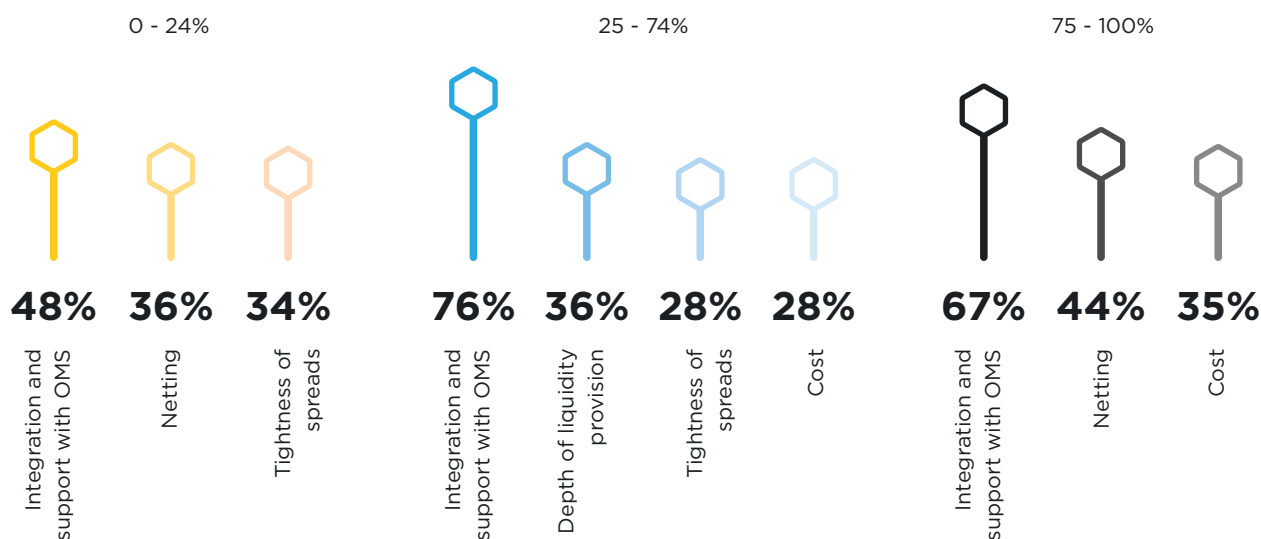
This is surprising, considering smaller managers are less likely to be taking the sort of FX positions that are going to move the market significantly. However, as highlighted in later chapters, smaller managers are far more likely to look for consolidated “one-stop-shop” solutions. **Ashish Bhagwanjee, Senior Portfolio Manager at Dimensional Fund Advisors**, notes that at his firm, they prefer to calculate market impact based on proprietary data sets and how they interact with markets. “We can be a lot more specific with this method than the standard EMS calculation,” Ashish continues.

3.6 Willingness to deal with ad hoc requests



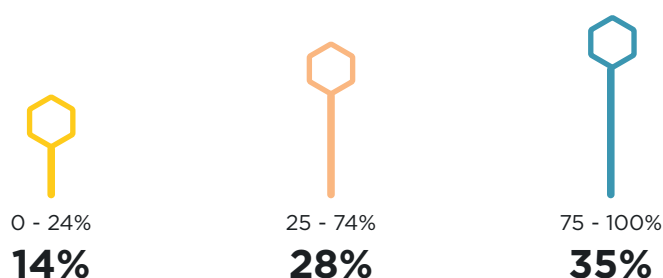
Nobody managing less than \$100bn selected a potential platform’s **Willingness to Deal with Ad Hoc Requests** as one of their top five selection criteria. Part of the reason for this could be a result of a platform providers’ likeliness to comply with these demands. If smaller managers know that it’s unlikely their ad hoc requests will be considered, then it follows that this wouldn’t be a priority for them when making a selection. At the same time, platforms may see the higher AUM firms as more important clients, considering the potential revenue they would generate from them, and therefore be more flexible with responding to tailored requests.

3.7 Top priorities by percentage of time spent trading FX



Integration with OMS once again came out on top in all three categories when breaking down the most common priorities by percentage of time spent trading FX, **(3.7)** although the focus on this criteria was skewed further towards the respondents spending more than 25% of their time on the asset class.

3.8 Cost



Cost was also a more common priority the more time was spent trading FX **(3.8)**. Among the 0-24% category, cost fell into the bottom half of their priorities. In terms of the direct costs an asset manager would pay, then it is probably only the most active FX traders who would even consider paying for a platform, so cost becomes a consideration for them, whereas it is not relevant to the others as they pay nothing anyway.

Thinking of cost from the perspective of what Liquidity Providers pay, then the more informed user who spends more time in the FX market would have a better understanding of what liquidity providers pay, and also realise that the more expensive platforms might impact the spreads and performance on FX executions.

Ashish at Dimensional falls into this second camp. “Cost is an important consideration for us. While the buy side aren’t charged, we are aware of the costs to our liquidity providers on the other end of the platform, as this is reflected in their pricing.”

However, cost isn’t everything and Ashish goes on to say that “some platforms are low cost to liquidity providers resulting in better pricing and others are more expensive but come with a host of useful features. We want both of these things in different circumstances.”

The next chapter will explore further which of these useful features the buy side collectively value the most, and look at the use case for one vs multiple platforms.

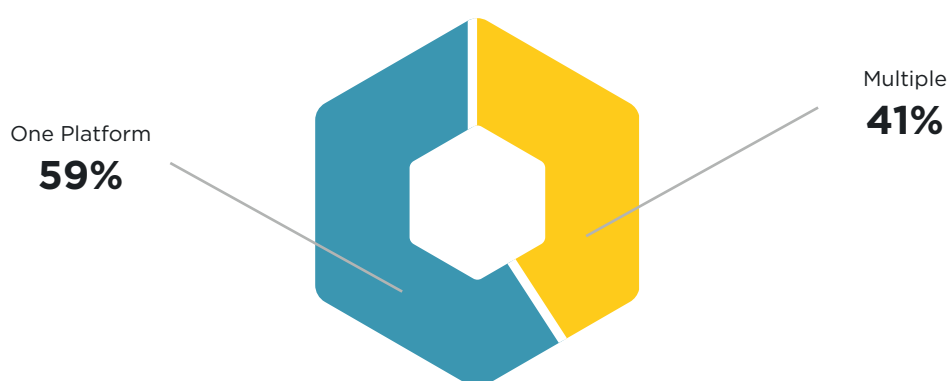
Section 4

Functionality and Satisfaction

How many platforms do the buy side use?

There was a relatively even split between firms using one or multiple EMS platforms on their desks, with a slight lean towards managers only using one. **(4.1)**

4.1 Do you use one platform or multiple?



This slight slant reverses for larger managers with over \$100bn of assets, as 55% of this group use multiple EMS platforms **(4.2)**. This is likely due to more sizable budgets and volume of trades dictating a need for the more in-depth analytics that can be accessed by using two platforms. At Dimensional, Ashish uses a number of different EMS platforms.

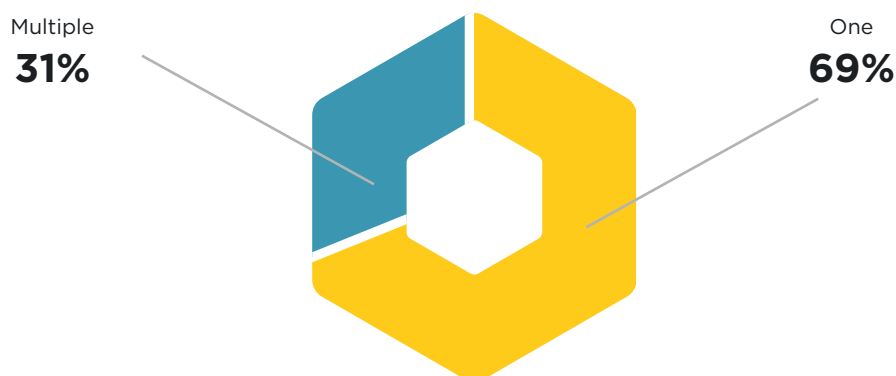
“We like to think of them as tools in a tool box, so we use different tools for different purposes.” Ashish thinks that many platforms excel in a particular area, so if the firm want to optimise different aspects of their FX trading they must leverage all of the tools in their box. However, this approach is not without its flaws. Ashish acknowledges that “the main drawback is this approach makes workflow more complex and we have to be mindful of the operational risk that is introduced.”

4.2 Number of platforms used by firms with over \$100bn AUM



However, when looking at the number of platforms used by the respondents dedicating the majority of their time to trading FX, there is a more significant lean towards only using one platform. The greater focus on streamlining workflow and the greater benefit from netting across funds could explain this. **(4.3)**

4.3 Number of platforms used by traders trading FX more than 75% of their time



4.5 Can one platform ever be enough?

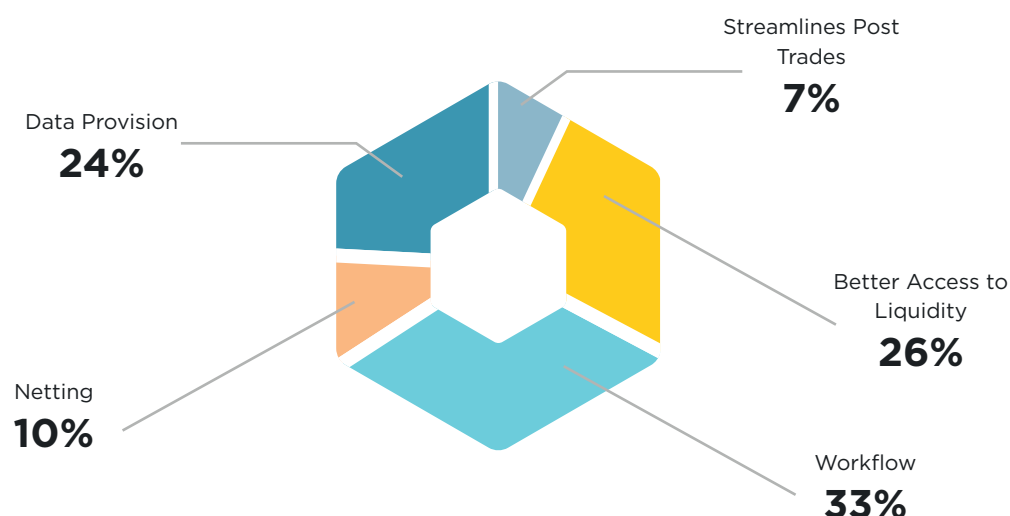


58% of the buy side surveyed considered that one platform could be enough, and this breakdown barely changed regardless of how the survey data was filtered. It really seems to depend on specific firms' situations. In **Joe Pach's** view, (**Head of Currency Trading, Mellon Capital**), if you are speaking in terms of compliance then one platform cannot suffice. You need to have access to a back-up in case of your primary platform going down. Looking at the question from a functionality perspective - Joe's opinion reflects the divided nature of the group, and puts into context the idea that it comes down to specific firms' scenarios.

Joe believes that it really depends on how sophisticated a firms' FX Trading is. In theory, there is no reason for one platform to not do a good enough job at everything that it can work in isolation. Ashish at Dimensional agrees, "Ideally we would have one platform, as from a cost perspective maintaining all of the infrastructure can be expensive. But at the moment there is no platform that is able to do everything we need it to."

Performance

4.9 How does your platform improve the way you trade?



The most significant ways in which platforms improve the way buy side trade can be broken up into five broad categories, as outlined by chart 4.9, with platforms simplifying buy side workflow as the most common reason cited. Better access to liquidity, and provision of data come in second and third.

For Joe Pach, the allocation session in FX Connect creates an environment where he is able to send trades that cannot be executed via stream or algo. He finds that having this option to effectively deal with trades that operate under unusual circumstances is FX Connect's biggest benefit.

Ashish considered the area that platforms offer the most value is in their netting capabilities. "We believe some do a better job than others and let us plan what we are doing with a trade in more detail" he explains.

Jason Gaunt at **PanAgora** is among the 33% who consider workflow to be the most useful function of his platform. "The way that FX All improves the way we trade is through the simple interface that streamlines our workflow and netting - removing unnecessary steps in the process of trading." Through using FX All, Jason is also able to maintain a list of available brokers systematically by account, which is very useful in PanAgora's pre-trade compliance efforts.

Jason is also impressed with FX All's newly integrated TCA solution. Before it was released, they were using an in-house system that captured and analysed FX All's data, but he considers the newer iteration of the platforms TCA solution to be much improved, as it displays the data in a manner that is far more intuitive. The upgrade allows for better visuals and clear insight into broker response and quoting time as well as win/loss rankings.

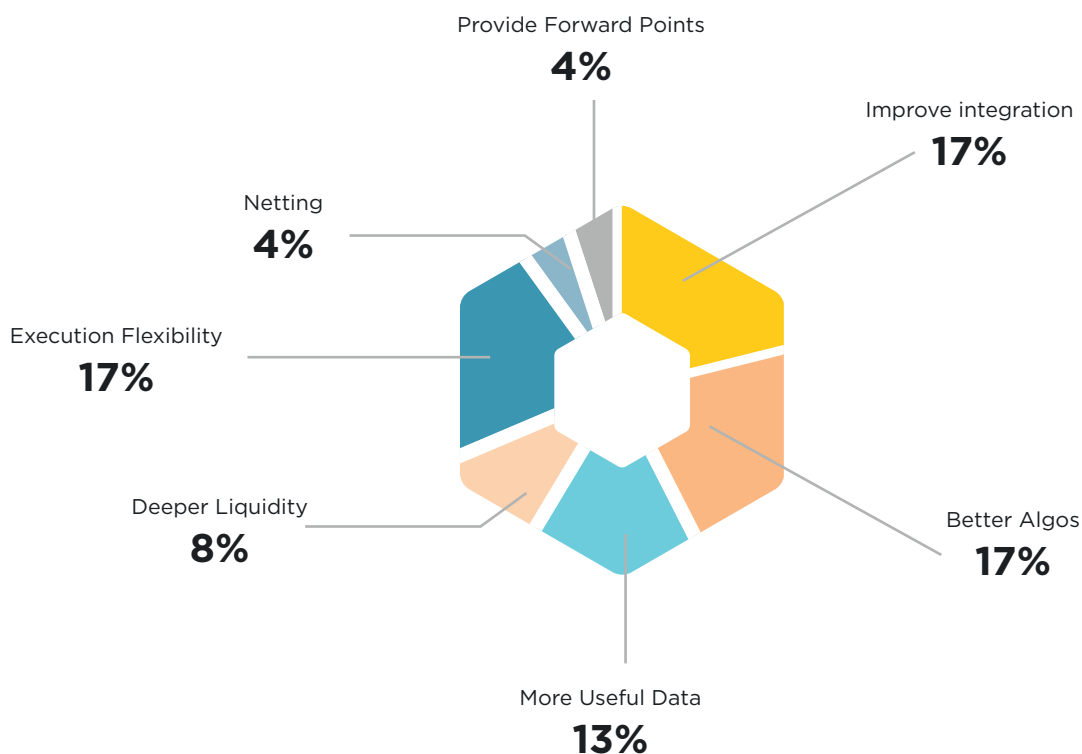
This allows Jason to have frequent conversations with his counterparties around this data and let them know how they rank relative to peers. Providing this feedback gives his counterparties the opportunity to improve on relevant metrics while helping PanAgora to attain best execution for their end clients.

Section 5

How can Platform Providers Improve?

Ashish believes it is very important for EMS providers to have a good idea of what the buy side needs. “In an era of fee compression, costs are critical. Innovations must be quantifiable in terms of price improvement, slippage reduction, or cost reduction.”

5.1 Requested improvements



There was less of a consensus among the buy side on improvements they wanted to see in comparison to the areas they were happy with. Better TCA slightly edges out the flexibility to execute trades in whatever fashion the trader prefers, and the ease of integration to make up around 55% of the vote.

For Joe Pach, this issue of integration is key. As has been highlighted in previous chapters, FX Platforms are deeply embedded in buy side workflow, and this certainly has its benefits. However, Joe is aware that sometimes this can go too far. “Essentially there are necessities within a platform.” Platform providers know this, and they can easily “sink their hooks” into a firm, if an over-reliance develops.

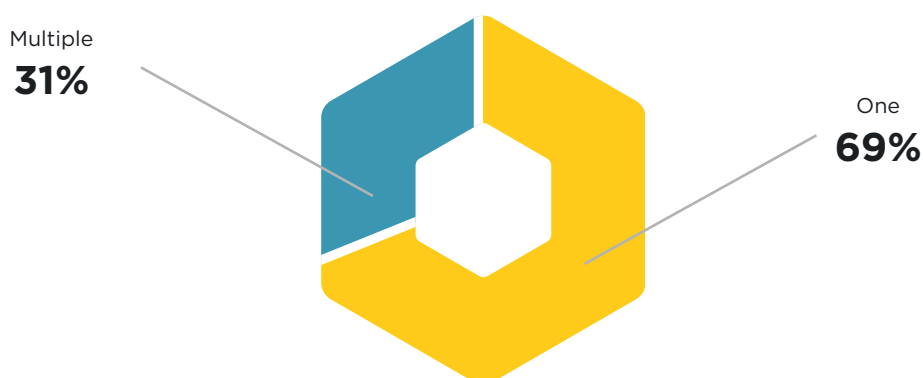
The example Joe uses, is that his back-office team rely on FX Connect’s back office system for a lot of their post-trade processing. If Joe was keen to switch out FX Connect for execution purposes, it would be a huge project, that would disrupt both his team and other areas of the firm, and vice versa.

In an ideal world, Joe would like the opportunity to have more flexibility and seek out the best products for each stage of the investment process, but legacy infrastructure and dealing with all of the integration requirements result in huge projects, where the means often don’t justify the ends.

This ties into a greater issue, which was highlighted by an anonymous head trader with over \$100bn of assets under management. Although there are clearly a host of issues great and small that the industry would like to see overcome, most platforms are not well enough differentiated from one another for traders to justify pulling the switch.

For the most active FX Traders, this is an even more pressing issue. Over two thirds of those spending the majority of their time on the asset class are looking to increase the number they use. **(5.2)**

5.2 Number of platforms used by traders trading FX more than 75% of their time



Ashish sees this a positive, and in his opinion, he thinks a healthy ecosystem would see different platforms offering different things, with it being at the buy side's discretion what they want to use.

A solution to the workflow implications suggested by Joe is standardisation of all the data points and connections within platforms, to make switching in and out a less onerous task. Joe sees FX moving into an exchange cleared environment as a big step in the right direction to meeting this goal. In Joe's eyes, this is a problem that exists for all of the most widely used platforms.

While Joe is of the belief that being able to cherry pick the best solution for each part of the investment process is buy side utopia, most hedge fund managers The Finance Hive spoke to saw the next generation of platforms as being all-encompassing systems that could handle a majority of trading desk functionality, and over the course of the trade lifecycle. Reasons for this "one-stop-shop", especially among those on the lower end of the AUM spectrum, stemmed from hedge funds having a requirement to run lean ships as fees are compressing and overall performance has dithered in their sector.

These factors have caused a strain on the actual budget attributed to investing in technology, as well as time resource surveying the vendor landscape and managing relationships with service-provider partners.

Jason Gaunt is among the 21% of the buy side surveyed who are keen to see advances in TCA, although he acknowledges that this is an area where platforms are listening to their clients and making progress. As highlighted in Chapter 4, he is happy with the integrated TCA solution provided by FX All, but has heard that some lesser used platforms are being proactive in providing these insights to counterparties themselves, using the data on their platform.

FX traders want to see TCA transform from a box-ticking exercise into a tool that adds real value to the execution process, and platforms being able to offer more of a consultative service will be a huge benefit for the buy side.

Section 6

Conclusion

EMS platforms' ease of integration continues to dominate the narrative from a buy side perspective, when it comes to the most important selection criteria as well as their requests to platform providers for improvements. Netting also featured heavily, especially among larger long only asset managers. As the second top priority for selection, it is encouraging to see anecdotal and statistical evidence that this function provides one of the main benefits to FX traders looking for EMS platforms to add value to their desks.

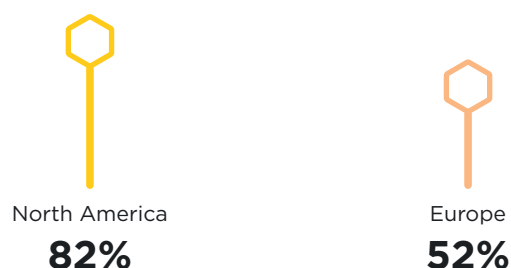
It becomes clear by breaking down the selection criteria by size and type of firm, and amount of resource dedicated to FX, that priorities for different kinds of asset management companies vary significantly. This naturally puts platform providers in a difficult situation, as an off-the-shelf product is unlikely to have broad appeal. Working directly with their clients to be able to adapt a solution to their specific needs would be incredibly useful for buy side firms.

Anecdotally, The Finance Hive have been hearing that our US members want to develop better working relationships with their platform providers, and that more attention should be directed towards communicating with clients around suggested updates, before rolling them out in a timely manner. The wide ranging responses to selection priorities, benefits and desired areas for improvement make it clear why this is so essential.

Being the second geographical iteration of this research, it is interesting to compare European and North American responses to where they think platform providers could be doing a better job. European traders largely echoed their North American counterparts, highlighting the same improvements to integration, quality of data for their TCA analysis and more useful outputs from that data as being essential to the next generation of platforms. Similarly, a debate rages around the desire for "one-stop shops" compared to specialist systems for each part of the investment process, as well as the viability of this working in reality.

However, despite their perspective of the challenges that platforms are facing being the same, it seems that the European community is less forgiving of these shortcomings.

6.1 Percentage of traders who would recommend their platform to a peer



Whether this is down to a tougher regulatory environment causing European managers to be more demanding of their platform providers or perhaps broader cultural factors within the industry or region itself, it seems clear from the other findings of this report that European and North American priorities and challenges are more or less the same. The next iteration of Global Pulse turns its attention to the FX community in Asia, and will seek to answer similar questions around selection criteria, functionality and we will also compare results to the North American and European audience.

Section 7

Response from a platform provider

John Vause, Co-Head, EBS

Institutional, CME Group

I Integration

The first issue is business conflicts. FX can be a lucrative revenue source to platform providers, and the OMS vendors want a piece of that pie. If granted, this unexpected cost ultimately has to be paid by the asset manager (or their funds), usually through higher execution costs. Some OMS vendors are building their own OEMS FX functionality and this competitive element creates business barriers to an otherwise simple integration. Asset managers need to be very careful in OMS selection and management, to ensure that they retain the flexibility of choice to use whatever execution platforms they prefer, now and in the future. It is worth noting that we have seen these barriers lowering at many OMS firms, but with several it remains a difficult and sometimes intractable obstacle.

Secondly, there is a systemic language barrier. Both speak FIX, but generally OMS's operate on calculating cash-flow requirements (Buy X to date one and sell Y and Z to dates two and three), and the FX platforms execute specific instruments (Multi-leg uneven Swap in this case). To make matters worse, the cash-flows are split across multiple funds, but the execution requirements include the need to net the cash-flows and execute those specific instruments as Blocks. After the Block instrument is executed the OMS needs to book all the allocations as cash-flows to each Fund. And then any regulatory reporting has to report the executed instruments (normally at Block level, then subsequently replacing the Block at Allocation level).

The disconnect between cash-flow accounting and instrument execution and reporting is at the heart of most integration technical challenges. Few FX platforms are engineered to handle these complex conversions, so asset managers continue to be frustrated by an inability for the vast majority of platforms to communicate with OMS's in a language they understand. The OMS providers have little incentive to solve this problem unless they get revenue to pay for it.

There are two additional reasons why ease of integration would be high on a buy side's list of criteria. The first, desire for increased choice. Regulated Investment Managers need more than one active execution platform, but are not obliged to have more than one OMS. Having a vendor tick the box on integrating to your OMS of choice provides the opportunity for you to challenge your existing provider and change the status quo.

The second is leveraging your OMS strengths. An EMS that is seamlessly integrated to your OMS allows an Investment Manager to apply all the compliance and risk modules in the OMS to the EMS flow. Real-time adjustment of eligible brokers based on settlement risk or pre-grouping orders that must have the same spot basis are examples of where extension of OMS controls can only be realized with effective integration.

II Customization

One of the other points raised in the selection chapter of this report was that no managers over \$100bn of AUM considered ability to deal with ad-hoc requests a top 5 selection criterion. Customisation requests can be very expensive for platform providers to implement and maintain, depending on the platform architecture and the request complexity.

The largest firms expect the platforms to meet their specific needs, and most platforms are more than willing to respond, due to the larger revenue opportunity. But in our experience the smaller asset management firms believe that their FX needs are more 'cookie-cutter' and that they can get what they need from the major platforms without modification.

This may not always be true though, and some quite interesting innovations originate from smaller firms, so we always encourage clients of all sizes to discuss their full range of ideas with their platform providers.

III Functionality

Moving on to functionality, this report highlights the fact that the buy side continue to look for improved workflow and liquidity access from platform providers. Workflow needs seem to be driven by increased regulatory and compliance oversight and a need to force conformity with execution policies. Liquidity access is being driven by the reduction in risk transfer trading, with a corresponding increase in FX risk trading intensity. The best platforms offer powerful and customizable workflows, together with the broadest access to liquidity. The combination of the two seems to have led to a dramatic increase in fully automated trading.

A common demand for improvements was in TCA, which continues to evolve in FX. Despite the success of several TCA businesses this survey highlights TCA as the most important area for improvement. The reason for this is pretty clear. Most commercially available FX TCA has focused on helping asset managers to explain their FX trading to their asset owner clients but has not really helped the FX trader. The traders increasingly realize that a more data-centric, perhaps "forensic" analysis of their performance and that of their liquidity providers, leads to actionable improvements, lower costs and better execution. Only the most modern platforms are properly equipped to do this. Many of the legacy platforms are trying to re-engineer to generate the level of usable data necessary to support this need, but ultimately it takes a complete re-build of core systems to support the emerging need for "big-data" real time analysis.

IV Europe v US

One of the more interesting anomalies in this report is that 77% of the most active FX managers are looking for new platforms, while 82% would recommend their platform (vs 52% in Europe). How can this be?

Both European and US asset managers have described a similar desire for much more advanced trading platforms, so both appear dissatisfied with what they have and want something new. The key difference that we have noted between these markets is that a much higher percentage of asset managers in the US use FX Connect than in Europe (where FX All has its strongest asset manager presence). FX Connect has always been stronger in its workflow and STP solutions, so their clients are generally more likely to recommend FX Connect because its workflow helps to control operational risk, which is still valued highly.

This explains the "satisfaction gap", but also leaves the ground very open for newer platforms who offer great workflow solutions and better trading and TCA components.

Section 8

Appendix

Firms that contributed

A.G. Bisset Associates, LLC
Acadian Asset Management
Alliance Bernstein
Aperio Group
AQR Capital Management
Artisan Partners
AXA Investment Managers

Barings
BlackRock
Boston Common Asset Management
Bridgewater Associates
Brookside Asset Management

Campbell and Company
Canada Pension Plan Investment Board
Capital Group
Charles Schwab Wealth Management
CI Investments
Clarivest Asset Management

Deutsche Bank Private Bank
Dimensional Fund Advisors
Discovery Capital Management

Eaton Vance

Fidelity Investments

Geode Capital
GMO
Google
Graham Capital Management
Guggenheim Partners

HSBC Global Asset Management

Invesco

JO Hambro Capital Management

Loomis, Sayles & Company
Lumint Currency Management

Manulife Asset Management
MassMutual
Mellon Capital Management
MFS Investment Management
Morgan Stanley Investment Management

Natixis Asset Management

OMERS
Ontario Teachers' Pension Plan

PanAgora
Partners Group
Passport Capital
PIMCO
Polaris Capital Management
Prudential
PSP Investments

QVR Advisors

Russell Investments

SECOR Asset Management
State of New Jersey
State Street Currency Management
State Street Global Advisors

T. Rowe Price
TD Asset Management
Teacher Retirement System of Texas
True Arrow Capital Management

UNTL Capital

Van Eck Global

Wellington Management

Roundtable summaries

Moderated by CME Group

West Coast

How do we define a platform and how can these platforms support the buy side for all asset classes? Which platforms have proven success for West Coast based buy side individuals?

In the past, specifically 2018 in Boston, the consensus from the participants was that they wanted innovation, and they were looking to implement a new platform. Moving into 2019, there was little push to hear about innovation and close to no discussion around different types of flow and how to bring a diverse market together. Similarly, the discussion around liquidity was also absent this year as compared to last spring.

Rather, clearing was a major topic of interest along with the need for simplicity. Future successful platforms should take the trader through the entire trading lifecycle. Overall, there is a lot of growth and evolution to be had in regards to clearing.

East Coast

The discussion around platforms touched on many different aspects. Some wondered, how to differentiate when using the same platforms. Likewise, many struggle to find an optimal platform. One's initial platform selection has major impacts and ramifications from liquidity to data which is a huge liability. The current platform problem is one of data along with the feedback infrastructure of modern platforms not being very robust: TCA is still usually a voice conversation with a broker.

In the future, the group hopes trading platforms will provide increased transparency to emerging market participants. It may also be possible to provide auto-trading to create rules around batching and liquidity management. Is a one-size fits all solution ever possible? Perhaps we must always have to choose which is more important: compliance or execution.

Another topic at the table was clearing and how it has yet to be solved. In fact, it appeared clearing and allocating of FX is probably the largest challenge. Will central clearance become an ultimate solution in the next five years? Evidently, there are still many questions to be answered.

FX TRADING BENCHMARKING SURVEY

...Your individual responses will be kept completely confidential...

The FX Hive is conducting a survey with our members from the buy side across Europe, with a view to understand their priorities when selecting an FX Platform, how they are using them and where improvements need to be made.

We will send you the aggregated responses to this survey at the end of the month so you can benchmark your own organisation's strategy against the FX Hive collective.

1. What is the approximate value of assets under management that are serviced by your trading desk (please circle)?

<\$10bn \$10-100bn >\$100bn

2. Approximately what percentage of your time is spent trading FX?

3. What type of flow do you predominantly have? (Tick all that apply)

Spot	
Forwards	
Futures	
Swaps	
Overlay	
PM-directed - Emerging markets	
PM-directed - Developed markets	
Equity hedges	
Specialist (e.g. x currency basis points)	

4. Platform Evaluation

a) What is the primary EMS platform you use?

b) How does this platform improve the way you trade?

c) What is the single biggest improvement you would like to see this platform make to their product?

d) Would you recommend your platform to a peer? (please circle)

Yes No

e) Do you use one or multiple EMS platforms? (please circle)

One Multiple

f) Are you looking to increase the number of platforms you are using? (please circle)

Yes No

g) Can one platform ever be enough?

Yes No

h) Please score the following aspects of your platform out of 5

TCA provision	
Ability to host algos	
Ease of integration	
Cost impact	
Post-integration support	

5. Platform Selection

Please rank the top 5 criteria you pay attention to when selecting a platform - with 1 being the most important.

Integration and support with OMS	
Time stamping	
4pm fixing	
Integration with in-house execution algos	
Ability to measure market impact	
Granularity and accuracy of data for TCA	
Provision of TCA itself	
Integration with multi asset	
Transparency on cost per trade	
Netting	
Depth of liquidity provision	
Tightness of spreads	
Willingness and ability to deal with ad-hoc requests	
Security	
Ease of platform migration/adding additional platforms	
Compliance with local/global regulation	
Cost	
Independent vs bank owned	
Other? (Please Specify)	

About The Finance Hive

The Finance Hive supports the global buy side trading community by promoting collaboration and facilitating opportunities for innovation. The objective is to gather brilliant minds and create ground-breaking content, so market players can thrive in a continuously evolving ecosystem.

As financial markets are increasingly traded electronically, widespread change sweeps through not only the technology provider landscape but the market structure itself. One of the most noticeable effects has been an increased reliance on digitalisation and automation which has reduced the need to build relationships or engage in cohesive communication.

The unique platform The Finance Hive provides, enables the most senior and influential buy side trading professionals from across the globe to respond to industry issues, successfully engage with regulators, share knowledge and benchmark with likeminded peers.

It is specifically designed for global heads of trading, heads of equities/FX/fixed income trading, C-level executives and managing directors from long-only asset management companies, corporate treasuries, currency managers and hedge funds. The network also includes senior representatives from banks, market-makers, prime brokers, exchanges, platforms and technology providers.

About EBS

EBS is a leading provider of electronic trading platforms and technology services in foreign exchange markets. EBS is a part of CME Group. As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) enables clients to trade futures, options, cash and OTC markets, optimize portfolios, and analyze data - empowering market participants worldwide to efficiently manage risk and capture opportunities.

CME Group exchanges offer the widest range of global benchmark products across all major asset classes based on interest rates, equity indexes, foreign exchange, energy, agricultural products and metals.

The company offers futures and options on futures trading through the CME Globex platform, fixed income trading via BrokerTec and foreign exchange trading on the EBS platform. In addition, it operates one of the world's leading central counterparty clearing providers, CME Clearing. With a range of pre and post-trade products and services underpinning the entire lifecycle of a trade, CME Group also offers optimization and reconciliation services through TriOptima, and trade processing services through Traiana.



Presented by The Finance Hive, in partnership with EBS, part of CME Group



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